

**District School Board of Indian River County, Florida
6500 - 57th Street, Vero Beach, FL 32967**

If a person decides to appeal any decision made by the Board with respect to any matter considered at these meetings, he will need to ensure that a verbatim record is made which includes the testimony and evidence upon which the appeal is to be made.

INVOCATION: Shortly before the opening gavel that officially begins a School Board meeting, the Chairman will introduce the Invocation Speaker. No person in attendance is or shall be required to participate in this observance and the personal decision of each person regarding participation will have no impact on his or her right to actively participate in the School Board's business meeting.

Date: October 23, 2018

Time: 6:00 p.m.

Room: Joe N. Idlette, Jr. Teacher Education Center (TEC)

Business Meeting Agenda

- I. CALL MEETING TO ORDER
- II. PLEDGE OF ALLEGIANCE TO THE FLAG AND PRESENTATION OF COLORS by Vero Beach High School's Air Force Junior ROTC Detachment 043 under the Direction of Wade E. Dues, Chief Master Sergeant, (Retired), Aerospace USAF.
- III. ADOPTION OF ORDERS OF THE DAY
- IV. PRESENTATIONS
 - A. Musical Rendition by Beachland Elementary**
 - B. Short Video on School Initiatives**
 - C. The Education Foundation Presents High Impact Grants – Cynthia Falardeau & Senator Mayfield**
 - D. FSA Learning Gains**
 - E. Vero Beach Elks and Sebastian Elks – Donation of Stop the Bleed Kits**
 - F. Veteran of the Month – Telly Antona, US Army Veteran**
 - G. Custodial Workers Recognition Day**
 - H. White Glove Award Recognition**
- V. CITIZEN INPUT
- VI. CONSENT AGENDA
 - A. Approval of Minutes – Dr. Rendell**
 - 1. 2018-10-09 Superintendent's Workshop Minutes
 - 2. 2018-10-09 Business Meeting MinutesSuperintendent recommends approval.

B. Approval of Personnel Recommendations – Dr. Purcell

Attached is a list of personnel recommendations that includes personnel additions, terminations, and/or changes. Superintendent recommends approval.

C. Approval of 2018-2019 School Advisory Council Membership Composition – Mrs. Dampier

In accordance with Florida Statute 1001.452 and School Board Policy 2125, each school must establish a School Advisory Council (SAC). Each SAC shall be composed of the principal and an appropriately balanced number of teachers, education support employees, students, parents, and other business and community citizens who are representative of the ethnic, racial, and economic community served by the school. School Advisory Councils must include students at high schools, may include students at middle schools, and do not include students at elementary schools. Completed SAC composition and membership reports are submitted for approval. Superintendent recommends approval.

D. Approval of Donations – Dr. Rendell

1. Sebastian Elementary School received a donation in the amount of \$1,778 from the Mardy Fish Foundation. The funds will be used to support the Sebastian Elementary Cheering and Dance Team. Superintendent recommends approval. Superintendent recommends approval.

E. Approval of 2018-2019 School Improvement Plans and District Improvement and Assistance Plan – Mrs. Dampier

In accordance with Florida Statute 1001.42 and School Board Policy 2120, all non-charter schools must complete a School Improvement Plan with the assistance of their School Advisory Council. The School Improvement Plans are completed using an 8-Step, Problem Solving Process, which includes analyzing data, setting goals and targets, and developing action plans for improvement. School Improvement Plans are submitted for approval and can be accessed without a password at <https://www.floridacims.org/districts/indian-river> Superintendent recommends approval.

F. Approval for Sebastian River High School Color Guard to Travel to Dayton, Ohio – Mrs. Dampier

WGI Sport of the Arts is the world's premier color guard organization and serves as the governing body for indoor color guards across the country. It is called the Sport of the Arts because it brings music to life through performance in a competitive format. Now entering its 42nd year in 2019, the sport continues to evolve and grow. There were more than 36,000 participants this past April. The Sebastian River High School Color Guard is seeking approval to travel to World Championships in Dayton, Ohio April 2-6, 2019. The SRHS Color Guard traveled to this event the last two years and plans to continue to "Strive for the Highest"! All expenses will be paid for through the SRHS Band Boosters. Insurance has been approved by Risk Management. Superintendent recommends approval.

G. Approval for Sebastian River High School Band to Travel to New York City – Mrs. Dampier

The Sebastian River High School Band Program, under the direction of Mr. Ashby Goldstein, is requesting permission to travel to New York City as they have been invited to perform in the 2019 NYC St. Patrick's Day Parade! This trip would provide wonderful educational and performance opportunities for our band students as they continue to "Strive for the Highest" in front of millions of spectators along the parade route and on live TV! The proposed trip would take place March 14-19, 2019. The individual band students & the SRHS Band Boosters will cover all associated costs and fees. Insurance has been approved by Risk Management. Superintendent recommends approval.

H. Approval to Dispose of Surplus Property – Dr. Rendell

This request is for approval to dispose of surplus property in accordance with Florida Statutes 274.05 and 274.06. The attached lists represent property to be deleted from various inventories and/or for items that have been declared surplus. After Board approval, property will be recycled and/or auctioned. Superintendent recommends approval.

VII. ACTION AGENDA

A. Approval to Set Public Hearing Date to Adopt New, Revised, and Repealed School Board Policies – Dr. Rendell

On October 9, 2018, the District School Board discussed new, revised, and repealed Board Policies and requested to move forward with the adoption process. The purpose of the revisions is to be consistent with present practice and legislation. The Public Hearing and adoption will be noticed for the regular Business meeting on December 11, 2018. Superintendent recommends approval.

B. Approval to Purchase Districtwide Radios for the P25 System in Accordance with Florida State Contract 4319000-18-NASPO-ACS-1 – Mr. Teske

This agenda item is a request for the Board to grant the authority to the Superintendent to issue purchase orders for the purchase of 80 Hand Held Radios and 120 Digital Mobile Dash Mounted Radios. The countywide system has been upgraded rendering our current radios obsolete. These radios will be used daily in the Transportation Department as well as during emergencies in relation to public safety. The financial impact to the District is \$350,793.00. This total includes a trade in credit of \$104,091.20 for the existing obsolete equipment. Pricing is per Florida State Contract 4319000-18-NASPO-ACS-1. This request is in compliance with all procurement rules contained in SB Policy 6320. This contract expires July 21, 2020. Please see attached quote. Superintendent recommends approval.

C. Approval to Renew Agreement for SDIRC #04-0-2017JC Invitation to Bid (ITB) for Mechanical Services and Repairs – Mr. Teske

Pursuant to the terms and conditions of ITB #04-0-2017JC, the Purchasing Department is requesting approval to renew this Agreement for a period of one year with Mid-State Mechanical of Vero Beach, Inc. as Primary Vendor and Climate Control Mechanical Service as Secondary Vendor. Scope of work for mechanical services includes HVAC installation, maintenance, repairs, sheet metal work, chiller change outs, chilled water piping and other work as requested on an as needed basis for projects and repairs up to \$300,000. The estimated annual expenditure is \$1,000,000. All prices, terms and conditions shall remain the same. The new contract period is November 21, 2018 through November 20, 2019. Please see attached backup. Superintendent recommends approval.

D. Approval of Resolution 2019-04 TAN, Tax Anticipation Notes, Series 2018 – Dr. Rendell

The purpose of this action is to adopt the attached Resolution #2019-04 authorizing the issuance of Tax Anticipation Notes (TAN), Series 2018, in the amount of \$10 million to provide interim funds for the payment of operating expenses. On September 28, 2018, the District's financial advisor, Ford & Associates, Inc., assisted appropriate staff in contacting qualified financial institutions to request term sheets for a short-term loan in the form of a TAN. Upon consultation with the Financial Advisor and Note Counsel, Nabors, Giblin & Nickerson, District staff determined it is in the District's best interest to accept the term sheet provided by Wells Fargo Bank, National Association, the District's primary depository bank. The interest rate on the TAN will be set prior to the Board meeting. As of ~~October 10, 2018~~, October 19, 2018, the indicative rate was ~~2.79%~~ 2.80% and the maturity date is January 1, 2019, which would produce total interest of ~~\$51,150~~ \$51,333.

The Net Proceeds of the TAN (\$10,000,000.00), less payment of the costs of issuance of the TAN from the Net Proceeds of \$29,000.00, will be \$9,971,000.00 (the "Original Proceeds"). The Resolution approves the issuance of the TAN, accepts the offer of Wells Fargo Bank, National Association to purchase the TAN, authorizes the Chairman, the Superintendent, and appropriate staff to execute the necessary documents for the TAN, and take all other necessary actions in connection with the issuance of the TAN. The issuance of the TAN is required in order to provide necessary, short-term financing to position the District in such a manner that it is able to meet projected cash flow deficits of the General Fund and a working Capital Reserve. Superintendent recommends approval.

VIII. SUPERINTENDENT'S REPORT

IX. DISCUSSION
No discussion items

X. SCHOOL BOARD MEMBER MATTERS

XI. INFORMATION AGENDA

Charter School Annual Financial Audit Reports – Dr. Rendell

Pursuant to Florida Statute 1002.33 (5)(b)1b) requiring the sponsor of a charter school to monitor its revenues and expenses of the charter school, and in accordance with Florida Statute 1002.33(9)(g)(2) requiring charter schools to provide an annual financial report, and in compliance with Florida Statute 1002.33 (9)(j)(1) in ensuring that the governing board of a charter school has retained the services of a certified public accountant or auditor for the annual financial audit, pursuant to s. 1002.345(2), the 2017/2018 charter schools Annual Financial Audit Reports are presented.

XII. SUPERINTENDENT’S CLOSING

XIII. ADJOURNMENT

Any invocation that may be offered before the official start of the School Board business meeting is and shall be the voluntary offering of a private citizen to and for the benefit of the School Board pursuant to Resolution #2015-08. The views and beliefs expressed by the Invocation Speaker have not been previously reviewed or approved by the School Board and do not necessarily represent their individual religious beliefs, nor are the views or beliefs expressed intended to express allegiance to or preference for any particular religion, denomination, faith, creed, or belief by the School Board. No person in attendance at this meeting is or shall be required to participate in any invocation and such decision whether or not to participate will have no impact on his or her right to actively participate in the public meeting.

Anyone who needs a special accommodation to participate in these meetings may contact the School District’s American Disabilities Act Coordinator at 564-3175 (TTY 564-2792) at least 48-hours in before the meeting. NOTE: Changes and amendments to the agenda can occur 72-hours prior to the meeting. All business meetings will be held in the Joe N. Idlette, Jr. Teacher Education Center (TEC) located in the J.A. Thompson Administrative Center at 6500 – 57th Street, Vero Beach, FL 32967, unless otherwise specified. Meetings may broadcast live on Comcast/Xfinity Ch. 28, AT&T Uverse Ch. 99, and the School District’s website stream; and may be replayed on Tuesdays and Thursdays at the time of the original meeting. For a schedule, please visit the District’s website at www.indianriverschools.org/iretv. The agenda can be accessed by Internet at <http://www.indianriverschools.org>.

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The District School Board of Indian River County met on October 09, 2018, at 1:01 p.m. The Superintendent's Workshop was held in the Joe N. Idlette, Jr. Teacher Education Center located in the School District Office at the J.A. Thompson Administrative Center located at 6500 – 57th Street, Vero Beach, Florida 32967. District School Board Members attending were: Chairman Shawn R. Frost, and Board Members: Dale Simchick, Laura Zorc, and Tiffany M. Justice. Dr. Mark J. Rendell, Superintendent of Schools; and Suzanne D'Agresta, School Board Attorney, were also present. Vice Chairman Charles G. Searcy was absent.

Meeting Minutes

I. Meeting was called to order by Chairman Frost at 1:01 p.m.

II. Purpose of the Meeting

Chairman Frost recognized Dr. Rendell. Dr. Rendell reviewed the presentations that were going to be covered today at the workshop. He also explained the workshop was for information only. At that time, Dr. Rendell introduced the first presenters, Ms. Meri-de Mercado, Risk Management and Employee Benefits; and Mr. Keith Douglas, Loss Control Safety Officer from Relation Insurance Services. They reviewed the Workers' Compensation with the Board Members. There was a PowerPoint presentation along with two additional hand-outs. One being a Return to Work Program and the other was a Workers' Compensation Handbook. Each slide was covered and the Board Members questions were answered.

Chairman Frost called for a break at 2:09 p.m. The workshop was reconvened at 2:14.

Chairman Frost recognized Dr. Rendell for the next presentation. Dr. Rendell explained to the Board Members how each department would be reviewing their proposed Board Policy Changes and the process. Dr. Rendell started the presentation with his policies. It was decided that Policy 6840 would be postponed until the next workshop. At 4:13 p.m., Chairman Frost called for a five-minute break. The workshop reconvened at 4:18 p.m. The other proposed policy changes were reviewed and discussed. The requested changes were noted and will be updated before going to the Board for a Public Hearing at the December 2018 Business Meeting.

Dr. Rendell concluded this portion of the workshop and explained that due to the length of the second presentation, the third presentation would be moved to the next workshop on October 23, 2018.

III. ADJOURNMENT – Chairman Frost
Meeting adjourned at approximately 4:51 p.m.

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The District School Board of Indian River County met on October 9, 2018, at 6:00 p.m. The Business Meeting was held in the Joe N. Idlette, Jr. Teacher Education Center located in the School District Office at the J.A. Thompson Administrative Center located at 6500 – 57th Street, Vero Beach, Florida 32967. District School Board Members attending were: Chairman Shawn R. Frost, Vice Chairman Charles G. Searcy and Board Members: Dale Simchick, Laura Zorc, and Tiffany M. Justice. Dr. Mark J. Rendell, Superintendent of Schools; and Suzanne D’Agresta, School Board Attorney, were also present. Prior to the meeting, an invocation was given by Reverend Dr. Crystal Bujol, of the Gifford Youth Orchestra in Vero Beach.

Meeting Minutes

- I. Meeting was called to order by Chairman Frost at 6:00 p.m.
- II. PLEDGE OF ALLEGIANCE TO THE FLAG AND PRESENTATION OF COLORS by Sebastian River High School’s Navy Junior ROTC under the Direction of (Lieutenant Commander) LCDR James Landis, USN (Retired) and (Master Sergeant) MSgt. Michael Hussey USMC (Retired).
- III. ADOPTION OF ORDERS OF THE DAY
Chairman Frost called for a motion. Mrs. Justice moved approval. Mrs. Zorc seconded the motion and it carried unanimously, with a 5-0 vote.
- IV. PRESENTATIONS
Chairman Frost recognized Dr. Rendell for the Presentations. Dr. Rendell expressed how exciting it was for Presentations that will be celebrated this evening. He turned the Presentations over to Mrs. Cristen Maddux.
 - A. **Fellsmere Elementary School – Sara Dipardo**
The students from Fellsmere Elementary performed to the song, Champion by Carrie Underwood. Photos were taken.
 - B. **Short Video on School Initiatives**
Mrs. Maddux reviewed Students Take Your Dad to School Day video and how successful it was. Especially, thanking all of the roll-models that came out for this special morning.

Mrs. Maddux shared another video about what was going on at Vero Beach Elementary School. The Principal, Ms. Cynthia Emerson in conjunction with Scholastic, provided every student in the school with 11 books to take home. In addition, each teacher received a \$500 gift card from Scholastic for books in their classrooms. Mrs. Maddux then continued with the Presentations.
 - C. **Healthier US School Challenge Award Presentation**
Mrs. Maddux introduced Ms. Elizabeth Alfaro, Nutrition Specialist. Ms. Alfaro explained this challenge. There were six schools that were winners. Dodgertown Elementary, Liberty Magnet, and Fellsmere Elementary all were Bronze Winners. Sebastian

Elementary, Glendale Elementary, and Vero Beach Elementary were all Silver Winners. Certificates and checks were issued and photos were taken.

D. Florida Healthy School District 2018-2020 Silver Status Recognition – Eric Stern

Mrs. Maddux introduced Mr. Eric Stern from Florida Action for Healthy Kids. He was here to present an Award of Silver Status to the School District. Dr. Lillian Torres-Martinez, Georgann Gergora, and all team members were acknowledged. A photo was taken.

E. Casual for a Cause Check Presentation – Substance Awareness Council

Mrs. Maddux presented a check to the Substance Awareness Council. The check was in the amount of \$4,309. A photo was taken.

F. FSA Perfect Scores – Middle School

Mrs. Maddux called each of the students up to receive a certificate from Mr. Chris Taylor, Dr. Rendell, and the Board Members. A group photo was taken.

ADD ON:

G. Kindness Ninja Recognition

Mrs. Maddux introduced Board Member Mrs. Justice to come and explain this presentation. Mrs. Justice shared a project that a family, Surguy family, did for the 10,000 Acts of Kindness has been done at Vero Beach Elementary School. The Surguy family made friendship bracelets for every student and teacher at the school. Mrs. Emerson came to the podium, spoke about the Kindness Ninja and the 10,000 Acts of Kindness. She then asked the Surguy family to come up to be recognized. A group photo was taken.

V. CITIZEN INPUT

Emily Olsson – VBHS Performing Arts Center Technical Supplies

Stacey Klim – Waste Management

Liz Cannon – Communication

Marie O'Brien – Moonshot Community Action Network Events

VI. CONSENT AGENDA

Chairman Frost called for a motion. Mrs. Simchick moved approval. Mrs. Justice seconded the motion and it carried unanimously, with a 5-0 vote.

A. Approval of Minutes – Dr. Rendell

1. 2018-09-25-Superintendent's Workshop Minutes

ADD ON:

2. 2018-09-25 Business Meeting Minutes

Superintendent recommends approval.

B. Approval of Personnel Recommendations – Dr. Purcell

Attached is a list of personnel recommendations that includes personnel additions, terminations, and/or changes. Superintendent recommends approval.

C. Approval of Out of Field Teachers Report – Dr. Jayne Purcell

Attached is the Out-of-Field Teachers Report for the first semester of the 2018-2019 school year. This report includes teachers who are out-of-field for course and ESOL. Superintendent recommends approval.

D. Approval of Donations – Dr. Rendell

1. Sebastian River High School received a donation in the amount of \$1,000 from Earl and Carol Adams. The funds will be used to benefit the Sebastian River High School Wrestling Boosters. A donation in the amount of \$1,000 was received from Rhoades Air & Heat, Inc. The funds will be utilized by the Sebastian River High School Wrestling Boosters for the Wrestling Program. A donation in the amount of \$1,500 was received by Vatland Chrysler Dodge Jeep RAM. The funds will be used to purchase banners, signs, decals, student tee shirts, stickers, spirit items and pins for students; for the celebration of the 25th Anniversary of Sebastian River High School. Superintendent recommends approval.

E. Approval of Renew Co-Op (Bid) #2014-23-04 for Milk Products Districtwide to McArthur Dairy, LLC – Dr. Rendell

The purpose and intent of this renewal is to continue to secure firm pricing for milk products for the Food & Nutrition Services Department within the District. The Food & Nutrition Services Department is requesting approval to renew this bid from October 9, 2018 through July 30, 2019 and for approval to issue all subsequent purchase orders for the purchase and delivery of milk products district wide. This co-op bid was awarded to Dean Dairy Holdings, LLC dba McArthur Dairy, LLC and includes St. Lucie, Martin, and Okeechobee school districts. The financial impact to the District for a one year period is \$570,000. Milk products are offered as a menu component for the National School Breakfast, Lunch & Snack Programs and are an a la carte beverage for sale within various elementary, middle and high schools. The breakfast, lunch and snack meal components are reimbursed by the United States Department of Agriculture therefore there is no net cost to the District. All pricing, terms and conditions shall be firm for the term of this bid; October 9, 2018 through July 30, 2019. The awardee agrees to this condition by signing the renewal letter. See attached backup. Superintendent recommends approval.

VII. ACTION AGENDA

A. Approval of 2018-2019 Supplemental Instructional Leader for English Language Learners Grant - Mrs. Dampier

The purpose of this discretionary competitive grant is to improve the education of English Language Learners by increasing language proficiency and ability to meet the same challenging content and student achievement standards as all children are expected to meet through the support of a supplemental instructional support leader. The project period is through June 30, 2019. Through a competitive process at the Florida Department of Education, the District has been awarded \$75,000.00. Superintendent recommends approval.

Chairman Frost recognized Dr. Rendell. Dr. Rendell read the information. Chairman Frost called for a motion. Mrs. Simchick moved approval. Mrs. Justice seconded the motion and it carried unanimously, with a 5-0 vote.

B. Approval of Release of Final Payment to Kerns Construction & Property Management, Inc. for the Indian River Academy Single Point of Entry Project (SDIRC #18-0-2018JC) – Mr. Teske

Approval is recommended for release of Final Payment in the amount of \$13,989.70 to Kerns Construction & Property Management, Inc. for the Indian River Academy Single Point of Entry Project (SDIRC #18-0-2018JC). On April 24, 2018, the Board approved the Owner Contractor Construction Agreement (Lump Sum) for the Indian River Academy Single Point of Entry Project in the amount of \$155,882.00 (\$135,882.00 Contractors Bid Price/\$20,000.00 Owner Added Contingency); with the final construction cost for this project totaling \$139,897.00. The unused portion of the contract in the amount of \$15,985.00 is the remaining balance of the owner added contingency. The contract amount does not include Architectural fees totaling \$19,950.00, for an overall total project cost of \$159,847.00. Final payment for this project is being brought to the Board for approval in accordance with Florida Statute 1013.50. Superintendent recommends approval.

Chairman Frost recognized Dr. Rendell. Dr. Rendell read the information. Chairman Frost called for a motion. Mrs. Justice moved approval. Mr. Frost seconded the motion and it carried unanimously, with a 5-0 vote.

C. Approval of Agreement for Contracted Services for Solid Waste Collection Services. – Mr. Teske

Approval is recommended for the Agreement of Contracted Services between the School District of Indian River County and Waste Management Inc. of Florida. The purpose of this agreement is to establish a contract at fixed firm prices for Solid Waste collection services for 57 school district -owned containers at 27 district schools and facilities. The cost of this service shall be \$4.88 per cubic yard. Collection parameters shall mirror that as outlined in the **Miami Dade County Public Schools ITB-16-021-AC** scope of work, with minor adjustments as dictated by the School District of Indian River County. The financial impact to the District for a one- year period is **\$247,123.20**. This agreement shall commence on October 29th, 2018 through October 28th,2019. The contract may, by mutual agreement between the School District and the awardee, be renewed for two additional one-year periods. The Physical Plant Department recommends award to Waste Management Inc. of Florida. See attached backup. Superintendent recommends approval.

Chairman Frost recognized Dr. Rendell. Dr. Rendell read the information. Chairman Frost called for a motion. Mrs. Justice moved approval. Mrs. Zorc seconded the motion and it carried unanimously, with a 5-0 vote. The Board Members had a brief discussion.

D. Approval of Appointment of Two (2) Employees to the Equity Committee – Chairman Frost

At the September 25, 2018 Business Meeting, it was discussed, the recently approved Joint Plan for the Achievement of Unitary Status includes the creation of an Equity Committee which reports to the School Board on such matters as monitoring and documenting compliance with components of the Joint Plan, and making recommendations regarding progress in attaining unitary status. The Equity Committee is composed of five (5) members, two (2) of which are appointed by and currently employed by the School Board. The School Board is required to appoint its members within thirty (30) days of the Court's approval of the Joint Plan, or no later than October 13, 2018. All Equity Committee members serve in a voluntary capacity for renewable terms of one (1) year, and must be residents of Indian River County. The Equity Committee meets on a quarterly basis, is required to present a public report to the School Board by the first Monday in November each year, and is required to convene a public meeting with the School Board and the Executive Committee of the Indian River NAACP on an annual basis. Board members will discuss possible appointees, review the applications, and vote on the appointments.

Chairman Frost read the information. He opened the floor for discussion. Each of the Board Members took this time to thank each of the applicants for their submissions and interest in this committee. The Board Members made selections, discussed their selections. Mrs. Justice made a motion to appoint Rachel Moree and Dr. Suit for the Equity Committee. Mrs. Simchick seconded the motion. There was a brief discussion. Mrs. Simchick then withdrew her second, and Mrs. Justice withdrew her motion. Mrs. Justice made a new motion to appoint Rachel Moree as one of the Equity Committee Members. Mrs. Simchick seconded the motion and it carried unanimously, with a 5-0 vote. Mrs. Zorc made a motion for Chris Taylor to be appointed as the second member to the Equity Committee. Mrs. Simchick seconded the motion and it carried unanimously, with a 5-0 vote. The Board Members continued with another brief discussion, thanked everyone again for submitting their applications, and all expressed how happy they were with their decision.

VIII. SUPERINTENDENT'S REPORT

Dr. Rendell shared the information on the F.A.C.E.S. (Family and Community Engagement Sessions) coming on October 16th and October 18th. He also provided the locations and some of what will be taking place at these two sessions.

IX. DISCUSSION

Chairman Frost asked if anyone had anything to discuss. Mrs. Zorc asked the Board if there was any unfinished business that the outgoing Board Members would like to see completed and carried over to the new Board. Painting SRHS, parking lot lights at VBHS and the concern of Free & Reduced Lunch were brought up. Also, to check into the funds and up-keep of the PAC.

X. SCHOOL BOARD MEMBER MATTERS

Mrs. Justice shared the Tax Collectors Kids Tag Art program, Wabasso School selling the Puppy Pastries at the Mall, and being proud of the Board and the decision made for the Equity Committee. Mrs. Simchick talked about sporting sponsorship and advertising on the marquee for the SRHS's 25-year anniversary and a special dinner. Mrs. Zorc shared her experience at Vero Beach Elementary School with Principal Emerson providing each student with 11 books and seeing Clifford the Big Red Dog at the school. She also brought up the Crown Jewel being held at VBHS this weekend. Mr. Searcy brought up so many things to be thankful for. He recognized the VBHS football. Chairman Frost thank the Board for all of their participation in today's meeting and all of the community activities.

XI. INFORMATION AGENDA

No information items

XII. SUPERINTENDENT'S CLOSING

Chairman Frost recognized Dr. Rendell for his closing remarks. He said he had nothing to add.

XIII. ADJOURNMENT – Chairman Frost

Meeting adjourned at approximately 8:33 p.m.

CONSENT AGENDA 10/23/18

Personnel Recommendations

1. Instructional Leaves

Lathero, Casey – Treasure Coast Elementary, 2/19/18 – 4/26/18

2. Instructional Transfers

Neel, Crystal – from Gifford Middle, ESE Teacher to VBHS, ESE Teacher
10/18/18

**Remy, Carmine – from Oslo Middle, Reading Teacher to Curriculum and
Instruction, ESOL Resource Teacher (Sunset Position) 11/26/18**

3. Instructional Separations

Asselin, Rhonda – Gifford Middle, resignation 10/24/18

Kelly, Sarah – VBHS, resignation 10/19/18

McCuan, Angela – Sebastian Elementary, resignation 10/15/18

Napoleoni, Erica – Sebastian River Middle, resignation 10/26/18

Newhouse, Helen – Storm Grove Middle, resignation 11/02/18

4. Instructional Employment

**Carlson, Cynthia – Pelican Island Elementary, Math Resource Teacher
(Sunset Position) 10/22/18**

Colley, Kimeria – Gifford Middle, Reading Teacher 10/22/18

Isler, Kyra – Sebastian Elementary, 2nd Grade Teacher 10/10/18

**Ochacher, Marcela – Curriculum and Instruction, ESOL Resource Teacher
(Sunset Position) 10/18/18**

Waite, Annette – Sebastian Elementary, ESE Teacher (Sunset Position)
10/16/18

Wood, Brittany – VBHS, Business Education Teacher 10/22/18

Wright, Melody – Alternative Center for Education, ESE Teacher 10/29/18

5. Support Staff Leaves

Brunson, Jennifer – Vero Beach Elementary, 10/1/18 – 1/14/19

Cleary, Vivian – Information Technology, 10/2/18 – 11/28/18

Peterson, Richard – Citrus Elementary, 11/16/18 – 5/29/18

6. Support Staff Transfers

**Cox, Jeffrey – from Physical Plant, Refuse Sanitation Truck Driver to
Physical Plant, Plant Operator 10/29/18**

7. Support Staff Separations

Caldwell, Amy – Building Standards and Code Compliance, resignation 1/2/19

Caldwell, William Jason – Physical Plant, resignation 11/2/18

Johns, Diane L – VBHS, retirement 10/22/18

Jones, Judy – Vero Beach Elementary, retirement 12/1/18

Kelly, Jasmine – Alternative Center for Education, resignation 10/17/18

Knight, Ashley – Health Services, resignation 10/19/18
Santos, Manuel – Beachland Elementary, resignation 10/12/18

8. Support Staff Employment

Anderson, Jasmine – Dodgertown Elementary, Student Monitor 10/8/18
**Campbell, Tina – Pelican Island Elementary, Student Monitor (2 hours)
10/19/18**

**Ruiz, Miguel – Vero Beach Elementary, Custodian (Sunset Position)
10/18/18**

Sanders, Brittany – SRHS, Night Custodian 10/10/18

**Vargas, Jonathan – Vero Beach Elementary, Teacher Assistant (Sunset
Position) 10/18/18**

9. Approval of Placement in Instructional Substitute Pool

Alfaro, Matthew – Human Resources, Substitute Teacher 10/19/18

Ash, Pamela – Human Resources, Substitute Teacher 10/16/18

Holstein, Cynthia – Human Resources, Substitute Teacher 10/12/18

LeClair, Aimee – Human Resources, Substitute Teacher 10/15/18

Lloyd, Januarie – Human Resources, Substitute Teacher 10/12/18

Miller, Roberta – Human Resources, Substitute Teacher 10/18/18

Mills, Errol – Human Resources, Substitute Teacher 10/9/18

Ohs, Holly – Human Resources, Substitute Teacher 10/19/18

10. Approval of Placement in Support Staff Substitute Pool

Coe, Ashley – Food and Nutrition Services, Substitute Food Service Assistant
10/15/18

Cushman, Kathryn – Human Resources, Substitute Self-Care Aide 10/17/18

**Serrano, Darlene – Human Resources, Substitute Teacher Assistant
10/17/18**

Sessions, Devin – Transportation, Substitute Bus Driver 10/8/18

**Tseng, Ming-Ching – Food and Nutrition Services, Substitute Food Service
Assistant 10/18/18**

SAC Members - Alternative Center for Education

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Hart	Denny	Principal	Yes
Price	True	Business/Community	No
Spivey**	Rhonda	Teacher	Yes
Baird	Robert	Parent	No
Tarpley	Valecia	Support Staff	Yes
Saez	Chanaye	Parent	No
Gamez	Lucia	Parent	No
Garcia	Miguel	Student	No
Dobson	Kevin	Student	No
McBride	Mary	Parent	No
McBride	Ciera	Student	No
Baird	Cody	Student	No
Wilson	Kathleen	Teacher	Yes
McIntosh	Robert	Teacher	Yes
McAdams	Martha	Business/Community	No
Wright	Melody	Teacher	Yes

** Indicates Chairperson | Total Members: 16 | As of: October 11, 2018, 08:31am

SAC Composition Report
Alternative Center for Education (School ID: 0033)
As of: October 11, 2018, 08:38am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	2	13%	African American	1708	16	3	+3 (22%)
Parent	4	25%	Asian	197	2	0	0 (-2%)
Principal	1	6%	Hispanic	2537	23	4	-1 (-4%)
Student	4	25%	Other	393	4	1	-1 (-4%)
Support Staff	1	6%	White	6047	56	9	-2 (-12%)
Teacher	4	25%	Total Students	10882			

Members by Ethnicity		
Category	Count	Percent
African American	6	38%
Asian	0	0%
Hispanic	3	19%
Other	0	0%
White	7	44%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

The Alternative Center for Education has a very high rate of mobility among their student population. Therefore, their SAC membership is based on the student demographics for all schools in which they serve.

District Employed Members		
Category	Count	Percent
Yes	6	38%
No	10	63%

Members by Gender		
Category	Count	Percent
Male	6	38%
Female	10	63%

Total Voting Members:

SAC Members - Beachland Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Baker	Julie	Teacher	Yes
Brown	Gilda	Support Staff	Yes
Dior	Lorri	Parent	No
Lord	Colleen	Principal	Yes
James	Rhonda	Parent	No
DeGroat**	Vickie	Parent	No
Melvin	Cliff	Business/Community	No
Davis	Regina	Teacher	Yes
Ingram	Margaret	Business/Community	No
Haave	Reetu	Parent	No
Kross	Amanda	Parent	No
Folger	Ben	Parent	No
McCabe	Danielle	Teacher	Yes
Hudson	Shell	Parent	No
Murdock	Amanda	Parent	No
vega	jamie	Parent	No
Conroy	Ashley	Parent	No
Conroy	Paul	Parent	No

** Indicates Chairperson | Total Members: 18 | As of: October 11, 2018, 08:39am

SAC Composition Report
Beachland Elementary School (School ID: 0061)
As of: October 11, 2018, 08:40am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	2	11%	African American	93	19	3	+2 (9%)
Parent	11	61%	Asian	4	1	0	0 (-1%)
Principal	1	6%	Hispanic	67	14	2	-1 (-8%)
Student	0	0%	Other	32	6	1	0 (0%)
Support Staff	1	6%	White	299	60	11	-1 (-4%)
Teacher	3	17%	Total Students	495			

Members by Ethnicity		
Category	Count	Percent
African American	5	28%
Asian	0	0%
Hispanic	1	6%
Other	1	6%
White	10	56%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	5	28%
No	13	72%

Members by Gender		
Category	Count	Percent
Male	3	17%
Female	15	83%

Total Voting Members:

SAC Members - Citrus Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Crumpler	Sandy	Teacher	Yes
Caudill**	Melissa	Teacher	Yes
Garcia	Kimberly	Principal	Yes
Gault	Donald	Business/Community	No
Garcia	Samuel	Business/Community	No
McPhee	Dorothy	Support Staff	Yes
Gault	Marylou	Business/Community	No
O'Donnell	Hugh	Business/Community	No
Hoover	Frank	Business/Community	No
Zimmerman	Kristin	Parent	No
Heinz	Cynthia	Teacher	Yes

** Indicates Chairperson | Total Members: 11 | As of: October 11, 2018, 08:41am

SAC Composition Report
Citrus Elementary School (School ID: 0141)
As of: October 11, 2018, 08:41am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	5	45%	African American	141	20	2	0 (-2%)
Parent	1	9%	Asian	10	1	0	0 (-1%)
Principal	1	9%	Hispanic	194	27	3	-1 (-9%)
Student	0	0%	Other	29	4	0	+1 (5%)
Support Staff	1	9%	White	333	47	5	+1 (8%)
Teacher	3	27%	Total Students	707			

Members by Ethnicity		
Category	Count	Percent
African American	2	18%
Asian	0	0%
Hispanic	2	18%
Other	1	9%
White	6	55%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	5	45%
No	6	55%

Members by Gender		
Category	Count	Percent
Male	4	36%
Female	7	64%

Total Voting Members:

SAC Members - Dodgertown Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Miller**	Stacey	Teacher	Yes
Pearce	Barbara	Business/Community	No
Swanigan	Denise	Teacher	Yes
Vernette	Aretha	Principal	Yes
Ruiz	Ruth	Business/Community	No
Shaler	Ginny	Parent	No
Walker	Craig	Parent	No
Gaulkin	Lawrence	Business/Community	No
Reyes	Robert	Parent	No
Carroll	Sue	Parent	No
Arreola	Maria	Teacher	Yes
Jenkins	Tarsha	Support Staff	Yes
Taylor	Mike	Parent	No

** Indicates Chairperson | Total Members: 13 | As of: October 11, 2018, 08:45am

SAC Composition Report
Dodgertown Elementary School (School ID: 0151)
As of: October 11, 2018, 08:46am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	3	23%	African American	190	48	6	0 (-2%)
Parent	5	38%	Asian	7	2	0	0 (-2%)
Principal	1	8%	Hispanic	94	24	3	0 (-1%)
Student	0	0%	Other	23	6	1	0 (2%)
Support Staff	1	8%	White	80	20	3	0 (3%)
Teacher	3	23%	Total Students	394			

Members by Ethnicity		
Category	Count	Percent
African American	6	46%
Asian	0	0%
Hispanic	3	23%
Other	1	8%
White	3	23%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

Dodgertown School Advisory Council is continuing to encourage parents to join. Our SAC continues to take every measure to ensure that membership reflects our ethnic, racial, and economic community served by the school. At Orientation Night, we had a SAC booth in order to share information as well as to build our membership. We reach out to our parents and community members through calls, letters and personal invitations.

