

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

It is hereby advised that if a person decides to appeal any decision made by the Board with respect to any matter considered at this meeting, he/she will need to ensure that a verbatim record is made that 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: November 21, 2017**

**Time: 6:00 p.m.**

**Room: Teacher Education Center (TEC)**

**Business Meeting Agenda**

- I. CALL MEETING TO ORDER
- 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
- IV. PRESENTATIONS
  - A. Casual for a Cause Check Presentation – American Cancer Society**
  - B. ConEdison Solutions Check Presentation**
  - C. Musical Rendition by Rosewood Magnet School – Joann Palmer**
  - D. Short Video on School Initiatives**
- V. CITIZEN INPUT
- VI. CONSENT AGENDA
  - A. Approval of Minutes – Dr. Rendell**
    - 1. Approval of October 24, 2017 – Superintendent's Workshop Minutes
    - 2. Approval of October 24, 2017 – Business Meeting Minutes  
Superintendent recommends approval.
  - B. Approval of Personnel Recommendations – Mr. Green**

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

**C. Approval of Vero Beach High School Band to travel to London – Mrs. Dampier**

Vero Beach High School is requesting permission for members of the Fighting Indians Band to travel to London. The band has been invited to perform in the London New Year's Day Parade. The band was chosen by a selection committee affiliated with Youth Music of the World. The group will depart on December 26, 2018, and will return on January 2, 2019. All insurance requirements have been completed. The costs for this trip will be paid through fund raising. There will be no cost to the District. Superintendent recommends approval.

**D. Approval of Donation – Mr. Morrison**

1.) Wabasso School received a donation in the amount of \$1,500 from the Fraternal Order of the Eagles. The funds will be used to purchase classroom materials to enrich rich student academic instruction for the students of Wabasso School.

2.) The Public Information Office received a donation in the amount of \$5,695 from Napier & Rollin PLLC for the Teacher and Employee of the Year dinner.

3.) Vero Beach High School received a donation in the amount of \$1,500 from Jean L. Taylor. The funds will be utilized by the Vero Beach High School Swim Team.

Superintendent recommends approval.

**E. Approval to Dispose of Surplus Property – Mr. Morrison**

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.

**F. Approval to Renew RFP #2016-07 with Aon Consulting Inc. Operating as Aon Hewitt for Employee Health and Wellness Benefits Consultant – Mr. Morrison**

Pursuant to the terms and conditions of RFP #2016-07, the Purchasing Department is requesting approval to renew this RFP for one additional year. This is renewal two of two. There are no direct costs for these services as the consultant's fees are generated by insurance commissions. The new contract period will be December 9, 2017, through December 8, 2018. All terms and conditions will continue as stated in the associated agreement. Please see attached backup. Superintendent recommends approval.

VII. ACTION AGENDA

**A. Approval to Accept Construction Attestation Report for the Indian River County School Board’s Administrative Complex– Mr. Morrison**

On August 12, 2008, The School Board approved, District staff to engage the firm of Carr, Riggs & Ingram, LLC, to perform agreed upon procedures relative to the construction costs and related contract for the construction of the Alternative Education Center. Subsequently, under the Superintendent’s purchasing authority, this firm was engaged to perform construction attestation services for various CMAR projects undertaken by the District. The purpose of this engagement is to enact best business practice to affirm that the contract terms were properly applied to the job costs of the project and to ensure the District did not overpay for any items during the billing process. The cost of this attestation is approximately \$11,200 and was paid for out of the capital projects fund. In the event, any project costs are recovered, the proceeds will be used to offset the fee. Based on the attestation procedures performed the following is a reconciliation of the guaranteed maximum price (GMP) versus total amounts paid:

<b>Construction:</b>	<b>Amounts</b>
Adjusted GMP per Construction Manager	\$ 5,750,474
Adjusted GMP based on attestation procedures	\$ 5,749,238
Owed to the district	\$ 1,236

A check in the amount of \$1,236 has been received from Pirtle Construction in full settlement of the amount owed to the District for the Administrative Complex project. Superintendent recommends approval.

**B. Approval to Award Invitation to Bid (ITB) #04-0-2018/JC for Mechanical Services and Repairs to Mid-State Mechanical of Vero Beach, Inc. as Primary Vendor and Climate Control Mechanical Service as Secondary Vendor - Mr. Morrison**

The purpose and intent of this Invitation to Bid was to secure firm fixed hourly rates for mechanical services such as 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. The majority of work for these projects will take place when students are absent from the campus such as late afternoons or weekends. To meet the time and task demands of this school district, primary and secondary awards will be made. If for some reason the primary awardee is not able to keep up with assignments the secondary awardee will be activated. The estimated financial impact is ~~\$200,000~~ \$300,000. The term of this ITB is November 22, 2017 through November 21, 2018 and may, by mutual agreement between the Board and the awardee, be renewed for two additional one year periods. The Purchasing Department recommends primary award to Mid-State Mechanical of Vero Beach, Inc. as the lowest and best responsive and responsible bidder meeting specifications, terms and conditions and secondary award to Climate Control Mechanical Service. Please see attached backup. Superintendent approves recommendation.

**C. Approval of Agreement for Contracted Services Invitation to Bid (ITB) #04-0-2018/JC for Mechanical Services and Repairs to Mid-State Mechanical of Vero Beach, Inc. as Primary Vendor and Climate Control Mechanical Service as Secondary Vendor - Mr. Morrison**

Approval is recommended for the Agreement for Contracted Services between the School District of Indian River County and Mid-State Mechanical of Vero Beach, Inc. as primary vendor and Climate Control Mechanical Service as secondary vendor for mechanical services and repairs. The estimated expenditure for the contract period of November 22, 2017 through November 21, 2018 is ~~\$200,000~~ \$300,000. See attached backup. Superintendent recommends approval.

**D. Approval to Award Request for Proposal (RFP) #02-0-2018/JC Employee Benefits Audit to Siver Insurance Consultants - Mr. Morrison**

The purpose and intent of this RFP is for the outsourcing of a qualified firm to conduct a comprehensive claims audit of the District's self-insured employee and retiree health Benefits Program that is administered by Blue Cross Blue Shield of Florida. This RFP will be awarded to a single firm as a group. Award will be made not on the basis of price alone, but to the proposal whose submission contains the most advantageous combination of price, qualifications, experience, references and work capacity. The total cost of this project is not to exceed \$30,000. The Purchasing Department recommends award to Siver Insurance Consultants as the best responsive and responsible bidder meeting specifications, terms and conditions. See attached backup. Individual evaluation sheets are on file in the Purchasing Department. Superintendent approves recommendation.

**E. Approval of Agreement for Contracted Services Request for Proposals (RFP) #02-0-2018/JC for Employee Benefits Audit to Siver Insurance Consultants – Mr. Morrison**

Approval is recommended for the Agreement for Contracted Services between the School District of Indian River County and Siver Insurance Consultants to conduct a comprehensive claims audit of the District's self-insured employee and retiree health benefits program. The total cost of this project is not to exceed \$30,000. See attached backup. Superintendent recommends approval.

**F. Approval of Agreement For Construction Contracted Services with Macy Construction Corp, for Citrus Elementary School Walkway Covers – Mr. Teske**

Approval is recommended for the Agreement Form of Construction Contracted Services between the School Board of Indian River County and Macy Construction Corp, to furnish all materials and install new extruded aluminum walkway covers at Citrus Elementary School as outlined in the proposal. This Agreement is the result of the lowest of multiple quotes, in compliance with School Board Policy 6322, Competitive Solicitation Requirements for Construction Contracting, Section C. The cost of construction of this project is not to exceed \$62,800, which includes the proposal amount of \$52,800 and an owner added contingency in the amount of \$10,000. This Agreement includes all labor, materials and engineering, for an estimated overall total project cost of \$62,800. Superintendent recommends approval.

**G. Approval of Agreement For Construction Contracted Services with Macy Construction Corp, for Fellsmere Elementary School Walkway Covers – Mr. Teske**

Approval is recommended for the Agreement Form of Construction Contracted Services between the School Board of Indian River County and Macy Construction Corp, to furnish all materials and install new extruded aluminum walkway covers at Fellsmere Elementary School as outlined in the proposal. This Agreement is the result of the lowest of multiple quotes, in compliance with School Board Policy 6322, Competitive Solicitation Requirements for Construction Contracting, Section C. The cost of construction of this project is not to exceed \$77,500, which includes the proposal amount of \$62,500 and an owner added contingency in the amount of \$15,000. This Agreement includes all labor, materials and engineering, for an estimated overall total project cost of \$77,500. Superintendent recommends approval.

**H. Approval of Non-Instructional Work Calendars for Hurricane Irma Make Up Days – Mr. Green**

In the interest of the safety and well-being of students and employees of the District, the Superintendent declared district-wide closing of schools for students due to Hurricane Irma, Thursday, September 7, 2017 thru Friday, September 15, 2017. The Florida Department of Education has indicated that school districts will have two (2) days waived. Additionally, the District is able to waive two (2) of the missed days. Therefore, the District will need to make-up three (3) student days. The 2017-2018 Non-Instructional Work Calendars will be revised to provide for staffing during student attendance as outlined in the attached calendars. Superintendent recommends approval.

**I. Approval of 2017-2018 Transportation Service Agreement with Senior Resource Association/Indian River Transit– Mr. Teske**

Attached is the 2017-2018 Transportation Agreement with Senior Resource Association/Indian River Transit. The agreement is to provide residential curb to curb transportation services to students with disabilities within the school district who live in areas which are deemed inaccessible by school bus. Superintendent recommends approval.