District Employed Members		
Category	Count	Percent
Yes	5	38%
No	8	62%

Members by Gender		
Category	Count	Percent
Male	4	31%
Female	9	69%

Total Voting Members:

SAC Members - Fellsmere Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Echeverria	Ramon	Principal	Yes
Blanco	Jose	Support Staff	Yes
Zamora	Cynthia	Parent	No
Touchberry	Keith	Business/Community	No
Chico	Noe	Parent	No
Jaffe**	Tiffany	Teacher	Yes
Rios	Daisy	Parent	Yes
Nolde	Tina	Teacher	Yes
Domenech	Maria	Parent	No
Serrano	Hiram	Parent	No
Hoffman	Dorothy	Parent	No
Lara	Daisy	Parent	No
Gonzalez	Lizette	Parent	No
Camarena	Barbara	Parent	No
Garcia	Alexandra	Parent	No
Alvarez	Maria Concepcion	Parent	No
Vargas	Alejandra	Parent	No
Zamarripa	Maria	Parent	No
Solis	Rosa	Parent	Yes
Gamez	Lizet	Parent	Yes
Luna	Angelica	Parent	No
Ruiz	Maria	Parent	No
Tobar	Carmen	Parent	No
Cazarez	Manuel	Parent	No

** Indicates Chairperson | Total Members: 24 | As of: October 11, 2018, 08:47am

SAC Composition Report
Fellsmere Elementary School (School ID: 0101)
As of: October 11, 2018, 08:47am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	4%	African American	14	2	1	-1 (-2%)
Parent	19	79%	Asian	1	0	0	0 (0%)
Principal	1	4%	Hispanic	535	90	22	-2 (-7%)
Student	0	0%	Other	2	0	0	0 (0%)
Support Staff	1	4%	White	45	8	2	+2 (9%)
Teacher	2	8%	Total Students	597			

Members by Ethnicity		
Category	Count	Percent
African American	0	0%
Asian	0	0%
Hispanic	20	83%
Other	0	0%
White	4	17%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

Fellsmere Elementary continues to make every effort to increase the SAC parent membership, specifically targeting members of the Hispanic community to demographically balance our SAC membership.

District Employed Members		
Category	Count	Percent
Yes	7	29%
No	17	71%

Members by Gender		
Category	Count	Percent
Male	6	25%
Female	18	75%

Total Voting Members:

SAC Members - Glendale Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Poysell**	Patricia	Teacher	Yes
Bey	Dani	Teacher	Yes
Presley	Barbara	Teacher	Yes
Adam	Faust	Principal	Yes
White	Julie	Parent	No
Corchado	Luz	Support Staff	Yes
Lloyd	Januarie	Parent	No
Cousino	Carrie	Parent	No
Bandura	Judy	Business/Community	No
McClure	Dean	Parent	No
Newman	Patric	Business/Community	No

** Indicates Chairperson | Total Members: 11 | As of: October 11, 2018, 08:50am

SAC Composition Report
Glendale Elementary School (School ID: 0201)
As of: October 11, 2018, 08:54am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	2	18%	African American	117	20	2	0 (-2%)
Parent	4	36%	Asian	13	2	0	0 (-2%)
Principal	1	9%	Hispanic	106	18	2	-1 (-9%)
Student	0	0%	Other	21	4	0	0 (-4%)
Support Staff	1	9%	White	340	57	6	+2 (16%)
Teacher	3	27%	Total Students	597			

Members by Ethnicity		
Category	Count	Percent
African American	2	18%
Asian	0	0%
Hispanic	1	9%
Other	0	0%
White	8	73%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	5	45%
No	6	55%

Members by Gender		
Category	Count	Percent
Male	3	27%
Female	8	73%

Total Voting Members:

SAC Members - Gifford Middle School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
JONES	TOSHA	Principal	Yes
Murphy	Michele	Parent	No
Schroeder	Debra	Teacher	Yes
Tomlinson**	Paul	Teacher	Yes
Cummings	Jennifer	Business/Community	No
SANTAMARIA	LILIANA	Support Staff	Yes
WALLACE	TATIANA	Student	No
DIAZ	OLIVIA	Student	No
SIMMONS	ANDREW	Student	No
HART	DONALD	Parent	No

** Indicates Chairperson | Total Members: 10 | As of: October 11, 2018, 08:48am

SAC Composition Report
Gifford Middle School (School ID: 0081)
As of: October 11, 2018, 08:49am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	10%	African American	239	35	3	+1 (5%)
Parent	2	20%	Asian	9	1	0	0 (-1%)
Principal	1	10%	Hispanic	116	17	2	0 (3%)
Student	3	30%	Other	21	3	0	0 (-3%)
Support Staff	1	10%	White	304	44	4	0 (-4%)
Teacher	2	20%	Total Students	689			

Members by Ethnicity		
Category	Count	Percent
African American	4	40%
Asian	0	0%
Hispanic	2	20%
Other	0	0%
White	4	40%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

Ongoing efforts to recruit SAC members include face to face conversations, newsletter requests and meeting with community members.

District Employed Members		
Category	Count	Percent
Yes	4	40%
No	6	60%

Members by Gender		
Category	Count	Percent
Male	3	30%
Female	7	70%

Total Voting Members:

SAC Members - Indian River Academy

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Fannin	Diane	Principal	Yes
Wolf	Sharon	Business/Community	No
Masse	Nicki	Parent	No
Hollinger**	Brett	Teacher	Yes
Escobar	Felix	Parent	No
Klock	Jennifer	Support Staff	Yes
Kelly	Margarett	Teacher	Yes
Gonyea	Ashley	Parent	No
Cain	Dominque	Parent	No
Moreno-Luna	Jaime	Parent	No

** Indicates Chairperson | Total Members: 10 | As of: October 11, 2018, 08:55am

SAC Composition Report
Indian River Academy (School ID: 0221)
As of: October 11, 2018, 08:56am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	10%	African American	101	24	2	0 (-4%)
Parent	5	50%	Asian	4	1	0	0 (-1%)
Principal	1	10%	Hispanic	110	26	3	-1 (-6%)
Student	0	0%	Other	36	8	1	-1 (-8%)
Support Staff	1	10%	White	175	41	4	+2 (19%)
Teacher	2	20%	Total Students	426			

Members by Ethnicity		
Category	Count	Percent
African American	2	20%
Asian	0	0%
Hispanic	2	20%
Other	0	0%
White	6	60%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	4	40%
No	6	60%

Members by Gender		
Category	Count	Percent
Male	3	30%
Female	7	70%

Total Voting Members:

SAC Members - Liberty Magnet Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Harris	Takeisha	Principal	Yes
Dougall	Bevohn	Parent	No
Perakes**	Tricia	Teacher	Yes
Perez	Melissa	Parent	No
Hicks	Chris	Parent	No
Digby-Bryant	Leanne	Teacher	Yes
Drisdom	Vanessa	Teacher	Yes
Seaman	Cortney	Teacher	Yes
Prince	Jeanne	Teacher	Yes
Ogilvie	Jackie	Teacher	Yes
Montablano	Julie	Parent	No
Heinbockel	Gail	Parent	No
Bragman	Christina	Parent	No
Speak	Kelly	Parent	No
Recendez	Vanessa	Support Staff	Yes
Coletti	Tanya	Parent	No
Hulings	Will	Parent	No
Flood	Ashley	Parent	No
Hicks	Angela	Teacher	Yes
Hoag	Elizabeth	Teacher	Yes
Lunsford	Jamie	Support Staff	Yes
Villarose	Lydia	Business/Community	No
Dobson	Elaine	Parent	No
Kirkman	Debbie	Parent	No
Johanson	Nichole	Parent	No
Foor	Jessica	Parent	No
Kerr	Brittany	Parent	No
Keppel	Nicole	Business/Community	No

** Indicates Chairperson | Total Members: 28 | As of: October 11, 2018, 08:57am

SAC Composition Report
Liberty Magnet Elementary School (School ID: 0301)
As of: October 11, 2018, 08:57am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	2	7%	African American	74	14	4	-1 (-3%)
Parent	15	54%	Asian	14	3	1	-1 (-3%)
Principal	1	4%	Hispanic	87	16	4	-2 (-9%)
Student	0	0%	Other	16	3	1	0 (1%)
Support Staff	2	7%	White	355	65	18	+3 (10%)
Teacher	8	29%	Total Students	546			

Members by Ethnicity		
Category	Count	Percent
African American	3	11%
Asian	0	0%
Hispanic	2	7%
Other	1	4%
White	21	75%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	11	39%
No	17	61%

Members by Gender		
Category	Count	Percent
Male	2	7%
Female	26	93%

Total Voting Members:

SAC Members - Osceola Magnet Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Jones**	Janine	Teacher	Yes
Oberlink**	Kevin	Teacher	Yes
Tripp	Jennifer	Parent	No
Greto	Michael	Support Staff	Yes
Simpson	Scott	Principal	Yes
Carpenter	Curtis	Parent	No
Holmes	Brian	Parent	No
Young	John	Parent	No
Rodriguez	Cindy	Teacher	Yes
White	Anna	Support Staff	Yes
MacCoy	Craig	Parent	No
Hayden	Jerra	Parent	No
Bruckner	Nate	Parent	No
Cullen	Morgan	Parent	No
Brown	Melissa	Parent	No
Larroude-Lloyd	Cecelia	Parent	No
Delia	Jessica	Parent	No
Kooc	Le	Parent	No
Eacker	Kelly	Parent	No
Visconte	Meghan	Parent	No
Stewart-Manning	Linda	Parent	No
Medina-Malave	Gina	Parent	No
Lucas	Yolanda	Parent	Yes

** Indicates Chairperson | Total Members: 23 | As of: October 11, 2018, 08:58am

SAC Composition Report
Osceola Magnet Elementary School (School ID: 0051)
As of: October 11, 2018, 08:58am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	0	0%	African American	79	15	3	0 (-2%)
Parent	17	74%	Asian	11	2	0	+1 (2%)
Principal	1	4%	Hispanic	91	17	4	-2 (-8%)
Student	0	0%	Other	26	5	1	0 (-1%)
Support Staff	2	9%	White	321	61	14	+2 (9%)
Teacher	3	13%	Total Students	528			

Members by Ethnicity		
Category	Count	Percent
African American	3	13%
Asian	1	4%
Hispanic	2	9%
Other	1	4%
White	16	70%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	7	30%
No	16	70%

Members by Gender		
Category	Count	Percent
Male	7	30%
Female	16	70%

Total Voting Members:

SAC Members - Oslo Middle School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Roux**	Joanna	Teacher	Yes
Mortimer	Lacresha	Support Staff	Yes
McLendon	Roy	Business/Community	No
Johnson	Germaine	Teacher	Yes
Hofer	Beth	Principal	Yes
Mc gary	Sherrie	Support Staff	Yes
Byrd	Tony	Parent	No
Dembroski	Gloria	Parent	No
Finklin	Willie	Business/Community	No
Binford	Joann	Support Staff	Yes
May	John	Business/Community	No
Salazar	Martha	Parent	No
Tate	Chanerea	Parent	No
Stuart Manning	Linda	Parent	No
Trautman	Ben	Parent	No
Collins	Elaine	Teacher	Yes
Holmes	Brian	Parent	No
Roseart	Angi	Parent	No
Mosher	Carmen	Parent	No
Celano	Barbara	Parent	No

** Indicates Chairperson | Total Members: 20 | As of: October 11, 2018, 08:59am

SAC Composition Report
Oslo Middle School (School ID: 0271)
As of: October 11, 2018, 09:00am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	3	15%	African American	208	24	5	+1 (6%)
Parent	10	50%	Asian	12	1	0	0 (-1%)
Principal	1	5%	Hispanic	228	26	5	-1 (-6%)
Student	0	0%	Other	39	4	1	0 (1%)
Support Staff	3	15%	White	392	45	9	0 (0%)
Teacher	3	15%	Total Students	879			

Members by Ethnicity		
Category	Count	Percent
African American	6	30%
Asian	0	0%
Hispanic	4	20%
Other	1	5%
White	9	45%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	7	35%
No	13	65%

Members by Gender		
Category	Count	Percent
Male	7	35%
Female	13	65%

Total Voting Members:

SAC Members - Pelican Island Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Kohlstedt	Chris	Principal	Yes
Jobe	Charlotte	Support Staff	Yes
Campbell	Tina	Business/Community	No
Wentz**	Donna	Teacher	Yes
Whelan	Kelsey	Teacher	Yes
Shaw	Chantal	Teacher	Yes
Raiford	Beverly	Support Staff	Yes
Willems	Josephine	Teacher	Yes
Arroyo	Edlyn	Teacher	Yes
Ford	Anita	Parent	No
McCarty	Shannon	Parent	No
Lambert	Marc	Parent	No
Mumm	Caitlin	Business/Community	No
Pollacek	Eileen	Support Staff	Yes
Darrisaw	Terry	Parent	No
Lambert	Flora	Parent	No
Lilley	Chaylene	Parent	No
Stinson	Lashonda	Parent	No
Patillo	Jennifer	Parent	No
Sampson	Jeanine	Business/Community	No
Blanton	Nicola	Business/Community	Yes
Smith	Storm	Parent	No
Weeks	Sondra	Business/Community	No

** Indicates Chairperson | Total Members: 23 | As of: October 11, 2018, 09:00am

SAC Composition Report
Pelican Island Elementary School (School ID: 0121)
As of: October 11, 2018, 09:01am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	5	22%	African American	112	27	6	-1 (-5%)
Parent	9	39%	Asian	4	1	0	0 (-1%)
Principal	1	4%	Hispanic	55	13	3	-2 (-9%)
Student	0	0%	Other	10	2	1	+1 (7%)
Support Staff	3	13%	White	232	56	13	+2 (9%)
Teacher	5	22%	Total Students	413			

Members by Ethnicity		
Category	Count	Percent
African American	5	22%
Asian	0	0%
Hispanic	1	4%
Other	2	9%
White	15	65%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

The SAC team regularly recruits members from all demographic make-ups to represent not only the student population, but the voices of the community on behalf of Pelican Island

District Employed Members		
Category	Count	Percent
Yes	10	43%
No	13	57%

Members by Gender		
Category	Count	Percent
Male	3	13%
Female	20	87%

Total Voting Members:

SAC Members - Rosewood Magnet Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Hudson	Jeb	Business/Community	No
Ragley	Elaine	Parent	Yes
Hines	Debbie	Parent	No
Nesper**	Megan	Teacher	Yes
Kulscar	Suzie	Parent	No
Flores	Casandra	Principal	Yes
Trautman	Ben	Parent	No
Palmer	Kelly	Teacher	Yes
Hayes	Steve	Parent	No
Willis	April	Parent	No
Billue	Keya	Parent	No
Baena	Andrea	Parent	No
Rains	Erin	Parent	No
Cade	Crystal	Teacher	Yes
Watkins	Christina	Teacher	Yes
Johnston	Tabitha	Support Staff	Yes
Biondi	LaShann	Support Staff	Yes

** Indicates Chairperson | Total Members: 17 | As of: October 11, 2018, 09:01am

SAC Composition Report
Rosewood Magnet Elementary School (School ID: 0041)
As of: October 11, 2018, 09:02am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	6%	African American	80	15	3	0 (3%)
Parent	9	53%	Asian	9	2	0	0 (-2%)
Principal	1	6%	Hispanic	47	9	1	0 (-3%)
Student	0	0%	Other	20	4	1	-1 (-4%)
Support Staff	2	12%	White	383	71	12	-1 (-6%)
Teacher	4	24%	Total Students	539			

Members by Ethnicity		
Category	Count	Percent
African American	3	18%
Asian	0	0%
Hispanic	1	6%
Other	0	0%
White	11	65%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	8	47%
No	9	53%

Members by Gender		
Category	Count	Percent
Male	3	18%
Female	14	82%

Total Voting Members:

SAC Members - Sebastian Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Whitfield-Hart	Letitia	Principal	Yes
Campbell	Robert	Support Staff	Yes
Stinson	Christina	Parent	No
Stutzman	Audrey	Parent	Yes
Trio	Alisha	Teacher	Yes
Davila	Pizza	Business/Community	No
Woodward	Kristie	Parent	No
Nicole	Patton	Parent	No
Welch	Brianna	Parent	No
Dunderdale**	Michelle	Teacher	Yes
Kroeger	Tamika	Parent	No
Sherrill-Long	Monica	Parent	No
Cerda	Amber	Parent	No
Banks	Cierra	Parent	No
Kroeger	Glen	Parent	No
Milewski	Glen	Parent	No
Brooks	Telhialia	Parent	No
Beatty	Kyle	Parent	No
Schultz	Karen	Parent	No
Zaluski	Paula	Parent	No
Milewski	Rachel	Parent	No

** Indicates Chairperson | Total Members: 21 | As of: October 11, 2018, 09:03am

SAC Composition Report
Sebastian Elementary School (School ID: 0191)
As of: October 11, 2018, 09:03am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	5%	African American	93	24	5	+1 (5%)
Parent	16	76%	Asian	5	1	0	0 (-1%)
Principal	1	5%	Hispanic	35	9	2	0 (1%)
Student	0	0%	Other	22	6	1	-1 (-6%)
Support Staff	1	5%	White	235	60	13	-1 (-3%)
Teacher	2	10%	Total Students	390			

Members by Ethnicity		
Category	Count	Percent
African American	6	29%
Asian	0	0%
Hispanic	2	10%
Other	0	0%
White	12	57%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	5	24%
No	16	76%

Members by Gender		
Category	Count	Percent
Male	5	24%
Female	16	76%

Total Voting Members:

SAC Members - Storm Grove Middle School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Bieber	Anne	Principal	Yes
Dougall	Bevohn	Parent	No
Hiller	Bob	Business/Community	No
Herman**	Angie	Support Staff	Yes
Dalton	Dawn	Parent	No
Coakley	Navini	Parent	No
Bradley	Sonya	Teacher	Yes
Mendez	Elba	Support Staff	Yes
Krenek	Delayne	Parent	No
Gruber	Marie	Parent	No
Young	John	Parent	No
Haave	Reetu	Parent	No
Hermoza-Ross	Ada	Support Staff	Yes

** Indicates Chairperson | Total Members: 13 | As of: October 11, 2018, 09:05am

SAC Composition Report
Storm Grove Middle School (School ID: 0371)
As of: October 11, 2018, 09:06am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	8%	African American	125	12	2	0 (3%)
Parent	7	54%	Asian	18	2	0	0 (-2%)
Principal	1	8%	Hispanic	207	20	3	-1 (-5%)
Student	0	0%	Other	50	5	1	0 (3%)
Support Staff	3	23%	White	634	61	8	0 (1%)
Teacher	1	8%	Total Students	1034			

Members by Ethnicity		
Category	Count	Percent
African American	2	15%
Asian	0	0%
Hispanic	2	15%
Other	1	8%
White	8	62%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:
The Storm Grove Middle School Advisory Council is composed of 17 members and does represent the demographic makeup of our student body. Eight members of SAC are not employed by the school district. Every effort is made to advertise the opportunity, solicit parent involvement, and secure representation from all segments of our school population.

District Employed Members		
Category	Count	Percent
Yes	5	38%
No	8	62%

Members by Gender		
Category	Count	Percent
Male	2	15%
Female	11	85%

Total Voting Members:

SAC Members - Sebastian River High School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Valencia**	Enrique	Teacher	Yes
Holmes	Joanne	Parent	No
Giordano	Paul	Parent	No
Giordano	Stephanie	Student	No
Arnett	Dawn	Teacher	Yes
Carley	Brenda	Parent	No
King	Amanda	Parent	No
Brown	Dariyall	Principal	Yes
Rutledge	Karen	Parent	No
Rodriguez-McDonald	Migdalia	Parent	No
Serpa	Mori	Business/Community	No
Gehrke	Ron	Teacher	Yes
DeLaTorre	Martha	Support Staff	Yes
Amezquita	Sandra	Support Staff	Yes

** Indicates Chairperson | Total Members: 14 | As of: October 11, 2018, 09:04am

SAC Composition Report
Sebastian River High School (School ID: 0291)
As of: October 11, 2018, 09:04am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	7%	African American	229	12	2	-1 (-5%)
Parent	6	43%	Asian	24	1	0	0 (-1%)
Principal	1	7%	Hispanic	624	33	5	0 (3%)
Student	1	7%	Other	49	3	0	0 (-3%)
Support Staff	2	14%	White	992	52	7	+1 (5%)
Teacher	3	21%	Total Students	1918			

Members by Ethnicity		
Category	Count	Percent
African American	1	7%
Asian	0	0%
Hispanic	5	36%
Other	0	0%
White	8	57%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:
The invitation to all parents requesting their membership and involvement in the School Advisory Committee occurred through our Newsletters, Open House Parent Night, and through School Messenger calls. We will continue to invite parents from diverse ethnic backgrounds to serve on our SAC committee throughout the school year.

District Employed Members		
Category	Count	Percent
Yes	6	43%
No	8	57%

Members by Gender		
Category	Count	Percent
Male	4	29%
Female	10	71%

Total Voting Members:

SAC Members - Sebastian River Middle School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Tatro**	Meredith	Teacher	Yes
Ogilvie	Jacqueline	Teacher	Yes
Taglione	Marie	Support Staff	Yes
Rompot	Ron	Parent	No
Gamez	Briceli	Support Staff	Yes
Carley	Brenda	Parent	No
Racine	Todd	Principal	Yes
Brown	Ken	Teacher	Yes
Pelletier	Julie	Parent	No
Lowe	Cynthia	Parent	No
Stinson	Lashonda	Parent	No
Stinson-McKenzie	Christina	Parent	No
Ippolito	Janet	Parent	No
Pantoja	Maria	Parent	No
Magana	Sandra	Parent	No
Sanchez	Elisa	Parent	No
Espinoza	Roxana	Business/Community	No

** Indicates Chairperson | Total Members: 17 | As of: October 11, 2018, 09:05am

SAC Composition Report
Sebastian River Middle School (School ID: 0171)
As of: October 11, 2018, 09:05am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	6%	African American	106	11	2	+1 (7%)
Parent	10	59%	Asian	12	1	0	0 (-1%)
Principal	1	6%	Hispanic	357	38	6	-1 (-9%)
Student	0	0%	Other	28	3	1	-1 (-3%)
Support Staff	2	12%	White	447	47	8	+1 (6%)
Teacher	3	18%	Total Students	950			

Members by Ethnicity		
Category	Count	Percent
African American	3	18%
Asian	0	0%
Hispanic	5	29%
Other	0	0%
White	9	53%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	6	35%
No	11	65%

Members by Gender		
Category	Count	Percent
Male	3	18%
Female	14	82%

Total Voting Members:

SAC Members - Treasure Coast Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Tetreault	Elizabeth	Principal	Yes
Heredia	Narvis	Business/Community	No
Sims	Matt	Parent	No
Brinkley	Jonna	Parent	No
Venditti**	Gina	Teacher	Yes
Wynn	Ashley	Parent	No
haddick	wendee	Support Staff	Yes
Thomas	Todd	Business/Community	No

** Indicates Chairperson | Total Members: 8 | As of: October 11, 2018, 09:07am

SAC Composition Report
Treasure Coast Elementary School (School ID: 0341)
As of: October 11, 2018, 09:08am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	2	25%	African American	58	9	1	0 (4%)
Parent	3	38%	Asian	12	2	0	0 (-2%)
Principal	1	13%	Hispanic	128	19	2	-1 (-6%)
Student	0	0%	Other	27	4	0	0 (-4%)
Support Staff	1	13%	White	438	66	5	+1 (9%)
Teacher	1	13%	Total Students	663			

Members by Ethnicity		
Category	Count	Percent
African American	1	13%
Asian	0	0%
Hispanic	1	13%
Other	0	0%
White	6	75%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	3	38%
No	5	63%

Members by Gender		
Category	Count	Percent
Male	2	25%
Female	6	75%

Total Voting Members:

SAC Members - Treasure Coast Technical College

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Ormsby	Jessica	Business/Community	No
Grow	Wendy	Business/Community	No
McNamara	Jodi	Business/Community	No
Musselwhite	Barbara	Support Staff	Yes
Shields	Christi	Principal	Yes
Sidegets	Jennifer	Business/Community	No
Bartholomew	Dennis	Business/Community	No
Parla	James	Business/Community	No
Vannoy**	Cindy	Business/Community	No
Tipacti	Lucia	Teacher	Yes
Woolfork	Freddie	Business/Community	No
Perry	Aundrea	Business/Community	No
Tersillo-Bracken	Judy	Teacher	Yes

** Indicates Chairperson | Total Members: 13 | As of: October 11, 2018, 09:26am

SAC Composition Report
Treasure Coast Technical College (School ID: 0032)
As of: October 11, 2018, 09:28am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	9	69%	African American	14095	8	1	+1 (7%)
Parent	0	0%	Asian	2273	1	0	0 (-1%)
Principal	1	8%	Hispanic	18187	11	1	0 (-3%)
Student	0	0%	Other	3789	2	0	0 (-2%)
Support Staff	1	8%	White	132011	77	10	0 (0%)
Teacher	2	15%	Total Students	170355			

Members by Ethnicity		
Category	Count	Percent
African American	2	15%
Asian	0	0%
Hispanic	1	8%
Other	0	0%
White	10	77%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

Since the Treasure Coast Technical College serves the entire community, the student demographic numbers reflect the 2016 estimated county population. Source: census.gov

District Employed Members		
Category	Count	Percent
Yes	4	31%
No	9	69%

Members by Gender		
Category	Count	Percent
Male	4	31%
Female	9	69%

Total Voting Members:

SAC Members - Vero Beach Elementary School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Rodriquez	Jose	Parent	No
Emerson	Cynthia	Principal	Yes
O'Neill	Nicole	Parent	No
Pearce	Alyssa	Parent	No
Gonzalez**	Vanessa	Teacher	Yes
Swanson	Bonnie	Business/Community	No
Armond	Kayla	Parent	No
Snead	Jane	Parent	No
Hernandez	Kixel	Parent	No
Burson	Henry	Support Staff	Yes

** Indicates Chairperson | Total Members: 10 | As of: October 11, 2018, 09:09am

SAC Composition Report
Vero Beach Elementary School (School ID: 0161)
As of: October 11, 2018, 09:09am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	10%	African American	167	27	3	0 (3%)
Parent	6	60%	Asian	14	2	0	0 (-2%)
Principal	1	10%	Hispanic	183	29	3	0 (1%)
Student	0	0%	Other	27	4	0	0 (-4%)
Support Staff	1	10%	White	238	38	4	0 (2%)
Teacher	1	10%	Total Students	629			

Members by Ethnicity		
Category	Count	Percent
African American	3	30%
Asian	0	0%
Hispanic	3	30%
Other	0	0%
White	4	40%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	3	30%
No	7	70%

Members by Gender		
Category	Count	Percent
Male	3	30%
Female	7	70%

Total Voting Members:

SAC Members - Vero Beach High School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
OKeefe	Shawn	Principal	Yes
Collins	Edie	Parent	No
Ingram	Barbara	Business/Community	No
Forero	Dora	Parent	No
Lanier	Diane	Parent	No
Forero	Rafael	Parent	No
Lanier	cody	Student	No
Zeigler**	Kenneth	Teacher	Yes
Johnson	Mike	Teacher	Yes
Terpstra	Tracey	Parent	No
Lowell	Sharon	Parent	No
Bounassi	Theresa	Parent	No
Simmens	Ashley	Parent	No
Nino	Carrie	Teacher	Yes
Newsome	Shynerria	Student	No
Byrd	James	Support Staff	Yes
Taylor	Johnny	Support Staff	Yes

** Indicates Chairperson | Total Members: 17 | As of: October 11, 2018, 09:09am

SAC Composition Report
Vero Beach High School (School ID: 0031)
As of: October 11, 2018, 09:10am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	6%	African American	571	19	3	+1 (5%)
Parent	8	47%	Asian	79	3	0	0 (-3%)
Principal	1	6%	Hispanic	570	19	3	0 (-1%)
Student	2	12%	Other	100	3	1	-1 (-3%)
Support Staff	2	12%	White	1611	55	9	+1 (4%)
Teacher	3	18%	Total Students	2931			

Members by Ethnicity		
Category	Count	Percent
African American	4	24%
Asian	0	0%
Hispanic	3	18%
Other	0	0%
White	10	59%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	6	35%
No	11	65%

Members by Gender		
Category	Count	Percent
Male	7	41%
Female	10	59%

Total Voting Members:

SAC Members - Wabasso School

<u>Last Name</u>	<u>First Name</u>	<u>Category</u>	<u>District Employed</u>
Remy	Alejandro	Support Staff	Yes
Khawaja	Sobia	Parent	No
Espinoza	Velia	Parent	No
Quick	Kathy	Parent	No
Stadelman	Lisa	Parent	No
Rowe**	Kelley	Teacher	Yes
Carabajal	Cecilia	Support Staff	Yes
McFarlane	Tara	Teacher	Yes
Boineau	Jenna	Support Staff	Yes
Bonney	Doug	Teacher	Yes
Bartman	Rick	Principal	Yes
Norris	Terry	Parent	No
Jackson	Beverlynn	Parent	No
Drisdorn	Falisha	Parent	No
Marks	Susan	Parent	No
Rose	Julia	Parent	No
Poindexter	Carolyn	Support Staff	Yes
Stinson	Hercules	Support Staff	Yes
Poindexter	Itrelle	Business/Community	Yes
Hill	Nicole	Parent	No
Lightman	Michelle	Parent	No
Karabin	Catherine	Parent	No
Merced	Yaska	Parent	No
Caro	Ericka	Parent	No
Bales	Jennifer	Parent	No
Cowan	Amber	Parent	No
Montoya	Ruth	Parent	No

** Indicates Chairperson | Total Members: 27 | As of: October 11, 2018, 09:10am

SAC Composition Report
Wabasso School (School ID: 0131)
As of: October 11, 2018, 09:11am

Members by Category			Student Demographics			SAC Team	
Category	Count	Percent	Category	# of Students	Percent	Suggested Membership	Difference
Business/Community	1	4%	African American	18	23	6	-1 (-4%)
Parent	17	63%	Asian	1	1	0	+1 (3%)
Principal	1	4%	Hispanic	14	18	5	+1 (4%)
Student	0	0%	Other	2	3	1	-1 (-3%)
Support Staff	5	19%	White	44	56	15	0 (0%)
Teacher	3	11%	Total Students	79			

Members by Ethnicity		
Category	Count	Percent
African American	5	19%
Asian	1	4%
Hispanic	6	22%
Other	0	0%
White	15	56%

The ethnic composition of the SAC should reflect the ethnic make-up of the student population

SAC Compliance

Yes - The majority of SAC members are non-school employees.

Report Comments:

District Employed Members		
Category	Count	Percent
Yes	10	37%
No	17	63%

Members by Gender		
Category	Count	Percent
Male	4	15%
Female	23	85%

Total Voting Members:

Sebastian Elementary School

400 Sebastian Boulevard ♦ Sebastian, Florida 32958

Telephone: (772) 978-8200

Fax: (772) 978-8205

Letitia Whitfield-Hart
Principal

Dr. Chadwick Bacon
Assistant Principal

October 8, 2018

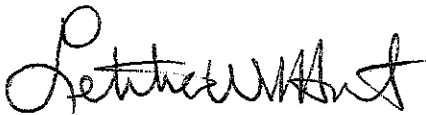
To: School Board Members

From: Letitia Whitfield-Hart

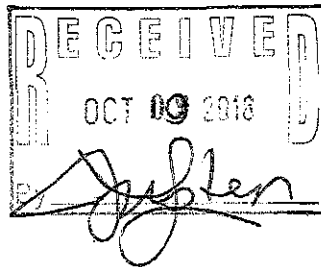
Re: Request for Approval of Donation

A donation of \$1,778 was received from the Mardy Fish Foundation. The funds will be used to support the Cheerleading and Dance Team by providing uniforms and healthy snacks.

These funds were deposited into the Sebastian Elementary internal funds account entitled Mardy Fish Foundation.



Letitia Whitfield-Hart



Home of the Sebastian Sea Turtles
"Where Every Student and Teacher Experiences
Emotional, Social and Academic Success"
www.indianriverschools.org/SES

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/16/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Relation Insurance Services of Florida, Inc. 700 Central Parkway Stuart FL 34994		CONTACT NAME: Mary Sundeen PHONE (A/C, No, Ext): (772) 287-7650 FAX (A/C, No): (772) 287-1387 E-MAIL ADDRESS: msundeen@ascensionins.com															
INSURED Indian River Co School Board 6500 57th St. Vero Beach FL 32967		<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: Scottsdale Insurance Co</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Scottsdale Insurance Co		INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #																
INSURER A: Scottsdale Insurance Co																	
INSURER B:																	
INSURER C:																	
INSURER D:																	
INSURER E:																	
INSURER F:																	

COVERAGES CERTIFICATE NUMBER: CL1831626774 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			CPS2922306	11/17/2017	11/17/2018	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTIONS						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A						PER STATUTE	OTH-ER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER FOR INFORMATIONAL PURPOSES	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE



Home Office:
One Nationwide Plaza • Columbus, Ohio 43215
Administrative Office:
8877 North Gainey Center Drive • Scottsdale, Arizona 85258
1-800-423-7675 • Fax (480) 483-6752
www.scottsdaleins.com

Special Event Supplemental General Liability Application
(Complete in addition to ACORD General Liability Application)

Name of Applicant: School District of Indian River County

Web site Address: www.indianriverschools.org

1. Description of event (attach any flyers, brochures, etc.): Winter Guard International World Championships - Dayton, OH

Maximum daily attendance: 35 Total attendance: 35 Sales: \$0
Length of event: 5 days Estimated age group of audience: From 14 to 18
No. of Participants: 35 Do participants sign waiver of liability agreements? [X] Yes [] No

2. Applicant's experience in conducting events of this or similar nature: Yes. Many, many times.

Is applicant an event coordinator? [] Yes [X] No

3. Rides:

Will rides be provided? [] Yes [] No
If yes, type of rides:
Will ride operators hold applicant harmless? [] Yes [] No
Does applicant have certificates of insurance from the ride vendors? [] Yes [] No
Rides inspected? [] Yes [] No
Do rides have signs clearly marking age, height, and size limitations? [] Yes [] No
Will applicant be in compliance with state laws regulating amusement ride inspections? [] Yes [] No

4. Entertainment:

Will live entertainment be provided? [] Yes [] No
If yes, describe:

If a concert, type of music: [] classical [] jazz [] rap [] blue grass [] country/western
[] gospel [] R&B [] alternative [] hard rock [] heavy metal
[] hip-hop [] gothic [] other (describe):

Any special effects for the concert? [] Yes [] No
If yes, describe:

If fireworks are planned, is pyrotechnician licensed? [] Yes [] No
Distance between fireworks staging area and audience?
Spectators allowed in fireworks staging area? [] Yes [] No
Will firemen be present? [] Yes [] No

5. **Bicycle/Running Event:**

Is the route surface free of hazards and clearly marked? Yes No

Will all pedestrians and vehicular traffic be rerouted? Yes No

6. **Under 21 Dance, Grad Night or Prom:**

Are students allowed to leave and return? Yes No

7. **Haunted House:**

Describe building and construction: _____

Age: _____ Condition: _____

Are there separate entrances and exits? Yes No

Has the house been inspected by a Fire Marshall?..... Yes No

Does the house meet all local, city and state codes?..... Yes No

Describe any temporary structures: _____

Are the following present? Yes No

- Unlit stairs Moveable Floors Sinking Floors
- Slides Suspended Bridges Electric Shock Devices
- Fire or Flash Powders

Describe special effects: _____

Does applicant have lead and follow-up guides? Yes No

Ratio of attendants to the public: _____ Number of persons per group: _____

Age of clients: _____ Are children supervised? Yes No

Does applicant have a door monitor? Yes No

Does applicant have the public participate in stunts?..... Yes No

Does anyone touch the public?..... Yes No

If yes, explain: _____

Does applicant have a gift shop or concession stand?..... Yes No

If yes, receipts: _____

8. **Parade:**

Will souvenirs or other items be thrown into the crowd? Yes No

If yes, what is thrown: _____

Animals in the parade are: _____

Are all of the animals insured against third-party liability claims by the owner? Yes No

If yes, what are the minimum liability limits required of the owners: _____

Length of parade route: _____ Number of floats: _____ Number of Equestrians: _____

Number of bands: _____ Number of motorized vehicles and/or floats: _____

9. **Rodeo:**

Name(s) of rodeo promoter/company/stock contractor: _____

Does the rodeo board the stock in the applicant's facility overnight?..... Yes No
 Does the rodeo company maintain responsibility for security of stalls/pens used to board the stock?..... Yes No
 Are the transfer areas between the animal pens and the competition restricted from the general public?..... Yes No
 Rodeo arena specifics: Indoors Outdoors Permanent Temporary

10. Political Rally:

Please describe: _____

11. Security (indicate type and number of each):

Independent security co.: _____ Off-duty police: _____
 Employed security: _____ Chaperons: 4
 Is there a written emergency plan in the event of an accident? Yes No
 Does independent security company provide a certificate of insurance?..... Yes No
 Do they hold the applicant harmless?..... Yes No

12. Stadiums:

Are bleachers or platforms to be used?..... Yes No
 If yes, type: portable permanent
 Back and side railings provided? Yes No
 Construction: Wood Steel Concrete
 Height in feet: _____ Age of bleachers or platform: _____
 Are patrons protected from, and warned against, potential flying objects?..... Yes No
 Are patrons allowed on the field, track or pit area? Yes No
 Is public address system clearly audible in all parts of the facility?..... Yes No
 Is there a backup electrical supply for lighting and the public address system?..... Yes No
 Are premises entrances/exits well lit?..... Yes No

13. Traffic Control:

Who is responsible for crowd and traffic control? _____
 Are parking areas smooth with clearly marked parking areas and exit roads?..... Yes No
 Is parade route able to handle size and height of floats and are cross streets barricaded? Yes No

14. Liquor:

Is liquor to be served by applicant? Yes No
 If yes, explain: _____

 Does applicant want Host Liquor? Yes No
 Is liquor to be served by others?..... Yes No
 If yes, do they have Liquor Liability coverage?..... Yes No

15. First Aid:

Will first aid facilities be provided at the event?..... Yes No
 If yes, describe: Trained First Aid Band Parents
 If yes, who will be in charge of the facilities? Doctors Nurses Others: First Aid certified

16. If applicant is the sponsor, does the operator have liability insurance? Yes No
 If yes, name of insurance carrier: _____ and policy limits of liability: \$ _____

17. **Hold-harmless Agreements:**

Is applicant held harmless by others? Yes No

Does applicant agree to hold any third party harmless? Yes No

If yes, who? _____

Is applicant naming anyone as additional insured? Yes No

If yes, who and why? _____

APPLICABLE IN THE STATE OF NEW YORK:

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

FRAUD WARNING:

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

PRODUCER'S SIGNATURE:  DATE: 9/26/18

APPLICANT'S SIGNATURE:  DATE: 9/26/18

AGENT NAME: Regina Lucente AGENT LICENSE NUMBER: A159817
(Applicable to Florida Agents Only.)