VIII. SUPERINTENDENT'S REPORT

IX. DISCUSSION  
No discussion items

X. SCHOOL BOARD MEMBER MATTERS

XI. INFORMATION AGENDA

**A. Recurring Vendor 2nd Quarter Report of Released Purchase Orders - Mr. Morrison**

Pursuant to Action Agenda Item E. Business Meeting on August 8, 2017, whereby as a means of efficient management of District operations, the School Board approved, Purchase Order authority caps for a list of vendors that routinely provide goods and services to the District. In accordance with the School Board's directive, staff hereby, presents the attached report of released purchase orders or expenditures for all vendors on the list for the quarter July 1, 2017 through September 30, 2017, for fiscal year 2017-2018. This report is updated on a quarterly basis and ensures that previously approved limits are not exceeded. Please see attached backup.

**B. Charter School Annual Financial Audit Reports:**

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 2012/2013 charter schools Annual Financial Audit Reports are presented.

C. SUPERINTENDENT'S CLOSING

D. 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 may contact the School District's American Disabilities Act Coordinator at 564-3175 (TTY 564-2792) at least 48-hours in advance of the meeting. NOTE: Changes and amendments to the agenda can occur prior to the meeting. All business meetings will be held in the 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](http://www.indianriverschools.org/iretv). The agenda can be accessed by Internet at <http://www.indianriverschools.org>.



The District School Board of Indian River County met on October 24, 2017, at 1:00 p.m. The Superintendent's Workshop was held in the 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 Charles G. Searcy, Vice 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.

### **Superintendent Workshop Minutes**

I. Meeting was called to order by Chairman Searcy at 1:00 p.m.

II. PURPOSE OF THE WORKSHOP – Dr. Rendell

Dr. Rendell addressed the Board Members to share there were four topics on the agenda. One of the topics, the School Start Times Survey Review, was postponed. Dr. Rendell explained that some of the members of the committee were not available and it was postponed. He went on to preface the other topics.

As Dr. Rendell introduced PBIS Presentation (Positive Behavior Intervention Support) as the first presentation of the Workshop, he introduced Dr. Lillian Torres-Martinez as the team leader of this committee. Dr. Rendell turned the workshop over to Dr. Torres-Martinez. She shared a PowerPoint presentation with the Board Members with regards to positive behavior. Dr. Torres-Martinez introduced Mrs. Robyn Vanover, who is the Technical Assistant/Specialist and Facilitator from University of South Florida. There were two teachers from Glendale Elementary available to review the CHAMPS Program. CHAMPS stands for: Conversation Level, Help, Activity, Movement, Participation, and Success. As Mrs. Vanover discussed the many approaches and positive goals, she took questions from Board Members. There was discussion of the National PBIS Centers and recommendations for equity. One of the Board Members asked who inputs the data so this can be followed. Dr. Rendell explained this is done while entering such things as referrals and other information into FOCUS. The Board Members had other questions, and they were all answered. A Board Member asked about bus referrals and lunch room issues, how are these handled along with asking if these departments are being provided the proper tools. Dr. Torres-Martinez responded and said there is a training program that has just started. Another question came up regarding substitute teachers and training. One of the guest teachers responded and said these are reviewed with the substitute teachers. Along with sharing how well the CHAMPS program is working within their school. There were several other questions that were asked and the panel covered each of them. The Board Members thanked the panel for the presentation.

At 2:12 p.m., Chairman Searcy called for a five-minute break.

Chairman Searcy called the Workshop to Order at 2:17 p.m. At which time, Dr. Rendell introduced the presentation for Property Casualty and Workers Compensation Update by Mr. Morrison, Mr. McCreary, and Mr. Nelson. Mr. Morrison prefaced his presentation with the timeline, including the reorganization back in July of 2017, when he took over this task. He also took this time to introduce Mr. Time McCreary, President of Ascension Benefits & Insurance Solutions, and Mr. Keith Nelson, CFO & COO of Ascension Benefits & Insurance Solutions. Mr. Morrison. They started with a PowerPoint presentation, the benefit of being in a consortium, and some recommendations. Mr. McCreary reviewed the SCERMP (South Central Educational Risk Management Pool) program, Mod rate, premiums, and pooling. He also reviewed the history, quality controls, claims, and savings being with Ascension Benefits & Insurance Solutions. The position of a Risk Management Manager/Insurance Specialist/Coordinator was discussed. As the Board Members had questions, Mr. Morrison, Mr. McCreary, and Mr. Nelson responded to all of them.

Dr. Rendell reminded everyone the workshop is set up as an information session and we were asking for guidance. We are thinking about presenting a position to the Board for Risk Management Coordinator and Employee Benefits. We will craft the job description and bring it to the Board as soon as possible. The Board Members had a few questions regarding the both titles and they were all answered.

At 3:30 p.m., Chairman Searcy called for a five-minute break.

Chairman Searcy called the Workshop to Order at 3:43, he then turned to workshop over to Dr. Rendell. Dr. Rendell presented the final presentation being "iReady", Progress Monitoring Update. He first introduced Mr. Green and his guest along with stating this was going to be a tag team presentation with Mrs. Dampier and her team to follow and close the workshop.

Mr. Green first off introduced his presenters, Mr. Brian McMahon, Performance Data Analyst, and Mr. Ken Tam from Curriculum and Associates. He wanted to start with a Data Review, in a PowerPoint presentation. They shared how iReady is used, some of the data that is involved, reporting, and the changes in standards. Diagnostic Assessments were discussed for the different times of the year and the reports that are available. The slides show a decline as the student's climb in years. The Board Members had some questions with regards to intensive math, proficiency in the FSA, trends and how these are going to be met. Mr. Tam explained predications are made on where we want the students to be, grade level standards, and where the focus needs to be to bring the student up to grade level standards. The panel reviewed many of the predictions and measures. A Board Member asked for more detailed information with regards to middle school. Mr. Tam did state this can be provided. With no further questions, Mr. Green turned the rest of the presentation over to Mrs. Dampier and her team.

Mrs. Dampier started with introducing her guest speakers; Mrs. Kelly Baysura, Mrs. Karin Hammler, and Ms. Dana Rogers. Mrs. Baysura continued with the PowerPoint

presentation. She reviewed reports that are provided along with the data. She showed it by classroom and student. It was pointed out that the teacher will use this to show the students' strengths and weaknesses. Parents will also be able to see how their child is doing in the classroom. They discussed on line textbooks, interactive video tutorials - all by level. There are resources for all levels. This is to provide instructional support for all. Mrs. Dampier asked if the Board has any questions. The Board Members had some staffing questions and these were all answered. There was a question with regards to the different levels within the classroom. Mrs. Dampier responded with regards to balancing a classroom versus each class having the same level. One of the Board Members asked if iReady has been communicated to the parents properly. Mrs. Dampier said Mrs. Malits has put a program together for the parents.

Dr. Rendell wanted to make sure this information was shared with the Board and how they are using iReady more this year than they did last year. He was pleased with the amount of data that is able to be pulled and how to use it.

- III. ADJOURNMENT – Chairman Searcy  
Meeting adjourned at approximately 4:47 p.m.

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The District School Board of Indian River County met on October 24, 2017, at 6:00 p.m. The Business Meeting was held in the 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 Charles G. Searcy, Vice 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. Prior to the meeting, an invocation was given by Reverend, Dr. Crystal Bujol, of Gifford Youth Orchestra, Founder & Artistic Director, Vero Beach, FL.

### Meeting Minutes

- I. Meeting was called to order by Chairman Searcy at 6:00 p.m.
- 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, Science Instructor.
- III. ADOPTION OF ORDERS OF THE DAY  
Chairman Searcy called for a MOTION to Adopt the Orders of the Day. Mr. Frost motioned to Adopt the Orders of the Day. Mrs. Simchick seconded the motion and it carried unanimously, with a 5-0 vote.
- IV. PRESENTATIONS
  - A. **Casual for a Cause – United Way.** Cristen McMillan explained to the audience what the district does each month for Causal for a Cause. She presented a check in the amount of \$4103 to Mrs. Tracy Segal and Mr. Bill Penny, representing the United Way. Both took the opportunity to speak and thank the District for their time and contribution. Photos were taken. After the check for the United Way was presented, it was followed by a short video for Day of Caring.
  - B. **Musical Rendition by Osceola Magnet School 25 Year Celebration** – Cristen McMillan introduced the Osceola Explorer Ensemble. The performers played a variety of xylophones. They were led by Mrs. Jones. Photos were taken of the students after the performance.
  - C. **Short Video on School Initiatives – Principal and Assistant Principal of the Year, Day of Caring** – Dr. Rendell presented the Principal of the Year, Mrs. Kathrine Pierandozzi of the Wabasso School, and the Assistant Principal of the Year, Mrs. Jennifer Norris of Rosewood Magnet School. There was a short video showing the presentations at their schools. Both Mrs. Pierandozzi and Mrs. Norris came to the podium and spoke to the Board and audience. Photos were taken of each.

V. CITIZEN INPUT

Liz Cannon – Retiree return to work

Becky Cook – CWA Negotiations

Vicki Sidles - \$0.31/hr raise for Bargaining

Mike Murray – Trust between CWA eBoard & the School Board, and/or Admin

VI. CONSENT AGENDA

Chairman Searcy called for a MOTION. Mrs. Justice moved approval of the Consent Agenda. Mr. Frost seconded the motion and it carried unanimously, with a 5-0 vote.