IOWA LICENSED AGENT: _____

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/16/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Relation Insurance Services of Florida, Inc. 700 Central Parkway Stuart FL 34994	CONTACT NAME: Mary Sundeen PHONE (A/C, No, Ext): (772) 287-7650 FAX (A/C, No): (772) 287-1387 E-MAIL ADDRESS: msundeen@ascensionins.com														
INSURED Indian River Co School Board 6500 57th St. Vero Beach FL 32967	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A: Scottsdale Insurance Co</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Scottsdale Insurance Co		INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES **CERTIFICATE NUMBER:** CL1831626774 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			CPS2922306	11/17/2017	11/17/2018	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$ 100,000</td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$ 5,000</td></tr> <tr><td>PERSONAL & ADV INJURY</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	EACH OCCURRENCE	\$ 1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000	MED EXP (Any one person)	\$ 5,000	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 2,000,000	PRODUCTS - COMP/OP AGG	\$ 2,000,000		\$
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	\$																				
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	COMBINED SINGLE LIMIT (Ea accident)	\$	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$		\$				
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AGGREGATE	\$																				
	\$																				
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>PER STATUTE</td><td style="text-align: right;">\$</td></tr> <tr><td>OTH-ER</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. EACH ACCIDENT</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td style="text-align: right;">\$</td></tr> </table>	PER STATUTE	\$	OTH-ER	\$	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$				
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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER FOR INFORMATIONAL PURPOSES	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
-------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



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Special Event Supplemental General Liability Application
 (Complete in addition to ACORD General Liability Application)

Name of Applicant: School District of Indian River County

Web site Address: www.indianriverschools.org

1. **Description of event** (attach any flyers, brochures, etc.): NYC St. Patrick's Day Parade / Trip

Maximum daily attendance: 300 Total attendance: 300 Sales: \$0

Length of event: 6 days Estimated age group of audience: From 14 to 18

No. of Participants: 300 Do participants sign waiver of liability agreements? Yes No

2. **Applicant's experience** in conducting events of this or similar nature: Yes. Many, many times.

Is applicant an event coordinator? Yes No

3. **Rides:**

Will rides be provided? Yes No

If yes, type of rides: _____

Will ride operators hold applicant harmless? Yes No

Does applicant have certificates of insurance from the ride vendors? Yes No

Rides inspected? Yes No

Do rides have signs clearly marking age, height, and size limitations? Yes No

Will applicant be in compliance with state laws regulating amusement ride inspections? Yes No

4. **Entertainment:**

Will live entertainment be provided? Yes No

If yes, describe: _____

If a concert, type of music: classical jazz rap blue grass country/western
 gospel R&B alternative hard rock heavy metal
 hip-hop gothic other (describe): _____

Any special effects for the concert? Yes No

If yes, describe: _____

If fireworks are planned, is pyrotechnician licensed? Yes No

Distance between fireworks staging area and audience? _____

Spectators allowed in fireworks staging area? Yes No

Will firemen be present? Yes No

5. **Bicycle/Running Event:**

Is the route surface free of hazards and clearly marked? Yes No

Will all pedestrians and vehicular traffic be rerouted? Yes No

6. **Under 21 Dance, Grad Night or Prom:**

Are students allowed to leave and return? Yes No

7. **Haunted House:**

Describe building and construction: _____

Age: _____ Condition: _____

Are there separate entrances and exits? Yes No

Has the house been inspected by a Fire Marshall? Yes No

Does the house meet all local, city and state codes? Yes No

Describe any temporary structures: _____

Are the following present? Yes No

- Unlit stairs Moveable Floors Sinking Floors
- Slides Suspended Bridges Electric Shock Devices
- Fire or Flash Powders

Describe special effects: _____

Does applicant have lead and follow-up guides? Yes No

Ratio of attendants to the public: _____ Number of persons per group: _____

Age of clients: _____ Are children supervised? Yes No

Does applicant have a door monitor? Yes No

Does applicant have the public participate in stunts? Yes No

Does anyone touch the public? Yes No

If yes, explain: _____

Does applicant have a gift shop or concession stand? Yes No

If yes, receipts: _____

8. **Parade:**

Will souvenirs or other items be thrown into the crowd? Yes No

If yes, what is thrown: _____

Animals in the parade are: I imagine there will be some horses - but don't know for sure

Are all of the animals insured against third-party liability claims by the owner? Yes No

If yes, what are the minimum liability limits required of the owners: _____

Length of parade route: 2 Number of floats: 30 Number of Equestrians: 10

Number of bands: 30 Number of motorized vehicles and/or floats: 10

9. **Rodeo:**

Name(s) of rodeo promoter/company/stock contractor: _____

Does the rodeo board the stock in the applicant's facility overnight?..... Yes No
Does the rodeo company maintain responsibility for security of stalls/pens used to board the stock?..... Yes No
Are the transfer areas between the animal pens and the competition restricted from the general public?..... Yes No
Rodeo arena specifics: Indoors Outdoors Permanent Temporary

10. **Political Rally:**

Please describe: _____

11. **Security** (indicate type and number of each):

Independent security co.: _____ Off-duty police: _____

Employed security: 0 Chaperons: 30

Is there a written emergency plan in the event of an accident? Yes No

Does independent security company provide a certificate of insurance?..... Yes No

Do they hold the applicant harmless?..... Yes No

12. **Stadiums:**

Are bleachers or platforms to be used?..... Yes No

If yes, type: portable permanent

Back and side railings provided? Yes No

Construction: Wood Steel Concrete

Height in feet: _____ Age of bleachers or platform: _____

Are patrons protected from, and warned against, potential flying objects?..... Yes No

Are patrons allowed on the field, track or pit area? Yes No

Is public address system clearly audible in all parts of the facility?..... Yes No

Is there a backup electrical supply for lighting and the public address system?..... Yes No

Are premises entrances/exits well lit?..... Yes No

13. **Traffic Control:**

Who is responsible for crowd and traffic control? NYCPD

Are parking areas smooth with clearly marked parking areas and exit roads? Yes No

Is parade route able to handle size and height of floats and are cross streets barricaded? Yes No

14. **Liquor:**

Is liquor to be served by applicant? Yes No

If yes, explain: _____

Does applicant want Host Liquor? Yes No

Is liquor to be served by others?..... Yes No

If yes, do they have Liquor Liability coverage?..... Yes No

15. **First Aid:**

Will first aid facilities be provided at the event?..... Yes No

If yes, describe: Trained First Aid Band Parents and parade staff

If yes, who will be in charge of the facilities? Doctors Nurses Others: First Aid certified

16. If applicant is the sponsor, does the operator have liability insurance? Yes No

If yes, name of insurance carrier: _____ and policy limits of liability: \$ _____

17. **Hold-harmless Agreements:**

Is applicant held harmless by others? Yes No

Does applicant agree to hold any third party harmless? Yes No

If yes, who? _____

Is applicant naming anyone as additional insured? Yes No

If yes, who and why? _____

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PRODUCER'S SIGNATURE:  DATE: 9/26/18

APPLICANT'S SIGNATURE:  DATE: 9/26/18

AGENT NAME: Regina Lucente AGENT LICENSE NUMBER: A159817

(Applicable to Florida Agents Only.)

IOWA LICENSED AGENT: _____

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SURPLUS PROPERTY RECORDS RCY
EQUIPMENT TO RECYCLE - REVENUE GENERATING

ASSET	DESCRIPTION 1	DESCRIPTION 2	ACCOUNT		CURR VAL	GL	FUND	SERIAL	ACQ	ACQ DATE	P.O.	CNTR	BDG	ROOM	DP
			ORIG VAL	ACCUM DEPR											
00064288	WORK STATION	QUADSTATION W/8	13,535.68	13,535.68	.00	1340	530			03/22/1993	22022	9999	00	RCY8	00
00064289	WORK STATION	QUADSTATION 8/C	13,535.68	13,535.68	.00	1340	530			03/22/1993	22022	9999	00	RCY8	00
00064290	WORK STATION	CORNERSTATION 2	3,383.92	3,383.92	.00	1340	530			03/22/1993	22022	9999	00	RCY8	00
00064291	WORK STATION	CORNERSTATION 2C	3,383.92	3,383.92	.00	1340	530			03/22/1993		9999	00	RCY8	00
00064292	WORK STATION	CORNER STATION	3,383.92	3,383.92	.00	1340	530			03/22/1993	22022	9999	00	RCY8	00
00064293	WORK STATION	CORNER STATION/	3,383.92	3,383.92	.00	1340	530			03/22/1993	22022	9999	00	RCY8	00
00064294	WORK STATION	WALL STATION W/	6,767.84	6,767.84	.00	1340	530			03/22/1993	22022	9999	00	RCY8	00
00070587	WORK STATION	WORKSTATION W/H	1,422.49	1,422.49	.00	1340	500			07/31/1996	73521	9999	00	RCY8	00
00071877	RADIO	PORTBLE RADIO L	2,556.98	2,556.98	.00	1340	530	0002MPC		07/29/1998	93542	9999	00	RCY8	
00075851	EIKI LCD	PROJECTOR	2,399.00	2,399.00	.00	1383	530	G0Y01694		02/20/2001	00106616	9999	00	RCY8	
00079092	STUDIO MX	W/500+ USERS	3,000.00	3,000.00	.00	1382	500	SET OF 2 CD'S		10/31/2002	00302953	9999	00	RCY8	
00079613	EIKI NOTEBOOK	PROJECTOR (LCD)	1,998.00	1,998.00	.00	1383	530	G2YA4796		04/14/2003	00307729	9999	00	RCY8	
00080125	DELL 3200MP 221	LARRY HARRAH	1,810.00	1,810.00	.00	1383	542	1RD1X21		09/30/2003	00403768	9999		RCY8	ES
00081102	XEROX PHASER PR	N SRMS	159.00 *	159.00	.00	1383	500	PMT228691		04/30/2004	00409074	9999		RCY8	
00081102	XEROX PHASER PR	N SRMS	960.00 *	960.00	.00	1383	530	PMT228691		04/30/2004	00409074	9999		RCY8	
00081431	READ 180 STAGE	W/TECH SERV/MAI	4,000.00 *	4,000.00	.00	1382	500	W/SERVER 79964		11/24/2003	00403932	9999	00	RCY8	
00081431	READ 180 STAGE	W/TECH SERV/MAI	38,655.00 *	38,655.00	.00	1382	542	W/SERVER 79964		11/24/2003	00403932	9999	00	RCY8	
00081431	READ 180 STAGE	W/TECH SERV/MAI	.00 *	.00	.00	1382	542	W/SERVER 79964		11/24/2003	00403932	9999	00	RCY8	
00082156	COMM DEVICE TER	PHONE RM MOUNT	3,781.47	3,781.47	.00	1340	530	0485309		01/13/2005	00505065	9999	00	RCY8	
00082275	HAND HELD RADIO	800MHZ /W ANTEN	2,158.45	2,158.45	.00	1340	500	9811492		05/16/2005	00511063	9999	00	RCY8	
00082293	CROSSPOINTE LEA		.00 *	.00	.00	1370	530	N/A		04/29/2005	00510116	9999	00	RCY8	
00082293	CROSSPOINTE LEA		415,000.00	415,000.00	.00	1382	530	N/A		04/29/2005	00510116	9999	00	RCY8	
00082438	READ 180 STAGE	W/CONV PKG	28,025.00 *	28,025.00	.00	1382	542	FY2003/2004		09/19/2003	00400151	9999	00	RCY8	
00082438	READ 180 STAGE	W/CONV PKG	4,000.00 *	4,000.00	.00	1382	500	FY2003/2004		09/19/2003	00400151	9999	00	RCY8	
00082439	READ 180 STAGE	W/CONV PKG	28,025.00 *	28,025.00	.00	1382	542	FY2003/2004		02/18/2004	00408777	9999	00	RCY8	
00082439	READ 180 STAGE	W/CONV PKG	4,000.00 *	4,000.00	.00	1382	500	FY2003/2004		02/18/2004	00408777	9999	00	RCY8	
00082441	STAGE B READ 18	SRM W/CONV PKG	25,415.00 *	25,415.00	.00	1382	542	1 OF 1 ORDERED		11/08/2004	00501566	9999	00	RCY8	
00082441	STAGE B READ 18	SRM W/CONV PKG	4,000.00 *	4,000.00	.00	1382	500	1 OF 1 ORDERED		11/08/2004	00501566	9999	00	RCY8	
00082443	READ 180 STAGE	SRM W/CONV PKG	25,600.00 *	25,600.00	.00	1382	500			10/10/2005	00601027	9999	00	RCY8	
00082443	READ 180 STAGE	SRM W/CONV PKG	4,000.00 *	4,000.00	.00	1382	500			10/10/2005	00601027	9999	00	RCY8	
00082766	XEROX PHASER 45	PRINTER	1,024.09	1,024.09	.00	1383	530	PMT-268421		11/14/2005	00603587	9999		RCY8	
00083918	INTEL DUO CORE	CESSOR DVD/CDRW	1,280.00	1,280.00	.00	1383	530	CNA7100L3V		05/07/2007	00707590	9999	00	RCY8	
00084060	TORNADO CYCLONE	FOOSBALL TABLE	1,150.00	1,150.00	.00	1340	530	N/A		01/22/2007	00705755	9999	00	RCY8	
00084188	ACCELERATED REA	YEAR-2007 SOFTW	6,376.95	6,376.95	.00	1382	500	UPGRADE 2007 YE		05/07/2007	00708446	9999	00	RCY8	
00084460	COBALT FLUX SCH	PRACTICE PADS/D	1,959.46	1,959.46	.00	1340	542	PA013463427		10/11/2007	00802600	9999	00	RCY8	
00084462	COBALT FLUX SCH	PRACTICE PADS/D	1,959.46	1,959.46	.00	1340	542	SO11412869H		10/11/2007	00802600	9999	00	RCY8	
00084744	EARLY CHILDHOOD	17"TOUCH N'PLAY	2,809.00	2,809.00	.00	1383	530	08-182-3		04/21/2008	00807877	9999	00	RCY8	
00085364	SERVING HOT FOO	3 HOT WELLS S/S	2,520.00	2,520.00	.00	1340	530	11056329		06/22/2006	00000000	9999	00	RCY8	FS
00085365	SERVING COUNTER	SLIDING DOORS E	3,215.00	3,215.00	.00	1340	530	11056332		06/22/2006	00000000	9999	00	RCY8	
00085660	HATCH,EARLY CHI	CENTER 17"TOUCH	4,034.73	4,034.73	.00	1383	530	08-181-12		01/30/2009	00904315	9999	00	RCY8	ES
00086628	HP 30-NOTEBOOK	CHARGING CART (1,439.00	1,439.00	.00	1383	543	SCV121000G		07/15/2011	01105554	9999	00	RCY8	RT
00087335	SMART BOARD W/P	W/INSTALLATION/	1,835.95	1,835.95	.00	1383	542	E20195		06/27/2013	01305635	9999	00	RCY8	
00087457	SMARTBOARD/MOBI	BALT27605 W/PRO	3,649.00	3,649.00	.00	1383	542	E20503		06/27/2013	01305635	9999	00	RCY8	TL
00087911	ITEACH MOBLE UL	LUMAN THROW PRO	1,299.00 *	909.30	389.70	1383	542	G012GW41P021		01/08/2015	01501958	9999		RCY8	
00087911	ITEACH MOBLE UL	LUMAN THROW PRO	1,219.00 *	853.30	365.70	1383	542	G012GW41P021		01/08/2015	01501958	9999		RCY8	
00087946	3D PRINTER INPU	FLASHFORGE TECH	1,000.00 *	683.33	316.67	1383	500	FFX985141201835		02/05/2015	01503973	9999		RCY8	
00087946	3D PRINTER INPU	FLASHFORGE TECH	455.28 *	311.11	144.17	1383	500	FFX985141201835		02/05/2015	01503973	9999		RCY8	
TOTAL			47 RECORDS	685,566.19	684,349.95	1,216.24									

* = ACCOUNT AND BASE ORIGINAL VALUES DIFFER

RCY-8

School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

Requesting Facility: 0101-Fellsmere Elementary

Transfer To Facility: SURPLUS

Requesting Person: Judy Marsiglia

Contact Person: MIKE R

Property Records
Office use only

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
✓ 00082156	Fiber Optic Modem	0485309	Obsolete	

[Signature]
Releasing Signature - Site P.R. Custodian

[Signature]
Receiving Signature

10/1/18
Date

10/1/18
Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
Copy for your records

**School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM**

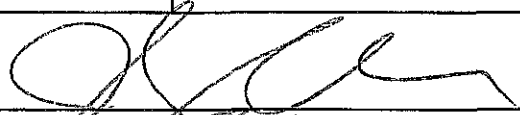
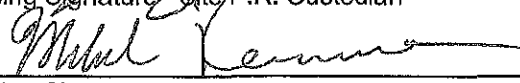
RCY-8

Requesting Facility: Felles MELE
Requesting Person: JUDY MARSIGLIA

Transfer To Facility: SURPLUS
Contact Person: MIKE R.

Property Records
Office use only

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
00082275	Hand-Held Radio	9811492	Obsolete	

Releasing Signature: 
Receiving Signature: 

Date: 10/1/18
Date Received: 10/1/18

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
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(KCY8)

School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

Requesting Facility: TCTC 10032

Transfer To Facility: Surplus

Requesting Person: R. Civita

Contact Person: Mike Reminger

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
00070587	WOODSTATION W/HITCH	WIA	Obsolete	

Kimber Civita
Releasing Signature - Site P.R. Custodian

9/25/18
Date

Michael Reminger
Receiving Signature

10/1/18
Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

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(Keys)

**School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM**

Requesting Facility: SES
Requesting Person: Ronald Smith

Transfer To Facility: Surplus
Contact Person: Rhonda Bevancon

Property Records
Office use only

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
80125 ✓	DELL Projector 3200MP	1RD1X21	obsolete	
75851 ✓	EIKI Projector LC-SM1	G0Y01694	obsolete	
79613 ✓	EIKI Projector LC-NB3E	G2YA4796	obsolete	

Releasing Signature - Site P.R./Custodian
[Signature]
Receiving Signature

Date 9/26/18
Date Received 9/26/18

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
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(RCYB)

School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

Requesting Facility: Bendale Elem
Requesting Person: Sandy Beasley

Transfer To Facility: WAREHOUSE
Contact Person: S Beasley ext. 8052

Property Records
Office use only

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
84460	Cobalt Flux Sch Practice	PAD13463427	obsolete	
84462	Pads Dance mats w/ controller	S011412869H	obsolete	

Sandy Beasley
Releasing Signature - Site P.R. Custodian
Max Mauro
Receiving Signature

9-20-18
Date
9-20-18
Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
Copy for your records

(Keys)

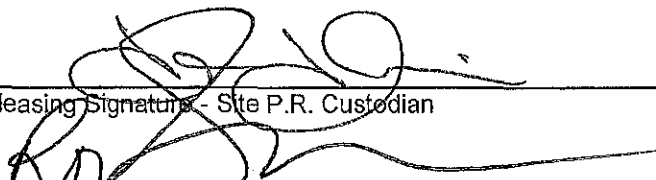
School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

Requesting Facility: SRMS
Requesting Person: Jo Witherington

Transfer To Facility: Surplus - Warehouse
Contact Person: Jo Witherington

Property Records
Office use only

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
82918 ✓	Intel Duo-Core PC Computer	CNA7100L3V	obsolete	
00087911 ✓	SMART BOARD W/ PROJECTOR	G0128W4P021	Obsolete	
00087946 ✓	FLASHFORGE 3D PRINTER	FFX98914120182	Obsolete	
00081102 ✓	XEROX PHASER 4500N PRINTER	PMT228691	Obsolete	
00082766 ✓	XEROX PHASER 4500N PRINTER	PMT268421	Obsolete	
00087335 ✓	SMART BOARD W/ PROJECTOR	E20195	Obsolete	

Releasing Signature - Site P.R. Custodian

Receiving Signature

9/20/2018
Date
09/20/18
Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
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Page 8

School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

Requesting Facility: Glendale Elem
Requesting Person: Sandy Brasley

Transfer To Facility: Warehouse
Contact Person: Sandy Brasley ext. 8052

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
86628	HP 30 Notebook, managed Charging Cart # 3	SCV1210006	obsolete	

[Signature]
Releasing Signature Site P.R. Custodian
[Signature]
Receiving Signature

09/20/18
Date
09/20/18
Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
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RCY-8

School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

Requesting Facility: Human Resource

Transfer To Facility: Surplus

Requesting Person: MARIE SOLANGE CORREA

Contact Person: MIKE REMINGER

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
71877	LPE-200 PORTABLE RADIO	0002MPC	obsolete	

Marie Solange Correa
Releasing Signature - Site P.R. Custodian

9/18/18
Date

Michael Reminger
Receiving Signature

9/18/18
Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
Copy for your records

(REC-5)

**School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM**

Requesting Facility: IT
 Requesting Person: Sandra Rivera

Transfer To Facility: SURPLUS
 Contact Person: Mike Remington

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
00088893	Cross Point Lease	N/A	Obscure	

[Signature]
 Releasing Signature Site P.R. Custodian

9-12-18

Date

[Signature]
 Receiving Signature

9/19/18

Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

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School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

RCY8

Requesting Facility: Indian River Academy

Transfer To Facility: Warehouse

Requesting Person: Seth Brown

Contact Person: Seth Brown

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
0000087457	Mobile Smartboard w/Projector PO#01305635	E20503	POOR	

Seth Brown
Releasing Signature - Site P.R. Custodian

8/30/18
Date

Max Meenan
Receiving Signature

9-17-18
Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
Copy for your records

RCY-8

School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

Requesting Facility: Sebastian River Middle

Transfer To Facility: SURPLUS

Requesting Person: James Thimmer

Contact Person: Jo Witherington

Property Records
Office use only

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
00079092	Studio MX Mac/Window Set of 2 CDs		obsolete	
00081431	Read 180 Stage B (6-8)	w/serial 5799/b4	obsolete	
00082438	Read 180 Stage B	BY 2003/2004	obsolete	
00082439	Read 180 Stage B 6-8	BY 2003/2004	obsolete	
00082441	Stage B Read 180 SRM w/COMV		obsolete	
00082443	Read 180 Stage B SRM w/COMV		obsolete	
00084188	Accelerated Reader Upgr.		obsolete	
00064288	Work Station		unserviceable	
00064289	WORK Station		unserviceable	
00064290	WORK station		unserviceable	
00064292	WORK Station		unserviceable	
00064293	WORK Station		unserviceable	
00064294	WORK station		unserviceable	
00064291	WORK Station		unserviceable	

Joel Roin

Releasing Signature - Site P.R. Custodian

9-13-18

Date

Joel Roin / Michael [Signature]

Receiving Signature

9/14/18

Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
Copy for your records

(Keys)

School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

Requesting Facility: Fellsmere Elementary
Requesting Person: Arlene Espinal

Transfer To Facility: Warehouse
Contact Person: Barry Jenkins / Rhonda Resanco

PO#

Property Records
Office use only

Property ID	Description (make/model)	Serial #	Condition	Property Records Office use only
0006 85660	hatch hard drive	08-181-12	obsolete	
0000 84744	hatch hard drive	08-182-3	obsolete	

Arlene Espinal
Releasing Signature Site P.R. Custodian

9/13/2018
Date

[Signature]
Receiving Signature

9/13/2018
Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
Copy for your records

RCY-8

School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

Requesting Facility: ACE

Transfer To Facility: SURPLUS

Requesting Person: Denny Hart

Contact Person: Mike Reminger

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
✓ 00085364	Serving Hot Food	11056329	Obsolete	
✓ 00085365	Serving Counter	11056332	Obsolete	
✓ 00084060	Tornado Cyclone Football Table	N/A	Obsolete	

Jessica Clark
Releasing Signature - Site P.R. Custodian

10/4/2018
Date

Mike Reminger
Receiving Signature

10/4/18
Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
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SURPLUS PROPERTY RECORDS ACT
AUCTION ITEMS - REVENUE GENERATING

ASSET	DESCRIPTION 1	DESCRIPTION 2	ACCOUNT		CURR VAL	GL	FUND	SERIAL	ACQ	ACQ DATE	P.O.	CNTR	BDG	ROOM	DP
			ORIG VAL	ACCUM DEPR											
00087583	O-97 2014 PTRB	40 GAL CNG TANK	272,947.00	118,277.03	154,669.97	1350	530	3BPZL20X5EF2440		03/31/2014	01305611	9999	00	ACT8	
	TOTAL	1 RECORDS	272,947.00	118,277.03	154,669.97										

* = ACCOUNT AND BASE ORIGINAL VALUES DIFFER

ACT 18

School District of Indian River County
SURPLUS REMOVAL REQUEST/TRANSFER FORM

Requesting Facility: Physical Plant
Requesting Person: Bob Michael

Transfer To Facility: Surplus
Contact Person: Rhonda Besanem

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
87583	0-97 2014 PTRB Garbage Truck	3BP2L20Y5EF24408	obsolete	

[Signature]
Releasing Signature - Site P.R. Custodian
Rhonda Besanem
Receiving Signature

10-12-18
Date
10-12-18
Date Received

(In addition to this form please enter your electronic work order request to expedite the removal of the items listed above)

Original - Property Records Department
Copy for your records

Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
100	Bylaw - Definitions	Revised. A comprehensive definition of “social media” was added to Bylaw 0100 Definitions and the definition of “apps and services” was revised.	Dr. Rendell
8315	Information Management	Revised. The revisions to this policy are related to the Board's responsibilities with respect to litigation holds. Due to the rapidly changing nature of technology and litigation requirements, we decided that it was more appropriate to have a separate administrative procedure addressing litigation holds. As such, we transferred substantial portions of this policy and incorporated it into a newly administrative procedure - AP 8315 (Litigation Hold Procedure). The remaining provisions of this policy still address the Board's legal requirements with respect to litigation holds, but it now gives further flexibility for the Superintendent to develop and revise appropriate internal procedures for initiating and responding to litigation holds through AP 8315.	Dr. Rendell
8805	Model Policy on Religious Expression in Public Schools	NEW. F.S. 1002.206 requires the Florida Department of Education to adopt a model policy on religious expression in public schools that must in turn be adopted by all school districts in Florida. This new policy is the model policy adopted by the Florida Department of Education.	Dr. Rendell
1122	Nondiscrimination and Equal Employment Opportunity	Revised. Neola has learned that the US DOE's Office for Civil Rights expects to see policy language mandating that school districts retain records and materials gathered during the course of investigations of harassment. The revised policy now includes a section addressing the Board's responsibility to maintain investigatory records. Boards should already be maintaining such records as a matter of practice.	Dr. Purcell

Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
1213	Student Supervision and Welfare	Revised. These policies (1213, 3213, & 4213) were revised to eliminate the standards of care as options; instead, all standards of care are now required policy provisions. Additionally, we have added a requirement that employees report unsafe, potentially harmful, dangerous, violent, or criminal activities, or the threat of these activities to the Superintendent and local safety agencies and/or school officials in accordance with new Policy 8406 - Reports of Suspicious and Potential Threats to Schools. We also inserted "abandonment" at the end of the policy to clarify that employees must report suspected child abandonment in addition to abuse and neglect.	Dr. Purcell
1362	Anti-Harassment	Revised. Neola has learned that the US DOE's Office for Civil Rights expects to see policy language mandating that school districts retain records and materials gathered during the course of investigations of harassment. The revised policy now includes a section addressing the Board's responsibility to maintain investigatory records. Boards should already be maintaining such records as a matter of practice.	Dr. Purcell
3122	Nondiscrimination and Equal Employment Opportunity	Revised. Neola has learned that the US DOE's Office for Civil Rights expects to see policy language mandating that school districts retain records and materials gathered during the course of investigations of harassment. The revised policy now includes a section addressing the Board's responsibility to maintain investigatory records. Boards should already be maintaining such records as a matter of practice.	Dr. Purcell

Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
3213	Student Supervision and Welfare	Revised. These policies (1213, 3213, & 4213) were revised to eliminate the standards of care as options; instead, all standards of care are now required policy provisions. Additionally, we have added a requirement that employees report unsafe, potentially harmful, dangerous, violent, or criminal activities, or the threat of these activities to the Superintendent and local safety agencies and/or school officials in accordance with new Policy 8406 - Reports of Suspicious and Potential Threats to Schools. We also inserted "abandonment" at the end of the policy to clarify that employees must report suspected child abandonment in addition to abuse and neglect.	Dr. Purcell
3362	Anti-Harassment	Revised. Neola has learned that the US DOE's Office for Civil Rights expects to see policy language mandating that school districts retain records and materials gathered during the course of investigations of harassment. The revised policy now includes a section addressing the Board's responsibility to maintain investigatory records. Boards should already be maintaining such records as a matter of practice.	Dr. Purcell
4122	Nondiscrimination and Equal Employment Opportunity	Revised. Neola has learned that the US DOE's Office for Civil Rights expects to see policy language mandating that school districts retain records and materials gathered during the course of investigations of harassment. The revised policy now includes a section addressing the Board's responsibility to maintain investigatory records. Boards should already be maintaining such records as a matter of practice.	Dr. Purcell

Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
4162	Drug and Alcohol Testing of Employees Who Perform Safety Sensitive Functions	Revised to include a requirement that the Superintendent establish a program mandating that bus drivers, CDL license holders, and any staff member performing safety sensitive functions be tested for the presence of certain controlled substances. The proposed revisions also include the replacement of "opiates" with "opioids" on the list of controlled substances. Also added were provisions addressing when employees who perform safety-sensitive functions may return to work after having been removed from their duties (i.e. return-to-duty testing).	Dr. Purcell
4213	Student Supervision and Welfare	Revised. These policies (1213, 3213, & 4213) were revised to eliminate the standards of care as options; instead, all standards of care are now required policy provisions. Additionally, we have added a requirement that employees report unsafe, potentially harmful, dangerous, violent, or criminal activities, or the threat of these activities to the Superintendent and local safety agencies and/or school officials in accordance with new Policy 8406 - Reports of Suspicious and Potential Threats to Schools. We also inserted "abandonment" at the end of the policy to clarify that employees must report suspected child abandonment in addition to abuse and neglect.	Dr. Purcell
4362	Anti-Harassment	Revised. Neola has learned that the US DOE's Office for Civil Rights expects to see policy language mandating that school districts retain records and materials gathered during the course of investigations of harassment. The revised policy now includes a section addressing the Board's responsibility to maintain investigatory records. Boards should already be maintaining such records as a matter of practice.	Dr. Purcell

Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
7540	Technology	Revised. Revisions are proposed for Policy 7540 Technology to replace the previous definition of “social media” with a reference to the new definition in Bylaw 0100 and to replace previous language about the use of social media with references to new Policy 7544 which addresses that topic.	Mr. Bender
7540.02	Web Content, Services, and Apps	Revised. Policy 7540.02 Web Content, Apps, and Services was revised to include an optional section through which the Board can authorize one-way communication with constituents via web content, apps, and services. Additional revisions are proposed for Policy 7540.02 to address the continuing issue of ADA compliance of District websites, web content, apps, and services.	Mr. Bender
7540.04	Staff Technology Responsible Use and Safety	Revised. Revisions are proposed for Policy 7540.04 Staff Technology Acceptable Use and Safety so that the language allows Districts to reference the new social media policy and procedure if and when it is adopted.	Mr. Bender
7544	Use of Social Media	NEW. The purpose of the policy is to provide Districts with a policy that authorizes the Superintendent to establish controls that govern the use of social media in the District.	Mr. Bender
6320	Purchasing and Contracting for Goods and Services	Revised. The revisions to this policy include the following: (1) adding a statement clarifying that purchases can be made through an online procurement system, an electronic auction service, or other efficient procurement tools; (2) adding provisions regarding certain pre-purchasing review requirements; and (3) adding a statement requiring that all contracts contain certain language mandated under Chapter 119, Florida Statutes (i.e. Florida's Public Records Act).	Mr. Carver

Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
7430.01	Environmental Health Program	NEW/Revised. This policy retains most of the language from deleted Policy 7440.01 related to environmental health. (The safety and security language from deleted Policy 7440.01 is addressed in Policy 8405 - School Safety & Security.) In light of the revisions to other policies herein, we felt it more appropriate to create a standalone policy for environmental health (new Policy 7430.01) rather than entangling it with safety and security issues.	Mr. Teske
7440	Plant Security	Revised to insert several optional provisions related to certain actions that may be taken to secure school buildings, school grounds, and school equipment.	Mr. Teske
7440.01	Protection of Personnel and Property	DELETE/REPEAL. Includes several provisions related to school safety, certain drills, and environmental health. In light of the revisions to other policies herein, we felt it more appropriate to create a standalone policy for environmental health (new Policy 7430.01) rather than entangling it with safety and security issues.	Mr. Teske
8405	School Safety	Revised to include new provisions related to the District's School Safety Specialist, recommendations of the School Safety Specialist, the development of safety and security best practices, threat assessment teams, referrals to mental health services, and a student crime watch program. All revisions are related to Senate Bill 7026.	Mr. Teske

Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
8406	Reports of Suspicious Activity & Potential Threats to Schools	<p>NEW. Senate Bill 7026 includes creating new Florida Statute Section 943.082 (School Safety Awareness Program). The statutory provisions required the Department of Education to develop a mobile suspicious reporting tool that allows students and the community to relay information anonymously concerning unsafe, potentially harmful, dangerous, violent, or criminal activities, or the threat of these activities, to appropriate public safety agencies and school officials. The tool is named "FortifyFL." In order to further address school safety and security, we decided to create a new policy requiring employees, and strongly encouraging students and members of the community, to promptly report unsafe, potentially harmful, dangerous, violent, or criminal activities, or the threat of these activities, to appropriate public safety agencies and school officials. Also provided, is a list of how this information can be reported, including a reference to the FortifyFL mobile suspicious reporting tool. Of note, employees are required to disclose these behaviors to the Superintendent (see also revisions to Policy 1213/3213/4213).</p>	Mr. Teske
8407	Safe-Schools Officers	<p>NEW. Senate Bill 7026 requires the District to establish or assign one or more safe-school officers at each school in the District. The Board is permitted to select more than one type of safe-school officer to meet its statutory requirement. (School Resource Officers, Commissioned School Safety Officers, and/or School Guardians). This new policy enables the Board to identify what types of safe-school officers it will utilize in the District.</p>	Mr. Teske

Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
8410	Crisis Event Intervention and Response	Revised for minor clerical revisions and insertion of a requirement that each school have a counseling plan requiring employees to report unsafe, potentially harmful, dangerous, violent, or criminal activities, or the threat of these activities, in accordance with new Policy 8406.	Mr. Teske
8420	Emergency Evacuation of Schools	Revised to include mandatory requirements for the District to conduct active shooter and hostage situations at least as often as other emergency drills, that the District establish a schedule to test the functionality and coverage capacity of all emergency communication systems to determine, if adequate signal strength is available in all areas of school campuses, and that the District identify the individual(s) responsible for contacting primary emergency response agencies. All of these revisions are related to Senate Bill 7026.	Mr. Teske
2260	Nondiscrimination and Access to Equal Educational Opportunity	Revised. Neola has learned that the US DOE's Office for Civil Rights expects to see policy language mandating that school districts retain records and materials gathered during the course of investigations of harassment. The revised policy now includes a section addressing the Board's responsibility to maintain investigatory records. Boards should already be maintaining such records as a matter of practice.	Mrs. Dampier
2260.01	Section 504/ADA Prohibition Against Discrimination Based on Disability	District Requested. Revised to change contact information for the District Compliance Officer.	Mrs. Dampier
2623	Student Assessment	Revised to include provisions addressing alternative assessments available to students with significant cognitive disabilities (the Florida Standards Assessments (FSAA) - Performance Task and the FSAA - datafolio assessments).	Mrs. Dampier

Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
5112	Entrance Requirements	Revised to include provisions related to the requirement that students disclose prior expulsions, arrests resulting in a charge, juvenile justice actions, and referrals to mental health services at the time of enrollment. Of note, the requirement that students disclose referrals to mental health services is a product of Senate Bill 7026. Importantly, if students disclose any of this information at the time of enrollment. District staff will need to review the Student Code of Conduct, Policy 5500, and Policy 5610 to address disciplinary placement issues.	Mrs. Dampier
5120	Assignment Within District	Revised to make clear that the Board must adhere to formal rule-making requirements when creating or revising school attendance boundaries.	Mrs. Dampier
5500	Student Conduct	Revised in relation to Senate Bill 7026 to include: (1) a requirement that students be referred to mental health services when committing certain specified offenses; (2) a new reference to "threats of unsafe and potentially harmful, dangerous, violent, or criminal activities" as the types of acts that pose a threat to school safety; and (3) a provision stating that the Student Code of Conduct shall contain provisions for the assignment of violent or disruptive students to an alternative educational program and/or referral of such students to mental health services identified by the District.	Mrs. Dampier
5517	Anti-Harassment	Revised. Neola has learned that the US DOE's Office for Civil Rights expects to see policy language mandating that school districts retain records and materials gathered during the course of investigations of harassment. The revised policy now includes a section addressing the Board's responsibility to maintain investigatory records. Boards should already be maintaining such records as a matter of practice.	Mrs. Dampier

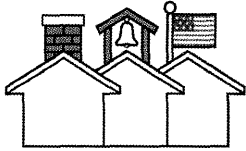
Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
5517.02	Sexual Violence	Revised. Neola has learned that the US DOE's Office for Civil Rights expects to see policy language mandating that school districts retain records and materials gathered during the course of investigations of harassment. The revised policy now includes a section addressing the Board's responsibility to maintain investigatory records. Boards should already be maintaining such records as a matter of practice.	Mrs. Dampier
5517.03	Dating Violence and Abuse	Revised. Neola has learned that the US DOE's Office for Civil Rights expects to see policy language mandating that school districts retain records and materials gathered during the course of investigations of harassment. The revised policy now includes a section addressing the Board's responsibility to maintain investigatory records. Boards should already be maintaining such records as a matter of practice.	Mrs. Dampier
5610	Removal, Suspension, and Expulsion of Students	Revised. Revisions to this policy are the result of a recent case in Florida which held that disciplinary placement in an alternative school is similar to an expulsion and, therefore, students recommended for disciplinary placement in an alternative school are entitled to the same due process as students recommended for expulsion. See, S.J. v. Thomas, Case No. 1D16-3635, 2017 WL 6458980 (Fla. 1DCA Dec. 19, 2017). We have included a definition of "disciplinary placement" to identify what types of disciplinary placements should be treated the same as expulsions for purposes of due process. Other minor revisions to the policy are simply to clarify certain procedural issues. For example, the term "hearing officer" has been replaced with "presiding officer".	Mrs. Dampier

Summary Points for Recommended Board Policy Changes

Policy #	Policy Title	Summary Points	Owner
5610.01	Emergency Removal of Students	Revised to insert a provision restating (see revisions to Policy 1213/3213/4213) the requirement that employees disclose in accordance with the new Policy 8406 (Reports of Suspicious and Potential Threats to Schools) whether a student's behavior involves unsafe, potentially harmful, dangerous, violent, or criminal activities, or the threat of these activities. Since this policy addresses the emergency removal of students, we felt it was important to reiterate this requirement.	Mrs. Dampier
5610.02	In-School Discipline	Revised to better describe the progressive discipline options that the District might choose to use in lieu of out-of-school suspension.	Mrs. Dampier

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SEP 27 2018

School District of Indian River County

6500 57th Street • Vero Beach, Florida, 32967 • Telephone: 772-564-3000 • Fax: 772-564-3054

Mark J. Rendell, Ed.D. - Superintendent

Purchasing Department

6055 62nd Avenue
Vero Beach, FL 32967

September 25, 2018

Climate Control Mechanical Service
Attn: Michael McCandless
2695 NW 4th Street
Ocala, FL 34475

Re: Renewal 1 of 2 - SDIRC 04.0.2018 ITB Mechanical Services and Repairs

Dear Mr. McCandless:

SDIRC 04.0.2018 provided for a renewal of this contract on the anniversary date of November 21, 2017 for an additional one year period. This renewal is subject to Board approval. All specifications, terms, and conditions of the first year must remain the same.

Please check the appropriate box and sign below. Return this original form to the Purchasing Department no later than October 5, 2018. Upon Board acceptance of your renewal the District will require a current certificate of insurance referencing SDIRC 04.0.2018.

If you have any questions, please do not hesitate to call my office at (772) 564-5050.

Sincerely,

Jeff Carver, CPPO
Director of Purchasing and Central Receiving

We agree to renew this contract from November 21, 2018 through November 20, 2019 Yes No

Michael McCandless Service Manager
Signature, Printed Name and Title - Climate Control Mechanical Service

10/3/18
Date

Shawn R Frost
Chairman, School Board of Indian River County, Florida

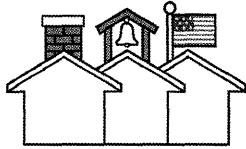
10/24/18
Date

Board Approved on 10/24/2018

“Educate and inspire every student to be successful”

- Shawn R. Frost
District 1
- Dale Simchick
District 2
- Laura Zorc
District 3
- Charles G. Searcy
District 4
- Tiffany Justice
District 5

“To serve all students with excellence”
Equal Opportunity Educator and Employer



School District of Indian River County

6500 57th Street • Vero Beach, Florida, 32967 • Telephone: 772-564-3000 • Fax: 772-564-3054

Mark J. Rendell, Ed.D. - Superintendent

Purchasing Department
6055 62nd Avenue
Vero Beach, FL 32967

September 25, 2018

Mid-State Mechanical of Vero Beach, Inc.
Attn: Robert Fields
3825 71st Street
Vero Beach, FL 32967

Re: Renewal 1 of 2 - SDIRC 04.0.2018 ITB Mechanical Services and Repairs


Dear Mr. Fields:

SDIRC 04.0.2018 provided for a renewal of this contract on the anniversary date of November 21, 2017 for an additional one year period. This renewal is subject to Board approval. All specifications, terms, and conditions of the first year must remain the same.

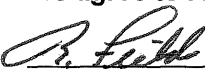
Please check the appropriate box and sign below. Return this original form to the Purchasing Department no later than October 5, 2018. Upon Board acceptance of your renewal the District will require a current certificate of insurance referencing SDIRC 04.0.2018.

If you have any questions, please do not hesitate to call my office at (772) 564-5050.

Sincerely,


Jeff Carver, CPPO
Director of Purchasing and Central Receiving

We agree to renew this contract from November 21, 2018 through November 20, 2019 Yes No

 Robert Fields Pres.
Signature, Printed Name and Title - Mid-State Mechanical of Vero Beach, Inc.

9-29-18

Date


Chairman, School Board of Indian River County, Florida

10/24/18

Date

Board Approved on 10/24/2018

“Educate and inspire every student to be successful”

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District 1
- Dale Simchick
District 2
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- Tiffany Justice
District 5

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Equal Opportunity Educator and Employer

RESOLUTION #2019-04

A RESOLUTION AUTHORIZING THE ISSUANCE OF A NOT TO EXCEED \$10,000,000 TAX ANTICIPATION NOTE, SERIES 2018 OF THE SCHOOL DISTRICT OF INDIAN RIVER COUNTY, FLORIDA, TO PROVIDE INTERIM FUNDS FOR THE PAYMENT OF OPERATING EXPENSES OF THE DISTRICT; PLEDGING CERTAIN TAX RECEIPTS TO THE PAYMENT OF THE NOTE; AUTHORIZING CERTAIN REMEDIES TO THE HOLDER OF THE NOTE AND MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR THE TERMS AND DETAILS OF THE NOTE, INCLUDING AUTHORIZATION OF A NEGOTIATED SALE OF SAID NOTE PURSUANT TO SECTION 218.385, FLORIDA STATUTES, AND THE AWARD OF SAID NOTE PURSUANT TO THE PROPOSAL OF WELLS FARGO BANK, NATIONAL ASSOCIATION; PROVIDING THE FORM OF THE NOTE; APPOINTING THE PAYING AGENT AND NOTE REGISTRAR FOR SAID NOTE; AUTHORIZING CERTAIN OFFICIALS OF THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE OF SAID NOTE; AND PROVIDING AN EFFECTIVE DATE

BE IT RESOLVED BY THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA, ACTING AS THE GOVERNING BODY OF THE SCHOOL DISTRICT OF INDIAN RIVER COUNTY, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 1011, Florida Statutes, and other applicable provisions of law.

SECTION 2. DEFINITIONS. The following terms shall have the following meanings herein, unless the text otherwise expressly requires:

"Act" means Chapter 1011, Florida Statutes, in particular Section 1011.13(1), Florida Statutes and other applicable provisions of law.

"Assistant Superintendent" means any assistant Superintendent of the District.

"Board" means The School Board of Indian River County, Florida, the governing body of the District.

"Business Day" means a day other than (a) a Saturday or Sunday or (b) a day on which commercial banks are authorized or permitted to close in New York, New York.

"Chairman" means the Chairman of the Board, and in his or her absence or unavailability, the Vice Chairman of the Board or such other member of the Board as may be authorized to act on his or her behalf.

"Code" means the Internal Revenue Code of 1986, as amended.

"Computation Date" means any date of calculation of the Cumulative Cash Flow Deficit.

"County" means Indian River County, Florida, a political subdivision of the State.

"Cumulative Cash Flow Deficit" means, as of any Computation Date during the 2018/2019 Fiscal Year, an amount equal to:

(A) The amount the District will expend from the date of issuance of the Note to such Computation Date for expenditures which would ordinarily be paid out of or financed by ad valorem taxes and other available Non Ad Valorem Funds, minus

(B) The sum of the "available amounts," as defined in the Code (excluding proceeds of the Note), whether in the form of cash, investments, or otherwise, which will be available for the payment of working capital expenditures of the type to be paid from the proceeds of the Note without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Said amounts shall be measured from the date of issuance of the Note to the Computation Date referred to in paragraph (A) above.

"Default Rate" means 3.00% plus the higher of (i) the Prime Rate plus 1.00%, (ii) the Federal Funds Rate plus 2.00% or (iii) 7.00%; provided, such Default Rate shall never exceed the maximum lawful rate of interest permitted under applicable law with respect to obligations such as the Note.

"Determination of Taxability" means the circumstance of the interest on the Note becoming includable for federal income tax purposes in the gross income of the Holder as a consequence of any action or inaction of the District. A Determination of Taxability will be deemed to have occurred upon (i) the receipt by the District or the Holder of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency which holds that the interest on the Note is includable in the gross income of the Holder; (ii) the issuance of any public or private ruling of the Internal Revenue Service that the interest on the Note is includable in the gross income of the

Holder; or (iii) receipt by the District or Holder of an opinion of Note Counsel that the interest on the Note has become includable in the gross income of the Holder for federal income tax purposes; provided, however, no Determination of Taxability shall occur under subparagraph (i) or (ii) hereunder unless the District has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the first date as of which the interest on the Note is deemed includable in the gross income of the Holder of the Note. A Determination of Taxability shall not occur solely from the fact that such interest is taken into account in determining adjusted current earnings for the purpose of the alternative minimum tax imposed on corporations.

"Director of Finance" means the Director of Finance of the District, and in his or her absence or unavailability, such other person as may be authorized to act on his or her behalf.

"District" means the School District of Indian River County, Florida created by Article IX, Section 4 of the Constitution of Florida.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Lender on such day on such transactions as determined by the Lender.

"Financial Advisor" means Ford & Associates, Inc., Tampa, Florida, or its successors and assigns.

"Holder" or **"Noteholder"** means the registered owner of the Note and initially shall be the Lender.

"Interest Rate" means the fixed rate per annum, which rate shall be determined by the Lender and approved by the Chairman and Superintendent at least two (2) Business Days prior to the issuance of the Note, and which shall not initially exceed 3.00% per annum but shall be subject to adjustment as provided in Section 7 and Section 20 hereof. Execution of the Note by the Chairman and Superintendent shall constitute conclusive evidence of the approval of the Interest Rate.

"Lender" means Wells Fargo Bank, National Association.

"London Business Day" means any day that is a day for trading by and between banks in United States dollar deposits in the London interbank market.

"Maturity Date" means the maturity date of the Note, which shall be no later than January 15, 2019, as finally established in the Note.

"Non-Ad Valorem Funds" means all legally available funds of the District or Board derived from sources other than ad valorem taxation.

"Note" means the tax anticipation note authorized by this Resolution in substantially the form attached as Exhibit A hereto, with such modifications as shall be approved by the Superintendent or his designee upon the advice of Note Counsel to the District, approval of such changes to be presumed by the execution thereof by the Superintendent or his designee.

"Note Counsel" means Nabors, Giblin & Nickerson, P.A., Tampa, Florida, or such other firm of attorneys having expertise in the state and federal laws applicable to the issuance of public securities and obligations.

"Note Payment Fund" has the meaning ascribed to such term in Section 13 of this Resolution.

"Operating Budget" means the District's operating budget for the 2018/2019 Fiscal Year prepared in accordance with the Act.

"Paying Agent" or **"Note Registrar"** means the District, acting through its Director of Finance.

"Permitted Investments" means investments from time to time legal for District moneys pursuant to the provisions of Section 218.415, Florida Statutes, as amended.

"Pledged Revenues" means (a) receipts of ad valorem taxes collected by the Tax Collector of the County for the benefit of the District during the 2018/2019 Fiscal Year, but only to the extent such tax receipts are levied or legally available for payment of operating expenses of the District and (b) amounts on deposit in the Note Payment Fund. "Pledged Revenues" shall not include ad valorem taxes collected to pay the principal of and interest on bonds of the District issued pursuant to Sections 1010.40-1010.55, Florida Statutes, or to pay the principal of and interest on any obligations issued by the District pursuant to Section 1011.14, Florida Statutes, or otherwise levied pursuant to Section 1011.71(2), Florida Statutes.

"Prime Rate" means that rate of interest which the Lender, from time to time, announces as its "prime rate" (or equivalent) with any change in such rate to be

automatically and immediately effective on the date of any change in such rate, it being understood that such rate is not necessarily the best or lowest rate charged borrowing customers of the Lender.

"Principal Amount" shall mean \$10,000,000, the maximum authorized principal amount of the Note issued hereunder.

"Record Date" shall mean the 15th day (whether or not a business day) immediately preceding the Maturity Date of the Note.

"Regulations" means the Income Tax Regulations promulgated by the Internal Revenue Service under Section 103 and Sections 141-150 of the Code.

"State" means the State of Florida.

"Superintendent" means the Superintendent of Schools of the District, ex-officio Secretary to the Board and in his absence or unavailability, any Assistant Superintendent or such other person as may be authorized to act on his or her behalf.

"2018/2019 Fiscal Year" means the fiscal year of the District which commenced July 1, 2018 and ends June 30, 2019.

SECTION 3. FINDINGS. It is hereby found, determined and declared as follows:

(A) Pursuant to Section 1011.13, Florida Statutes, and other applicable provisions of law, the school board of any school district in the State of Florida is authorized to negotiate a current loan at any time the current school funds on hand are estimated to be insufficient to pay obligations created by such school board, in accordance with the applicable budget of such school district.

(B) The Board has caused to be prepared an Operating Budget reflecting the reasonable estimates of receipts and expenditures of the District during the 2018/2019 Fiscal Year.

(C) The Board, to the extent possible, has endeavored to arrange the expenditures of the District for the 2018/2019 Fiscal Year so as to make it unnecessary for the District to incur loans.

(D) It is estimated based on the Operating Budget that the school funds will be insufficient, at various times during the 2018/2019 Fiscal Year, to satisfy obligations to be created by the Board in accordance with the Operating Budget of the District.

(E) It is therefore necessary for the benefit of the schools of the District for a loan to be obtained to meet the disbursement requirements of the Operating Budget, such loan

to be retired from Pledged Revenues anticipated to be received in accordance with the Operating Budget and, if necessary, from the Non-Ad Valorem Funds.

(F) The Lender has submitted a proposal to the District to provide the District with a loan in an amount not to exceed \$14,000,000, the proceeds of which would be applied to provide interim funds for payment of operating expenses of the District.

(G) That due to the potential volatility of the market for tax-exempt obligations such as the Note and the complexity of the transactions relating to such Note, it is in the best interest of the District to issue the Note on a negotiated basis to the Lender pursuant to Section 218.385(1), Florida Statutes. The Board acknowledges receipt of the information required by Section 218.385, Florida Statutes, in connection with such sale of the Note, including a "truth-in-bonding" statement. The aforementioned information is set forth in the form of the letter of the Lender attached hereto as Exhibit B, an executed copy of which will be received by the District prior to the issuance of the Note.

(H) That the Board hereby determines it to be in the best interest of the District and its inhabitants to provide such interim financing by obtaining a loan from the Lender and to evidence such loan through the issuance of the Note in the aggregate principal amount not exceeding the Principal Amount.

(I) The Principal Amount of the Note shall be less than 80% of the amount to be available from taxes levied by the District for operating purposes for the 2018/2019 Fiscal Year.

(J) The Principal Amount of the Note does not exceed the Cumulative Cash Flow Deficit plus any reasonable working capital reserve not in excess of the amount permitted by Section 1.148-6(d)(3)(iii)(B) of the Regulations.

(K) The loan as evidenced by the Note and computed as prescribed by Section 1011.13, Florida Statutes, will be, in the aggregate, not in excess of the amount necessary for the proper operation of the schools in the District.

(L) The Note will be payable as to both principal and interest from the Pledged Revenues estimated in the Operating Budget to be available, and, if necessary, is additionally payable from, but is not secured by, the Non-Ad Valorem Funds. Neither the faith and credit nor the taxing power of the State of Florida, the County, the Board or the District are pledged to the payment of the principal of or the interest on the Note.

(M) It is estimated that the Pledged Revenues will be sufficient to pay the principal of and interest on the Note when due.

SECTION 4. ACCEPTANCE OF PROPOSAL. The Board hereby accepts the proposal of the Lender to provide the District with interim financing for the payment of operating expenses.

SECTION 5. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Note authorized to be issued hereunder, this Resolution shall be deemed to be and shall constitute a contract between the District, the Board and the Holder of the Note. The covenants and agreement herein set forth to be performed by the District and the Board shall be for the benefit, protection and security of the Holder of the Note.

SECTION 6. AUTHORIZATION AND DESCRIPTION OF THE NOTE. For the purpose of financing the cost of obligations incurred in the ordinary operations of the District in the 2018/2019 Fiscal Year there is hereby authorized to be issued the "School District of Indian River County, Florida Tax Anticipation Note, Series 2018," in the principal amount of not-to-exceed \$10,000,000. The Note shall be sold to the Lender at a price equal to 100% of the stated principal amount of the Note. The exact aggregate principal amount of the Note to be issued pursuant to this Resolution shall be determined by the Superintendent in accordance with the terms of this Resolution, provided such amount shall not exceed \$10,000,000.

The Note shall be dated its day of delivery, shall be issued in the single denomination of not to exceed \$10,000,000, shall be in fully-registered form, shall mature on the Maturity Date and shall bear interest from its dated date until maturity, calculated on a 360-day year basis (consisting of twelve 30-day months), payable at maturity at an annual interest rate equal to the Interest Rate (subject to adjustment as provided in Section 7 below), which rate shall in no event exceed the maximum rate allowed by applicable law.

The Note shall not be subject to prepayment prior to maturity.

SECTION 7. ADJUSTMENTS TO INTEREST RATE. (A) In the event of a Determination of Taxability, the Interest Rate on the Note shall be adjusted to equal to the product of (a) the initial Interest Rate multiplied by (b) one divided by one minus the maximum federal corporate tax rate on the date of calculation (the "Taxable Rate") effective retroactively to the date on which such Determination of Taxability occurs. Immediately upon a Determination of Taxability, the District agrees to pay to the Holder of the Note subject to such Determination of Taxability the Additional Amount (as defined herein). "Additional Amount" means (i) the difference between (a) interest on the Note for the period commencing on the date on which the interest on such Note (or portion thereof) loses its tax-exempt status and ending on the earlier of the date such Note ceased to be outstanding or such adjustment is no longer applicable to such Note (the "Taxable Period") at a rate per annum equal to the Taxable Rate, and (b) the aggregate amount of interest payable on such Note for the Taxable Period under the provisions of such Note without considering the Determination of Taxability, plus (ii) any penalties, interest or other charges paid or payable by such Noteholder to the Internal Revenue Service by reason of such Determination of Taxability.

(B) The Noteholder shall promptly notify the District in writing of any adjustments pursuant to this Section 7; provided, however, that the Noteholder's failure to promptly provide such notice shall not release the District from its obligations hereunder to pay such adjustments. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments pursuant to this Section 7 may be retroactive. The Noteholder shall certify to the District in writing the additional amount, if any, due to the Noteholder as a result of an adjustment pursuant to this Section 7. Notwithstanding any provision of this Section 7 to the contrary, in no event shall the interest rate on the Note exceed the maximum rate permitted by applicable law.

(C) The provisions set forth in this Section 7 shall survive payment of the Note until such time as the federal statute of limitations under which the interest on the Note could be declared taxable under the Code shall have expired.

SECTION 8. EXECUTION AND AUTHENTICATION OF NOTE. The Note shall be executed in the name of the District by the Chairman of the Board, and attested and countersigned by the Superintendent, as ex-officio Secretary of the Board, and the corporate seal of the District or a facsimile thereof shall be affixed thereto or reproduced thereon. The Note may be signed and sealed on behalf of the District by any person who at the actual time of the execution of such Note shall hold such offices in the District, although at the date of such Note such person may not have been so authorized. The Note may be executed by the facsimile signatures of the Chairman or Superintendent so long as the Note bears one manual signature.

There shall be a Certificate of Authentication of the Note Registrar on the Note, and no Note shall be valid or obligatory for any purpose or be entitled to any security or benefit under the provisions of this Resolution unless such Certificate shall have been duly executed by the Note Registrar. The authorized signature for the Note Registrar shall be either manual or in facsimile, provided, however, that at least one of the above signatures, including that of the authorized signatures for the Note Registrar, appearing on the Note shall be a manual signature.

SECTION 9. NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case the Note shall be mutilated, destroyed, stolen or lost, upon the Holder furnishing the District proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District may prescribe and paying such expenses as the District may incur, the District shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Note, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Note, upon surrender of such mutilated Note, if any, to the District and the cancellation thereof; provided however, if the Note shall have matured or be about to mature, instead of issuing a substitute Note, the District may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without

surrender thereof. Any Note surrendered under the terms of this Section 9 shall be cancelled by the Paying Agent.

Any such duplicate Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the District whether or not, as to the duplicate Note, the lost, stolen or destroyed Note be at any time found by anyone, and such duplicate Note shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the special funds, as hereinafter pledged, to the same extent as any other Note issued hereunder.

SECTION 10. REGISTRATION AND TRANSFER OF NOTE. The Note shall be and shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and each successive Holder, in accepting the Note, shall be conclusively deemed to have agreed that such Note shall be and have all of said qualities and incidents of such a negotiable instrument.

There shall always be a Note Registrar with respect to the Note, which shall be the District or a bank or trust company located within or without the State with corporate trust powers. The Note Registrar initially shall be the District acting through its Director of Finance. The Note Registrar shall be responsible for maintaining the books for the registration of the transfer and exchange of the Note.

If the Note is presented for transfer, exchange or payment (if so required by the District or the Note Registrar) it shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the District or the Note Registrar, as the case may be, duly executed by the Holder or by his duly authorized attorney.

Upon surrender to the Note Registrar for transfer or exchange of the Note accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Holder or his attorney duly authorized in writing, the Note Registrar shall deliver in the name of the Holder or the transferee or transferees, as the case may be, a new fully registered Note of authorized denominations and of the same maturity and interest rate for the aggregate principal amount which the Holder is entitled to receive.

The District and the Note Registrar may charge the Holder a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer after the first such exchange or transfer following the delivery of such Note. The Note Registrar or the District may also require payment from the Holder or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Note shall be delivered.

A new Note delivered upon any transfer or exchange shall be a valid obligation of the District, evidencing the same debt as the Note surrendered, shall be secured under this Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Note surrendered.

The District and the Note Registrar may treat the Holder of the Note as the absolute owner thereof for all purposes, whether or not such Note shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name the Note is registered shall be deemed the Holder thereof by the District and the Note Registrar, and any notice to the contrary shall not be binding upon the District or the Note Registrar.

Whenever the Note shall be delivered to the Note Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Note shall be cancelled and destroyed by the Note Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the District.

The Holder of the Note shall only be entitled to assign its right, title and interest in the Note to (i) an affiliate of the Lender, (ii) a trust or other custodial arrangement established by the Lender or one or more of its affiliates, the owners of any beneficial interest in which are limited to "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, or (iii) a transferee that delivers to the Note Registrar an executed investor letter substantially in the form of the letter delivered by the Lender in connection with the initial purchase of the Note with such changes as are acceptable to the District and Note Counsel and that is (A) a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended and (B) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any case, having a combined capital and surplus, determined as of the date of any transfer of not less than \$5,000,000,000. Subject to compliance with the transfer restrictions of the prior sentence, the Note may only be transferred in minimum authorized denominations of \$250,000 and any larger denomination constituting an integral multiple of \$5,000.

SECTION 11. FORM OF NOTE. The text of the Note shall be in substantially the form of Exhibit A hereto, with such variations, deletions and insertions as may be necessary and desirable, and as may be authorized or permitted by this Resolution.

SECTION 12. SECURITY FOR NOTE; SPECIAL OBLIGATION OF DISTRICT. To the extent necessary to pay when due the principal of and the interest on the Note, the Pledged Revenues are irrevocably pledged to the payment of the Note. The Note and the interest thereon do not constitute a general obligation or indebtedness of, or a pledge of the faith and credit of, the Board, the District, the County, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation but shall be payable from and secured solely by a lien upon and

pledge of the Pledged Revenues in the manner provided herein and therein. If necessary, the Note is additionally payable from, but is not secured by, the Non-Ad Valorem Funds of the District. The Note and the obligation evidenced thereby shall not constitute a lien upon any property of or in the District other than the Pledged Revenues in the manner provided in this Resolution. No Holder of the Note shall ever have the right to compel the exercise of the ad valorem taxing power of the Board, the District, the County or the State or any political subdivision or agency thereof, other than the levy, collection and application of the Pledged Revenues, for the payment of the principal of or interest on the Note in the manner herein and in the Note provided.

SECTION 13. NOTE PAYMENT FUND. (A) There is hereby established the "School District of Indian River County, Florida Tax Anticipation Note, Series 2018 Note Payment Fund" (the "Note Payment Fund") to be held by the District as a separate special fund for the benefit of the Holder of the Note; provided that the cash required to be accounted for therein may be pooled with other funds of the District so long as adequate accounting records are maintained to reflect and control the restricted purposes of such Note Payment Fund moneys. The Note Payment Fund shall be held in trust by the District for the sole benefit of the Holder, and the Holder is granted an express lien on the moneys and/or investments held in the Note Payment Fund. The Holder of the Note shall have no lien upon all or any portion of the Non-Ad Valorem Funds unless and until any such funds are deposited into the Note Payment Fund. The District covenants that it shall deposit sufficient monies or Permitted Investments into the Note Payment Fund on or before December 23, 2018, or the first Business Day thereafter, in an amount not less than the principal of and interest on the Note due on the Maturity Date, such that not later than December 23, 2018, or the first Business Day thereafter, the balance on deposit therein will equal the amount of principal and interest becoming due on the Note on the Maturity Date. If, on December 23, 2018, or the first Business Day thereafter, and continuously thereafter, there is not on deposit in the Note Payment Fund an amount (including Permitted Investments and the income or earnings to be received thereon) equal to all principal of and interest on the Note at maturity, the Board shall designate the Note Payment Fund as its depository for the receipt of Pledged Revenues and continue such designation until such time as the amount in the Note Payment Fund, together with the earnings to be received thereon, is equal to all principal of and interest on the Note at maturity. The District further covenants that it will take no action and make no expenditures so as to impair its ability to make such required deposit to the Note Payment Fund.

(B) All investments held in the Note Payment Fund shall mature on or prior to the Maturity Date. All such investments shall be valued for the purpose of this Section 13 at their principal amount, and interest income or earnings to be received on or prior to the date of maturity of the Note shall be included in the Note Payment Fund balance for purposes of determining whether the requirements of this Section 13 have been met.

(C) Funds in the Note Payment Fund may be invested only in Permitted Investments. Earnings on investments held in the Note Payment Fund shall be retained and reinvested in the Note Payment Fund until the amount on deposit in the Note Payment Fund together with the earnings to be received thereon, is equal to the entire principal of and interest on the Note at maturity. Thereafter, such earnings may be withdrawn by the District and used in the District's discretion as provided by law except as provided in Subsection 13(D) hereof.

(D) Amounts in the Note Payment Fund, other than earnings permitted to be withdrawn by the District pursuant to Subsection 13(C) hereof, shall be applied solely to the payment of the principal of and interest on the Note, and in the event of a Determination of Taxability, the Additional Amount. After all such amounts shall have been paid, any amounts remaining in the Note Payment Fund may be used in the District's discretion as provided by law.

(E) On or prior to December 30, 2018, the District shall, if necessary, adjust the amount on deposit in the Note Payment Fund in order to ensure that sufficient funds are on deposit therein on the Maturity Date to pay the principal of and interest on the Note in full.

SECTION 14. APPLICATION OF NOTE PROCEEDS. The proceeds of the sale of the Note shall first be applied by the District to pay the costs of preparation and issuance of the Note. The remaining proceeds from the sale of the Note shall be used by the District to pay the lawful operating expenses of the District as the Board shall direct. The Holders of the Note issued hereunder shall have no responsibility for the use of the proceeds of said Note, and the use of such Note proceeds by the District shall in no way affect the rights of such Noteholders.

SECTION 15. COVENANTS OF DISTRICT AND BOARD. The Board covenants on its behalf and on behalf of the District with the Holders so long as any of the Note is outstanding and unpaid as follows, to the extent not already performed or accomplished:

(A) to comply promptly with the Act and other applicable statutes in regard to (i) adoption of the Operating Budget, (ii) determination of the amounts necessary to be raised for current operating purposes for the 2018/2019 Fiscal Year, (iii) determination of millage necessary to be levied for current operating purposes for the 2018/2019 Fiscal Year, (iv) certification of such millage to the County Property Appraiser, (v) ordering the County Property Appraiser to assess such millage, and (vi) collecting the taxes paid and due to the Board from the County Tax Collector;

(B) in preparing, approving and adopting its Operating Budget controlling or providing for the expenditures of its funds, so long as any principal of or interest on the Note is outstanding and unpaid, to appropriate, allot and approve, in the manner required by law from funds of the District derived from sources other than ad valorem taxes and

legally available therefor, amounts sufficient to pay the principal of and interest on the Note;

(C) not to issue without the prior written consent of the Lender any (i) indebtedness of any kind payable from the Pledged Revenues, or (ii) obligations payable from or secured by a lien on the moneys on deposit in the Note Payment Fund;

(D) except as otherwise expressly provided herein, not to enter into any contract or other agreement and not to take any action by which the rights of any Holder might be impaired or diminished;

(E) not to modify or amend this Resolution or any resolution amendatory hereof or supplemental hereto, without the prior consent in writing of Holders of fifty-one percent (51%) or more in principal amount of the Note then outstanding, provided that no modification or amendment shall permit, without the consent of all of the Holders, a change (i) in the maturity of the Note or a reduction in the rate of interest thereon, (ii) in the amount of the principal obligation evidenced by the Note, (iii) that would affect the unconditional promise of the District to collect the ad valorem tax revenues and to make the deposits to the Note Payment Fund required herein, (iv) that would reduce the percentage of Holders required above, for modifications or amendments hereto, (v) that would affect the tax covenants of the District contained in Section 16 hereof, or (vi) that would impair the obligation of the District to pay the principal of and interest on the Note at maturity or the remedies granted herein for the enforcement of such obligation. For the purpose of Holders' voting rights or consents, the Note owned by or held for the account of the District, directly or indirectly, shall not be counted;

(F) to pay the fee of the Lender's counsel in connection with the issuance and purchase of the Note by the Lender, which fee shall not exceed \$2,500;

(G) to provide the Lender with annual financial statements and such other financial and operating information as the Lender shall reasonably request at no cost to the Lender. If the Note is not fully paid off by the Maturity Date, the District agrees that it shall deliver to the Lender within 270 days of each fiscal year end, a copy of the District's audited annual financial report, and a District tentative budget and a capital improvement plan within 60 days of its fiscal year end and any other such information as reasonably requested by the Lender;

(H) that as of the date of issuance of the Note, no offering statement or other offering document shall have been prepared in connection with the issuance of the Note and the Note is not being offered for purchase by the Lender from any broker-dealer; and

(I) that as of the date of issuance of the Note, the Note shall not be rated by any rating agency or otherwise, and that the District shall not seek to have the Note rated by any rating agency or otherwise, for the entire duration the Note shall be outstanding.

SECTION 16. TAX COMPLIANCE. Neither the Board, the District nor any third party over whom the Board or the District has control, will make any use of the proceeds of the Note or the Pledged Revenues at any time during the term hereof and thereof which would cause the Note to be "private activity bonds" within the meaning of Section 148 of the Code or "arbitrage bonds" within the meaning of Section 148 of the Code. The Board, on behalf of the District, covenants throughout the term of the Note, to comply with the requirements of the Code and the Regulations, as such may be amended from time to time.

SECTION 17. EXECUTION OF DOCUMENTS. The Chairman, Vice Chairman, Superintendent, ex-officio Secretary of the Board, the Director of Finance and their designee(s) are hereby authorized to execute and deliver such documents and certificates, including the Note, in addition to those expressly authorized by this Resolution, and to take such further actions as they shall deem reasonably necessary or appropriate to effect the issuance of the Note and the other transactions contemplated by this Resolution.

Those officers are further authorized to make or effect any election, selection, choice, consent, approval, or waiver on behalf of the District with respect to the Note as the District is permitted or required to make or give under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or characterization of the Note or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties thereon, or making payments in lieu thereof, or obviating such amounts or payments, as determined by such officer. Any such action of such officer shall be in writing and signed by the officer.

SECTION 18. NOTE REGISTRAR AND PAYING AGENT AND AGREEMENT THEREFOR. The District shall act, through its Director of Finance, as Note Registrar and Paying Agent hereunder. The Director of Finance shall perform such duties as are more fully described herein and in the Note.

The Director of Finance shall fulfill the functions of Note Registrar and Paying Agent with respect to the Note until a qualified successor shall have been designated by the District and accepted such duties, such designation to be subject to written notice to the Note Registrar and Paying Agent, or until the Note have been paid in full pursuant to the terms hereof and of the Note.

SECTION 19. EVENTS OF DEFAULT. The following shall be "Events of Default" under this Resolution and the term "Event of Default" shall mean, whenever it is used in this Resolution, any one or more of the following events:

- (A) Failure by the District to pay the principal and interest on the Note when due.

(B) The commencement by or against the District of any bankruptcy, insolvency or similar proceedings.

(C) Any statement or representation made by the District in this Resolution or any other documents in relation thereto shall be proven untrue in any material respect.

(D) Default by the District in the performance of any other covenant, condition or agreement set forth herein or in any other documents executed in connection with the Note and failure to cure such default within 30-days of such default (unless a longer grace period is agreed to prior to the expiration of the then cure period in writing by the Holder).

SECTION 20. REMEDIES. (A) The Holder of the Note issued under the provisions of this Resolution may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof; provided, however, that the Noteholder shall not have the right to declare the Note immediately due and payable.

(B) Upon an Event of Default under Section 19 of this Resolution, the Note shall bear interest at the Default Rate until all amounts then due under the Note are paid in full or until such Event of Default is cured.

SECTION 21. WAIVER OF JURY TRIAL; APPLICABLE LAW. (A) To the extent permitted by applicable law, the District, knowingly, voluntarily and intentionally waives any right it may have to a trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Resolution, the Note or any agreement contemplated to be executed in connection with this Resolution, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of the District or the Holder of the Note.

(B) The substantive laws of the State of Florida shall govern this Resolution and the Note.

SECTION 22. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution and shall in no way affect the validity of all other provisions of this Resolution or of the Note issued hereunder.

SECTION 23. REPEALING CLAUSE. All resolutions or parts thereof in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 24. EFFECTIVE DATE. This Resolution shall be effective immediately upon its adoption.

ADOPTED at a Regular Meeting this 23rd day of October, 2018.