**A. Approval of Minutes – Dr. Rendell**

1. Approval of September 26, 2017 – Superintendent’s Workshop Minutes

2. Approval of September 26, 2017 - Business Meeting Minutes

3. Approval of October 10, 2017 – Business Meeting Minutes

Superintendent recommends approval.

**B. Approval of Personnel Recommendations – Mr. Green**

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

**C. Approval of Budget Amendment – Mr. Morrison**

This request is for approval of the following budget amendment for fiscal year ending June 30, 2018:

Amendment #1 -Capital Fund

Amendment #1 – Food Service

Superintendent recommends approval.

**D. Approval of Superintendent’s Goals for 2017-2018 – Chairman Searcy**

On September 26, 2017, the Board discussed the Superintendent’s Goals for 2017-2018 during the 1:00 p.m. workshop. Attached are those Goals for the Board’s approval. Chairman recommends approval.

VII. ACTION AGENDA

**A. Approval of 2017-2018 School Advisory Council Membership Composition – Mr. Green**

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 school, may include students at middle school, and do not include students at elementary schools. Completed SAC composition and membership reports are submitted for approval. Superintendent recommends approval.

Chairman Searcy turned this over to Dr. Rendell. Dr. Rendell provided the information. Chairman Searcy called for a Motion. Mrs. Simchick moved approval of the 2017-2018 School Advisory Council Membership Composition. Mr. Frost seconded the motion and it carried unanimously, with a 5-0 vote. One of the Board Members had a question with regards to racial compliance. Dr. Rendell and Mr. Green responded confirming that the district is following the Statute. There was a question as to being challenged with these statistics. Mr. Green said we had not been challenged to his knowledge, but the district has been audited previously. Another Board Member commented about the student participation with the High School students and encourage more students participate.

**B. Approval of 2017-2018 School Improvement Plans and District Improvement and Assistance Plan – Mr. Green**

In accordance with Florida Statute 1001.42 and School Board Policy 2120, each school must complete a School Improvement Plan with the assistance of their School Advisory Council. In addition, the District must complete a District Improvement and Assistance Plan. The District Improvement and Assistance Plan and the School Improvement Plans are completed using an 8-Step, Problem Solving Process. This process 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>. The District's Improvement and Assistance Plan and Oslo Middle School's School Improvement Plan are included in the backup. Superintendent recommends approval.

Chairman Searcy turned this over to Dr. Rendell. Dr. Rendell provided some of the information and turned it over to Mr. Green for more specifics. Mr. Green explained all the traditional public schools have plans to be approved, along with the Alternative Education Center and Wabasso School. Sebastian Charter Junior High has in their contract that they will monitor their accountability under the school improvement plan, and have done so. St. Peter's Academy will be brought back at the next meeting since theirs is currently not available.

Chairman Searcy called for a MOTION. Mr. Frost moved approval for the 2017-2018 School Improvement Plans and District Improvement and Assistance. Mrs. Justice seconded the motion and it carried unanimously, with a 5-0 vote.



**C. Approval of the Educational Facilities Supplementary Plant Survey Number 5 Version 7 for the School District of Indian River County – Mr. Teske**

Approval is recommended for the Educational Facilities Supplementary Plant Survey for the School District of Indian River County. On June 25, 2013, the School Board approved the Educational Facilities Plant Five Year Survey Report for 2013-2018. A Supplemental Survey was recently conducted in order to update the 2013-2018 survey information and to make the necessary survey changes in association with the new construction and renovations for the conversion of the existing Gifford Alternative Center to a Technical Center for Career & Adult Education facility. The recommendations for Survey Amendment Number 5 Version 7 requests permission from the Florida Department of Education to perform the necessary construction and renovations associated with the Technical Center for Career & Adult Education project. The Superintendent recommends approval.

Chairman Searcy turned this over to Dr. Rendell. Dr. Rendell prefaced that Action C, D, and E are all related. He provided the information for this item as listed above. Chairman Searcy called for a MOTION. Mrs. Simchick moved approval for the Educational Facilities Supplementary Plant Survey Number 5 Version 7 for the School District of Indian River County. Mrs. Zorc seconded the motion and it carried unanimously, with a 5-0 vote.

**D. Approval to Award RFQ #01-0-2018/JC Construction Management Services for the Construction of the Technical Education Center to Summit Construction of Vero Beach, LLC - Mr. Morrison**

The Facilities, Planning and Construction Department requested that a Request for Qualifications for Construction Management at Risk (CMAR) be promulgated for the construction of the Technical Career Center. The project consists of the construction of a new vocational classroom/lab building and renovations of existing classrooms for the conversion of the Gifford Alternative Center campus to a Career and Adult Education Facility as per drawings provided by Donadio & Associates Architects, P.A. The total project budget is \$1,835,000 which includes Architect/Engineering Fees, Testing, Commissioning and construction costs. As per Florida Statutes Ch. 287.055 F.S. negotiations Summit Construction of Vero Beach, LLC are complete. Please see attached backup. Individual score sheets are on file in the Purchasing Department. Superintendent recommends approval.

Chairman Searcy turned this over to Dr. Rendell. Dr. Rendell provided the information and asked Mr. Morrison and Mr. Teske if they had anything to add. Neither had anything to add. Chairman Searcy called for a MOTION. Mr. Frost moved approval of the RFQ #01-0-2018/JC Construction Management Services for the Construction of the Technical Education Center to Summit Construction of Vero Beach, LLC. Mrs. Justice seconded the motion, and it carried with a 4-1 vote. Chairman Searcy voted against the motion. He explained, he does not agree with the agreement and it was discussed in the workshop. A Board Member said their vote was for this due to the commitment of the completion date. Others agreed with the Chairman but wanted to stay on track with the school's opening date. It was also asked that these things be brought before the Board sooner for better review so they could have better control. Each Board Member commented with regards to controls and opinions of process.

**E. Approval of the Construction Management at Risk Contract with Summit Construction of Vero Beach, LLC for the Technical Education Center Project (SDIRC #01-0-2018JC) – Mr. Teske**

Approval is recommended for the Construction Management at Risk (CMAR) Contract between the School Board of Indian River County and Summit Construction of Vero Beach, LLC, for the Technical Education Center Project (SDIRC #01-0-2018JC). This project will consist of the construction of a new +/- 4,000 square foot single-story Vocational Classroom/Lab Building consisting of a Welding Lab, Building Construction Lab and Common Classroom Area, as well as Renovations to existing classrooms, for the conversion of the existing Gifford Alternative School Campus to a Technical Center for Career & Adult Education Facility. The Design Phase Fee in the amount of \$60,000.00 and the Overhead & Profit fee of 4.5% were negotiated between the Contractor and the District on October 11, 2017. Upon Board approval of this contract, the Contractor and the District will begin to establish and negotiate a Guaranteed Maximum Price (GMP) for the project. The final GMP will be submitted for approval at a future Board Meeting. Superintendent recommends approval.

Chairman Searcy turned this over to Dr. Rendell. Dr. Rendell provided the information to the Board. Mr. Frost moved approval of the Construction Management at Risk Contract with Summit Construction of Vero Beach, LLC for the Technical Education Center Project (SDIRC #01-0-2018JC). Mrs. Justice seconded the motion and it carried with a 4-1 vote. Chairman Searcy voted against the motion.

**VIII. SUPERINTENDENT'S REPORT**

Dr. Rendell shared his appreciation to the Board for the support of the TCCA project, and what it is going to do for the community. He also shared the visit the District had from Dr. John Hodge, and the meetings he participated in. Dr. Rendell announced Dr. Bujol being at the meeting and that she founded the Gifford Youth Orchestra. He also shared that they will be doing a free concert on November 4<sup>th</sup> at 2:00, and invited the public to attend.

**IX. DISCUSSION**

Legislative Priorities – The draft letter that Dr. Rendell put together was shared with the Board Members. There was a brief discussion on the letter, and obtaining clarity on who the letter is being addressed to. The letter is to be reduced to one page. One Board Member asked if Chair Johnson, State Board of Education, should be added to the letter as well. It was agreed to add her to the letter.

The discussion continued to see what the order was going to be on this letter. The following order was decided on how the letter would be presented.

- 1) Shelter Operations and Reimbursement
- 2) Utilize School Average Metric
- 3) Transportation Funding
- 4) Funding Directed at Recruitment and Retention
- 5) Restore Advanced Funding of the FEFP (Florida Education Finance Program)
- 6) Alternate Assessment

There was also a discussion on joining Central Florida Public School Board Coalition. A couple of the Board Members have interest in combining efforts with their Legislative Platform on several issues, even if it is reviewed year by year. This will need to be added to the November 21, 2017, Organizational Meeting Agenda.

X. SCHOOL BOARD MEMBER MATTERS

One of the Board Members wanted to thank the participants in Day of Caring. It was a huge success. Congratulations went out to the Vero Beach High School Golf and Volleyball teams for their prestigious awards; Gifford Middle School Breakfast was wonderful and they served a delicious breakfast; The Jimmy Graves Foundation announcing what their plan is for a facility the family is building; and thank you to Mr. Simpson, and Osceola Magnet School Celebration. The other Board Members all complimented Mr. Simpson, his staff and students for a wonderful celebration. Special thanks went out to Dr. Hodge for his visit and input he provides to the School District.

XI. INFORMATION AGENDA

No information items

XII. SUPERINTENDENT'S CLOSING

Dr. Rendell wanted to compliment the Crown Jewel Marching Band Festival along with the musicians that were there. A special thank you went to University of South Florida Herd of Thunder performance. It was a great experience.

XIII. ADJOURNMENT – Chairman Searcy

Meeting adjourned at approximately 8:07 p.m.