**THE SCHOOL BOARD OF INDIAN RIVER
COUNTY, FLORIDA, ACTING AS THE
GOVERNING BODY OF THE SCHOOL
DISTRICT OF INDIAN RIVER COUNTY,
FLORIDA**

(SEAL)

By: _____
Chairman

ATTEST:

Superintendent/Secretary

EXHIBIT A
PROMISSORY NOTE

THIS NOTE MAY ONLY BE TRANSFERRED TO (I) AN AFFILIATE OF THE PURCHASER, (II) A TRUST OR OTHER CUSTODIAL ARRANGEMENT ESTABLISHED BY THE REGISTERED OWNER OR ONE OR MORE OF ITS AFFILIATES, THE OWNERS OF ANY BENEFICIAL INTEREST IN WHICH ARE LIMITED TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (III) A TRANSFEREE THAT DELIVERS TO THE NOTE REGISTRAR AN EXECUTED INVESTOR LETTER SUBSTANTIALLY IN A FORM ACCEPTABLE TO THE DISTRICT AND NOTE COUNSEL AND THAT IS (A) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND (B) A COMMERCIAL BANK ORGANIZED UNDER THE LAWS OF THE UNITED STATES, OR ANY STATE THEREOF, OR ANY OTHER COUNTRY WHICH IS A MEMBER OF THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT, OR A POLITICAL SUBDIVISION OF ANY SUCH COUNTRY, AND, IN ANY CASE, HAVING A COMBINED CAPITAL AND SURPLUS, DETERMINED AS OF THE DATE OF ANY TRANSFER OF NOT LESS THAN \$5,000,000,000. SUBJECT TO COMPLIANCE WITH THE TRANSFER RESTRICTIONS OF THE PRIOR SENTENCE, THIS NOTE MAY ONLY BE TRANSFERRED IN MINIMUM AUTHORIZED DENOMINATIONS OF \$250,000 AND ANY LARGER DENOMINATION CONSTITUTING AN INTEGRAL MULTIPLE OF \$5,000.

NO. R-1

\$10,000,000.00

**UNITED STATES OF AMERICA
STATE OF FLORIDA
SCHOOL DISTRICT OF INDIAN RIVER COUNTY, FLORIDA
TAX ANTICIPATION NOTE, SERIES 2018**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUE</u>	<u>CUSIP NO.</u>
__%	January 1, 2019	October 25, 2018	_____

REGISTERED OWNER: WELLS FARGO BANK, NATIONAL ASSOCIATION

PRINCIPAL AMOUNT: TEN MILLION AND NO/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the School District of Indian River County, Florida (the "District"), for value received, hereby promises to pay to the

Registered Owner on the Maturity Date set forth above the Principal Amount set forth above, upon presentation and surrender hereof at the office of the Director of Finance of the District, as Note Registrar and Paying Agent, plus interest from the Date of Issue at the Interest Rate (subject to adjustment as provided in Section 7 of the hereinafter described Resolution) set forth above on the Principal Amount set forth above until payment of said Principal Amount, such interest to be calculated on a 360-day year basis (consisting of twelve 30-day months), but solely from (a) receipts of ad valorem taxes collected by the Tax Collector of Indian River County, Florida collected for the benefit of the District during the fiscal year of the District which commenced July 1, 2018 and ends June 30, 2019, but only to the extent such tax receipts are levied or legally available for payment of operating purposes of the District (excluding certain special millage levies) and (b) amounts on deposit in the Note Payment Fund established pursuant to the Resolution described below (collectively the "Pledged Revenues"). This Note is additionally payable from, but is not secured by, a lien upon or pledge of, the Non-Ad Valorem Funds of the District, as defined and as provided in the Resolution described below. Principal and interest on this Note shall be paid by wire transfer to the account designated by the Registered Owner hereof on the Record Date (as defined in the Resolution); provided, however, the Registered Owner shall provide the District with written evidence of payment in full of this Note upon receipt of such wire transfer.

Upon an Event of Default under Section 19 of the Resolution, the interest rate borne by this Note shall be increased to the Default Rate (as defined in the Resolution) until all amounts due under this Note are paid in full or until such Event of Default is cured.

All payments by the District pursuant to this Note shall be applied first to accrued interest, then to other charges due the Holder, and the balance thereof shall be applied to principal.

This Note is an authorized issue of a Note in the aggregate principal amount of \$10,000,000 designated the "School District of Indian River County, Florida Tax Anticipation Note, Series 2018," issued under the authority of Chapter 1011, Florida Statutes, and other applicable provisions of law, and pursuant and subject to the terms and conditions of a resolution duly adopted by The School Board of Indian River County, Florida (the "Board"), the governing body of the District, on October 23, 2018 (the "Resolution"), to which reference should be made to ascertain all of the terms and conditions applicable to the Note and which by reference thereto are fully incorporated herein.

This Note shall not be subject to prepayment prior to maturity.

This Note and the interest hereon is a special obligation of the District payable from and secured solely by the Pledged Revenues. This Note and the interest hereon does not constitute a general obligation or indebtedness of, or a pledge of the faith and credit of, the Board, the District, Indian River County, Florida, the State of Florida, or any political

subdivision or agency thereof, within the meaning of any constitutional or statutory provision or limitation but shall be payable solely from the Pledged Revenues in the manner and to the extent provided herein and in the Resolution. It is expressly agreed by the Registered Owner of this Note that such Registered Owner shall have no right to compel the exercise of the ad valorem taxing power of the Board, the District, Indian River County, Florida, the State of Florida, or any political subdivision or agency thereof, except from the Pledged Revenues, to provide for payment of principal of or interest on this Note.

It is further agreed between the District and the Holder of this Note that this Note and the obligation evidenced hereby shall not constitute a lien upon any property of or in the District, other than the Pledged Revenues, in the manner provided in the Resolution.

This Note is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities laws of the State of Florida. The District and the Paying Agent may treat the Registered Owner of this Note as the absolute owner hereof for all purposes, whether or not this Note be overdue, and the District and the Paying Agent shall not be affected by notice to the contrary.

This Note may be transferred or exchanged upon the terms and conditions specified in this Note and in the Resolution.

The District and the Holder of this Note waive trial by jury in connection with any action arising out of this Note.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to happen, exist and be performed precedent to and in the issuance of this Note, have happened, exist and have been performed in regular and due form and time as so required.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been duly executed by the Note Registrar.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the School District of Indian River County, Florida, acting by and through The School Board of Indian River County, Florida, has caused this Note to be signed by the Chairman of the School Board and attested by the Superintendent and Ex-Officio Secretary of the School Board, manually, and its seal to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Date of Issue.

**SCHOOL DISTRICT OF INDIAN RIVER
COUNTY, FLORIDA**

(SEAL)

By: _____
Chairman of The School Board of Indian
River County, Florida

ATTEST:

Superintendent and Ex-Officio Secretary
of The School Board of Indian River
County, Florida

CERTIFICATE OF AUTHENTICATION

This Note is the Note of the issue described in the within-mentioned Resolution.

**SCHOOL DISTRICT OF INDIAN RIVER
COUNTY, FLORIDA**

By: _____
Director of Finance

Date of Authentication: October 25, 2018

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

Please insert Name, Address and Social Security or other Identifying Number of Assignee

the within note and does hereby irrevocably constitute and appoint _____ as his agent to transfer the note on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or change whatever and the Social Security or other identifying number of such assignee must be supplied.

(Authorized Officer)

The following abbreviations, when used in the inscription on the face of the within note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT - _____
(Cust.)
Custodian for _____
(Minor)
under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

EXHIBIT B

**LENDER'S DISCLOSURE LETTER AND
TRUTH-IN-BONDING STATEMENT**

**WELLS FARGO BANK, NATIONAL ASSOCIATION
DISCLOSURE LETTER
AND
TRUTH-IN-BONDING STATEMENT**

October 25, 2018

The School Board of Indian River County, Florida
Vero Beach, Florida

Board Members:

In connection with the purchase of the \$10,000,000 principal amount School District of Indian River County, Florida Tax Anticipation Note, Series 2018 (the "Note") authorized to be issued by a resolution of The School Board of Indian River County, Florida, as governing body of the School District of Indian River County, Florida (the "Issuer"), adopted on October 23, 2018 (the "Resolution"), the undersigned lender of the loan evidenced by the Note (the "Original Lender"), hereby acknowledges and represents that (1) the Original Lender is familiar with the Issuer; (2) the Original Lender has been furnished certain business and financial information about the Issuer; (3) the Issuer has made available to the Original Lender the opportunity to obtain additional information and to evaluate the merits and risks of a loan to the Issuer; and (4) the Original Lender has had the opportunity to ask questions of and receive answers from representatives of the Issuer concerning the terms and conditions of the offering and the information supplied to the Original Lender.

The Original Lender acknowledges and represents that it has been advised that the Note has not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption contained in Section 3(a)(2) thereof, and that the Issuer is not presently registered under Section 12 of the Securities and Exchange Act of 1934, as amended. The Original Lender, therefore, realizes that if and when the Original Lender wishes to resell the Note there may not be available current business and financial information about the Issuer. Further, no trading market now exists for the Note. Accordingly, the Original Lender understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to the maturity of the Note may not be possible or may be at a price below that which the Original Lender is paying for the Note.

The Original Lender has been offered an opportunity to have made available to it any and all such information it might request from the Issuer. The Original Lender has conducted its own investigation to the extent it deemed necessary. On this basis, it is agreed by acknowledgment of this letter that the Original Lender hereto is not relying on any party

or person other than the Issuer or its representatives to undertake the furnishing or verification of information relating to this transaction.

The Original Lender acknowledges that the Note is being purchased as part of a private placement of the Note negotiated directly between the Issuer and representatives of the undersigned. Accordingly, the Original Lender has been advised by the Issuer that no Official Statement or other disclosure document has been prepared in connection with the issuance of the Note. No reliance has been placed on any findings by the Issuer in the Resolution as to the ability of the Issuer to meet its payment obligations so as to meet debt service on the Note or any other factual representations by anyone other than the Issuer.

The Original Lender further acknowledges and represents that (1) it is the only initial purchaser of the Note, (2) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the Note, and (3) it is purchasing the Note for its own account with no present intent to distribute the Note; provided that the Original Lender retains the right to dispose of the Note at any time as it may determine to be in its best interest in accordance with the Resolution and applicable federal and state securities laws. The Original Lender acknowledges that the representations contained in this paragraph are being made in order to meet one of the exceptions to the continuing disclosure requirements set forth in Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

Pursuant to the provisions of Section 218.385, Florida Statutes, the Original Lender is providing the following information with respect to the purchase of the Note. The Original Lender represents to you as follows:

(a) The nature and estimated amounts of expenses to be incurred by the Original Lender in connection with the issuance and sale of the Note are:

\$2,500 to Kutak Rock LLP, as Original Lender's Counsel (to be paid by the Issuer)

(b) There are no "finders," as defined in Section 218.386, Florida Statutes, in connection with the issuance of the Note.

(c) No discount or fee is expected to be realized by the Original Lender in connection with the issuance of the Note.

(d) No management fee will be charged by the Original Lender in connection with the issuance of the Note.

(e) No other fee, bonus or other compensation will be paid by the Original Lender in connection with the issuance of the Note to any person not regularly employed or retained by the Original Lender (including a "finder" as defined in Section 218.386, Florida Statutes), except as set forth in (a) above.

(f) The name and address of the Original Lender is:

Wells Fargo Bank, National Association
100 South Ashley Dive, 8th Floor
Tampa, Florida 33602
Attn: Vincent Mattio

(g) The Issuer is proposing to issue \$10,000,000 of the Note for the principal purpose of financing certain operating expenses in anticipation of the receipt of tax revenues. The Note is expected to be repaid over a period of approximately two months. At an annual interest rate of __. __%, total interest paid over the life of the Note will be \$_____. __. The expected source of repayment for the Note is certain anticipated ad valorem tax revenues of the Issuer. Authorizing the Note will result in \$_____. __ of such revenues of the Issuer being expended for the next four months to pay debt service on the Note and such amount will not be available to pay for other services of the Issuer.

Very truly yours,

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: _____
Vice President

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SOURCES AND USES OF FUNDS

The School District of Indian River County, Florida
Tax Anticipation Note, Series 2018
Final Cash Flows - Rate Locked at 2.80%

Sources:

Bond Proceeds:	
Par Amount	10,000,000.00
	<hr/>
	10,000,000.00

Uses:

Project Fund Deposits:	
Deposit to General Fund	9,971,000.00
Delivery Date Expenses:	
Cost of Issuance	29,000.00
	<hr/>
	10,000,000.00

Note: Cost of Issuance includes estimated figures.

BOND SUMMARY STATISTICS

The School District of Indian River County, Florida
 Tax Anticipation Note, Series 2018
 Final Cash Flows - Rate Locked at 2.80%

Dated Date	10/25/2018
Delivery Date	10/25/2018
Last Maturity	01/01/2019
Arbitrage Yield	2.812429%
True Interest Cost (TIC)	2.812429%
Net Interest Cost (NIC)	2.800000%
All-In TIC	4.425200%
Average Coupon	2.800000%
Average Life (years)	0.183
Duration of Issue (years)	0.183
Par Amount	10,000,000.00
Bond Proceeds	10,000,000.00
Total Interest	51,333.33
Net Interest	51,333.33
Total Debt Service	10,051,333.33
Maximum Annual Debt Service	10,051,333.33
Average Annual Debt Service	54,825,454.53
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

	TIC	All-In TIC	Arbitrage Yield
Par Value	10,000,000.00	10,000,000.00	10,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-29,000.00	
- Other Amounts			
Target Value	10,000,000.00	9,971,000.00	10,000,000.00
Target Date	10/25/2018	10/25/2018	10/25/2018
Yield	2.812429%	4.425200%	2.812429%

BOND PRICING

The School District of Indian River County, Florida
 Tax Anticipation Note, Series 2018
 Final Cash Flows - Rate Locked at 2.80%

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Note:	01/01/2019	10,000,000	2.800%	2.800%	100.000
		10,000,000			

Dated Date	10/25/2018		
Delivery Date	10/25/2018		
Par Amount	10,000,000.00		
Original Issue Discount			
Production	10,000,000.00	100.000000%	
Underwriter's Discount			
Purchase Price	10,000,000.00	100.000000%	
Accrued Interest			
Net Proceeds	10,000,000.00		

BOND DEBT SERVICE

The School District of Indian River County, Florida
Tax Anticipation Note, Series 2018
Final Cash Flows - Rate Locked at 2.80%

Dated Date 10/25/2018
Delivery Date 10/25/2018

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2019	10,000,000	2.800%	51,333.33	10,051,333.33	10,051,333.33
	10,000,000		51,333.33	10,051,333.33	10,051,333.33

COST OF ISSUANCE

The School District of Indian River County, Florida
Tax Anticipation Note, Series 2018
Final Cash Flows - Rate Locked at 2.80%

Cost of Issuance	\$/1000	Amount
Note Counsel	1.00000	10,000.00
Note Counsel Expenses*	0.17500	1,750.00
Local Counsel	0.50000	5,000.00
Financial Advisor	0.80000	8,000.00
Financial Advisor Expenses*	0.17500	1,750.00
Bank Counsel	0.25000	2,500.00
	2.90000	29,000.00

FORM 8038 STATISTICS

The School District of Indian River County, Florida
 Tax Anticipation Note, Series 2018
 Final Cash Flows - Rate Locked at 2.80%

Dated Date 10/25/2018
 Delivery Date 10/25/2018

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Note:	01/01/2019	10,000,000.00	2.800%	100.000	10,000,000.00	10,000,000.00
		10,000,000.00			10,000,000.00	10,000,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	01/01/2019	2.800%	10,000,000.00	10,000,000.00		
Entire Issue			10,000,000.00	10,000,000.00	0.1833	2.8124%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	29,000.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

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**IMAGINE SCHOOLS AT SOUTH INDIAN
RIVER COUNTY, LLC D/B/A
IMAGINE SCHOOLS AT SOUTH VERO**

A Charter School and Component Unit of the
District School Board of Indian River County, Florida

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2018

King & Walker, CPAs, PL

Certified Public Accountants

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**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO**

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Members:
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Independent Auditor's Report

To the Board of Directors of Imagine Schools at South Indian River County, LLC
d/b/a Imagine Schools at South Vero,
a Charter School and Component Unit of the District
School Board of Indian River County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero, ("School"), a charter school and component unit of the District School Board of Indian River County, Florida, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero, as of June 30, 2018, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule and the Note to Supplementary Information, as shown in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic 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 methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2018 on our consideration of Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero internal control over financial reporting and compliance.

Respectfully submitted,



September 7, 2018
Tampa, Florida

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO**

A Charter School and Component Unit of the District School Board of Indian River County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero ("School") provides an overview of the School's activities for the fiscal year ended June 30, 2018.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to financial statements, as shown in the table of contents.

FINANCIAL HIGHLIGHTS

- The School reported an Unrestricted Net Position balance of \$2,821,708, as shown on the Statement of Net Position.
- For the fiscal year ended June 30, 2018, the School's revenues exceeded expenses by \$1,732,828, as shown on the School's statement of activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of Net Position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of Net Position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the Net Position, is a measure of the financial health of the School.

The statement of activities presents information about the change in the School's Net Position and the results of operations, during the fiscal year. An increase or decrease in Net Position is an indication of whether the School's financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO**

A Charter School and Component Unit of the District School Board of Indian River County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide financial statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund financial statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund financial statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates three funds; a General Fund, a Special Revenue Fund, and a Capital Projects Fund. The School has elected to show each fund as a major fund.

The School adopts an annual budget for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with the budget.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO**

A Charter School and Component Unit of the District School Board of Indian River County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School's current year and prior year net position:

	Net Position, End of Year		
	Governmental Activities		
	6-30-17	6-30-18	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 1,550,618	\$ 3,198,068	\$ 1,647,450
Capital Assets, net	305,083	390,051	84,968
Total Assets	<u>1,855,701</u>	<u>3,588,119</u>	<u>1,732,418</u>
LIABILITIES			
Current Liabilities	<u>376,770</u>	<u>376,360</u>	(410)
Total Liabilities	<u>376,770</u>	<u>376,360</u>	(410)
NET POSITION			
Net Investment in Capital Assets	305,083	390,051	84,968
Unrestricted	<u>1,173,848</u>	<u>2,821,708</u>	<u>1,647,860</u>
Total Net Position	<u>\$ 1,478,931</u>	<u>\$ 3,211,759</u>	<u>\$ 1,732,828</u>

The School's current and non-current assets consist primarily of cash and cash equivalents, amounts due from other agencies and a long-term receivable from the District School Board of Indian River County. The School's investment in capital assets consist of furniture, fixtures and equipment, audio visual materials, and buildings and fixed equipment net of depreciation. Liabilities are primarily comprised of salaries & benefits payable, unearned revenue, and accounts payable.

Total Net Position amounted to \$3,211,759 as of June 30, 2018, representing an increase of \$1,732,828 over the prior fiscal year.

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO**

A Charter School and Component Unit of the District School Board of Indian River County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The following is a summary of the School's net position for the current year and prior year:

	Operating Results for the Year		
	<u>Governmental Activities</u>		
	<u>6-30-17</u>	<u>6-30-18</u>	<u>Increase (Decrease)</u>
Revenues:			
Federal Through Local	\$ 192,163	\$ 310,823	\$ 118,660
State Sources	6,428,334	6,686,055	257,721
Local and Other	761,420	1,388,027	626,607
Special Item - Recovery of FEFP		1,039,784	1,039,784
Total Revenues	<u>7,381,917</u>	<u>9,424,689</u>	<u>2,042,772</u>
Expenses:			
Instruction	3,178,713	3,420,814	242,101
Pupil Personnel Services	43,423	43,293	(130)
Instruction and Curriculum Development	49,020	114,349	65,329
Board of Education	50,358	32,373	(17,985)
School Administration	1,316,423	1,449,155	132,732
Food Services	325,963	393,664	67,701
Central Services	960	1,394	434
Operation of Plant	1,806,958	1,901,743	94,785
Maintenance of Plant	54,609	60,494	5,885
Community Service	148,950	157,522	8,572
Unallocated Depreciation	81,455	117,060	35,605
Total Expenses	<u>7,056,832</u>	<u>7,691,861</u>	<u>635,029</u>
Increase in Net Position	<u>\$ 325,085</u>	<u>\$ 1,732,828</u>	<u>\$ 1,407,743</u>

The largest revenue source for the School is the State of Florida (82 percent). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and Charter School Capital Outlay funds. Both sources utilize student enrollment data to determine the funds available for the School.

The largest concentrations of expenses during the year were for instruction (44 percent) and operation of plant (25 percent).

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO**

A Charter School and Component Unit of the District School Board of Indian River County, Florida

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a total combined fund balance of \$1,854,389.

BUDGETARY HIGHLIGHTS

The general fund and special revenue fund budget for the fiscal year ended June 30, 2018, was developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, the school revised its general fund and special revenue fund budgets several times. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$390,051 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures, and equipment, audio visual materials, and buildings and fixed equipment. Additional information regarding the School's capital assets is presented in a subsequent note to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero 6000 4th St., Vero Beach, FL 32968.

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA**

STATEMENT OF NET POSITION

June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash & Cash Equivalents	\$ 2,079,190
Due From Other Agencies	110,681
Accounts Receivable	6,357
Prepaid Expenses	34,521
Long-Term Receivable	967,319
Capital Assets:	
Furniture, Fixtures, and Equipment, Net	221,907
Buildings and Fixed Equipment, Net	168,083
Audio Visual Materials, Net	61
Total Capital Assets, Net	<u>390,051</u>
TOTAL ASSETS	<u>3,588,119</u>
LIABILITIES	
Salaries and Benefits Payable	310,651
Accounts Payable	42,584
Due to Management Company	3,717
Unearned Revenue	19,408
TOTAL LIABILITIES	<u>376,360</u>
NET POSITION	
Net Investment in Capital Assets	390,051
Unrestricted	<u>2,821,708</u>
TOTAL NET POSITION	<u><u>\$ 3,211,759</u></u>

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

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018**

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 3,420,814	\$ -	\$ -	\$ -	\$ (3,420,814)
Pupil Personnel Services	43,293				(43,293)
Instructional and Curriculum Development	114,349				(114,349)
Board of Education	32,373				(32,373)
School Administration	1,449,155				(1,449,155)
Food Services	393,664	155,016	310,823		72,175
Central Services	1,394				(1,394)
Operation of Plant	1,901,743			162,203	(1,739,540)
Maintenance of Plant	60,494				(60,494)
Community Service	157,522	151,056			(6,466)
Unallocated Depreciation	117,060				(117,060)
Total Governmental Activities	\$ 7,691,861	\$ 306,072	\$ 310,823	\$ 162,203	\$ (6,912,763)
General Revenues:					
State Sources					6,523,852
Local and Other					1,081,955
Special Item - Recovery of Prior Year State FEFP					1,039,784
Total General Revenues & Special Items					8,645,591
Change in Net Position					1,732,828
Net Position - July 1, 2017					1,478,931
Net Position - June 30, 2018					\$ 3,211,759

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

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA**

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash & Cash Equivalents	\$ 2,079,190	\$ -	\$ -	\$ 2,079,190
Due From Other Agencies	97,562		13,119	110,681
Accounts Receivable	6,357			6,357
Prepaid Expenses	34,521			34,521
Due From Other Funds	13,119			13,119
	<u>\$ 2,230,749</u>	<u>\$ -</u>	<u>\$ 13,119</u>	<u>\$ 2,243,868</u>
Total Assets				
LIABILITIES				
Salaries and Benefits Payable	\$ 310,651	\$ -	\$ -	\$ 310,651
Accounts Payable	42,584			42,584
Due to Management Company	3,717			3,717
Unearned Revenue	19,408			19,408
Due to Other Funds			13,119	13,119
	<u>376,360</u>	<u>-</u>	<u>13,119</u>	<u>389,479</u>
Total Liabilities				
FUND BALANCES				
Nonspendable	34,521			34,521
Assigned				
Instructional Materials/Textbooks	200,000			200,000
Technology	100,000			100,000
Unassigned	1,519,868		-	1,519,868
	<u>1,854,389</u>	<u>-</u>	<u>-</u>	<u>1,854,389</u>
Total Fund Balances				
Total Liabilities and Fund Balances	<u>\$ 2,230,749</u>	<u>\$ -</u>	<u>\$ 13,119</u>	<u>\$ 2,243,868</u>

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

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
*June 30, 2018***

Total Fund Balances - Governmental Funds	\$ 1,854,389
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.	390,051
Long-term receivables are not due and collectible in the current period and, therefore, are not reported as receivables in the governmental funds.	<u>967,319</u>
Total Net Position - Governmental Activities	<u><u>\$ 3,211,759</u></u>

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

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT 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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Intergovernmental:				
Federal Through Local	\$ -	\$ 310,823	\$ -	\$ 310,823
State Sources	6,596,317		162,203	6,758,520
Local and Other	592,613	155,016	640,398	1,388,027
Total Revenues	<u>7,188,930</u>	<u>465,839</u>	<u>802,601</u>	<u>8,457,370</u>
Expenditures				
Current - Education:				
Instruction	3,420,814			3,420,814
Pupil Personnel Services	43,293			43,293
Instructional and Curriculum Development	114,349			114,349
Board of Education	32,373			32,373
School Administration	1,449,155			1,449,155
Food Services		393,664		393,664
Central Services	1,394			1,394
Operation of Plant	1,099,142		802,601	1,901,743
Maintenance of Plant	60,494			60,494
Community Service	157,522			157,522
Fixed Capital Outlay:				
Other Capital Outlay	129,061	72,967		202,028
Total Expenditures	<u>6,507,597</u>	<u>466,631</u>	<u>802,601</u>	<u>7,776,829</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>681,333</u>	<u>(792)</u>	<u>-</u>	<u>680,541</u>
Other Financing Sources (Uses):				
Transfers In		792		792
Transfers (Out)	(792)			(792)
Total Other Financing Sources (Uses)	<u>(792)</u>	<u>792</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	680,541	-	-	680,541
Fund Balances, July 1, 2017	<u>1,173,848</u>	<u>-</u>	<u>-</u>	<u>1,173,848</u>
Fund Balances, June 30, 2018	<u>\$ 1,854,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,854,389</u>

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

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
*For the Fiscal Year Ended June 30, 2018***

Net Change in Fund Balances - Governmental Funds	\$	680,541
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays (\$202,028) in excess of depreciation expense (\$117,060) in the current period.		84,968
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Initial Long-term receivable revenue is reported as a Special Item in the Statement of Activities; however, this revenue does not provide current financial resources, and therefore is not reported in the governmental funds.		1,039,784
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Principal payments received for long-term receivables provides current financial resources and is reported as revenue in the governmental funds, whereas the principal payments received are not reported in the statement of activities but as a reduction of the long-term receivable in the statement of net position.		(72,465)
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Change in Net Position - Governmental Activities	\$	<u>1,732,828</u>
---------------------------------------------------------	-----------	-------------------------

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

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO**

A Charter School and Component Unit of the District School Board of Indian River County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

The Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero (“School”), is a limited liability company organized pursuant to Chapter 608.407, Florida Statutes. The School qualifies for derivative exempt status within the meaning of Section 501(c)(3) of the Internal Revenue Code by virtue of its relationship with its single member, Imagine Schools Non-Profit, Inc. (“the Management Company”), a Virginia non-stock corporation. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of five members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Indian River County, Florida, (“District”). The current charter is effective until June 30, 2029, and is subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a division of the Charter holder, and a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School'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 School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

➤ **Basis of Presentation**

Government-wide Financial Statements: Government-wide financial statements, including the statement of Net Position and the statement of activities, present information about the School as a whole. 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 School’s governmental activities. Direct

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expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

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 is self-financing or draws from the general revenues of the School.

Fund Financial Statements: Fund financial statements report detailed information about the School in the governmental 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. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliations are presented with each of the governmental fund financial statements.

The School considers all of its funds as 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 Fund: to account for certain Federal grant program resources and the School's food services.
- Capital Projects Fund: to account for all resources for the acquisition of capital and related items purchased by the School with capital outlay funds.

➤ **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. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. 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

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thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. 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, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Cash and Cash Equivalents**

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

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of Net Position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$750. 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:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 10 years
Buildings and Fixed Equipment	5 - 20 years
Audio Visual Materials	3 - 5 years
Computer Software	3 - 5 years

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

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The School does not have any items that qualify for reporting in this category.

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.

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- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent (FTE) students reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School’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 District receives a 2% administrative fee from the School, which is reflected in the accompanying statement of activities and statement of revenues, expenditures and change in fund balances – governmental funds.

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) weighed FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the Legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2018, the School reported 894.98 unweighted FTE and 937.2858 weighted FTE.

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FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for Weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for Weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal or state 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.

The School also receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections. The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. A schedule of revenue sources for the current year is presented in a subsequent note.

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of Net Position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

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June 30, 2018

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. CASH DEPOSITS

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

3. DUE FROM OTHER AGENCIES

Amounts Due from Other Agencies included in the accompanying statement of Net Position and balance sheet – governmental funds consists of amounts due from the Indian River County School Board for FEFP revenue (87,767), the ERATE program (\$9,795), and Capital Outlay (\$13,119) funds. These receivables are considered to be fully collectible and as such, no allowance for uncollectible is accrued.

4. LONG-TERM RECEIVABLE

The School reported a long-term receivable due from the District School Board of Indian River County for the recovery of prior year FEFP monies related to 0.6 millage 2012 Referendum proceeds. The District owed the School \$1,039,784 and agreed to a 5.17% fixed interest rate promissory note requiring monthly principal and interest payments through January 15, 2022. The initial revenue for the long-term receivable was shown as Special Item – Recovery of Prior Year State FEFP on the Statement of activities, and the principal payments of \$72,465 are shown as State Sources on the Statement of Revenue Expenditures, and Changes in Fund Balances – Governmental Funds. As of June 30, 2018, the remaining balance on the long-term receivable was \$967,319.

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2018 the Capital Projects Fund owed the General Fund \$13,119 for expenditures incurred for the facilities rent. The amounts of interfund receivables and payables are netted together and not reported in the statement of net position.

During the year, the General Fund transferred \$792 to the Special Revenue Fund to assist with capital outlays related to food service operations. The amounts of interfund transfers are netted together and not reported in the statement of activities.

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6. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 16,671	\$ -	\$ (16,671)	\$ -
Total Capital Assets Not Being Depreciated	<u>16,671</u>	<u>-</u>	<u>(16,671)</u>	<u>-</u>
Capital Assets Being Depreciated:				
Furniture, Fixtures and Equipment	433,278	185,356		618,634
Buildings and Fixed Equipment	201,390	33,343		234,733
Audio Visual Materials	32,781			32,781
Computer Software	4,409			4,409
Total Capital Assets Being Depreciated	<u>671,858</u>	<u>218,699</u>	<u>-</u>	<u>890,557</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(301,847)	(94,880)		(396,727)
Buildings and Fixed Equipment	(45,414)	(21,236)		(66,650)
Audio Visual Materials	(31,776)	(944)		(32,720)
Computer Software	(4,409)			(4,409)
Total Accumulated Depreciation	<u>(383,446)</u>	<u>(117,060)</u>	<u>-</u>	<u>(500,506)</u>
Total Capital Assets Being Depreciated, Net	<u>288,412</u>	<u>101,639</u>	<u>-</u>	<u>390,051</u>
Governmental Activities Capital Assets, Net	<u>\$ 305,083</u>	<u>\$ 101,639</u>	<u>\$ (16,671)</u>	<u>\$ 390,051</u>

All depreciation expense was shown as unallocated on the Statement of Activities.

7. FUND BALANCE CLASSIFICATION

For the year ended June 30, 2018, the breakout of the fund balance is shown below:

	<u>General Fund</u>
Nonspendable	\$ 34,521
Assigned	
Instructional Materials/Textbooks	200,000
Technology	100,000
Unassigned	1,519,868
Total Fund Balance	<u>\$ 1,854,389</u>

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8. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue:

Source	Amount
Florida Education Finance Program	\$ 3,944,676
Class Size Reduction	1,023,890
Discretionary Lottery Allocation	1,552
Supplementary Academic Instruction	182,804
Discretionary Local Effort	631,904
Charter School Capital Outlay	162,203
ESE Guaranteed Allocation	116,782
Instructional Materials	67,069
Digital Classrooms Allocation	39,556
Reading Allocation	42,749
Local Millage	434,547
Safe Schools	21,768
0.6 Millage 2012 Referendum	72,465
Florida Teachers Classroom Supply	13,356
Declining Enrollment	3,199
Total State Revenue	\$ 6,758,520

As provided in the charter school contract, the District has charged the School an administrative fee of available funds from the Florida Education Finance Program and categorical funding for which charter students may be eligible. The administrative fee for the fiscal year amounted to \$34,474.

9. FUNDING AND CREDIT CONCENTRATIONS

The School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

10. RELATED PARTY TRANSACTIONS

a) **Management Service Contract:**

The School entered into a service agreement with Imagine Schools Non-Profit, Inc. (the management company), commencing June 20, 2008, and effective for twenty years (240 months), and may be cancelled or terminated pursuant to the terms and conditions set forth in the charter.

This agreement calls for a Development Allocation for the pre-opening charter school development support. On September 1, of the first year of operation of the Charter School, the Development Allocation amount of \$2,500 shall be paid to the

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management company on the first of each month thereafter for the period of 240 months. Current year Development Allocation fees charged to operations totaled \$30,000.

This agreement also calls for an Indirect Cost Allocation, for performance of its responsibilities, equal to twelve percent (12%) of State revenue. The Indirect Cost Allocation shall be paid monthly in an amount equal to one-twelfth of the annual budgeted allocation. Current year Indirect Cost Allocation fees charged to operations totaled \$878,658.

In the event there are not sufficient funds to pay operating expenses, the operating company will provide Operating Advances to cover such shortfalls. The operating company shall be reimbursed for such advances on the first date of each month in which funds reside in the School's operating account for which not otherwise reserved by the operating budget.

If, at the end of a fiscal year, the School's defined fund balance, as determined prior to final completion of the School's annual audit, is not sufficiently positive, consistent with Section 218.503(1), F.S. (2011), and the fund balance requirements of the District School Board of Indian River County (the "Authorizer"), if any, to reimburse the management company for all Operating Advances made during such fiscal year, the management company shall forgive the amount of outstanding Operating Advances that will enable the Defined Fund Balance to reflect a net surplus as of the end of such fiscal year equal to at least one dollar (\$1.00) or, if greater, the fund balance required by the Authorizer, if any. In no event shall the management company be required to make any Operating Advances, which, if forgiven, may result in a cumulative Operating Advance forgiveness in excess of two million five hundred thousand dollars (\$2,500,000).

The management company shall be entitled to payment of a fee for services, including for providing Operating Advances (the "Fund Balance Assistance Fee"), in any year in which (i) no amounts were required to be forgiven pursuant to the previous paragraph, and (ii) the Defined Fund Balance, after consideration of the repayments of all outstanding Operating Advances, exceeds the fund balance required by the Authorizer, if any. The Fund Balance Assistance Fee for such year shall equal the lesser of (x) the amount which, when recorded for such year would cause the Defined Fund Balance to equal at least one dollar (\$1.00) or, if greater, the Fund Balance required by the Authorizer, if any, and (y) 2% of State revenues. The Fund Balance Assistance fee shall be due and payable as of the 15th day of December following the fiscal year of such determination, to allow for time to complete the School's annual audit. "Defined Fund Balance" for purposes of this agreement, shall mean that portion of the School's fund balance not classified as restricted, committed, or nonspendable, as reported on the fund financial statements.

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b) Facilities Lease:

On June 20, 2008, the School entered an operating sublease agreement with an affiliated entity of the Management Company for its facilities through the end of the School's charter. The lease calls for an annual base rent payable in advance in monthly installments. The base rent shall be escalated annually starting July 1, 2010 at a rate equal to the lesser of the overall Consumer Price Index for the immediate preceding calendar year. Total rent expense charged to operations for the year ended June 30, 2018 totaled \$1,502,557.

The total future minimum payments for the years ended June 30, are as follows:

Fiscal Year Ending June 30:	Development Allocation	Facilities
2019	\$ 30,000	\$ 1,502,557
2020	30,000	1,502,557
2021	30,000	1,502,557
2022	30,000	1,502,557
2023	30,000	1,502,557
2024-28	150,000	7,512,785
2029		1,502,557
Total Minimum Payments	<u>\$ 300,000</u>	<u>\$ 16,528,127</u>

11. RETIREMENT PLAN

The School participates in a 401(k) Retirement Savings Plan for employees. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. Contributions made by the School totaled \$99,291 for the year ended June 30, 2018. The School is currently making matching contributions up to 5% for participating employees. The rate of contribution is set annually by the Management Company.

12. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2018, may be impaired.

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In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

13. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

14. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
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A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND & MAJOR SPECIAL REVENUE FUND - (UNAUDITED)
For the Fiscal Year Ended June 30, 2018**

	General Fund				Major Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:								
Intergovernmental:								
Federal Through Local	\$ -	\$ -	\$ -	\$ -	\$ 192,200	\$ 310,823	\$ 310,823	\$ -
State Sources	6,475,444	6,524,154	6,596,317	72,163				
Local and Other	490,081	656,320	592,613	(63,707)	186,453	155,016	155,016	-
Total Revenues	6,965,525	7,180,474	7,188,930	8,456	378,653	465,839	465,839	-
Expenditures:								
Current - Education:								
Instruction	3,474,449	3,420,815	3,420,814	1				
Pupil Personnel Services	25,710	43,293	43,293	-				
Instructional and Curriculum Development		114,349	114,349	-				
Board of Education	12,000	32,672	32,373	299				
School Administration	1,621,634	1,449,155	1,449,155	-				
Food Services			-	-	384,339	393,128	393,664	(536)
Central Services		1,394	1,394	-				
Operation of Plant	1,604,346	1,099,142	1,099,142	-				
Maintenance of Plant	50,300	60,494	60,494	-				
Community Service	95,321	157,522	157,522	-				
Fixed Capital Outlay:								
Other Capital Outlay	77,500	218,698	129,061	89,637		72,967	72,967	-
Total Expenditures	6,961,260	6,597,534	6,507,597	89,937	384,339	466,095	466,631	(536)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	4,265	582,940	681,333	98,393	(5,686)	(256)	(792)	(536)
Other Financing Sources (Uses):								
Transfers In			-	-		256	792	536
Transfers (Out)	(5,686)	(256)	(792)	536	5,686		-	-
Total Other Financing Sources (Uses)	(5,686)	(256)	(792)	536	5,686	256	792	536
Net Change in Fund Balances	(1,421)	582,684	680,541	98,929				
Fund Balances, July 1, 2017	1,173,848	1,173,848	1,173,848	-	-	-	-	-
Fund Balances, June 30, 2018	\$ 1,172,427	\$ 1,756,532	\$ 1,854,389	\$ 98,929	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC
D/B/A IMAGINE SCHOOLS AT SOUTH VERO**

A Charter School and Component Unit of the District School Board of Indian River County, Florida

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.



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

To the Board of Directors of the Imagine Schools at South Indian River County, LLC
d/b/a Imagine Schools at South Vero.
a Charter School and Component Unit of the District
School Board of Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero ("School"), a charter school and component unit of the District School Board of Indian River County, Florida, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 7, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, professional style.

September 7, 2018
Tampa, Florida



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**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of the Imagine Schools at South Indian River County, LLC
d/b/a Imagine Schools at South Vero
a Charter School and Component Unit of the
District School Board of Indian River County, Florida

Report on the Financial Statements

We have audited the financial statements of Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero ("School"), a charter school and component unit of the District School Board of Indian River County, Florida, as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated September 7, 2018.

Auditor's Responsibility

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

Other Reports and Schedules

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 7, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior audit findings or recommendations.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Imagine Schools at South Indian River County, LLC d/b/a Imagine Schools at South Vero.

Financial Condition

Sections 10.854(1)(e)2., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Transparency

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

Other Matters

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

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

Purpose of this Letter

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

Respectfully submitted,



September 7, 2018
Tampa, Florida



**Morgan•Jacoby•Thurn•Boyle
& Associates, P.A.**
Certified Public Accountants

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

Annual Financial Report

June 30, 2018

(With Independent Auditors' Report Thereon)



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

Annual Financial Report

June 30, 2018

(With Independent Auditors' Report Thereon)

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

Annual Financial Report

June 30, 2018

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian River Charter High School, Inc., a component unit of the Indian River County District School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(Continued)



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian River Charter High School, Inc., as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–11 and 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 18, 2018, on our consideration of the Indian River Charter High School, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Indian River Charter High School, Inc.'s internal control over financial reporting and compliance.

MORGAN, JACOBY, THURN, BOYLE & ASSOCIATES, P.A.

September 18, 2018

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

Management's Discussion and Analysis

This section of the Indian River Charter High School, Inc.'s (the School) annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the School's basic financial statements, which immediately follow this section.

Highlights

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

The School's net position increased by \$1,458,468 or 24.8% from the prior year. In comparison, the prior year experienced an increase of \$241,829. The change reflected in the past two years is primarily due to new local capital improvement funds received in the current year and revenue recognized as a result of the settlement of a complaint against the School District of Indian River County. Student enrollment for the 2017-2018 school year totaled six hundred forty-six, an increase from the six hundred thirty-four students enrolled during the 2016-2017 school year. FTE revenues increased by 4.4% from the prior year.

At year end, the School accumulated a surplus of unrestricted net position of \$2,675,731, which was an increase of \$1,039,464 for this fiscal year.

In addition to the above financial highlights, the School also achieved the following nonfinancial results:

- Scholastics Recognition:
 - The School returned to an "A" School for the ninth time in the past ten years. The School is now designated as a "School of Excellence" by the Florida Department of Education. The U.S. News and World Report ranks it 96th among all high schools in the state, and as the highest achieving high school on the Treasure Coast. This was accomplished through significant increases in mandated State End of Course exams. The school exceeded all state and county averages on these tests. In 2016, students at IRCHS who took Advanced Placement tests had an average score of 3.1. In 2017, students at IRCHS who took Advanced Placement tests had an average score of 3.5. From 2016 to 2017, the average score on Advanced Placement tests increased by .4 points, and the number of tests administered increased from 234 to 370.
 - In 2017-2018, a School student earned a spot on the Indian River County Academic Team and competed at the Commissioner's Academic Challenge in Disney World. The team placed sixth in the State, and the IRCHS student contributed to this effort in the disciplines of Physics, Chemistry, and Mathematics.

- The School's Visual and Performing Arts programs (VAPA) was recognized with a variety of regional and state-wide accolades including:
 - The annual fall fundraiser was held in November and was titled “All That American Jazz”. The show featured the unpublished letters between Waldo Sexton and Zora Neale Hurston. More than 600 students participated in this interdisciplinary performance on two nights. This production was a stunning dinner show featuring choral, orchestral, dramatic, dance, and jazz students. The show will once again be presented to the public at the request of the City Council as part of the city’s 100-year celebration.
 - The School’s choir program had 8 entries in the Florida Vocal Association District 13 Solo & Ensemble and 2 Choirs in the Choral MPA. The results were:
 - 5 Superior solos
 - 3 Excellent solos
 - 1 Choir Superior
 - 1 Choir Excellent
 - The choir also received superior ratings and Grand Champions at the Music USA Universal Studios Festival. The Choir was also extended the invitation to participate in the 2019 Carnegie Hall Concert Series.
 - The orchestra received a consensus superior rating at District MPA for the second consecutive year. All orchestra members participated in District Solo & Ensemble, with the vast majority of these students receiving Superior ratings.
 - A select group of orchestra students traveled to Montreal and Quebec City, Canada to perform in two historic venues there. Deanna Kreinbring, Orchestra Concertmaster and Key Club and NHS officer, was awarded the Congressional Medal of Merit by Congressman Bill Posey.
 - The IRCHS Wolves Jazz Ensemble were featured at many high-profile performances throughout the community this past year:
 - Florida Special Olympics Opening Ceremony entertainment
 - Vero Wine and Food Fest
 - Vero Beach Museum Gala Event - Medieval to Metal
 - St. Francis Manor Full Moon Concert Fundraiser - helped raise over \$2000 in one concert
 - Vero Beach Main Street Vintage Market
 - Headliner - Hibiscus Festival, Vero Beach
 - Performed for the Vero Beach Air show VIP party
 - Treasure Coast Jazz Society performance - opened for JB Scott and the UNF Faculty Ensemble
 - Imagine School Rock Show - performed for the school at their Testing week Pep Rally
 - Vero Beach Museum of Fine Art - Children's Art Festival
 - Ft. Pierce Jazz and Blues Society- 3 seniors were each awarded \$1000 scholarships by audition
 - Performed for Indian River County Judge Candidate Nicole Menz's Fundraiser dinner

- Florida Thespians District Festival created:
 - 42 Excellent Medals for Individual Event
 - 83 Superior Medals for Individual Events
 - 3 "Best In Show" in ensemble acting, solo musical, and costume design
- Florida Thespian Mainstage - "Under Consideration" finalist
- Florida Thespians State Festival
 - 16 Excellent Medals
 - 7 Superior Medals
- Edinburgh, Scotland Fringe Festival / American High School Theatre Festival - Invitation to perform at the 2019 Edinburgh Fringe Festival (largest theatre festival in the world)
- 90% pass rate on the AP Studio Art Exam (new program)
- FAEA K-12 Student Art Virtual Exhibition (new contest)
 - View exhibition at : <https://faea.org/programs/student-exhibition/>
 - Three Students received Award of Excellence with Distinction
- Scholastic Arts and Writing Competition (new contest)
 - Silver Key Award for Painting
 - Two Students received Honorable Mention for Sculpture
 - Honorable Mention for Painting
- Never Forget Tribute Youth Art Exhibition and Contest (new contest)
 - For Monochromatic Drawing - students placed 1st and 2nd and an Honorable Mention
 - For Multicolored Drawing - Students placed 1st, 2nd, 3rd, and Honorable Mention
 - For Pastel Painting – Students placed 1st and 2nd
 - Students also were awarded Best in Show, Best in Theme, and People’s Choice
 - High School winner
- Superintendent’s Show, Indian River County (new contest) - First place for IRCHS
- Congressional Competition - First place in Indian River County
- Dale Sorensen Real Estate Contest Winner (People’s Choice) - Boy
- VBMA Juried Show:
 - Ceramics - Best In Show for – Ceramics and 1st Place
 - Drawing - 2nd and 3rd Place
 - Photography - 1st Place, 2nd Place, and 3rd Place

- Exhibitions
 - Guitar Art, VBMA
 - Collage and Drawing, VBMA
 - Senior Solo Show Openings
 - Senior Group Show
- Art Club - Collaborative Exhibit at the Children's Art Festival: Illustrations of Favorite Children's Books
- Field Trips:
 - Wolfsonian Museum and Wynwood Walls in Miami
 - Gallery at Windsor in Vero Beach
 - National Portfolio Day in Sarasota with Ringling College of Art and Design campus tour (overnight trip)

Overview of the Financial Statements

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

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

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

School-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

There are three kinds of funds:

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

Financial Analysis of the School as a Whole

Net position of the School's governmental position consisted of the following as of June 30, 2018 and 2017:

	Net Position – Governmental Activities	
	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 3,415,483	2,172,882
Capital assets, net	<u>4,510,093</u>	<u>4,435,757</u>
Total assets	<u>7,925,576</u>	<u>6,608,639</u>
Current liabilities	323,842	434,615
Long-term debt	<u>266,235</u>	<u>296,993</u>
Total liabilities	<u>590,077</u>	<u>731,608</u>
Net position:		
Invested in capital assets	4,243,858	4,138,764
Restricted	415,910	102,000
Unrestricted	<u>2,675,731</u>	<u>1,636,267</u>
Total net position	\$ <u>7,335,499</u>	<u>5,877,031</u>

The School's net position increased by \$1,458,468, or 24.8%, from the prior year, resulting primarily from increased revenues for the year, as discussed in the following section.

The School had no business-type position as of June 30, 2018 and 2017. The following schedule compares revenues and expenses during the years ended June 30, 2018 and 2017:

	Change in Net Position – Governmental Activities	
	<u>2018</u>	<u>2017</u>
Revenues:		
General revenues:		
Intergovernmental	\$ 5,908,891	4,504,019
Other	488,881	489,097
Operating grants and contributions	28,972	123,462
Contributions for capital expenditures	<u>21,234</u>	<u>20,928</u>
Total revenues	<u>6,447,978</u>	<u>5,137,506</u>
Expenses:		
Instruction related	3,007,768	3,055,324
School administration	683,131	615,559
Food service	2,981	1,517
Information and technology services	163,610	167,682
Transportation	1,927	1,053
Maintenance and operations of facilities and plant	633,058	593,608
Other	<u>497,035</u>	<u>460,934</u>
Total expenses	<u>4,989,510</u>	<u>4,895,677</u>
Change in net position	\$ <u>1,458,468</u>	<u>241,829</u>

Total revenues for the year increased by \$1,310,472, or 25.5%, due to new local capital improvement funds received in the current year and revenue recognized as a result of the settlement of a complaint against the School District of Indian River County. Other revenues remained stable except for nonresident tuition which decreased \$132,313.

Total expenses increased \$93,833, or 1.9%, due primarily to the addition in staff, and an increase in salaries.

Financial Analysis of the School's Funds

The School's general fund position increased \$357,257 during the year to \$2,093,524, resulting in an increase in its cash by \$284,850. The net increase in reserves was primarily attributable to an increase in FTE revenues of \$383,138 offset by a decrease in non-resident tuition of \$132,313 in addition to an increase in expenses of \$56,982 and financing use of reserves of \$434,595 for capital projects.

The net increase of \$313,910 in the School's capital projects fund primarily reflects a \$342,297 increase in revenues, a \$374,786 increase in expenditures, \$266,235 in equipment loan financing, and supplemental funding of \$434,595 from general fund reserves, as the School continues to maintain its facilities and upgrade educational equipment where needed as budgetary restrictions allow.

Current Budget

Annually, the School's Board of Directors approves a general fund budget for the upcoming fiscal year prior to the beginning of that fiscal year. The following table presents the general fund budget, as approved, as compared to 2017-2018 actual results.

	Budgeted Amounts		Actual	Favorable (Unfavorable) Variance with Final Budget
	Original	Final		
Revenues:				
Federal through state through local	\$ 54,678	135,878	135,878	—
State through local	—	9,828	9,828	—
Local	4,149,294	4,599,808	4,562,906	(36,902)
Other	590,107	460,711	512,305	51,594
Total revenues	<u>4,794,079</u>	<u>5,206,225</u>	<u>5,220,917</u>	<u>14,692</u>
Expenditures:				
Current – education:				
Instruction related	2,994,747	2,995,206	3,007,768	(12,562)
School administration	633,846	683,263	683,131	132
Food service	1,000	2,981	2,981	—
Information and technology services	175,312	160,150	163,610	(3,460)
Transportation	700	1,927	1,927	—
Maintenance and operations of facilities and plant	594,936	538,603	572,308	(33,705)
Total expenditures	<u>4,400,541</u>	<u>4,382,130</u>	<u>4,431,725</u>	<u>(49,595)</u>
Other financing sources (uses)	<u>(393,538)</u>	<u>(246,681)</u>	<u>(431,935)</u>	<u>(185,254)</u>
Net change in fund balance	\$ <u>—</u>	<u>577,414</u>	<u>357,257</u>	<u>(220,157)</u>

The School's net change in capital funding was favorably impacted due to the one-time distribution of Capital Improvement funds from the Department of Education. Additionally, the mortgage note was paid in full.

Capital Asset and Debt Administration

Capital Position

As of June 30, 2018, the School had invested \$4,510,093 in a variety of capital position, as reflected in the following schedule, which represents a net increase (additions less disposals and depreciation) of \$74,336 or 1.7% from the end of last year.

	<u>2018</u>	<u>2017</u>
Improvements other than buildings	\$ 156,202	192,633
Buildings and improvements	3,718,824	3,947,661
Furniture, fixtures, and equipment	630,269	266,409
Audio/visual equipment	—	—
Computer software	4,798	3,838
Construction in progress	<u>—</u>	<u>25,216</u>
Governmental capital assets, net	\$ <u>4,510,093</u>	<u>4,435,757</u>

The slight increases indicated above reflect the stabilizing of the School's expenditures in comparison to annual depreciation charges, after the School put into service its latest classroom addition in August 2012, with the exception of buildings and improvements, which includes the new outdoor canopy theater added in 2013. Depreciation expense amounted to \$492,976 for the year ended June 30, 2018.

Long-Term Debt

During the year ended June 30, 2005, the School financed construction on its visual and performing arts buildings with a mortgage note payable of \$3,800,000. The mortgage note payable, which provided for monthly payments of \$30,142 including interest at 3.07% and had an outstanding balance of \$296,992 as of June 30, 2017, was paid off on April 7, 2018.

During the year ended June 30, 2018, the School purchased new computer equipment for the majority of the classrooms. The purchase was partially financed with long-term debt of \$266,235, which provides for monthly installments of \$7,928, including interest at 4.49%, until the debt is repaid on June 15, 2021. The outstanding balance at June 30, 2018 is \$266,235.

Factors Bearing on the School's Future

At the time these financial statements were prepared and audited, the School was aware of the following circumstances that could significantly affect its financial health in the future:

- The School completed the process of renewing its Charter with the Indian River County School District. The School also renewed its current lease with Indian River State College. The current Charter expires July 1, 2033.
- The School completed the final payment of the VAPA building \$4,000,000 construction mortgage in March 2018. The completion of this debt will allow IRCHS to begin planning and designing new construction projects. The first phase of new construction includes the removal of portable classrooms to be replaced by permanent structures.

- The School continues to expand its partnership with international student exchange companies. The School has partnered with two new companies for the 2017-2018 school year: International Experience and International Cultural Exchange Series. Both companies have submitted applications for the 2018-2019 school year. The reputation of the School's academic, visual and performing arts, and golf programs has created a strong interest among international students; however, there has been a decline in enrollment in the United States for the 2018-2019 school year due to parents choosing other English speaking countries.

Contacting the School's Financial Management

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

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

Statement of Net Position

June 30, 2018

		<u>Total Governmental Activities</u>
Assets:		
Cash	\$	2,690,225
Due from primary government (note 2)		682,207
Other receivables		13,921
Prepaid expenses		29,130
Capital assets, net of accumulated depreciation of \$4,606,387 (note 3)		<u>4,510,093</u>
Total assets		<u>7,925,576</u>
Liabilities:		
Accounts payable		12,394
Accrued expenses		210,448
Deferred revenue		101,000
Long-term debt (note 4):		
Due within one year		84,769
Due after one year		<u>181,466</u>
Total liabilities		<u>590,077</u>
Net Position:		
Invested in capital assets, net of related debt		4,243,858
Restricted for capital projects		315,910
Restricted for scholarships		100,000
Unrestricted		<u>2,675,731</u>
Total net position	\$	<u>7,335,499</u>

See accompanying notes to basic financial statements.

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

Statement of Activities

Year Ended June 30, 2018

	<u>Expenses</u>	<u>Program Revenues – Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position – Governmental Activities</u>
Governmental activities:			
Instruction	\$ 2,717,177	95,212	(2,621,965)
Student and instructional support services	221,423	–	(221,423)
Instructional media services	69,168	–	(69,168)
School administration	683,131	–	(683,131)
Facilities acquisition and construction	93,135	–	(93,135)
Food service	2,981	–	(2,981)
Information services	46,074	–	(46,074)
Student transportation services	1,927	–	(1,927)
Operation of plant	520,879	–	(520,879)
Maintenance of plant	19,044	–	(19,044)
Administrative technology services	117,536	–	(117,536)
Interest on long-term debt	4,059	–	(4,059)
Unallocated depreciation expense	<u>492,976</u>	<u>–</u>	<u>(492,976)</u>
Total governmental activities	\$ <u>4,989,510</u>	<u>95,212</u>	<u>(4,894,298)</u>
General revenues:			
Intergovernmental:			
Local for operational purposes			5,245,113
Local for capital purposes			402,980
State through local for operational purposes			9,828
State through local for capital projects			115,092
Federal through state through local for operational purposes			135,878
Federal through state through local for capital purposes			–
Investment earnings			47,231
Miscellaneous			<u>396,644</u>
Total general revenues			<u>6,352,766</u>
Change in net position			1,458,468
Net position, beginning of year			<u>5,877,031</u>
Net position, end of year			\$ <u>7,335,499</u>

See accompanying notes to basic financial statements.

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

Balance Sheet
Governmental Funds

June 30, 2018

<u>Assets</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Cash	\$ 2,022,750	667,475	2,690,225
Due from primary government (note 2)	-	-	-
Other receivables	13,921	-	13,921
Due from other fund (note 2)	351,067	-	351,067
Prepaid expenses	<u>29,130</u>	<u>-</u>	<u>29,130</u>
	\$ <u>2,416,868</u>	<u>667,475</u>	<u>3,084,343</u>

Liabilities and Fund Balances

Liabilities:

Accounts payable	12,394	-	12,394
Accrued expenses	209,950	498	210,448
Due to other fund (note 2)	-	351,067	351,067
Deferred revenue	<u>101,000</u>	<u>-</u>	<u>101,000</u>
Total liabilities	<u>323,344</u>	<u>351,565</u>	<u>674,909</u>

Fund Balances:

Nonspendable	129,130	-	129,130
Restricted	-	315,910	315,910
Committed	265,000	-	265,000
Assigned	4,176	-	4,176
Unassigned	<u>1,695,218</u>	<u>-</u>	<u>1,695,218</u>
Total fund balances	<u>2,093,524</u>	<u>315,910</u>	<u>2,409,434</u>

\$ 2,416,868 667,475

Reconciliation of governmental fund balances to entity-wide government activities net position:

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$9,116,480 and the accumulated depreciation is \$4,606,387.	4,510,093
Other long term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	682,207
Long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(266,235)</u>

Total net position – governmental activities \$ 7,335,499

See accompanying notes to basic financial statements.

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

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

Year Ended June 30, 2018

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Federal through state through local	\$ 135,878	-	135,878
State through local	9,828	115,092	124,920
Local (note 5)	4,562,906	402,980	4,965,886
Contributions	28,972	21,234	50,206
Non-resident tuition	296,325	-	296,325
Student fees	95,212	-	95,212
Other	91,796	2,888	94,684
Total revenues	<u>5,220,917</u>	<u>542,194</u>	<u>5,763,111</u>
Expenditures:			
Current – education:			
Instruction	2,717,177	-	2,717,177
Student and instructional support services	221,423	-	221,423
Instructional media services	69,168	-	69,168
School administration	683,131	-	683,131
Facilities acquisition and construction	32,385	60,750	93,135
Food service	2,981	-	2,981
Information services	46,074	-	46,074
Student transportation services	1,927	-	1,927
Operation of plant	520,879	-	520,879
Maintenance of plant	19,044	-	19,044
Administrative technology services	117,536	-	117,536
Debt service:			
Principal	-	296,993	296,993
Interest	-	4,059	4,059
Capital outlay:			
Facilities acquisition and construction	-	567,312	567,312
Total expenditures	<u>4,431,725</u>	<u>929,114</u>	<u>5,360,839</u>
Other financing sources (uses):			
Transfers in	-	434,595	434,595
Transfers out	(434,595)	-	(434,595)
Proceeds from long-term debt	-	266,235	266,235
Proceeds on sale of capital assets	2,660	-	2,660
Total other financing sources (uses)	<u>(431,935)</u>	<u>700,830</u>	<u>268,895</u>
Net change in fund balances	357,257	313,910	671,167
Fund balances, beginning of year	<u>1,736,267</u>	<u>2,000</u>	<u>1,738,267</u>
Fund balances, end of year	\$ <u>2,093,524</u>	<u>315,910</u>	<u>2,409,434</u>

See accompanying notes to basic financial statements.

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

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

Year Ended June 30, 2018

	<u>Total Governmental Funds</u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities:	
Net change in fund balances – total governmental funds	\$ 671,167
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays \$(567,312) exceeds depreciation expense \$(492,976).	74,336
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	682,207
Certain capital outlays were financed by long-term debt. The amount financed by long-term debt is reported as a source of financing in governmental funds, but not in the statement of activities.	(266,235)
Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term debt in the statement of net position and does not affect the statement of activities.	<u>296,993</u>
Change in net position of governmental activities	\$ <u>1,458,468</u>

See accompanying notes to basic financial statements.

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

Statement of Fiduciary Net Position
Agency Funds

June 30, 2018

	Total Agency Funds
Assets:	
Cash	\$ <u>195,514</u>
Total assets	\$ <u>195,514</u>
Liabilities:	
Amounts held for others	<u>195,514</u>
Total liabilities	\$ <u>195,514</u>

See accompanying notes to basic financial statements.

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

Notes to Basic Financial Statements

June 30, 2018

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

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

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

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

(a) *Reporting Entity*

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

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

(Continued)

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

Notes to Basic Financial Statements

(b) Basic Financial Statements

The basic financial statements include both School-Wide (based on the School as a whole) and fund financial statements. Both the School-Wide and fund financial statements categorize primary activities as either governmental or business type. In the School-Wide statement of net position, governmental and business-type activities are presented separately and are reflected on a full accrual, economic resource basis, which incorporates long-term assets as well as long-term debt. As of and for the year ended June 30, 2018, the School had no activities that would be considered business-type.

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

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

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

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

(c) Basis of Presentation

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

(Continued)

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

Notes to Basic Financial Statements

Governmental Funds

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

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

General Fund

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

Capital Projects Fund

Capital projects funds are used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for educational capital outlay needs, including new construction or renovation and remodeling projects and other capital assets. During the year ended June 30, 2018, the School used the capital projects fund to account for capital outlays funded by capital outlay revenues and long-term debt.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in fund net position, financial position, and cash flows, which is similar to businesses. As of and for the year ended June 30, 2018, the School had no activities which would be accounted for in a proprietary fund.

Fiduciary Funds – Agency Funds

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

(d) Basis of Accounting

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

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

(Continued)

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

Notes to Basic Financial Statements

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

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

(e) Budgets and Budgetary Accounting

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

(f) Deposits in Financial Institutions

The School's cash includes demand deposits with financial institutions, which are insured in part by Federal depository insurance. As of June 30, 2018, the School's demand deposit accounts did not exceed the Federal deposit insurance limits.

In addition, the School's excess cash are invested into repurchase agreements providing for maturity on a daily basis and are collateralized with Federal agency securities held by the assigning bank. As of June 30, 2018, cash includes \$1,848,119 of deposits invested in overnight repurchase agreements. The underlying securities pledged by the bank as collateral had market values totaling \$1,852,102 as of June 30, 2018.

(g) Capital Assets

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

(Continued)

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

Notes to Basic Financial Statements

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

	Years
Improvements other than buildings	10 – 20
Buildings and improvements	10 – 25
Furniture, fixtures, and equipment	5 – 10
Audio/visual equipment	7
Computer software	5

(h) *Compensated Absences*

Compensated absences for vacation, sick, and other personal leave are provided for all regular, full-time employees. An employee may accrue leave based on School policy which differs between full time instructional staff and full time year-round administrative staff. However, employees are not entitled to cash payment in lieu of taking leave or upon termination. Compensated absences are recorded as expenditures when leave is used and no liability for compensated absences is reflected in the financial statements.

(i) *Long-Term Debt*

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

(j) *Fund Balance Reporting*

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

Nonspendable

Nonspendable fund balance represents resources that are not in spendable form or are legally required to be maintained intact. The School’s nonspendable fund balance consists of prepaid expenses and assets permanently restricted for scholarships as of June 30, 2018.

Restricted

Restricted fund balance represents resources that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The School’s restricted fund balances consist of resources held for capital projects as of June 30, 2018.

(Continued)

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

Notes to Basic Financial Statements

Committed

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

Assigned

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

Unassigned

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

(k) Revenue Sources

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

(l) Income Taxes

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

The School's income tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2015-2018.

(Continued)

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

Notes to Basic Financial Statements

(m) Use of Estimates

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

(2) Receivables

In 2016, the School, together with four other charter schools in Indian River County, filed a complaint seeking tax revenues for general operating expenses generated by a local discretionary tax levy and retained by the School District of Indian River County (the District). The complaint alleged that the District shared significantly less than the pro rata amount required by Florida law. On June 13, 2017, the court entered an order agreeing with the charter schools position regarding pro rata sharing and a hearing was scheduled for August 30, 2017 to determine entitlement of revenues.

During August 2017, the District and the charter schools entered into a settlement agreement regarding the complaint, which was completed on September 7, 2017. In accordance with the settlement agreement, the School will receive a total of \$731,738, plus interest of 5.17% per annum, in monthly payments of \$17,377 over four years beginning February 2018 and ending January 2022. As of June 30, 2018, the remaining amount due from the District totaled \$682,207. The receivable is not included in the government funds presentation in accordance with the susceptible to accrual accounting policy discussed in note 1(d).

As of June 30, 2018, the School's general fund was due \$351,067 from the capital projects fund for capital expenditures funded by the general fund.

(Continued)

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

Notes to Basic Financial Statements

(3) **General Capital Assets**

The following is a summary of the changes in the School's governmental capital assets for the year ended June 30, 2018:

	Balance 2017	Additions	Retirements and Transfers	Balance 2018
Improvements other than buildings	\$ 647,502	—	—	647,502
Buildings and improvements	7,110,590	57,661	25,216	7,193,467
Furniture, fixtures, and equipment	1,005,378	506,590	(266,531)	1,245,437
Audio/visual equipment	9,709	—	—	9,709
Computer software	21,132	3,061	(3,828)	20,365
Construction in progress	<u>25,216</u>	<u>—</u>	<u>(25,216)</u>	<u>—</u>
Total capital assets	<u>8,819,527</u>	<u>567,312</u>	<u>(270,359)</u>	<u>9,116,480</u>
Less accumulated depreciation for:				
Improvements other than buildings	454,869	36,431	—	491,300
Buildings and improvements	3,162,929	311,714	—	3,474,643
Furniture, fixtures, and equipment	738,969	142,730	(266,531)	615,168
Audio/visual equipment	9,709	—	—	9,709
Computer software	<u>17,294</u>	<u>2,101</u>	<u>(3,828)</u>	<u>15,567</u>
Total accumulated depreciation	<u>4,383,770</u>	<u>492,976</u>	<u>(270,359)</u>	<u>4,606,387</u>
Governmental capital assets, net	\$ <u>4,435,757</u>	<u>74,336</u>	<u>—</u>	<u>4,510,093</u>

In an effort to further extend the benefits of the Indian River Charter High School to a larger school population, the School completed construction of a physical addition to the school facilities during the year ended June 30, 2005. The total cost of the construction was \$4,335,230, a portion of which was funded by a \$3,800,000 mortgage note payable (see note 4). The addition was placed into service in June 2005. In addition, a new 8 classroom building was constructed and placed in service in 2012 and an outdoor canopy theater was constructed and placed in service in 2013.

(Continued)

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

Notes to Basic Financial Statements

(4) Long-Term Debt

The following is a summary of the changes in the School's long-term debt for the year ended June 30, 2018:

	<u>Balance</u> <u>2017</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance</u> <u>2018</u>
\$3,800,000 Mortgage note payable, monthly installments of \$30,142, including interest at 3.07%, monthly principal and interest payments due through April 7, 2018	\$ 296,993	-	296,993	-
Installment note payable due in monthly installments of \$7,928, including interest at 4.49%, beginning July 15, 2018 through June 15, 2021, secured by certain equipment.	<u> -</u>	<u>266,235</u>	<u> -</u>	<u>266,235</u>
	<u>\$ 296,993</u>	<u>266,235</u>	<u>296,993</u>	<u>266,235</u>

The mortgage note payable is secured by all buildings, improvements, other real property, and all personal property of the School, and is 90% guaranteed by the United States Department of Agriculture.

The future maturities of long-term debt as of June 30, 2018 is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 84,769	10,372	95,141
2020	88,694	6,447	95,141
2021	<u>92,772</u>	<u>2,309</u>	<u>95,081</u>
	<u>\$ 266,235</u>	<u>19,128</u>	<u>285,363</u>

During the year ended June 30, 2018, interest expense totaled \$4,059.

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

Notes to Basic Financial Statements

(5) Schedule of Local Revenue Sources

The following is a schedule of local revenue sources and amounts:

<u>Sources</u>	<u>Amount</u>
Indian River County District School Board:	
Florida Education Finance Program	\$ 3,783,521
Class size	583,305
School academic improvement	131,954
Instructional materials and teacher training	48,413
Safe schools	15,713
District local capital improvement tax	<u>402,980</u>
Total	\$ <u>4,965,886</u>

The School’s charter contract provides for a discretionary District administrative fee of up to 5% of the revenues received on a per-student basis. During the 2017-2018 school year, and in consideration of the School’s classification as a “high performing charter school,” the state of Florida provided for the administrative fee to be assessed on the first 250 students at a rate of 2%. In accordance with this provision, the District withheld \$33,060 from the School’s revenues for the year ended June 30, 2018, which was included in school administration expenses in the accompanying statement of activities and statement of revenues, expenditures, and changes in fund balances.

(6) Leases

The School leases land and certain buildings under a lease agreement with Indian River State College through March 31, 2033. The lease provides for payments of \$5,250 per month for each of the five years ending March 31, 2023; \$5,500 per month for each of the five years ending March 31, 2028; and \$5,750 per month for each of the five years ending March 31, 2033. The lease has an option to be renewed for ten additional years.

The School leases their copying equipment under an agreement that provides for monthly payments of \$1,368 through January 2020.

Total rent expense incurred during the year ended June 30, 2018 amounted to \$60,750.

The future lease commitments as of June 30, 2018 follow:

2019	\$	79,415
2020		71,207
2021		63,000
2022		63,000
2023		63,750
Thereafter		<u>658,500</u>
	\$	<u>998,872</u>

(Continued)

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

Notes to Basic Financial Statements

(7) Risk Management

The School maintains general liability, professional liability, automobile liability, and workers' compensation coverages through purchased commercial insurance with minimal or no deductibles for each line of coverage. The School also maintains property coverage with a deductible of \$5,000 for all perils except wind or hail. For these perils, the deductible is 5%, with a minimum of \$50,000. During each of the three years ended June 30, 2018, 2017, and 2016, the school experienced no settlements in excess of insurance coverage.

(8) Pension Plan

The School's employees participate in a salary deferral plan under Internal Revenue Code 403(b). The School currently contributes on a discretionary basis 15% of all full-time employees' salaries and matches the first \$500 in employee contributions on a dollar-for-dollar basis. The employees vest in all employer contributions evenly over a three-year period of service. Employees hired after September 1, 2008 vest in all employer contributions evenly over a five-year period of service. During the year ended June 30, 2018, the School provided for contributions approximating \$330,000.

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

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

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Favorable (Unfavorable) Variance with <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal through state through local	\$ 54,678	135,878	135,878	–
State through local	–	9,828	9,828	–
Local	4,149,294	4,599,808	4,562,906	(36,902)
Non-resident tuition	200,000	311,625	296,325	(15,300)
Other	<u>390,107</u>	<u>149,086</u>	<u>215,980</u>	<u>66,894</u>
Total revenues	<u>4,794,079</u>	<u>5,206,225</u>	<u>5,220,917</u>	<u>14,692</u>
Expenditures:				
Current – education:				
Instruction	2,704,584	2,712,487	2,717,177	(4,690)
Student and instructional support services	221,472	213,551	221,423	(7,872)
Instructional media services	68,691	69,168	69,168	–
School administration	633,846	683,263	683,131	132
Facilities acquisition and construction	–	–	32,385	(32,385)
Food service	1,000	2,981	2,981	–
Information services	56,408	42,614	46,074	(3,460)
Student transportation services	700	1,927	1,927	–
Operation of plant	562,936	519,559	520,879	(1,320)
Maintenance of plant	32,000	19,044	19,044	–
Administrative technology services	<u>118,904</u>	<u>117,536</u>	<u>117,536</u>	<u>–</u>
Total expenditures	<u>4,400,541</u>	<u>4,382,130</u>	<u>4,431,725</u>	<u>(49,595)</u>
Other financing sources (uses)	<u>(393,538)</u>	<u>(246,681)</u>	<u>(431,935)</u>	<u>(185,254)</u>
Net change in fund balance	–	577,414	357,257	(220,157)
Fund balance, beginning of year	<u>1,736,267</u>	<u>1,736,267</u>	<u>1,736,267</u>	<u>–</u>
Fund balance, end of year	\$ <u>1,736,267</u>	<u>2,313,681</u>	<u>2,093,524</u>	<u>(220,157)</u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian River Charter High School, Inc., a component unit of the Indian River County District School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 18, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MORGAN, JACOBY, THURN, BOYLE, & ASSOCIATES, P.A.

September 18, 2018



Management Letter

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

Report on the Financial Statements

We have audited the financial statements of Indian River Charter High School, Inc., (the School) as of and for the year ended June 30, 2018, and have issued our report thereon dated September 18, 2018.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 18, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

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

Financial Condition and Management

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



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

Transparency

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

Additional Matters

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

Purpose of this Letter

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

MORGAN, JACOBY, THURN, BOYLE & ASSOCIATES, P.A.

September 18, 2018

NORTH COUNTY CHARTER SCHOOL, INC.

**Basic Financial Statements
with
Independent Auditors' Report**

Year ended June 30, 2018

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Independent Auditors' Report

To the Board of Directors
North County Charter School, Inc.
Vero Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North County Charter School, Inc. (the School), a component unit of Indian River County School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Directors
North County Charter School, Inc.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of North County Charter School, Inc., as of June 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Adjustment

As discussed in Note 5 to the financial statements, the settlement of a law suit in September 2017 resulted in \$356,312 of additional taxes due from the Indian River County School District, which had not been included in due from local sources as of June 30, 2017. As a result, a prior period adjustment was recorded to reflect the correct net position as of June 30, 2017. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants

August 10, 2018

**NORTH COUNTY CHARTER SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

As management of North County Charter School, Inc. (the School), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2018. This overview and analysis is required by generally accepted accounting principles (GAAP) in the United States of America and in Governmental Accounting Standards Board Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34).