CONSENT AGENDA 11/21/17

**Personnel Recommendations**

1. Instructional Changes
2. Instructional Leaves
  - Carlsen, Tiffany – Citrus Elementary, 10/18/17 - 1/26/18**
  - Cope, Ellen – Oslo Middle, 10/19/17 - 1/3/18
  - Crawford, Cheryl – Sebastian River Middle, 10/10/17 - 11/3/17
  - Dixon, Heather – Sebastian River Middle, 11/14/17 - 12/1/17
  - Fredrickson, Sue – Vero Beach Elementary, 10/30/17 - 11/3/17
  - Funnell, Michelle – SRHS, 10/30/17 - 12/1/17**
  - Kincus, Lauren – Vero Beach Elementary, 9/20/17 - 12/19/17
  - Koehler, Christina – Dodgertown, 11/1/17 - 5/25/18
  - MacGillivray, Ali – SRHS, 11/27/17 - 3/5/18
  - Mays-Cucci, Gloria – Oslo Middle, 10/9/17 - 1/16/18
  - Murdough, Beverly – Treasure Coast Elementary, 11/2/17 - 11/17/17
  - Mulcahy, Sandra – Treasure Coast Elementary, 12/19/17 - 1/5/18
  - Peterson, Elizabeth – Gifford Middle, 11/3/17 - 1/3/18
3. Instructional Promotions
4. Instructional Transfers
5. Instructional Separations
  - Amante, Michael – Sebastian River Middle, resignation 11/3/17
  - Brock, Lisa – Oslo Middle, resignation 11/15/17
  - Doney, Heather – Dodgertown, resignation, 11/10/17
  - Frank, Tamralyn – Pelican Island, resignation 10/20/17
  - Gill, Erik – SRHS, resignation 11/14/17
  - Glick, Barbara – Oslo Middle, retirement 5/25/18
  - Graham, Donna – Glendale Elementary, retirement, entering DROP  
11/1/2017
  - Kahn, Janice – Vero Beach Elementary, resignation 11/21/17
6. Instructional Employment
  - Brower, Amy – Glendale Elementary, Kindergarten Teacher 11/22/17**
  - Collins, Elaine – Oslo Middle, Title I Resource Teacher 11/22/17
  - Goulding, Brandi – Indian River Academy, ESE Teacher (Sunset Position)  
11/22/17
  - Haas, Rosemarie – Oslo Middle, Yearbook Sponsor (Supplement only)  
11/22/17
  - Hawkins, Thomas – VBHS, Assistant Volleyball Coach (Supplement  
only) 11/22/17**

**Nagy, Bela – SRHS, Assistant Boys Soccer Coach (Supplement only)  
11/22/17**

**Nesbitt, Heather – Vero Beach Elementary, 1<sup>st</sup> Grade Teacher  
11/22/17**

**Stroud, Paul – VBHS, Assistant Boys Basketball Coach (Supplement only) 11/22/17**

**Warren, Brandi – Gifford Middle, ESE-IND Teacher 11/22/17**

7. Support Staff Changes

8. Support Staff Leaves

De la Hoz, Luz – Sebastian River Middle, 11/7/17 - 2/20/18

Henderson, Rebecca – Transportation, 11/6/17 - 2/12/18

Hiser, Christopher – Technology, 11/6/17 - 12/8/17

Kisselback, David – Transportation, 10/17/17 - 10/30/17

**Lewis, Maria – SRHS, 11/2/17 - 11/30/17**

Ostrowski, Mary – Sebastian Elementary, 10/16/17 - 12/18/17

Smith, Willie – Transportation, 10/16/17 - 11/1/17

**Waddell, Nancy – Gifford Middle, 11/2/17 - 12/14/17**

Wood, Gary – Maintenance, 10/16/17 - 1/19/18

9. Support Staff Promotions

10. Support Staff Transfers

**Deberry, Willie – from Citrus Elementary, Custodian to VBHS,  
Custodian 11/22/17**

**Ervin, Dorothy – from Rosewood Magnet, Custodian to Citrus  
Elementary, Custodian 11/22/17**

11. Support Staff Separations

Chung, Erin – Glendale Elementary, resignation, 11/17/17

Dritenbas, Catherine – VBHS, retirement, entering DROP 11/1/17

Jennings, Johnny – Alternative Center for Education, resignation 11/10/17

**Titus, Susanne – Finance, retirement 1/2/18**

12. Support Staff Employment

**Bell, Lakeydra – Glendale Elementary, Student Monitor 11/22/17**

Bell, Meaghan – Treasure Coast Elementary, Cafeteria Monitor 11/22/17

Bell, Samuel – Physical Plant, Air Conditioning-Refrigeration Mechanic  
11/22/17

Bilyeu, Matthew – Pelican Island Elementary, Student Monitor 11/22/17

Brown, Seth – Indian River Academy, School Computer Lab Manager  
11/22/17

Cope, Ellen – from Oslo Middle, Teacher Assistant 11/22/17

**King, Summer – Fellsmere Elementary, Food Service Cook/Baker  
11/22/17**

**Laziman, Jamie – Oslo Middle, Custodian 11/22/17**  
**Rieben, Ann – Physical Plant, Custodial Services Coordinator/Trainer**  
**11/22/17**  
**Zamora, Anadalith – Extended Day, Child Care Assistant 11/22/17**

13. Administrative Separations
14. Administrative Employment
15. Administrative Leaves
16. Administrative Promotions
17. Approval of Placement in Instructional Substitute Pool  
**Black, Michael – Substitute Teacher 11/22/17**  
**Bergstresser, Jessica – Substitute Teacher 11/22/17**  
**Borruso, Kathryn – Substitute Teacher 11/22/17**  
**Boswell, Julie – Substitute Teacher 11/22/17**  
**Bray, Mary – Substitute Teacher 11/22/17**  
**Duncklee, Ashley – Substitute Teacher 11/22/17**  
**Fitzgordon, Candace – Substitute Teacher 11/22/17**  
**Holden, Todd – Substitute Teacher 11/22/17**  
**Kahn, Janice – Substitute Teacher 11/22/17**  
**Kolb, Ljubica – Substitute Teacher 11/22/17**  
**LaGuardia, Kristina – Substitute Teacher 11/22/17**  
**La Ratondo, Cassandra – Substitute Teacher 11/22/17**  
**Lovely, Melissa – Substitute Teacher 11/22/17**  
**Olson, Laura – Substitute Teacher 11/22/17**  
**Page, Rachel – Substitute Teacher 11/22/17**  
**Redden, Bryan – Substitute Teacher 11/22/17**  
**Richardson, Aronn – Substitute Teacher 11/22/17**  
**Singer, Leah – Substitute Teacher 11/22/17**  
**Steinhauer, Chelsea – Substitute Teacher 11/22/17**  
**Watt, David – Substitute Teacher 11/22/17**
18. Approval of Placement in Support Staff Substitute Pool  
**Bell, LaShan – Substitute Food Service Worker 11/22/17**  
**Gasek, Christine – Substitute Bus Driver 11/22/17**  
**Krause, Rachelle – Substitute Food Service Worker 11/22/17**  
**Rogers, Joshua – Substitute Teacher Assistant 11/22/17**  
**Villiers, Edward – Substitute Bus Driver 11/22/17**
19. Attached is a job description for the position of Coordinator of Risk Management and Employee Benefits

Rev 11/21/17/mc

**SCHOOL DISTRICT OF INDIAN RIVER COUNTY**  
**COORDINATOR OF RISK MANAGEMENT & EMPLOYEE BENEFITS**  
**JOB DESCRIPTION**

**QUALIFICATIONS:**

- (1) Bachelor's degree in human resources, business administration, public administration, with an emphasis in risk management preferred.
- (2) CPCU (Certified property casualty underwriter) or ARM (Associate in Risk Management) preferred.
- (3) Five (5) years experience with responsibility in the areas of employee benefits, risk management, claims, insurance, liability, underwriting is required.
- (4) Experience in using database, spreadsheets, word processing and payroll program applications.
- (5) Valid Florida driver's license.
- (6) Satisfactory criminal background check and drug screening.

**KNOWLEDGE, SKILLS AND ABILITIES:**

Knowledge of the broad field of risk management, employee benefits (e.g., health care, worker's compensation, property, casualty, and tax shelter annuity products), administration, financial analysis, budget development, accounting, employee supervision, record keeping and oral, as well as, written communication. Knowledge of Florida statutes and School Board policies. Knowledge of tort law, indemnification of agreements, and applicable statutes. Knowledge of Health Insurance Portability and Accountability Act (HIPAA) privacy regulations. Knowledge of modern safety practices and training techniques. Knowledge of risk management and industrial/construction safety and fire safety. Ability to use computers and computer software. Ability to communicate orally and in writing. Highly effective interpersonal skills.

**REPORTS TO:**

Assistant Superintendent for Finance & Employee Services

**JOB GOAL**

To analyze, plan, manage and articulate the operation of the District's insurance, loss control, fringe benefits, safety and risk related programs in accordance with laws, rules, and policies assuring the maximum benefit to the School Board and its employees at minimal cost.

**SUPERVISES:**

Assigned Personnel

**PERFORMANCE RESPONSIBILITIES:**

**Service Delivery**

- \*(1) Coordinate the District's workers' compensation program and its effectiveness by; monitoring claims status, return to work program and insurance options.
- \*(2) Participate in workers' compensation litigation, depositions and mediation.