FINANCIAL HIGHLIGHTS

- The assets of the School as reported in the government-wide financial statements exceeded its liabilities at the close of the current fiscal year by \$5,183,703 (net position). Of this amount, \$2,670,334 (unrestricted net position) may be used to meet the ongoing obligations of the School. The School's total net position increased by \$912,923 or 21% in comparison with the prior year net position.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$2,351,276, or 94% of total expenditures. The School's combined ending fund balances increased by \$818,381 or 53% in comparison with the prior year balances. \$2,338,854 is available for spending at the School's discretion (unassigned fund balance) and has been appropriated in the subsequent year's budget.
- Net investment in capital assets decreased over the prior year by \$97,737 or 2%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements comprise five components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, 4) required supplementary information, and 5) supplementary auditors' reports.

Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School's assets (both short-term spendable resources and capital assets) and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The *statement of activities* presents information showing how the School's net position changed during the most recent fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements present functions of the School that are principally supported by local revenues (FTE dollars through the Indian River County School District) (*governmental activities*) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The School has no business-type activities and no component units for which they are financially accountable. The government-wide financial statements can be found on pages 9 and 10 of this report.



**NORTH COUNTY CHARTER SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

Fund financial statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds used by the School are considered governmental fund types.

Governmental fund – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The School adopts an annual appropriated budget for all funds. Government accounting standards require the School to report a budgetary comparison statement for the general fund and any major special revenue funds. A budgetary comparison statement has been provided for the general fund. The School has no major special revenue funds. The basic governmental fund financial statements can be found on pages 11 - 14 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 - 25 of this report.

Required supplementary information – The information in this section is required by the Governmental Accounting Standards Board (GASB). It consists of the Management's Discussion and Analysis (MD&A).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, assets exceeded liabilities by \$5,183,703 at June 30, 2018.

A portion of the School's net position (48%) reflects its net investment in capital assets (e.g. land, buildings, equipment and furniture). The School has related debt outstanding as of June 30, 2018, of \$2,669,504 that was used to acquire these assets. The School uses these capital assets to provide educational services; consequently, these assets are *not* available for future spending.



**NORTH COUNTY CHARTER SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

NORTH COUNTY CHARTER SCHOOL, INC.'S NET POSITION

	2018	2017
Current assets	\$ 2,682,756	\$ 1,532,895
Capital assets, net	5,170,451	5,268,188
Total assets	7,853,207	6,801,083
Current liabilities	227,245	1,918,239
Long-term liabilities	2,442,259	968,376
Total liabilities	2,669,504	2,886,615
Net position:		
Net investment in capital assets	2,500,947	2,381,573
Unrestricted	2,682,756	1,889,207
Total net position	\$ 5,183,703	\$ 4,270,780

An additional portion of the School's net position (52%) represents an *unrestricted net position* that is available to meet the financial obligations of the School. At the end of the current fiscal year, the School is able to report positive balances in all categories of net position.



**NORTH COUNTY CHARTER SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

NORTH COUNTY CHARTER SCHOOL, INC.'S CHANGE IN NET POSITION

	2018	2017
Revenues:		
Program revenues:		
Charges for services	\$ 98,198	\$ 106,712
Operating grants and contributions	232,925	199,219
Capital grants and contributions	283,103	97,903
General revenues:		
FTE non-specific revenues	2,614,806	2,529,193
Unrestricted investment earnings	35,625	7,193
Gifts, grants and bequests not restricted to specific programs	30,516	43,064
Total revenues	3,295,173	2,983,284
Expenses:		
Instruction	1,370,911	1,378,359
Parental involvement	-	415
Instructional staff training	-	1,452
Board	10,015	7,634
School administration	351,719	327,283
Facilities acquisition and construction	3,895	6,807
Fiscal services	13,720	13,215
Food services	167,831	168,051
Transportation	25,640	27,964
Operation of plant	208,245	177,435
Maintenance of plant	13,790	27,353
Interest on long-term debt	106,228	114,214
Depreciation - unallocated	110,256	110,673
Total expenses	2,382,250	2,360,855
Increase in net position	912,923	622,429
Net position, beginning of year (as restated)	4,270,780	3,648,351
Net position, end of year	\$ 5,183,703	\$ 4,270,780

Governmental activities – The School relies heavily on general revenues (i.e. FTE dollars) to fund the expenses of the governmental activities. Program revenues consisting of capital and operating grants comprise 16% of total revenues. General revenues comprise 84% of total revenues.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and segregation for particular purposes.



**NORTH COUNTY CHARTER SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

Governmental funds – The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a School's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School's governmental funds reported combined ending fund balance of \$2,351,276, an increase of \$818,381 over the previous fiscal year. The fund balance consists of *unassigned* fund balance of \$2,338,854, which is available for spending at the School's discretion. While \$12,422 is *committed* for capital improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

- The original budget was amended, and approved by the School's Board of Directors, for fiscal year June 30, 2018, to adjust allocation/decrease of expenses and to decrease funding.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The School's investment in capital assets for its governmental activities as of June 30, 2018, amounted to \$5,170,451 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and furniture. Additional information on the School's capital assets can be found in Notes 1 and 2 on pages 17 and 21 of this report.

Long-term debt – The School has related debt outstanding as of June 30, 2018, of \$2,669,504 that was used to acquire these assets. Additional information on the School's long-term debt can be found in Notes 1, 3 and 4 on pages 17, 22 and 23 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The School received the majority of its revenues from FTE dollars provided by Indian River County School District.
- Indian River County School District retains approximately 1.4% administrative costs on revenues.
- The Charter School's enrollment is at 100%.

All of these factors were considered in preparing the School's budget for the 2018-19 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Ken Miller, Business/Finance Manager, North County Charter School, Inc., 6640 Old Dixie Highway, Vero Beach, Florida 32967.



North County Charter School, Inc.
A Charter School and Component Unit of the
Indian River County District School Board
Statement of Net Position

June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 2,351,276	\$ -	\$ 2,351,276
Due from local sources	331,480	-	331,480
Capital assets, net	5,170,451	-	5,170,451
Total Assets	\$ 7,853,207	\$ -	\$ 7,853,207
Liabilities			
Long-term liabilities:			
Due within one year			
Mortgage payable	\$ 221,623	\$ -	\$ 221,623
Obligation under capital lease	5,622	-	5,622
Due in more than one year			
Mortgage payable	2,429,605	-	2,429,605
Obligation under capital lease	12,654	-	12,654
Total Liabilities	2,669,504	-	2,669,504
Net Position			
Net investment in capital assets	2,500,947	-	2,500,947
Unrestricted, reported in:			
Designated for capital improvements	12,422	-	12,422
Governmental activities	2,670,334	-	2,670,334
Total Net Position	\$ 5,183,703	\$ -	\$ 5,183,703

See accompanying notes to the basic financial statements.



North County Charter School, Inc.
A Charter School and Component Unit of the
Indian River County District School Board
Statement of Activities

Year ended June 30, 2018

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Functions/Programs							
Governmental activities:							
Instruction	\$ 1,370,911	\$ 94,446	\$ 112,658	\$ -	\$ (1,163,807)	\$ -	\$ (1,163,807)
Board	10,015	-	-	-	(10,015)	-	(10,015)
School administration	351,719	-	-	-	(351,719)	-	(351,719)
Facilities acquisition and construction	3,895	-	-	78,616	74,721	-	74,721
Fiscal services	13,720	-	-	-	(13,720)	-	(13,720)
Food services	167,831	3,752	120,267	-	(43,812)	-	(43,812)
Transportation	25,640	-	-	-	(25,640)	-	(25,640)
Operation of plant	208,245	-	-	-	(208,245)	-	(208,245)
Maintenance of plant	13,790	-	-	-	(13,790)	-	(13,790)
Interest on long-term debt	106,228	-	-	204,487	98,259	-	98,259
Depreciation - unallocated *	110,256	-	-	-	(110,256)	-	(110,256)
Total Governmental Activities	\$ 2,382,250	\$ 98,198	\$ 232,925	\$ 283,103	(1,768,024)	-	(1,768,024)

General Revenues:

Local revenue:	
Florida Education Finance Program	2,117,389
Class size funds	436,091
Instructional materials	25,797
Lottery	611
Teachers lead program	5,040
Idea funds	29,878
Gifts, grants and bequests	30,516
Interest earned	35,625

Total General Revenues

	2,680,947	-	2,680,947
Change in Net Position	912,923	-	912,923
Net Position, beginning (as restated)	4,270,780	-	4,270,780
Net Position, ending	\$ 5,183,703	\$ -	\$ 5,183,703

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

See accompanying notes to the basic financial statements.



North County Charter School, Inc.
A Charter School and Component Unit of the
Indian River County District School Board
Balance Sheet - Governmental Funds

June 30, 2018

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 2,351,276	\$ -	\$ -	\$ 2,351,276
Total Assets	\$ 2,351,276	\$ -	\$ -	\$ 2,351,276
Liabilities and Fund Balances				
Liabilities	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
Fund balances:				
Committed for capital improvements	12,422	-	-	12,422
Unassigned	2,338,854	-	-	2,338,854
Total Liabilities and Fund Balances	\$ 2,351,276	\$ -	\$ -	\$ 2,351,276
Total fund balances				\$ 2,351,276
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.				5,170,451
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.				(2,669,504)
Due from Local Sources are not available to pay for current period expenditures and therefore, are not reported as assets in the governmental funds.				331,480
Net position of governmental activities				<u>\$ 5,183,703</u>

See accompanying notes to the basic financial statements.



North County Charter School, Inc.

A Charter School and Component Unit of the
 Indian River County District School Board
 Statement of Revenues, Expenditures and Changes in
 Fund Balances - Governmental Funds

Year ended June 30, 2018

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Intergovernmental:				
Federal through local	\$ -	\$ 78,616	\$ 29,878	\$ 108,494
Local	2,864,455	204,487	124,019	3,192,961
Interest	18,150	-	-	18,150
Total Revenues	2,882,605	283,103	153,897	3,319,605
Expenditures				
Current - Education:				
Instruction	1,302,514	-	29,878	1,332,392
Board	10,015	-	-	10,015
School administration	348,078	-	-	348,078
Facilities acquisition and construction	3,895	-	-	3,895
Fiscal services	13,720	-	-	13,720
Food services	-	-	162,112	162,112
Transportation	25,640	-	-	25,640
Operation of plant	208,245	-	-	208,245
Maintenance of plant	13,790	-	-	13,790
Debt service	323,339	-	-	323,339
Fixed Capital Outlay:				
Facilities acquisition and construction	-	59,998	-	59,998
Total Expenditures	2,249,236	59,998	191,990	2,501,224
Excess (Deficiency) of Revenues over Expenditures	633,369	223,105	(38,093)	818,381
Other Financing Sources (Uses)				
Operating transfers in (out)	185,012	(223,105)	38,093	-
Total Other Financing Sources (Uses)	185,012	(223,105)	38,093	-
Net Change in Fund Balances	818,381	-	-	818,381
Fund Balance, beginning of year	1,532,895	-	-	1,532,895
Fund Balance, end of year	\$ 2,351,276	\$ -	\$ -	\$ 2,351,276

See accompanying notes to the basic financial statements.



North County Charter School, Inc.

A Charter School and Component Unit of the
Indian River County District School Board

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2018

Net change in fund balances - governmental funds	\$ 818,381
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$157,735) exceeds capital outlay (\$59,998) in the period.	(97,737)
Repayment of the mortgage payable and capital lease obligation are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	217,111
Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds	(24,832)
Change in net position of governmental activities	\$ 912,923

See accompanying notes to the basic financial statements.

North County Charter School, Inc.
A Charter School and Component Unit of the
Indian River County District School Board
Budgetary Comparison Schedule - General Fund

Year ended June 30, 2018

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local	\$ 2,793,903	\$ 2,665,476	\$ 2,864,455	\$ 198,979
Interest	-	-	18,150	18,150
Total Revenues	2,793,903	2,665,476	2,882,605	217,129
Expenditures				
Current - Education:				
Instruction	1,423,464	1,403,841	1,302,514	101,327
Parental involvement	500	500	-	500
Instructional staff training	1,652	1,652	-	1,652
Board	9,800	11,501	10,015	1,486
School administration	335,248	313,850	348,078	(34,228)
Facilities acquisition and construction	4,000	4,000	3,895	105
Fiscal services	13,575	13,575	13,720	(145)
Transportation	27,964	27,964	25,640	2,324
Operation of plant	192,033	202,033	208,245	(6,212)
Maintenance of plant	24,374	17,000	13,790	3,210
Debt service	316,932	316,932	323,339	(6,407)
Total Expenditures	2,349,542	2,312,848	2,249,236	63,612
Excess (Deficit) of Revenues over Expenditures	444,361	352,628	633,369	280,741
Other Financing Sources (Uses)				
Operating transfers in (out)	-	-	185,012	185,012
Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses	\$ 444,361	\$ 352,628	818,381	\$ 465,753
Fund Balance, beginning of year			1,532,895	
Fund Balance, end of year			\$ 2,351,276	

See accompanying notes to the basic financial statements.



North County Charter School, Inc.

A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements
June 30, 2018

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The North County Charter School, Inc., is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors which is composed of not less than five members. The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the School has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the Indian River County District School Board. The current charter is effective until June 30, 2028. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The North County Charter School, Inc. is considered a component unit of the Indian River County District School Board.

Criteria for determining if other entities are potential component units of the School which should be reported with the School'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 provide for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

Basis of Presentation

The School's financial statements have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The School has no business-type activities. Governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Reconciling items arise from differences in the measurement focuses and bases of accounting between the statements, and certain required eliminations.

North County Charter School, Inc.

A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

Basic Financial Statements - Government-wide Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The School's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The School first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the School's functions and business-type activities. The functions are also supported by general revenues (funding received from the Indian River County School District, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (administration, food services, facilities acquisition and construction, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue. The School does not allocate indirect costs. This government-wide focus is more on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The School's major governmental funds are as follows:

General Fund - Used to account for all financial resources not required to be accounted for in another fund.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures 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.

Both governmental and business-type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.



Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

The governmental funds financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis, revenues, except for certain grant revenues, are recognized when they become measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the current fiscal period. 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 unmatured interest on long-term debt, which should be recognized when due. The principal exception to this general rule is that prepaid items are generally not accrued.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services and capital outlay). The budget is adopted and approved by the Board of Directors. The budget amounts presented in the accompanying financial statements are as amended by the Schools’ Board of Directors and adopted on a basis consistent with generally accepted accounting principles.

Cash

The School's cash consists of demand deposits with financial institutions, which are insured by Federal depository insurance.

Capital Assets and Depreciation

Expenditures for capital assets acquired for general school purposes are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. Donated assets are recorded at fair market value at the date of donation. The School maintains a capitalization threshold of \$750. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and fixed equipment	50 years
Improvements other than buildings	10-15 years
Furniture, fixtures and equipment	5-10 years
Loan costs	5-16 years

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. Payments made within sixty days after year end are considered to have been made with current available financial resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.



North County Charter School, Inc.

A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

Revenue Sources

Revenues for current operations are received primarily from the Indian River County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during the designated FTE student survey periods.

The School received Federal awards for the enhancement of various educational programs. This assistance is 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.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements awarded before the eligibility requirements are met are recorded as deferred revenue.

Compensated Absences

Sick and personal leave expenditures are recognized when payments are made to the employees. Sick and personal leave do not accumulate from year-to-year; thus no liability is recorded.

Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Fund Balance Disclosure

The School implemented the provisions of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions (GASB No. 54)", in 2011, as required. The purpose of GASB 54 is to improve the consistency and usefulness of the fund balances information to the financial user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.



Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balance Disclosure (continued)

Governmental Fund Financial Statements. In accordance with GASBS No. 54, the School classifies fund balances in the governmental funds as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The School did not have any nonspendable resources as of June 30, 2018.

Spendable Fund Balance includes Restricted, Committed, Assigned, and Unassigned designations:

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School did not have any restricted resources as of June 30, 2018.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School has \$12,422 committed for capital improvements as of June 30, 2018.

Assigned – This classification includes amounts that are constrained by the School’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School or by an official or body to which the School delegates the authority. The School did not have any assigned resources as of June 30, 2018.

Unassigned – This classification includes the residual fund balance for the General Fund.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 11). The School would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

General Fund

The General Fund has an Unassigned Fund Balance of \$2,338,854 at June 30, 2018.



Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balance Disclosure (continued)

Beginning with fiscal year end June 30, 2012, the School implemented the provisions of GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (GASB No. 63)”, in 2012, as required. The purpose of GASB 63 is to establish guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position.

Governmental-wide Financial Statements. In accordance with GASB No. 63, the School classifies net position in the governmental-wide financial statements as follows:

Net Investment in Capital Assets – This classification includes the School’s capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – This classification includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The School typically uses restricted assets first, as appropriate opportunities arise, but reserve the right to selectively defer the use until a future project. The School did not have any restricted net position as of June 30, 2018.

Unrestricted Net Position – This classification typically includes unrestricted liquid assets. The School has the authority to revisit or alter this designation.

Interfund Activity

Loans between governmental funds are reported as interfund receivables or payables as appropriate and are subject to elimination upon consolidation. Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. During the year ended June 30, 2018, the School made an interfund transfer of \$38,093 from the general fund to the special revenue fund to subsidize the School’s food program. Also, during the year ended June 30, 2018, the School made an interfund transfer of \$223,105 from the capital projects fund to the general fund for mortgage payments paid out of the general fund.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Directors and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year ended June 30, 2018.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through August 10, 2018, the date the financial statements were available to be issued.

North County Charter School, Inc.
A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements (continued)

Note 2 – Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2018, was as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 599,238	\$ -	\$ -	\$ 599,238
Total capital assets not being depreciated	599,238	-	-	599,238
Other capital assets:				
Buildings and fixed equipment	5,113,062	18,654	-	5,131,716
Improvements other than buildings	121,418	13,974	-	135,392
Furniture, fixtures and equipment	299,119	16,370	-	315,489
Property under capital lease	28,298	-	-	28,298
Computer software	3,050	-	-	3,050
Loan costs	63,109	-	-	63,109
Construction in progress	-	11,000	-	11,000
Total other capital assets at historical cost	5,628,056	59,998	-	5,688,054
Less accumulated depreciation for:				
Buildings and fixed equipment	(651,939)	(102,421)	-	(754,360)
Improvements other than buildings	(56,818)	(11,956)	-	(68,774)
Furniture, fixtures and equipment	(204,072)	(32,309)	-	(236,381)
Property under capital lease	(5,660)	(5,660)	-	(11,320)
Computer software	(836)	(1,295)	-	(2,131)
Loan costs	(39,781)	(4,094)	-	(43,875)
Total accumulated depreciation	(959,106)	(157,735) *	-	(1,116,841)
Other capital assets, net	4,668,950	(97,737)	-	4,571,213
Governmental activities capital assets, net	\$ 5,268,188	\$ (97,737)	\$ -	\$ 5,170,451

*** Depreciation expense was charged to governmental functions as follows:**

Instruction	\$ 38,519
School administration	3,241
Food services	5,719
Unallocated	110,256
	\$ 157,735

North County Charter School, Inc.

A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements (continued)

Note 3 – Obligation under Capital Lease

Fiscal year ending June 30,	
2019	\$ 6,408
2020	6,408
2021	6,408
2022	534
Total minimum lease payments	19,758
Less amount representing interest	(1,482)
	\$ 18,276

The imputed interest rate is 5.0 percent.

Note 4 – Long-Term Liabilities

The changes in the School’s long-term obligations for governmental activities during the year consist of the following:

	Principal Outstanding June 30, 2017	Additions	Reductions	Principal Outstanding June 30, 2018	Amount Due in One Year
Mortgages payable	\$ 2,862,991	\$ -	\$ 211,763	\$ 2,651,228	\$ 221,623

On February 22, 2011, the School re-negotiated their loan with RBC Bank (subsequently acquired by PNC Bank) for \$2,350,000 to purchase new facilities and finance additional facilities. On November 1, 2012, the School refinanced the loan with Seacoast National Bank. Beginning December 1, 2012, the agreement requires monthly principal, plus interest payments of \$17,818 until the maturity date of November 1, 2027. The loan carries a fixed interest rate of 3.75%, based on a five year adjusted rate through November 1, 2022.

On September 20, 2013, the School obtained a second loan with Seacoast National Bank. During the construction period (the first twelve months), accrued and unpaid interest was due and payable commencing on November 1, 2013. Beginning November 1, 2014, the agreement required monthly principal, plus interest payments of \$8,593 until the maturity date of November 1, 2029, at which time all unpaid principal and interest shall become immediately due and payable. The loan carries a five-year adjustable interest rate of 3.75% for the first five years. Beginning on October 1, 2018, the interest rate will be adjusted to 3.75% over the 5-year Treasury Constant Maturity, with a floor rate of 3.75%. The adjustment will occur every 5 years until paid in full.

Currently, payments on the mortgage payable are made by the General Fund.



North County Charter School, Inc.

A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements (continued)

Note 4 – Long-Term Liabilities (continued)

Amounts needed for the planned extended repayment of the mortgage at June 30, 2018, are as follows:

Fiscal year ending June 30	Principal	Interest	Total
2019	\$ 221,623	\$ 95,309	\$ 316,932
2020	230,078	86,854	316,932
2021	238,856	78,076	316,932
2022	247,968	68,964	316,932
2023	257,429	59,503	316,932
2024 and thereafter	1,455,274	124,681	1,579,955
	\$ 2,651,228	\$ 513,387	\$ 3,164,615

Note 5 – Prior Period Adjustment to Net Position

The financial statements as presented contain an adjustment to the net position for fiscal year ended June 30, 2017. The School, along with four other charter schools in Indian River County, sued the Indian River County School District (the District) for improperly withholding local tax revenues dedicated to education from the charter schools. These monies were generated by a local discretionary tax levy beginning in the 2012-13 fiscal year. The charter schools believed that Florida law required the District to share those monies pro rata. However, the District shared significantly less than a pro rata amount with the charter schools. A complaint was filed by the charter schools seeking injunctive relief, declaratory judgment, and damages from breach of contracts with the charter schools. During the fiscal year ending June 30, 2018, a Circuit Court in and for Indian River County ruled in favor of the charter schools. In September 2017, the District and the charter schools reached a settlement. Accordingly, the net position for fiscal year ended June 30, 2017, has been restated for monies earned in prior years as follows:

	Unrestricted	Net investment in capital assets	Total
Net position, June 30, 2017	\$ 1,532,895	\$ 2,381,573	\$ 3,914,468
Prior period adjustment	356,312	-	356,312
Net position, June 30, 2017 - restated	\$ 1,889,207	\$ 2,381,573	\$ 4,270,780



Note 6 – Net Position

At June 30, 2018, the net position of the School consisted of the following:

	Governmental Activities	Business-type Activities
Net investment in capital assets:		
Net property, plant and equipment	\$ 5,170,451	\$ -
Less:		
Mortgage payable and capital lease obligation	(2,669,504)	-
Total net investment in capital assets	2,500,947	-
Designated for capital improvements	12,422	
Unrestricted	2,670,334	-
Total net position	\$ 5,183,703	\$ -

Note 7 – 401(k) Plan

The School initiated a 401(k) plan on September 1, 2002 (restated January 1, 2015 and subsequently amended on May 4, 2016), that covers all employees who have attained twenty-one years of age and satisfied a one-year service requirement. Employees may make elective contributions up to the limit established by federal law. The School may make elective contributions equal to the employee’s contribution up to a limit of 3% of the employee’s compensation (excluding bonuses) for the fiscal year. For the year ended June 30, 2018, the School contributed \$22,143 to the plan.

Note 8 – Risk Management Programs

Personnel of the School are provided through a leasing arrangement with a licensed employee leasing company. Workers' compensation coverage is provided by the employee leasing company. Employees of the School are covered by purchased health insurance. The School contributes monthly for each employee to the plan and employees, at their option, authorize payroll withholdings to pay for dependents. Employees may also voluntarily enroll in other various insurance plans through a pre-tax program. Employees authorize payroll withholdings and are responsible for all premiums.

General liability, professional liability, and property coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Commercial coverage has not been exceeded.



North County Charter School, Inc.

A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements (continued)

Note 9 – Commitment

In March 2018, the School entered into an agreement with Highland Homes Roofing. The total contract price for the work is \$32,380. Total payments of \$11,000 were made during the year towards the contract. The remaining balance of \$21,380 will be paid in 2018-19 as the work is completed. No liability was recorded in these financial statements for this balance.





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

To the Board of Directors
North County Charter School, Inc.
Vero Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North County Charter School, Inc. (the School), a component unit of the Indian River County School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 10, 2018.

Internal Control over Financial Reporting

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

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

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

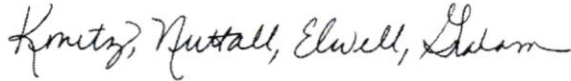
Compliance and Other Matters

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

To the Board of Directors
North County Charter School, Inc.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants

August 10, 2018





Management Letter

To the Board of Directors
North County Charter School, Inc.
Vero Beach, Florida

Report on the Financial Statements

We have audited the financial statements of North County Charter School, Inc., Florida, as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated August 10, 2018.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, if any, which are dated August 10, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior audit findings.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is North County Charter School, Inc.

Financial Condition and Management

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

To the Board of Directors
North County Charter School, Inc.

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

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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



Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants

August 10, 2018

SEBASTIAN CHARTER JUNIOR HIGH, INC.

**Basic Financial Statements
with
Independent Auditors' Report**

Year ended June 30, 2018

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KMETZ • NUTTALL • ELWELL • GRAHAM, PLLC
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors
Sebastian Charter Junior High, Inc.
Sebastian, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sebastian Charter Junior High, Inc. (the School), a component unit of Indian River County School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sebastian Charter Junior High, Inc., as of June 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Sebastian Charter Junior High, Inc.

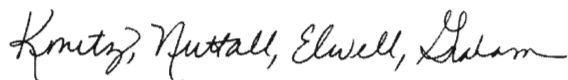
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants

September 17, 2018

**SEBASTIAN CHARTER JUNIOR HIGH, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

As management of Sebastian Charter Junior High, Inc. (the School), we offer readers of the School’s financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2018. This overview and analysis is required by generally accepted accounting principles (GAAP) in the United States of America in Governmental Accounting Standards Board Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34).

FINANCIAL HIGHLIGHTS

- The assets of the School as reported in the government-wide financial statements exceeded its liabilities at the close of the current fiscal year by \$1,954,430 (net position). Of this amount, \$994,315 (unrestricted net position) may be used to meet the ongoing obligations of the School, while \$65,539 is designated for capital improvements. The School’s total net position increased by \$372,370 or 24% in comparison with prior year net position.
- As of the close of the current fiscal year, the School’s governmental funds reported combined ending fund balances of \$1,059,854, or 53% of total expenditures. Of this amount, \$994,315 (unassigned fund balance) may be used to meet the ongoing obligations of the School, while \$65,539 is committed for capital improvements. The School’s combined ending fund balance increased by \$311,913 or 42% in comparison with the prior year balance.
- Investment in capital assets increased compared to the prior year by \$60,457 or 7%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School’s basic financial statements. The School’s basic financial statements comprise five components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, 4) required supplementary information, and 5) supplementary auditors’ reports.

Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School’s assets (both short-term spendable resources and capital assets) and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The *statement of activities* presents information showing how the School’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements present functions of the School that are principally supported by local revenues (FTE dollars through the Indian River County School District) (*governmental activities*) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The School has no business-type activities and no component units for which they are financially accountable. The government-wide financial statements can be found on pages 9 and 10 of this report.



**SEBASTIAN CHARTER JUNIOR HIGH, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

Fund financial statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds used by the School are considered governmental fund types.

Governmental fund – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The School adopts an annual appropriated budget for all funds. Government accounting standards require the School to report a budgetary comparison statement for the general fund and any major special revenue funds. A budgetary comparison statement has been provided for the general fund. The School has no major special revenue funds. The basic governmental fund financial statements can be found on pages 11 - 13 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 - 23 of this report.

Required supplementary information – The information in this section is required by the Governmental Accounting Standards Board (GASB). It consists of the Management’s Discussion and Analysis (MD&A).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the School, assets exceeded liabilities by \$1,954,430, at June 30, 2018.

A portion of the School’s net position (46%) reflects its investment in capital assets, net of related debt (e.g., land, buildings, equipment and furniture). The School has related debt outstanding as of June 30, 2018 of \$2,146,891 that was used to acquire these assets. The School uses these capital assets to provide educational services; consequently, these assets are *not* available for future spending.



**SEBASTIAN CHARTER JUNIOR HIGH, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

SEBASTIAN CHARTER JUNIOR HIGH, INC.'S NET POSITION

	2018	2017
Current assets	\$ 1,144,227	\$ 850,479
Capital assets, net	3,041,467	3,142,679
Total assets	4,185,694	3,993,158
Current liabilities	251,112	264,487
Long-term liabilities:	1,980,152	2,146,611
Total liabilities	2,231,264	2,411,098
Net position:		
Invested in capital assets	894,576	834,119
Unrestricted	1,059,854	747,941
Total net position	\$ 1,954,430	\$ 1,582,060

An additional portion of the School's net position (54%) represents *unrestricted net position* that is available to meet the financial obligations of the School. At the end of the current fiscal year, the School is able to report positive balances in both categories of net position.

**SEBASTIAN CHARTER JUNIOR HIGH, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

SEBASTIAN CHARTER JUNIOR HIGH, INC.'S CHANGE IN NET POSITION

	2018	2017
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 128,148	\$ 136,489
Capital grants and contributions	46,842	75,062
General revenues:		
FTE non-specific revenues	2,146,072	1,965,799
Total revenues	2,321,062	2,177,350
Expenses:		
Instruction	1,165,859	996,274
Instructional staff training	1,970	12,330
Board	4,415	2,577
School administration	292,158	330,060
Facilities acquisition and construction	10,558	46,881
Fiscal services	37,385	40,979
Food services	93,752	92,420
Transportation	29,336	46,378
Operation of plant	124,252	116,752
Maintenance of plant	36,730	24,525
Interest on long-term debt	84,921	91,975
Depreciation - unallocated	67,356	67,355
Total expenses	1,948,692	1,868,506
Change in net position	372,370	308,844
Net position, beginning of year	1,582,060	1,273,216
Net position, end of year	\$ 1,954,430	\$ 1,582,060

Governmental activities – The School relies heavily on general revenues (i.e., FTE dollars) to fund the expenses of the governmental activities. Program revenues consisting of capital and operating grants comprise 8% of total revenues. General revenues comprise 92% of total revenues.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and segregation for particular purposes.

**SEBASTIAN CHARTER JUNIOR HIGH, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

Governmental funds – The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a School's net resources available for spending at the end of the fiscal year.

- As of the end of the current fiscal year, the School's governmental funds reported a combined ending fund balance of \$1,059,854, an increase of \$311,913 over the previous fiscal year. The fund balance consists of *unassigned* fund balance of \$994,315, which is available for spending at the School's discretion. While \$65,539 is *committed* for capital improvements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The School's investment in capital assets for its governmental activities as of June 30, 2018 amounted to \$3,041,467 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvement's other than buildings, equipment, furniture, and computer software. Additional information on the School's capital assets can be found in Notes 1 and 2 on pages 17 and 21 of this report.

Long-term debt – The School has related debt outstanding as of June 30, 2018 of \$2,146,891 that was used to acquire these assets. Additional information on the School's long-term debt can be found in Notes 1, 3 and 4 on pages 18 and 22 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The School received the majority of its revenues from FTE dollars provided by the Indian River County School District.
- The Indian River County School District continues to retain approximately 2% as administrative costs from revenues.
- The Charter School's enrollment is expected to continue to be 100% for the fiscal year ending 2018-2019.

All of these factors were considered in preparing the School's budget for the 2018-2019 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to William Dodds, Principal, Sebastian Charter Junior High, Inc., 782 Wave Street, Sebastian, Florida 32958.

Sebastian Charter Junior High, Inc.
A Charter School and Component Unit of the
Indian River County District School Board
Statement of Net Position

June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 815,043	\$ -	\$ 815,043
Due from other agencies	298,610	-	298,610
Prepaid insurance	30,574	-	30,574
Capital assets, net	3,041,467	-	3,041,467
Total Assets	4,185,694	-	4,185,694
Liabilities			
Accounts payable and accrued liabilities	84,373	-	84,373
Long-term liabilities:			
Due within one year:			
Note payable	166,739	-	166,739
Due in more than one year:			
Note payable	1,980,152	-	1,980,152
Total Liabilities	2,231,264	-	2,231,264
Net Position			
Net investment in capital assets	894,576	-	894,576
Unrestricted, reported in:			
Designated for capital improvements	65,539	-	65,539
Governmental activities	994,315	-	994,315
Total Net Position	\$ 1,954,430	\$ -	\$ 1,954,430

See accompanying notes to the basic financial statements.

Sebastian Charter Junior High, Inc.

A Charter School and Component Unit of the
 Indian River County District School Board
 Statement of Activities

Year ended June 30, 2018

	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental activities:							
Instruction	\$ 1,176,417	\$ -	\$ 34,396	\$ 10,558	\$ (1,131,463)	\$ -	\$ (1,131,463)
Instructional staff training	1,970	-	-	-	(1,970)	-	(1,970)
Board	4,415	-	-	-	(4,415)	-	(4,415)
School administration	292,158	-	-	-	(292,158)	-	(292,158)
Fiscal services	37,385	-	-	-	(37,385)	-	(37,385)
Food services	93,752	-	93,752	-	-	-	-
Transportation	29,336	-	-	-	(29,336)	-	(29,336)
Operation of plant	124,252	-	-	-	(124,252)	-	(124,252)
Maintenance of plant	36,730	-	-	-	(36,730)	-	(36,730)
Interest on long-term debt	84,921	-	-	36,284	(48,637)	-	(48,637)
Depreciation - unallocated *	67,356	-	-	-	(67,356)	-	(67,356)
Total governmental activities	\$ 1,948,692	\$ -	\$ 128,148	\$ 46,842	(1,773,702)	-	(1,773,702)
General Revenues:							
Local revenue:							
Florida Education Finance Program					1,586,936	-	1,586,936
Instructional materials					19,628	-	19,628
Local capital improvement revenue					164,012	-	164,012
Class size					235,534	-	235,534
Discretionary lottery funds					434	-	434
Teacher supply assistance program					3,528	-	3,528
School recognition					26,657	-	26,657
Best & brightest teacher scholarships					30,000	-	30,000
Other miscellaneous local sources					79,343	-	79,343
Total general revenues and special items					2,146,072	-	2,146,072
Change in net position					372,370	-	372,370
Net Position, beginning					1,582,060	-	1,582,060
Net Position, ending					\$ 1,954,430	\$ -	\$ 1,954,430

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

See accompanying notes to the basic financial statements.



Sebastian Charter Junior High, Inc.
A Charter School and Component Unit of the
Indian River County District School Board
Balance Sheet - Governmental Funds

June 30, 2018

	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 815,043	\$ -	\$ -	\$ 815,043
Due from other agencies	298,610	-	-	298,610
Prepaid insurance	30,574	-	-	30,574
Total Assets	\$ 1,144,227	\$ -	\$ -	\$ 1,144,227
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 84,373	\$ -	\$ -	\$ 84,373
Total Liabilities	84,373	-	-	84,373
Fund balances:				
Committed for capital improvements	65,539	-	-	65,539
Unassigned	994,315	-	-	994,315
Total Fund Balances	1,059,854	-	-	1,059,854
Total Liabilities and Fund Balances	\$ 1,144,227	\$ -	\$ -	\$ 1,144,227

Total fund balances \$ 1,059,854

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,041,467
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,146,891)
Net position of governmental activities	<u>\$ 1,954,430</u>

See accompanying notes to the basic financial statements.

Sebastian Charter Junior High, Inc.

A Charter School and Component Unit of the
 Indian River County District School Board
 Statement of Revenues, Expenditures and Changes in
 Fund Balances - Governmental Funds

Year ended June 30, 2018

	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Intergovernmental:				
Federal through local	\$ -	\$ 46,842	\$ 34,396	\$ 81,238
Local	1,982,060	164,012	93,752	2,239,824
Total Revenues	1,982,060	210,854	128,148	2,321,062
Expenditures				
Current - Education:				
Instruction	1,103,046	-	34,396	1,137,442
Instructional staff training	1,970	-	-	1,970
Board	4,415	-	-	4,415
School administration	286,719	-	-	286,719
Fiscal services	37,385	-	-	37,385
Food services	-	-	93,752	93,752
Transportation	29,336	-	-	29,336
Operation of plant	124,252	-	-	124,252
Maintenance of plant	36,730	-	-	36,730
Debt service	210,306	36,284	-	246,590
Fixed Capital Outlay	-	10,558	-	10,558
Total Expenditures	1,834,159	46,842	128,148	2,009,149
Excess of Revenues over Expenditures	147,901	164,012	-	311,913
Other Financing Sources (Uses)				
Transfers in	164,012	-	-	164,012
Transfers out	-	(164,012)	-	(164,012)
Net Other Financing Sources (Uses)	164,012	(164,012)	-	-
Net Change in Fund Balances	311,913	-	-	311,913
Fund Balances, beginning of year	747,941	-	-	747,941
Fund Balances, end of year	\$ 1,059,854	\$ -	\$ -	\$ 1,059,854

See accompanying notes to the basic financial statements.