## COORDINATOR OF RISK MANAGEMENT – EMPLOYEE BENEFITS (Continued)

- \* (3) Supervise and monitor the District's employee benefits program for eligibility, cost effectiveness, and appropriate use of benefits.
- \* (4) Serve as the District's Privacy Officer to oversee all activities related to the development, implementation, maintenance of and adherence to the organization's process covering the privacy of, and access to protected health information (PHI) in compliance with Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- \* (5) Compile and analyze data to develop and recommend to the Assistant Superintendent, for Finance & Employee Services, policies and administrative regulations regarding employee benefits management, insurance programs, hazardous and toxic substances and liability risk factors.
- \* (6) Plan, organize, and coordinate with the District's Safety Technician, safety and loss control programs to assure the most cost effective approach to risk management.
- \* (7) Analyze the District's claim, loss and accident history and identify methods to eliminate, minimize or indemnify risks to possible losses.
- \* (8) Represent the district at depositions, hearings and trials as directed.
- \* (9) Review and evaluate contracts and policies to ensure that the District is adequately protected.
- \* (10) Oversee the investigation of employee accidents, claims, thefts and property losses and coordinate the preparation of materials and evidence for use in hearings, litigation and insurance claim cases.
- \* (11) Negotiate adjustments of insured and uninsured losses with insurance adjusters, third party administrators, and insurance companies.
- \* (12) Assist and coordinate with the Physical Plant and other Departments in the development, implementation and review of the district's safety management plan to ensure consistency with federal AHERA/OSHA regulations; other environmental regulations
- \* (13) Serve on the Emergency Management Team for the District.
- \* (14) Compile information needed for application for insurance coverage, e.g., student accident, athletic, property, and respond to requests from insurers for information.
- \* (15) Prepare financial projections in conjunction with the annual operating budget process and submit financial projections to the Assistant Superintendent for Finance & Employee Services for inclusion in the annual operating and capital budget.
- \* (16) Process, in a timely manner, all invoices for employee benefit programs.
- \* (17) Reconcile and analyze vendor invoices and statements.
- \* (18) Administer all voluntary tax-sheltered annuity programs for employees.
- \* (19) Provide oversight for insurance billing to retirees for insurance coverage and collect payments on a timely basis.
- \* (20) Provide oversight for communication with and assistance to employees regarding appropriate changes in their benefits.
- \* (21) Assist retirees with their concerns regarding group coverage in conjunction with Medicare and/or other coverage.
- \* (22) Monitor the activities of insurance agents and salespeople on School Board premises to ensure they are complying with the Board's Insurance Guidelines for the convenience of Board employees and for the safety of Indian River County students.
- \* (23) Work in collaboration with the District's Building/Fire Official to monitor the effectiveness of all safety programs.
- \* (24) Develop and implement, procedures to ensure that the District's Risk Management programs are conducted in accordance with applicable internal controls, laws and rules.

## COORDINATOR OF RISK MANAGEMENT – EMPLOYEE BENEFITS (Continued)

- \*(25) Communicate effectively with parents/caregivers about the programs and services, and any changes which may impact their children.

### **Inter/Intra-Agency Communication and Delivery**

- \*(26) Represent the District at property/casualty and employee benefits meetings.
- \*(27) Act as liaison for the District's Section 125 Cafeteria Plan with the program administrator.
- \*(28) Communicate with insurance vendors to ensure that the employees and retirees obtain maximum benefits they are entitled to receive.
- \*(29) Coordinate with the Safety Technician to prepare materials for the safety website and provide tutorials on safety to employees.
- \*(30) Represent the District at Emergency Operations Center (EOC) meetings and drills with the Emergency Management Team. Communicates EOC messages to the Assistant Superintendent for Finance & Employee Services and his/her designee(s).
- \*(31) Interact with parents, outside agencies, businesses and the community to enhance the understanding of District initiatives and priorities and to elicit support and assistance.
- \*(32) Collaborate with all District Departments.
- \*(33) Respond to inquiries and concerns in a timely manner.
- \*(34) Keep supervisor informed of potential problems or unusual events.
- \*(35) Serve on District, State or community councils or committees as assigned or appropriate.
- \*(36) Serve as the Chair of the Districtwide Safety Committee
- \*(37) Provide oversight and direction for cooperative planning with other agencies.

### **Professional Growth and Improvement**

- \*(38) Maintain a network of peer contacts through professional organizations.
- \*(39) Keep informed and disseminate information about current research, trends and best practices in areas of responsibility.
- \*(40) Maintain expertise in assigned areas to fulfill project goals and objectives.
- \*(41) Facilitate the development, implementation and evaluation of staff development activities in assigned areas.
- \*(42) Attend training sessions, conferences and workshops as assigned or appropriate to keep abreast of current practices, programs and legal issues.

### **Systemic Functions**

- \*(43) Represent the District in a positive and professional manner.
- \*(44) Develop the department budget and monitor its implementation as required.
- \*(45) Supervise assigned personnel, conduct annual performance appraisals and make recommendations for appropriate employment actions.
- \*(46) Prepare or assist in the preparation of all required reports and maintain all appropriate records.
- \*(47) Demonstrate support for the school district and its goals and priorities.
- \*(48) Perform other duties as assigned

### **Leadership and Strategic Orientation**

- \*(49) Provide leadership and direction for assigned areas of responsibility.
- \*(50) Provide leadership and guidance in the development of annual goals and objectives for assigned department or program.
- \*(51) Assist in implementing the District's goals and strategic commitment.
- \*(52) Exercise proactive leadership in promoting the vision and mission of the District.
- \*(53) Set high standards and expectations and promote professional growth for self and others.
- \*(54) Utilize appropriate strategies and problem-solving tools to make decisions regarding planning, utilization of funds, delivery of services and evaluation of services provided.

**COORDINATOR OF RISK MANAGEMENT – EMPLOYEE BENEFITS (Continued)**

\*(55) Demonstrate initiative in identifying potential problems or opportunities for improvement and take appropriate action.

\*(56) Use appropriate styles and methods to motivate, gain commitment and facilitate task accomplishment.

Perform other tasks consistent with the goals and objectives of this position.

\*Essential Performance Responsibilities

**PHYSICAL REQUIREMENTS:**

Light Work: Exerting up to 20 pounds of force occasionally and/or up to 10 pounds of force as frequently as needed to move objects.

Job Description Supplement 11

**TERMS OF EMPLOYMENT:**

Administrative

Pay Grade ADM VIII 250 days worked per year (12 months)

**EVALUATION:**

Performance of this job will be evaluated in accordance with provisions of the Board's policy on evaluation of personnel.

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# VERO BEACH HIGH SCHOOL

1707 16th Street, Vero Beach, Florida 32960

Mr. Shawn O'Keefe, Principal

October 2, 2017

Dr. Mark J. Rendell, Superintendent  
School Board Members  
Indian River County School District  
1990 25th Street

I am requesting School Board approval for members of our band to travel to London from December 26, 2018 through January 2, 2019. The band has been invited to perform in the London New Year's Day Parade. The VBHS Fighting Indians Band was chosen by a selection committee that is affiliated with Youth Music of the World.

The group will depart from the Orlando Airport on December 26, 2018 and will return to the airport on January 2, 2019. In addition to taking part in the parade, the students will have an opportunity to experience both educational and recreational activities. A copy of the trip's inclusions is attached.

Transportation will be provided by chartered buses and commercial airlines.

The trip will cost the School District of Indian River County nothing.

All necessary information pertinent to insurance issues will be provided to Risk Management.

Please place this item on the agenda for School Board approval.

If you have any questions, please contact me.

Sincerely,



Shawn O'Keefe

VBHS Main Campus  
Telephone: (772) 564-5600  
Fax: (772) 564-5553

Freshman Learning Center  
Telephone: (772) 564-5800  
Fax: (772) 564-5679

**" It's Great To Be A Fighting Indian! "**

School District of Indian River County

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# WABASSO SCHOOL



Kathrine Pierandozji, Principal


8895 U.S. Hwy 1, Sebastian, Florida 32958

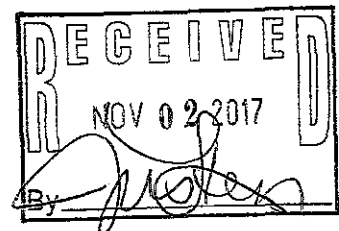
(772) 978-8000

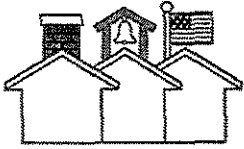
Date: 10/24/2017  
 To: School Board Members  
 From: Kathrine Pierandozji  
 Regarding: Request for Approval of Donation

A donation of \$1,500.00, was received from The Fraternal Order of the Eagles. The funds are to be used for purchasing educational materials for our classrooms to enrich their academic instruction.

These funds were deposited into the Wabasso School internal funds account entitled General Activities Enrichment General fund.

  
 Kathrine Pierandozji, Principal





# 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**

10/23/2017

## MEMORANDUM

**TO:** Carter Morrison  
Assistant Superintendent for Finance & Employee Services

**FROM:** Cristen McMillan  
Public Information Officer

**SUBJECT:** Public Information Office donation for School Board approval

The Public Information Office has received a donation of \$5,695.00 from Napier & Rollin PLLC for the purpose of the Teacher and Employee of the Year dinner.

Please add this donation to the Board Business Agenda for School Board approval.

Please feel free to contact me with any questions.

"Educate and inspire every student to be successful"

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

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



# VERO BEACH HIGH SCHOOL

1707 16th Street, Vero Beach, Florida 32960

Mr. Shawn O'Keefe, Principal

November 7, 2017

Dr. Mark J. Rendell, Superintendent  
School Board Members  
Indian River County School District  
1990 25<sup>th</sup> Street

RE: SDIRC Board Rule 0122

Vero Beach High School would like to request approval for a donation in the amount of \$1,500 that our school received from Jean L. Taylor, 1025 Winding River Road, Vero Beach, FL 32963-2550.

At the request of the donor, the money will be deposited into our Swim Team Booster internal account and the funds will be used for the benefit of our school swim team.

Very truly yours,



Shawn O'Keefe



VBHS Main Campus  
Telephone: (772) 564-5600  
Fax: (772) 564-5553

Freshman Learning Center  
Telephone: (772) 564-5800  
Fax: (772) 564-5679

**" It's Great To Be A Fighting Indian! "**

School District of Indian River County

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SURPLUS PROPERTY RECORDS ACT  
AUCTION ITEMS - REVENUE GENERATING

ASSET	DESCRIPTION 1	DESCRIPTION 2	ACCOUNT		CURR VAL	GL	PUND	SERIAL	ACQ	ACQ DATE	P.O.	CNTR	BDG	ROOM	DP
			ORIG VAL	ACCUM DEPR											
00076464	M-36 1999	FORD STEP VAN (	29,570.00	26,613.00	2,957.00		1350 530	1FCJE39L5XHC173		04/08/2000	00055325	9999	00	ACT1	AC
00076546	M-83 2000 GMC	WALK-IN STEP VA	32,094.00	28,884.60	3,209.40		1350 530	5B4KP32R2Y33236		11/20/2000	00104718	9999		ACT1	CR
00081688	AMS SENSIT SNAC	VENDING MACHINE	2,769.00	2,769.00	.00		1340 541	0031-1266C4		10/11/2004	00500723	9999	00	ACT1	
00081877	DIXIE NARCO 550	VENDOR SHOW VEN	3,750.00	3,750.00	.00		1340 541	BELONGS TO SCHO		10/11/2004	00500729	9999	00	ACT1	
TOTAL			68,183.00	62,016.60	6,166.40										

\* = ACCOUNT AND BASE ORIGINAL VALUES DIFFER

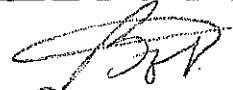
ACT 1

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 Besancen

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
76464	M-36 Ford Step Van	1FCJE39L5XHC17396	poor	
76546	M-83 walk-up step van	5B4KP32R2Y3323662	unserviceable	

  
Releasing Signature - Site P.R. Custodian  
Rhonda Besancen  
Receiving Signature

10-12-17  
Date  
10/13/17  
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

ACT1

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

Requesting Facility: Fellsmere Elementary  
Requesting Person: Judy Marsiglia

Transfer To Facility: Warehouse  
Contact Person: Rhonda Benavente

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
0000081877	Dixie Narco 5500 Series Vending Machine	N/A	POOR	
0000081688	AMS Sensit Snack Vending Machine	0031-12166C4	POOR	

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

Date 9/26/17  
Date Received 9/28/2017

(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

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											
00054577	MAGAZINE RACK	NEWTON	1,410.50	1,410.50	.00	1340	530			01/18/1978	01768	9999	00	RCY1	00
00066157	STAND	ATLAS STAND	1,044.77	1,044.77	.00	1340	530			01/31/1994	28857	9999	00	RCY1	00
00066158	WORK STATION	READER'S ROOST	1,649.25	1,649.25	.00	1340	530			01/31/1994	28857	9999	00	RCY1	00
00071876	RADIO 800MHZ ER	PORTBLE RADIO L	2,556.98	2,556.98	.00	1340	530	0002MP7		07/29/1998	93542	9999	00	RCY1	00
00073279	ERICSSON HANDHE	RADIO 800MHZ -	1,350.00	1,350.00	.00	1340	530	9309912		01/31/2001	00024228	9999	00	RCY1	
00075269	CUSTOM WORKSTAT	OFFICE DESK STA	2,605.44	2,605.44	.00	1340	530	MAIN OFFICE		04/28/2000	00053840	9999	00	RCY1	
00076202	ERICSSON EDAC F	RADIO 800MHZ	1,450.00	1,450.00	.00	1340	530	0002TRU		04/30/2001	00110607	9999	00	RCY1	
00076533	CUSTOM WORKSTAT	5'x8' 25"DEEP C	1,464.00	1,464.00	.00	1340	530	N/A		09/25/2000	00054065	9999	00	RCY1	
00079661	APPLE POWERBOOK	17TFT, 1GHZ-3L, E	2,999.00	2,999.00	.00	1383	530	V73122JFMVZ		03/31/2003	00306769	9999	00	RCY1	
00081705	KEYSTONE VS II	VISION SCREENIN	1,195.00	1,195.00	.00	1340	530	34515		04/11/2005	00505560	9999	00	RCY1	
00081752	OPTIPLEX GX280,	512MB 40GB	1,224.88	1,224.88	.00	1383	530	GWNRRK61		02/14/2005	00506656	9999	00	RCY1	
00082564	STACK WASHER/DR	DRYER VENTS	1,068.50	1,068.50	.00	1340	530	24670748GV		02/08/2006	00607010	9999	00	RCY1	
00082686	ESQ MOTION LE16	DDR2 MEMORY TOU	1,895.00	1,895.00	.00	1383	530	00150836-LE1600		06/08/2006	00607623	9999	00	RCY1	
00083049	Q1252ABA HP DES	JET PLOTTER 42"	9,452.73	9,452.73	.00	1383	530	SG59M340OH		05/22/2006	00608044	9999	00	RCY1	
00083487	ADMIN DESKTOP 1	630/3GHZ 2M 800	1,083.00	1,083.00	.00	1383	530	12FCXB1		10/31/2006	00703523	9999	00	RCY1	TE
00083692	ELMO, PLOXGA VI	PROJECTOR	1,134.30	1,134.30	.00	1383	530	854299		01/08/2007	00704960	9999	00	RCY1	
00083698	INTEL CORE DUO	1.83GHZ MHZ FSB	1,215.00	1,215.00	.00	1383	530	CNU64828SX		01/16/2007	00704957	9999	00	RCY1	
00084148	30X60 SINGLE PE	FRONT OFFICE	1,385.98	1,385.98	.00	1340	530	N/A IN OFFICE		03/12/2007	00705664	9999	00	RCY1	
00084326	ULTIMATE 2 PAL	SOUND SYSTEM	1,656.00	1,656.00	.00	1340	530	N/A		06/30/2007	00709332	9999	00	RCY1	
00084573	HP COMPAQ LAPTO	W/17"DISPLAY WI	1,977.00	1,977.00	.00	1383	530	CND74628BS		12/17/2007	00805524	9999	00	RCY1	
00084778	AVAYA 4690 IP C	PHONE SPEAKERPH	1,332.68	1,332.68	.00	1340	530	0004F2E2CDF9		04/14/2008	00808381	9999	00	RCY1	
00085038	MAHMS8DXX PORTA	DESK CHARGER AN	1,518.75	1,518.75	.00	1340	530	9175504		06/30/2008	00810782	9999	00	RCY1	
00085587	ULTIMA 65 W/90	115VOLT 1U GBC	1,774.00	1,774.00	.00	1340	530	UG00235G		12/22/2008	00904867	9999	00	RCY1	
00086569	FASST MATH V.1	READ 180 ACADEM	5,580.00 *	5,580.00	.00	1382	500	N/A/COMPUTER		01/31/2011	01103136	9999	00	RCY1	
00086569	FASST MATH V.1	READ 180 ACADEM	2,070.00 *	2,070.00	.00	1382	542	N/A/COMPUTER		01/31/2011	01103136	9999	00	RCY1	
00087355	SMARTBOARD/MOBI	BALT27605 W/PRO	3,649.00	2,980.02	668.98	1383	542			06/27/2013	01305635	9999	00	RCY1	T1
00087956	THINK PAD TEACH	TABLET WINDOWS	1,447.15	627.10	820.05	1383	543	MP-06XTYD		05/14/2015	01503373	9999	00	RCY1	
TOTAL			57,188.91	55,699.88	1,489.03										

\* = ACCOUNT AND BASE ORIGINAL VALUES DIFFER

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

(Rcy 1)

Requesting Facility: Storm Grove

Transfer To Facility: SURPLUS

Requesting Person: Kevin Van Brimmer

Contact Person: Mike Reminger

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
87956	THINK PAD SCR Teacher TABLET	MP-06XTYD	UNSEIZABLE	

ABibes  
Releasing Signature - Site P.R. Custodian

10/2/17  
Date

Mike Reminger  
Receiving Signature

10/2/17  
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-1

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


Requesting Facility: IRA

Transfer To Facility: SURPLUS

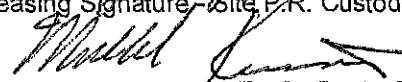
Requesting Person: LIZ

Contact Person: MIKE

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
81705	Keystone VISION Screening	34515	obsolete	

  
 Releasing Signature - Site P.R. Custodian

10/17/17  
 Date

  
 Receiving Signature

10/17/17  
 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



Key 1

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

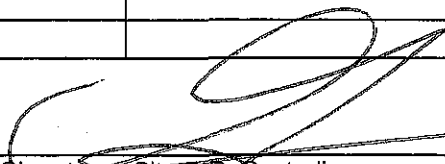
Requesting Facility: Indian River Academy

Transfer To Facility: Warehouse


Requesting Person: R. Alex Scott

Contact Person: R. Alex Scott

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
✓ PR #82686	Motion Computing LE 1600 Tablet PC	00150836-LE1600	Obsolete	

Releasing Signature - Site P.R. Custodian 

Date 10/12/17

Receiving Signature 

Date Received 10-12-17

(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

Key 1

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

Requesting Facility: J.A. Thompson Admin.