Sebastian Charter Junior High, Inc.

A Charter School and Component Unit of the
Indian River County District School Board

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2018

Net change in fund balances - governmental funds	\$ 311,913
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$111,770) is more than capital outlays (\$10,558) in the period.	(101,212)
Repayment of note payable and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	161,669
Change in net position of governmental activities	\$ 372,370

See accompanying notes to the basic financial statements.

Sebastian Charter Junior High, Inc.
A Charter School and Component Unit of the
Indian River County District School Board
Budgetary Comparison Schedule - General Fund

Year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local	\$ 1,978,126	\$ 1,946,600	\$ 1,982,060	\$ 35,460
Total Revenues	1,978,126	1,946,600	1,982,060	35,460
Expenditures				
Current - Education:				
Instruction	1,056,270	1,076,610	1,103,046	(26,436)
Instructional staff training	4,726	4,726	1,970	2,756
Board	1,600	1,600	4,415	(2,815)
School administration	405,804	340,437	286,719	53,718
Fiscal services	38,900	38,900	37,385	1,515
Transportation	52,000	52,000	29,336	22,664
Operation of plant	131,100	133,100	124,252	8,848
Maintenance of plant	10,000	26,000	36,730	(10,730)
Debt service	262,159	244,347	210,306	34,041
Total Expenditures	1,962,559	1,917,720	1,834,159	83,561
Other Financing Sources				
Transfers in	-	-	164,012	164,012
Net Change in Fund Balances	<u>\$ 15,567</u>	<u>\$ 28,880</u>	311,913	<u>\$ 283,033</u>
Fund Balance, beginning of year			747,941	
Fund Balance, end of year			<u>\$ 1,059,854</u>	

See accompanying notes to the basic financial statements.

Sebastian Charter Junior High, Inc.

A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements
June 30, 2018

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Sebastian Charter Junior High, Inc., (the School) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors which is composed of not less than five members. The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the School has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the Indian River County District School Board. The current charter was renewed in 2010 and is effective until June 30, 2025. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The Sebastian Charter Junior High, Inc. is considered a component unit of the Indian River County District School Board.

Criteria for determining if other entities are potential component units of the School which should be reported with the School'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 provide for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

Basis of Presentation

The School's financial statements have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The School has no business-type activities. Governmental fund financial statements include a reconciliation, with brief explanations, to better identify the relationship between the government-wide statements and the statements for governmental funds. Reconciling items arise from differences in the measurement focuses and basis of accounting between the statements, and certain required eliminations.

Sebastian Charter Junior High, Inc.

A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

Basic Financial Statements - Government-wide Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The School's net position is reported in two parts – invested in capital assets and unrestricted net position. The School first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the School's functions and business-type activities. The functions are also supported by general revenues (funding received from the Indian River County School District, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (administration, food services, facilities acquisition and construction, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue. The School does not allocate indirect costs. This government-wide focus is more on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The School's major governmental funds are as follows:

General Fund - Used to account for all financial resources not required to be accounted for in another fund.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures 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.

Both governmental and business-type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

The governmental funds financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis, revenues, except for certain grant revenues, are recognized when they become measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the current fiscal period. 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 unmatured interest on long-term debt, which should be recognized when due. The principal exception to this general rule is that prepaid items are generally not accrued.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services and capital outlay). The budget is adopted and approved by the Board of Directors. The budget amounts presented in the accompanying financial statements are as amended by the School’s Board of Directors and adopted on a basis consistent with generally accepted accounting principles.

Cash

The School's cash consists of demand deposits with financial institutions, which are insured by Federal depository insurance.

Capital Assets and Depreciation

Expenditures for capital assets acquired for general school purposes are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. Donated assets are recorded at fair market value at the date of donation. The School maintains a capitalization threshold of \$750. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and fixed equipment	50 years
Improvements other than buildings	40 years
Computers and software	5 years
Property under capital leases	5 years

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements awarded before the eligibility requirements are met are recorded as deferred revenue.



Sebastian Charter Junior High, Inc.

A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. Payments made within sixty days after year end are considered to have been made with current available financial resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Revenue Sources

Revenues for current operations are received primarily from the Indian River County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during the designated FTE student survey periods.

The School received Federal awards for the enhancement of various educational programs. This assistance is 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.

Compensated Absences

Sick and personal leave expenditures are recognized when payments are made to the employees. Up to two sick days and one personal day may be rolled over each year.

Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Interfund Activity

Loans between governmental funds are reported as interfund receivables or payables as appropriate and are subject to elimination upon consolidation. Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balance Disclosures

In accordance with GASB No. 54, the classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The School did not have any nonspendable resources as of June 30, 2018.

Spendable Fund Balance includes Restricted, Committed, Assigned, and Unassigned designations:

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School did not have any restricted resources as of June 30, 2018.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School has \$65,539 committed for capital improvements as of June 30, 2018.

Assigned – This classification includes amounts that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School or by an official or body to which the School delegates the authority. The School did not have any assigned resources as of June 30, 2018.

Unassigned – This classification includes the residual fund balance for the General Fund.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 10). The School would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

General Fund

The General Fund has Unassigned Fund Balance of \$994,315 at June 30, 2018.

Sebastian Charter Junior High, Inc.

A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements (continued)

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balance Disclosures (continued)

Beginning with fiscal year June 30, 2012, the School implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (GASB No. 63),” in 2012, as required. The purpose of GASB No. 63 is to establish guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position.

Governmental-wide Financial Statements

In accordance with GASB No. 63, the School classifies net position in the government-wide financial statements as follows:

Net Investment in Capital Assets – This classification includes the School’s capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – This classification includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The School typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. The School did not have any restricted net position as of June 30, 2018.

Unrestricted Net Position – This classification typically includes unrestricted liquid assets. The School has the authority to revisit or alter this designation.

Subsequent Events

Management has evaluated subsequent events through September 17, 2018, the date the financial statements were available to be issued.

Sebastian Charter Junior High, Inc.

A Charter School and Component Unit of the
 Indian River County District School Board
 Notes to Basic Financial Statements (continued)

Note 2 – Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2018, was as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 180,733	\$ -	\$ -	\$ 180,733
Total capital assets not being depreciated	180,733	-	-	180,733
Other capital assets:				
Buildings and fixed equipment	3,115,524	-	-	3,115,524
Furniture, fixtures and equipment	271,572	10,558	-	282,130
Property under capital leases	35,935	-	(35,935)	-
Computer software	11,277	-	-	11,277
Total other capital assets at historical cost	3,434,308	10,558	(35,935)	3,408,931
Less accumulated depreciation for:				
Buildings and fixed equipment	(249,240)	(62,310)	-	(311,550)
Furniture, fixtures and equipment	(175,910)	(49,460)	-	(225,370)
Property under capital leases	(35,935)	-	35,935	-
Computer software	(11,277)	-	-	(11,277)
Total accumulated depreciation	(472,362)	(111,770) *	35,935	(548,197)
Other capital assets, net	2,961,946	(101,212)	-	2,860,734
Governmental activities capital assets, net	\$ 3,142,679	\$ (101,212)	\$ -	\$ 3,041,467

* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 38,975
School administration	5,439
Unallocated	67,356
	\$ 111,770

Sebastian Charter Junior High, Inc.
A Charter School and Component Unit of the
Indian River County District School Board
Notes to Basic Financial Statements (continued)

Note 3– Long-Term Liabilities

In August 2012, the School negotiated a \$2,800,000 construction/permanent financing loan with Seacoast National Bank. The mortgage term is 198 months (16.5 years). After the construction period, the loan automatically converted to a fully-amortizing commercial mortgage with repayment consisting of 180 monthly principal and interest payments. The mortgage is secured by land, building and improvements. The loan is 90% guaranteed by the USDA under the Rural Development Business & Cooperative Program.

The loan was used to construct a new, larger, more permanent school building. Construction began in 2012 and was completed during 2014. During construction (the first eighteen months), the loan required monthly payments of interest only. Commencing on March 9, 2014, the loan required equal monthly payments of principal and interest of \$20,362 until maturity on February 8, 2029. During the first five (5) years, interest on the outstanding principal balance shall accrue and be payable at 3.75% per annum. This rate is based on the Non-Bank Qualified tax exempt equivalent rate. Commencing on August 9, 2017, the interest rate adjusted to a new fixed rate equal to the Non-Bank Qualified tax exempt equivalent rate of 3.5% over the five (5) year Treasury Constant Maturity, with a floor rate of 3.75%. This adjustment will occur every five (5) years on the anniversary date of the loan, until it is paid in full.

Amounts needed for the repayment of the mortgage at June 30, 2018, are as follows:

Fiscal year ending June 30, 2018	Principal	Interest	Total
2019	\$ 166,739	\$ 77,608	\$ 244,347
2020	173,100	71,247	244,347
2021	179,705	64,642	244,347
2022	186,560	57,787	244,347
2023 and after	1,440,787	188,191	1,628,978
	\$ 2,146,891	\$ 459,475	\$ 2,606,366

The changes in the School’s long-term obligations for governmental activities during the year consist of the following:

	Principal Outstanding June 30, 2017	Additions	Reductions	Principal Outstanding June 30, 2018	Amount Due in One Year
Building mortgage	\$ 2,307,223	\$ -	\$(160,332)	\$2,146,891	\$166,739
Obligation under capital leases	1,337	-	(1,337)	-	-
	\$ 2,308,560	\$ -	\$(161,669)	\$2,146,891	\$166,739

Sebastian Charter Junior High, Inc.

A Charter School and Component Unit of the
Indian River County District School Board

Notes to Basic Financial Statements (continued)

Note 4 – Net Position

At June 30, 2018, the net position of the School consisted of the following:

	Governmental Activities	Business-type Activities
Net investment in capital assets:		
Net property, plant and equipment	\$ 3,041,467	\$ -
Less:		
Mortgage and capital leases payable	(2,146,891)	-
Total net investment in capital assets	894,576	-
Designated for capital improvements	65,539	-
Unrestricted	994,315	-
Total net position	\$ 1,954,430	\$ -

Note 5 – 401(k) Plan

The School initiated a 401(k) defined contribution plan on August 22, 2006 that covers all employees who have attained twenty-one years of age and satisfied a one-year service requirement. The plan is administered by the Principal Financial Group. Employees may make elective contributions up to 25% of their compensation and the limit established by federal law. The School may make elective contributions equal to the employee's contribution up to a limit of 3% of the employee's compensation for the fiscal year. For the year ended June 30, 2018, the School made elective contributions of \$5,920 to the plan.

Note 6– Risk Management Programs

During the year ended June 30, 2018, employees of the School were covered by purchased health insurance. The School contributes monthly for each employee to the plan, and employees, at their option, authorize payroll withholdings to pay contributions for dependents.

General liability, professional liability, property, and workers' compensation coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Commercial coverage has not been exceeded.



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

To the Board of Directors
Sebastian Charter Junior High, Inc.
Sebastian, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sebastian Charter Junior High, Inc. (the School), a component unit of the Indian River County School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 17, 2018.

Internal Control over Financial Reporting

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

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

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

To the Board of Directors
Sebastian Charter Junior High, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants

September 17, 2018



Independent Auditors' Management Letter

To the Board of Directors
Sebastian Charter Junior High, Inc.
Sebastian, Florida

Report on the Financial Statements

We have audited the basic financial statements of Sebastian Charter Junior High, Inc., (the School) as of and for the year ended June 30, 2018, and have issued our report thereon dated September 17, 2018.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, if any, which are dated September 17, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity be disclosed in this management letter. The official title of the entity is Sebastian Charter Junior High, Inc.

Financial Condition

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

To the Board of Directors
Sebastian Charter Junior High, Inc.

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

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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

Kmetz, Nuttall, Elwell, Graham, PLLC
Certified Public Accountants

September 17, 2018



ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Financial Statements
with Independent Auditor's Reports Thereon**

June 30, 2018



McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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ST. PETER'S ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of St. Peter's Academy, Inc. (the "School") offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2018. Readers are encouraged to use this information in conjunction with information furnished in the School's financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplemental information.

FINANCIAL HIGHLIGHTS

- ❖ The School's total net position increased from prior year.
- ❖ For the fiscal year ended June 30, 2018, the School's revenues exceeded expenses by approximately \$42,000.
- ❖ At June 30, 2018, the School's governmental funds balance sheet reported combined ending unassigned fund balance of 312,585.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to School's basic financial statements. The School's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the understanding of the financial condition of School. This document also includes the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance With *Government Auditing Standards*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the School's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the School's financial status as a whole.

The two government-wide statements report the School's net position and the current year changes. The net position is the difference between the School's total assets and total liabilities. Measuring the net position is one way to evaluate the School's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include the School's basic services. The business-type activities are those services that the School charges for that are not directly related to the School's mission. For the year ended June 30, 2018, the School had no business-type activities or component units.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. All of the operations of the School are presented in governmental funds only.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The School's basic services are accounted for in governmental funds. These funds focus on how assets that can readily be converted into cash flow in and out, and what monies are left at year-end will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements provide a detailed short-term view of the financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The School adopts an annual budget and may amend it for its general and special revenue funds, as required by the Florida Statutes. The budgets are legally adopted by management of the School and its Board. Budgetary comparison schedules have been included as part of the required supplementary information. The budgetary comparison schedules shows four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges and ending balances in the general fund, and 4) the variance between the final budget and the actual resources and charges.

Notes to Financial Statements

The notes to financial statements provide additional information essential to the full understanding of the information reported in the government-wide and fund financial statements. The notes to the financial statements start on page 15 of this report.

GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

Net Position

The School's combined net position as of June 30, 2018 and 2017 are summarized as follows:

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Assets:			
Current assets	\$ 414,850	\$ 355,484	\$ 59,366
Capital assets, net	<u>1,202,465</u>	<u>1,253,260</u>	<u>(50,795)</u>
Total assets	<u>1,617,315</u>	<u>1,608,744</u>	<u>8,571</u>
Liabilities:			
Current liabilities	18,192	22,556	(4,364)
Long-term liabilities	<u>284,203</u>	<u>312,849</u>	<u>(28,646)</u>
Total liabilities	<u>302,395</u>	<u>335,405</u>	<u>(33,010)</u>
Net Position:			
Investment in capital assets, net of related debt	918,262	940,411	(22,149)
Restricted:			
Food services	79,973	62,558	17,415
Unrestricted	<u>316,685</u>	<u>270,370</u>	<u>46,315</u>
Total net position	<u>\$ 1,314,920</u>	<u>\$ 1,273,339</u>	<u>\$ 41,581</u>

Current assets increased due to current year operations. The net decrease in capital assets is a result of current year depreciation expense. Long-term liabilities decreased due to current year principal payments. The increase in total net position is due to the current year operating surplus.

Change in Net Position

The School's total revenues exceeded expenses total by approximately \$42,000 in fiscal 2018—see table below.

	<u>2018</u>	<u>2017</u>	<u>Increases (Decreases)</u>
Revenues:			
Federal sources	\$ 258,427	\$ 177,393	\$ 81,034
State and local sources	1,197,859	1,113,939	83,920
Other revenues	34,595	72,577	(37,982)
Total revenues	<u>1,490,881</u>	<u>1,363,909</u>	<u>126,972</u>
Expenses:			
Instruction	796,610	693,855	102,755
General administration	20,186	20,936	(750)
School administration	210,189	177,713	32,476
Fiscal services	18,900	6,389	12,511
Food service	111,192	89,416	21,776
Transportation	60,323	74,746	(14,423)
Operation of plant	217,174	211,079	6,095
Interest	14,726	16,437	(1,711)
Total expenses	<u>1,449,300</u>	<u>1,290,571</u>	<u>158,729</u>
Change in net position	<u>\$ 41,581</u>	<u>\$ 73,338</u>	<u>\$ (31,757)</u>

The School's overall revenue increased due to additional local capital improvement funding and an increase in Title 1 funding. Instruction, school administration and food services expense increased due to additional wages and benefits.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As the School completed the year, its governmental funds reported a combined fund balance of \$396,658.

General and Special Revenue Funds Budgetary Highlights

During the fiscal year, the School revised its operating and special revenue budgets once.

In the general fund, actual revenues were approximately \$184,000 more than budgeted amounts. Actual expenditures were approximately \$154,000 more than budgeted amounts.

In the special revenue fund, actual revenues were approximately \$122,000 greater than the budgeted amounts while actual expenditures were \$110,000 more than the budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2018, the School's investment in capital assets was approximately \$1.2 million in capital assets, net of accumulated depreciation of approximately \$597,000.

Comparative information regarding the School's capital assets as of June 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Capital assets			
Building and improvements	\$ 1,599,883	\$ 1,599,883	\$ -
Equipment and software	178,021	178,021	-
Vehicles	21,569	21,569	-
Total capital assets	<u>1,799,473</u>	<u>1,799,473</u>	-
Net of accumulated depreciation	<u>(597,008)</u>	<u>(546,213)</u>	<u>(50,795)</u>
Net capital assets	<u>\$ 1,202,465</u>	<u>\$ 1,253,260</u>	<u>\$ (50,795)</u>

There were no major capital asset additions this year.

More detailed information about the School's capital assets is presented in Note 4 to the financial statements.

Long-Term Liabilities

Long-term liabilities decreased by approximately \$29,000 due to the current year principal payments. Interest paid during fiscal year 2018 was approximately \$15,000. More detailed information about the School's long-term liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budget Highlights for the Fiscal Year Ending June 30, 2019

Amounts available for appropriation in the general fund is expected to remain consistent with current year at approximately \$1,120,000, which is due to a conservative student enrollment count.

Budgeted expenditures are expected to decrease to approximately \$1,033,000 from the fiscal year 2018 actual amount of \$1,078,097 due to a decrease in expenses related to instruction and operational costs.

Amounts available for appropriation in the special revenue fund are expected to increase slightly to approximately \$274,000.

Budgeted expenditures in the special revenue fund are expected to increase to approximately \$274,000 from the year 2018 actual of \$241,000.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 4250 38th Avenue Vero Beach, FL 32967.



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of St. Peter's Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Indian River County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Peter's Academy, Inc. (the "School"), a charter school and component unit of the District School Board of Indian River County, Florida, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund of the School, and the aggregate remaining fund information as of June 30, 2018, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-6 and 27-28 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

McCrary & Associates, PLLC

Altamonte Springs, Florida
September 20, 2018

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 347,657
Due from other agencies	38,747
Due from Rock Academy, Inc.	24,346
Other asset	4,100
Capital assets:	
Buildings and improvements	1,577,276
Improvements other than building	22,607
Furniture, fixtures and equipment	170,969
Computer software	7,052
Vehicles	21,569
Less accumulated depreciation	<u>(597,008)</u>
Total capital assets, net	<u>1,202,465</u>
Total assets	<u><u>\$ 1,617,315</u></u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 18,192
Long-term liabilities:	
Portion due or payable within one year:	
Note payable	31,007
Portion due or payable after one year:	
Note payable	<u>253,196</u>
Total liabilities	<u>302,395</u>
NET POSITION	
Invested in capital assets, net of related debt	918,262
Restricted:	
Food services	79,973
Unrestricted	<u>316,685</u>
Total net position	<u>1,314,920</u>
Total liabilities and net position	<u><u>\$ 1,617,315</u></u>

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

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River, Florida**

Statement of Activities

For the Year Ended June 30, 2018

	Program Specific Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Instruction	\$ 796,610	\$ 24,092	\$ 129,820	\$ -	\$ (642,698)	\$ (642,698)
General administration	20,186	-	-	-	(20,186)	(20,186)
School administration	210,189	-	-	-	(210,189)	(210,189)
Fiscal services	18,900	-	-	-	(18,900)	(18,900)
Food service	111,192	-	128,607	-	17,415	17,415
Transportation	60,323	-	-	-	(60,323)	(60,323)
Operation of plant	217,174	-	-	64,670	(152,504)	(152,504)
Interest	14,726	-	-	14,726	-	-
Total primary government	\$ 1,449,300	\$ 24,092	\$ 258,427	\$ 79,396	(1,087,385)	(1,087,385)
General revenues:						
State and local sources					1,118,463	1,118,463
Contributions and other revenues					10,503	10,503
Total general revenue					1,128,966	1,128,966
Changes in net position					41,581	41,581
Net position at beginning of year					1,273,339	1,273,339
Net position at end of year					\$ 1,314,920	\$ 1,314,920

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

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

Balance Sheet - Governmental Funds

June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 267,684	\$ 79,973	\$ 347,657
Due from other agencies	31,504	7,243	38,747
Due from Rock Academy, Inc.	24,346	-	24,346
Other assets	4,100	-	4,100
Due from other governmental funds	7,243	-	7,243
	<hr/>	<hr/>	<hr/>
Total assets	\$ 334,877	\$ 87,216	\$ 422,093
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts payable and accrued expenses	\$ 18,192	\$ -	\$ 18,192
Due to general fund	-	7,243	7,243
	<hr/>	<hr/>	<hr/>
Total liabilities	18,192	7,243	25,435
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Nonspendable:			
Prepaid assets	4,100	-	4,100
Restricted:			
Food services	-	79,973	79,973
Spendable:			
Unassigned	312,585	-	312,585
	<hr/>	<hr/>	<hr/>
Total fund balances	316,685	79,973	396,658
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 334,877	\$ 87,216	\$ 422,093
	<hr/>	<hr/>	<hr/>

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

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**

June 30, 2018

Total fund balances - governmental funds \$ 396,658

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets are \$1,799,473 and the accumulated depreciation is \$597,008. 1,202,465

Long-term liabilities, including notes payable, 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:

Note payable (284,203)

Total net position - governmental activities \$ 1,314,920

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

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

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

For the Year Ended June 30, 2018

	General Fund	Capital Projects Fund	Special Revenue Fund	Other Governmental Fund	Total Governmental Funds
REVENUES					
Federal sources passed through local school district	\$ -	\$ -	\$ 258,427	\$ -	\$ 258,427
State and local sources	1,089,817	108,042	-	-	1,197,859
Contributions and other revenues	34,595	-	-	-	34,595
Total revenues	1,124,412	108,042	258,427	-	1,490,881
EXPENDITURES					
Current:					
Instruction	662,361	-	129,820	-	792,181
General administration	20,186	-	-	-	20,186
School administration	210,189	-	-	-	210,189
Fiscal services	18,900	-	-	-	18,900
Food service	-	-	111,192	-	111,192
Transportation	57,840	-	-	-	57,840
Operation of plant	108,621	64,670	-	-	173,291
Debt service:					
Principal	-	-	-	28,646	28,646
Interest	-	-	-	14,726	14,726
Total expenditures	1,078,097	64,670	241,012	43,372	1,427,151
Excess (deficiencies) of revenue over expenditures	46,315	43,372	17,415	(43,372)	63,730
Other Financing Sources (Uses)					
Operating transfer in	-	-	-	43,372	43,372
Operating transfer out	-	(43,372)	-	-	(43,372)
Total other financing sources	-	(43,372)	-	43,372	-
Net changes in fund balances	46,315	-	17,415	-	63,730
Fund balances at beginning of year	270,370	-	62,558	-	332,928
Fund balances at end of year	\$ 316,685	\$ -	\$ 79,973	\$ -	\$ 396,658

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

ST. PETERS ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

For the Year Ended June 30, 2018

Net changes in fund balance - total governmental funds	\$ 63,730
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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 and reported as depreciation expense. This is the amount of depreciation expense (\$50,795) in the current period.</p>	<p>(50,795)</p>
<p>Principal payments on long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.</p>	<p><u>28,646</u></p>
Change in net assets of governmental activities	<u><u>\$ 41,581</u></u>

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

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

Notes to Financial Statements

For the Year Ended June 30, 2018

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

St. Peter's Academy, Inc. (the "School") is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes and the Florida Not-for-Profit Corporation Act. The School began its operations as a division of St. Peter's Human Services, Incorporated. Effective July 1, 2006, the School was separated from St. Peter's Human Services, Inc. into a separate not-for-profit organization, St. Peter's Academy, Inc. and applied for charter school status. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of six members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Indian River County Florida, (the "School Board"). The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board ("GASB").

Charter Contract

The current charter expires on June 30, 2027 and may be renewed by mutual written agreement between the School and the School Board. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. However, the School Board may terminate the current charter at any time if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions in the Florida Statutes, the School is considered as a governmental organization for financial statement reporting purposes. The School is required by its agreement with the School Board to use the governmental reporting model and follow the fund and accounting structure provided in the "Financial and Program Cost Accounting and Reporting for Florida Schools – The Red Book" issued by the Florida Department of Education ("FDOE").

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to a private-sector business. The statement of net position and statement of activities are designed to provide financial information about the School as a whole on an accrual basis of accounting. The statement of net position provides information about the School's financial position, its assets and its liabilities, using an economic resources measurement focus.

The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School's governmental activities. Direct expenses are those specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of goods and services offered by the program and grants and contributions that are restricted for meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Fund Financial Statements

The governmental fund financial statements report detailed information about the School's most significant funds, not the School as a whole. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance related requirements. Certain funds are established by law while others are created by grant agreements. The following are individual governmental funds reported in the fund financial statements:

- General Fund – the School's primary operating fund that accounts for all financial resources of the school, except those that are required to be accounted for in another fund.
- Capital Projects Fund – to account for all resources for the acquisition of capital items by the School purchased with capital outlay funds.
- Special Revenue Fund – to account the proceeds of specific revenue sources that restricted or committed to expenditures for a specific purpose including all federal grant revenues passed through the School District.
- Debt Service Fund – to account for the accumulation of resources for, and payment of general long-term debt principal, interest, and related costs.

For the purpose of these statements, the general, special, and capital projects funds are considered major funds and the capital projects and debt service funds are included in other governmental funds.

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

Basis of Accounting

Basis of accounting refers to when revenues and expenses/expenditures 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 reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures are recognized when a liability is incurred, regardless of the timing the related cash flows take place.

The governmental funds basic financial statements are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. The School considers revenues to be available if they are collected within 60 days after the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues is recognized at the time the expenditure is made.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the acquisition of long-term debt are reported as other financing sources.

Budgetary Basis Accounting

Budgets are prepared using the modified accrual basis of accounting and the governing board must approve all budgets and amendments. During the fiscal year, expenditures were controlled at the object level. Budgets may be amended by resolution of the Board prior to the date of the annual report.

Cash and Cash Equivalents

The School's cash and cash equivalents consist primarily of demand deposits with a financial institution.

Under current regulations, all deposit accounts at a single FDIC insured institution are insured up to \$250,000. The School currently has deposit accounts at one insured institution. Additionally, the balance may exceed the limit through the year. Management does not expect to incur any losses related to it. As of June 30, 2018, the School's cash balances exceeded FDIC coverage by approximately \$118,000.

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

Interfund receivables and payables

Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. The general fund has recorded total receivables of approximately \$7,000 from the special revenue funds for amounts by the general fund on behalf of the fund.

Capital Assets and Depreciation

The School's capital assets with useful lives of more than one year are stated at historical cost and reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value on the date donated. The School capitalizes assets with a cost of \$1,000 or more. Expenditures of normal maintenance and repair that do not add to the asset value or extend the useful life are not capitalized. Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

	<u>Years</u>
Buildings and improvements	5 – 40
Furniture, fixtures and equipment	3 – 15
Computer software	3
Vehicles	5

Information related to the change in capital assets is described in Note 4.

Long-Term Liabilities

Long-term liabilities financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Changes in long-term liabilities for the current year are reported in Note 5.

Net Position and Fund Balance Classifications

Government-wide financial statements

The net position are classified and reported in three components:

- Investment in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted – consists of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted – all other amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

Fund financial statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School's Board of Governance.
- Assigned – fund balance that is intended to be used by the School's management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School's general fund and includes all spendable amounts not contained in the other classifications.

This statement also clarifies the definition of the special revenue fund to denote it may be used to account for the proceeds of specific revenue sources (other than trusts for individual, private organizations or other governmental agencies or for major capital projects) legally restricted to expenditures for specified purposes.

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non spendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for the non-general fund.

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

Revenue Sources

Revenues for operations are received primarily from the District School Board of Indian River County, Florida pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School Board. The School Board receives a 2% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative fee is 2% opposed to 5% because the school is considered a high performing school. The administrative expense is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds. The administrative fee is calculated on the FEFP revenue up to 250 students.

Under provisions of Section 1011.62, Florida Statutes, the School Board reports the number of students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the School's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reductions or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the year ended June 30, 2018, the School reported 130.04 unweighted FTE.

The School received additional funding under other federal and state grants. This assistance is generally received based on applications submitted to various granting agencies. For federal and state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures.

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

2 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The School's significant financial instruments are cash, accounts receivable, accounts payable, short term borrowings, and other short term assets and liabilities. For these financial instruments (level 1), carrying values approximate fair value because of the short maturity of these instruments.

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

3 DUE FROM OTHER AGENCIES

Due from other agencies included in the accompanying financial statements includes approximately \$7,000 in federal funds. Based on the sources of these funds, management has evaluated the collectability and an allowance for doubtful accounts is not considered necessary.

4 CAPITAL ASSETS

Capital asset activity during the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets:				
Buildings & improvements	\$ 1,577,276	\$ -	\$ -	\$ 1,577,276
Improvements other than building	22,607	-	-	22,607
Furniture, fixtures & equipment	170,969	-	-	170,969
Computer software	7,052	-	-	7,052
Vehicles	21,569	-	-	21,569
Total capital assets	<u>1,799,473</u>	-	-	<u>1,799,473</u>
Accumulated depreciation:				
Buildings & improvements	(350,691)	(43,680)	-	(394,371)
Improvements other than building	(20,590)	(203)	-	(20,793)
Furniture, fixtures & equipment	(152,443)	(4,429)	-	(156,872)
Computer software	(7,052)	-	-	(7,052)
Vehicles	(15,437)	(2,483)	-	(17,920)
Total accumulated depreciation	<u>(546,213)</u>	<u>(50,795)</u>	-	<u>(597,008)</u>
Capital assets, net	<u>\$ 1,253,260</u>	<u>\$ (50,795)</u>	<u>\$ -</u>	<u>\$ 1,202,465</u>
Depreciation expense:				
Instruction			\$ 4,429	
Transportation			2,483	
Operation of plant			<u>43,883</u>	
Total governmental activities depreciation expense			<u>\$ 50,795</u>	

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

5 LONG-TERM LIABILITY

On May 17, 2011, the School refinanced the 2006 note on the building for \$470,361 with Seacoast National Bank. The note is secured by a mortgage on the real property. The interest rate is calculated at variable plus 3.5% which is 4.875% at June 30, 2018. Effective June 2017, the monthly principal and interest payments decreased to \$3,614. Interest and principal payments on the note are being made from the capital project fund.

Long-term liability activity as of June 30, 2018 is as follows:

Balance outstanding at beginning of year	\$ 312,849
Additions	-
Reductions	<u>(28,646)</u>
Balance outstanding at end of year	284,203
Less: portion due or payable within one year	<u>(31,077)</u>
Portion due or payable after one year	<u><u>\$ 253,126</u></u>

Interest paid during the year ended June 30, 2018 totaled approximately \$15,000.

Future debt service requirements related to the long-term liabilities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended June 30,			
2019	\$ 31,077	\$ 12,295	\$ 43,372
2020	32,508	10,864	43,372
2021	<u>220,618</u>	<u>8,646</u>	<u>229,264</u>
	<u><u>\$ 284,203</u></u>	<u><u>\$ 31,805</u></u>	<u><u>\$ 316,008</u></u>

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

6 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

District School Board of Indian River County, Florida:

Florida Education Finance Program	\$	583,283
Class size reduction		175,069
Discretionary local effort		96,681
Capital outlay LCIR		78,039
Proration of local millage		63,131
Special millage		55,367
Capital outlay		30,003
Supplemental academic instruction		26,562
ESE guaranteed allocation		24,409
Instructional materials		9,745
Reading allocation		6,541
Digital classroom allocation		5,748
Safe schools		3,163
Lead teacher		1,764
Declining enrollment		489
Discretionary lottery funds		237
Additional allocation		162
Proration to funds available		(95)
Total	\$	<u>1,160,298</u>

The administrative fee paid to the School Board during the year ended June 30, 2018 totaled approximately \$21,000, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

During fiscal year 2018, pursuant to Section 31 of chapter 2017-116, Laws of Florida (House Bill 7069), codified in section 1013.62 Florida Statutes (F.S.), it required school districts to distribute to eligible charter schools local capital improvement revenue (LCIR) from the discretionary millage authorized in section 1011.72(2), F.S. For fiscal year 2018, the School received approximately \$78,039 which is reported as state funding in the capital project fund. Funds received under LCIR may only be used for lawful capital outlay expenditures.

7 RELATED PARTY TRANSACTIONS

Due from Rock Academy, Inc.

The School is related to Rock Academy, Inc. through a common director. For the fiscal year ended June 30, 2018, the School has an amount due from Rock Academy of approximately \$24,000.

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

Facility lease

The school leases a portion of its facilities under an annually renewable lease agreement with St. Peter's Missionary Baptist Church (the "Church") for \$3,650 per month plus utilities and lawn maintenance. Several of the members of the School's Board of Directors are associated with the Church. At June 30, 2018, there were no amounts outstanding. The current lease expires December 31, 2018 and future minimum payments total \$21,900.

8 RISK MANAGEMENT PROGRAM

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

9 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at year end may be impaired.

In the opinion of the School, there are no significant contingent liabilities related to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Legal Matters

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

**Notes to Financial Statements
(continued)**

10 INCOME TAXES

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is therefore, exempt from income taxes. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. The School's income tax returns for the past tax years 2016, 2015 and 2014 are subject to examination by tax authorities, and may change upon examination.

11 403(b) PLAN

The School participates in a salary deferral plan under the Internal Revenue Code 403(b). Employees may make elective contributions of up to 20% of their compensation and the limit established by federal law. The School makes matching contributions of up to 5% to the 403(b) plan on behalf of the employees. For the year ended June 30, 2018, the School made contributions for eligible participants to the 403(b) plan in the amount of approximately \$10,398, which is included in instruction expense/expenditure on the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds.

12 SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 20, 2018, which is the date the financial statements were available to be issued.

ST. PETERS ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
State and local sources	\$ 880,000	\$ 880,000	\$ 1,089,817	\$ 209,817
Contributions and other revenues	60,000	60,000	34,595	(25,405)
Total revenues	940,000	940,000	1,124,412	184,412
EXPENDITURES				
Current:				
Instruction	527,293	527,293	662,361	135,068
General administration	20,000	20,000	20,186	186
School administration	202,669	202,669	210,189	7,520
Fiscal services	10,000	10,000	18,900	8,900
Transportation	57,245	57,245	57,840	595
Operation of plant	106,650	106,650	108,621	1,971
Total expenditures	923,857	923,857	1,078,097	154,240
Net changes in fund balances	16,143	16,143	46,315	30,172
Fund balances at beginning of year,	270,370	270,370	270,370	-
Fund balances at end of year	<u>\$ 286,513</u>	<u>\$ 286,513</u>	<u>\$ 316,685</u>	<u>\$ 30,172</u>

See Independent Auditor's Report.

ST. PETERS ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River County, Florida**

Required Supplementary Information

Budgetary Comparison Schedule - Special Revenue Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Federal sources passed through local school district	\$ 136,000	\$ 136,000	\$ 258,427	\$ 122,427
Total revenues	136,000	136,000	258,427	122,427
EXPENDITURES				
Current:				
Instruction	44,263	44,263	129,820	85,557
Food service	85,768	85,768	111,192	25,424
Total expenditures	130,031	130,031	241,012	110,981
Net changes in fund balances	5,969	5,969	17,415	11,446
Fund balances at beginning of year	62,558	62,558	62,558	-
Fund balances at end of year	\$ 68,527	\$ 68,527	\$ 79,973	\$ 11,446

See Independent Auditor's Report.



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of St. Peter's Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund for St. Peters Academy, Inc., a Charter School and Component Unit of the District School Board of Indian County, Florida, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 20, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 did not disclose any instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McCrary & Associates, PLLC

Altamonte Springs, Florida
September 20, 2018

**Additional Information Required by
Rules of the Auditor General,
Chapter 10.850, *Audits of Charter Schools
and Similar Entities***



**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of St. Peter's Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Indian River County, Florida

Report on the Financial Statements

We have audited the financial statements of St. Peter's Academy, Inc. (the "School") as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated September 20, 2018.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, if applicable, which is dated, September 20, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings in the prior year.

Official Title

Section 10.854(1)(e)5. Rules of the Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is St. Peter's Academy, Inc.

Financial Condition and Management

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

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

on representations made by management and the review of financial information provided by same.

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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

McCrady & Associates, PLLC

Altamonte Springs, Florida
September 20, 2018

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