Transfer To Facility: Warehouse

Requesting Person: Mike Benning

Contact Person: Carter Morrison

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
000076202	Mobile Radio Ericsson Edac F Radio 800MHz	0002TRU	Unserviceable	

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

9/18/17  
Date

[Signature]  
Receiving Signature

9/20/17  
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 1

Requesting Facility: Rosewood

Transfer To Facility: Warehouse

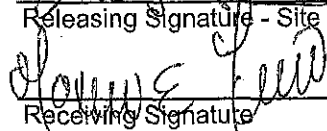
Requesting Person: Lashann Biondi

Contact Person: SURPLUS

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
0084326 ✓	Speaker system CAE-50W	E193929	poor	
0083692 ✓	P1080 document camera	854299	poor	
		JPCJ025817	poor	
P3698 ✓	HP Laptop XP Professional	CNU648285X	poor	

  
Releasing Signature - Site P.R. Custodian

09-21-2017  
Date

  
Receiving Signature

09-21-17  
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-1

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

Requesting Facility: 0171 - SRMS

Transfer To Facility: Surplus

Requesting Person: Carole Jones

Contact Person: Mike Renninger

Property Records  
Office use only

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
54577	magazines rack	N/A	Poor	

Carole Jones  
Releasing Signature - Site P.R. Custodian

10-4-17  
Date

Mike Renninger  
Receiving Signature

10/9/17  
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-1


Requesting Facility: Bldg DEPT

Transfer To Facility: SURPLUS

Requesting Person: DARYL REMOLE

Contact Person: MIKE REMINGER

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
71876	RADIO PORTABLE 800 MHZ	002MP7	UNSERVICEABLE	
73279	RADIO ERICSSON 800 MHZ	9309912	UNSERVICEABLE	
85038	RADIO PORTABLE	9175504	UNSERVICEABLE	

  
Releasing Signature - Site P.R. Custodian

10/6/17  
Date

Michael Reminger  
Receiving Signature

10/6/17  
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-1

Requesting Facility: Purchasing DEPT

Transfer To Facility: SURPLUS

Requesting Person: Rhonda

Contact Person: Mike Reminger

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
79661	APPLE PowerBook TITANIUM	V73122JFMV2	obsolete	
84778	AVAYA Speaker phone	0004F2E2CDF9	obsolete	
85587	ULTIMA 65 LAMINATOR	UG002356	obsolete	

Rhonda Besanem  
Releasing Signature - Site P/R. Custodian

10/5/17  
Date

Michael  
Receiving Signature

10/5/17  
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-1

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

Requesting Facility: Building Dept

Transfer To Facility: Surplus

Requesting Person: Pete Copeman

Contact Person: MIKE Reaninger

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
84573	Hp Compaq laptop	CND746288S	obsolete	

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

10/5/17  
Date

[Signature]  
Receiving Signature

10/5/17  
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-1

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


Requesting Facility: Facilities

Transfer To Facility: Surplus

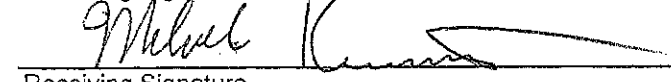
Requesting Person: Nick Westenberg

Contact Person: Micelle Simons

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
00083049	HP Jet Plotter 42"	SG59M340QH	obsolete	
00083487	ADMIN Desktop	12FCXB1	obsolete	
00081752	Optiplex EX280, Desktop	6WNRK61	obsolete	

  
Releasing Signature - Site P.R. Custodian

10/5/17  
Date

  
Receiving Signature

10/5/17  
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



Copy 1

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

Requesting Facility: Beachland

Transfer To Facility: Warehouse/Surplus

Requesting Person: David Durni / Colleen Lord  
Principal

Contact Person: David Durni

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
805109	FASER MATH N.1	N/A	obsolete	
00066157	ATLAS STAND	N/A	obsolete	
00066158	READERs Roo. 5F	N/A	obsolete	

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

10/2/2017  
Date

Rhonda Besanem  
Receiving Signature

10/3/17  
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

Copy 1

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

Requesting Facility: ACE  
Requesting Person: Judy Clark

Transfer To Facility: Surplus  
Contact Person: Rhonda Besancen

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
00082564	Stack Washer/Dryer Vents	24670948GV	Unserviceable	

Judy Clark  
Releasing Signature - Site P.R. Custodian  
Rhonda Besancen  
Receiving Signature

9-28-17  
Date  
9-28-17  
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

Ray 1

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

Requesting Facility: OSCEOLA

Transfer To Facility: SURPLUS

Requesting Person: SCOTT SIMPSON

Contact Person: MIKE RENNINGER

Property Records  
Office use only

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
75269	CUSTOM WORKSTATION OFFICE	N/A	UNSERVICEABLE	
84148	SINGLE DESK LEFT HUTCH OFFICE	N/A	UNSERVICEABLE	2
76533	CUSTOM WORKSTATION DEEP OFFICE	N/A	UNSERVICEABLE	2

Jennie McLeod  
Releasing Signature - Site P.R. Custodian

11/11/17  
Date

Michael A. Kemmer  
Receiving Signature

11/11/17  
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

(Key)

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

Requesting Facility: Citrus / 0141

Transfer To Facility: Surplus

Requesting Person: Kim Garcia / Sue DiDomizio

Contact Person: Karen Malits

Property Records  
Office use only

Property Record #	Item Description (make/model)	Serial #	Condition	Property Records Office use only
87355	Title I Smart Board Portable MODEL # SB680 - iTeach Stand	E20163	Broken unserviceable	

Sue DiDomizio  
Releasing Signature - Site P.R. Custodian

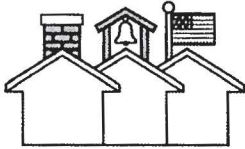
10/31/2017  
Date

[Signature]  
Receiving Signature

10/31/2017  
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

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

Mark J. Rendell, Ed.D. - Superintendent

### Purchasing Department

6055 62<sup>nd</sup> Avenue  
Vero Beach, FL 32967  
Telephone: 772-564-5045 Fax: 772-564-5048

October 9, 2017

Aon Consulting, Inc. operating as Aon Hewitt  
Attn: Jeff Jinks, Vice President  
7650 W. Courtney Campbell Causeway, Suite 1000  
Tampa, FL 33607

Re: SDIRC RFP #2016-07 Employee Health and Wellness Benefits Consultant – Renewal 2 of 2

Dear Mr. Jinks:

SDIRC #2016-07 provided for a renewal of this contract on the anniversary date for an additional one year period. This renewal is subject to Board approval. All terms and conditions will continue as stated in the associated agreement.

Please check the appropriate box and sign below. Return this original form to the Purchasing Department, 6055 62<sup>nd</sup> Avenue, Vero Beach, FL 32967 no later than November 2, 2017.

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

Sincerely,

  
Jeff Carver, CPPO  
Director of Purchasing

Yes    No   We agree to renew this contract from December 9, 2017 through December 8, 2018

*Matthew M...*   MATTHEW MANS   10-30-17  
Signature and Printed Name and Title - Aon Consulting, Inc. operating as Aon Hewitt   Date

\_\_\_\_\_  
Chairman, School Board of Indian River County FL   Date

Board Approval Date: \_\_\_\_\_

“Educate and inspire every student to be successful”

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

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

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
AGREEMENT FORM FOR CONTRACTED SERVICES**

**THIS AGREEMENT**, entered into this 8th day of December, 2015, by and between the School Board of Indian River County, Florida, a political subdivision of the State of Florida hereinafter referred to as the "School Board", and Aon Consulting Inc., an Aon Hewitt company, hereinafter referred to as the "CONTRACTOR", is as follows:

**1. SCOPE OF WORK**

The Contractor shall, in a satisfactory and proper manner as determined by the Superintendent, perform the following:

Nature of Contracted Services: **Consulting Services for Employee Health and Welfare Benefits as described in Exhibit A attached hereto.**

Anticipated Outcome of Contracted Services: **Firm shall assist the School Board of Indian River County in obtaining competitive bids and providing brokerage services for all lines of insurance coverage. The awarded firm's responsibilities will also include plan design, renewal strategies, financial underwriting, financial analysis and plan communication and all other areas specified in the Request for Proposal 2016-07.**

Location of Contracted Service: **School District of Indian River County, Attn: Edwina Suit, Executive Director of Human Resources, 6500 57<sup>th</sup> Street, Vero Beach, FL 32967.**

Date(s)/Hours of Service: **Monday through Friday, 8:00 a.m. – 5:00 p.m.**

**2. TERM OF AGREEMENT**

The Contractor shall commence performance of the Agreement on the 9th day of December, 2015 ("Effective Date"), for a one year period through December 8, 2016 and may, by mutual agreement between the School Board and the awardee, be renewable for two additional one year periods. Either party reserves the right to terminate this Agreement without cause by giving thirty (30) days written notice to the other party. For purposes of this Agreement, "Year" means the twelve (12) month period commencing on the Effective Date set forth above and each anniversary thereafter.

**3. COMPENSATION**

Contractor shall be compensated for its Services under this Agreement according to the terms set forth in Exhibit B attached hereto. Agreements exceeding \$50,000 require School Board approval. The Contractor agrees to assume responsibility for all per diem and travel expenses, unless authorization to incur such expenses is granted by the School Board in advance of the expenditures being incurred. The Contractor shall be reimbursed for such approved expenditures as provided by §112.061 Florida Statutes, and School Board Policy 6550.

**4. PAYMENT SCHEDULE**

Payment will be generated by the School Board's Accounts Payable Department within forty-five (45) days after completion of services and receipt of invoice(s). Payment will be made as indicated below:

- Consultant's fees are generated by insurance commissions as described in Exhibit B attached hereto and paid for by the vendors; Florida Blue, Standard, etc.
- Partial payments after District-approved invoice(s).
- See payment schedule hereto attached and incorporated into this Agreement.
- Payment of District-approved invoice(s).

**5. REGULATIONS & ORDINANCES**

The Contractor shall comply with all applicable laws, ordinances, codes, rules and regulations of federal, state and local governments applicable to Contractor as a service provider, being licensed, if required, for performance of any work under this Agreement.

**6. ENTIRE AGREEMENT**

It is understood and agreed that this Agreement, RFP 2016-07, including any exhibits attached hereto, contains the complete understanding and agreement of the parties. No stipulation, agreement or understanding shall be valid or enforceable unless contained in this Agreement. No representations or statements made by any employees, agents or representatives of either party shall be binding on either party as a warranty or otherwise, except as expressly set forth herein.

## 7. GOVERNING LAW; VENUE

This Agreement shall be governed by, and construed in accordance with the laws of the State of Florida. In the event of litigation, venue for any claim shall lie exclusively in a court of competent jurisdiction in Indian River County. All parties shall be responsible for their own attorneys' fees.

## 8. INDEMNIFICATION / HOLD HARMLESS AGREEMENT

**Contractor** shall, in addition to any other obligation to indemnify the **School Board** of Indian River County, Florida, defend, indemnify and hold harmless the School Board, its agents, officers, elected officials and employees from and against all claims, actions, liabilities, losses, costs arising out of any actual or alleged bodily injury, sickness, disease or death, or injury to or destruction of tangible property including the loss of use resulting therefrom, or any other damage or loss arising out of, or claimed to have resulted in whole or part from any actual or alleged act or omission of the **Contractor**, subcontractor, anyone directly employed by any of them, or anyone for whose acts any of them may be liable in the performance of the work, or violation of law, statute, ordinance, governmental administration order, rule or regulation by **Contractor** in the performance of the work; or liens, claims or actions made by the **Contractor** or any subcontractor or other party performing the work. The indemnification obligations hereunder shall not be limited to any limitation on the amount, type of damages, compensation or benefits payable by or for the **Contractor** or any subcontractor under workers' compensation acts, disability benefit acts, other employee benefit acts or any statutory bar. This provision shall survive the termination of or completion of all obligations under this Agreement (collectively "Loss" or "Losses").

- (a) For all Losses arising from services performed in a particular Year, **Contractor's** liability under this Agreement shall be limited to an amount of \$1 million. This provision shall survive the termination of or completion of all obligations under this Agreement for three (3) years following the act or omission giving rise to the claim.
- (b) Without regard to the limitations of Section 8(a), **Contractor** shall indemnify and hold harmless the **School Board** for Losses arising from (i) Aon Hewitt's willful, fraudulent or criminal misconduct, (ii) bodily injury, including death, or damage to personal or real property, and (iii) infringement by **Contractor** pursuant to Section 13 hereof.
- (c) In no event will either party be liable to the other party for incidental, consequential, special, or punitive damages (including loss of profits, data, business or goodwill, or government fines, penalties, taxes, or filing fees), regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages.

## 9. DUTY TO DEFEND

The **Contractor** agrees, at its own expense, and upon written request by the **Board**, to defend any suit, action or demand brought against the **School Board** on any claim or demand arising out of, or resulting from **Contractor's** performance under this Agreement as subject to Section 8 above.

## 10. CANCELLATION / TERMINATION

In the event any of the provisions of this agreement are violated by the **Contractor**, the Superintendent or their designee, shall give written notice to the **Contractor** stating the deficiencies and unless the deficiencies are corrected within thirty (30) days or a period of time mutually agreed upon by both parties, a recommendation will be made to the **School Board** for immediate cancellation. Upon cancellation hereunder, the **School Board** of Indian River County, Florida, may pursue any and all legal remedies as provided herein and by law. The **School Board** of Indian River County, Florida, reserves the right to terminate any contract at any time and for any reason, upon giving thirty (30) business days prior written notice to the **Contractor**.



#### **11. EQUAL EMPLOYMENT OPPORTUNITY**

**Contractors** awarded contracts involving Federal Funds in excess of \$10,000 must be in compliance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor Regulations (41 CFR Chapter 60).

#### **12. ACCESS TO RECORDS / FLORIDA'S PUBLIC RECORDS LAWS**

This Agreement shall be subject to Florida's Public Records Laws, Chapter 119, Florida Statutes. **Contractor** understands the broad nature of these laws and agrees to comply with Florida's Public Records Laws and laws relating to records retention. The **Contractor** shall keep records to show its compliance with program requirements. **Contractors** and subcontractors must make available, upon request of the **School Board**, a Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives, any books, documents, papers, and records of the **Contractor** which are directly pertinent to this specific Agreement for the purpose of making audit, examination, excerpts, and transcriptions. The **Contractor** shall retain all records for five (5) years after final payment is made or received and all pending matters are completed pursuant to Title 34, Sections 80.36(b)(1). Exempt or confidential information should not be disclosed unless authorized by law. **Contractor** shall destroy any duplicate records which are exempt from public records disclosure as set forth in Chapter 119. Upon termination of this agreement all public records in possession of the **Contractor** must be transferred to **School Board** at no cost. If records are stored electronically, the records must be provided in a compatible format to **School Board's** operating system.

#### **13. PATENTS, COPYRIGHTS AND ROYALTIES**

**Contractor** has created, acquired or otherwise has rights in, and may, in connection with the performance of Services hereunder, employ, provide, modify, create, acquire or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how, and techniques (including, without limitation, function, process, system and data models); templates; software systems, user interfaces and screen designs; general purpose consulting and software tools; websites; benefit administration systems; and data, documentation, and proprietary information and processes ("**Contractor Information**"). All right, title and interest in and to any data, information and other materials furnished to the **School Board** by **Contractor** are hereby reserved as the exclusive property of and sole ownership by the **School Board** of Indian River County, Florida, unless and to the extent that the parties agree otherwise, as evidenced in writing and included as a part of this Agreement. Upon full and final payment to **Contractor** hereunder, any **Contractor** work product which the parties expressly agree is created solely and exclusively to be owned by the **School Board** (the "Deliverables"), if any, shall become the property of the **School Board**. To the extent that any **Contractor Information** is contained in any of the Deliverables, subject to the terms of this Agreement, **Contractor** hereby grants to the **School Board** a paid-up, royalty-free, nonexclusive license to use such **Contractor Information** solely for the **School Board's** internal use in connection with the Deliverables.

**Contractor** shall defend, indemnify and hold the **School Board** and its successors and assigns harmless from and against all third-party claims, suits and proceedings and any and all damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs) incurred as a result of (i) infringement by **Contractor** of any third-party presently issued U.S. patent, copyright or trademark or (ii) misappropriation by **Contractor** of any third-party trade secret in connection with any of the foregoing. **Contractor** will indemnify and hold harmless the **School Board** from liability of any nature or kind, including costs and expenses for or on account of any copyrighted, service marked, trademarked, patented, process, article or work manufactured or used in the performance of the Agreement, including its use by the **School Board**. If **Contractor** uses any design, device, materials or works covered by letters, service mark, trademark, patent, copyright or any other intellectual property right, it is mutually agreed and understood without exception that the proposal prices will include all royalties or costs arising from the use of such design, device or materials in any way involved in the work.

#### **14. BACKGROUND SCREENING REQUIREMENTS**

In accordance with the requirements of §1012.465, §1012.32 and §1012.467, Florida Statutes, and **School Board Policies** as amended from time to time **Contractor** agrees that, if **Contractor** receives remuneration

for services, **Contractor** and all of its employees who provide or may provide services under this Contract will complete criminal history checks, and all background screening requirements, including level 2 screening requirements as outlined in the above-referenced statutes and **School Board Policies** prior to providing services to The **School Board** of Indian River County. Additionally, **Contractor** agrees that each of its employees, representatives, subcontractors or suppliers who is permitted access on school grounds when students are present, who has direct contact with students or who has access to or control of school funds must meet level 2 screening requirements as described in the above-referenced statutes and **School Board Policies**.

A non-instructional **Contractor** who is exempt from the screening requirements set forth in §1012.465, §1012.468 or §1012.467, Florida Statutes, is subject to a search of his or her name or other identifying information against the registration information regarding sexual predators and sexual offenders maintained by the Department of Law Enforcement under §943.043 and the national sex offender public registry maintained by the United States Department of Justice. Further, upon obtaining clearance by **School Board**, the **School Board** will issue a photo identification badge, which shall be worn by the individual at all times in plain sight while on **School Board** property when students are present. **Contractor** agrees to bear any and all costs associated with acquiring the required background screening including any costs associated with fingerprinting and obtaining the required photo identification badge. **Contractor** agrees to require all its affected employees to sign a statement, as a condition of employment with **Contractor** in relation to performance under this Bid/RFP/Agreement, agreeing that the employee will abide by the heretofore described background screening requirements, and also agreeing that the employee will notify the **Contractor**/Employer of any arrest(s) or conviction (s) of any offense enumerated in **School Board Policy 8475** within 48 hours of its occurrence.

**Contractor** agrees to provide the **School Board** with a list of all its employees who have completed background screening as required by the above-referenced statutes and who meet the statutory requirements contained therein. **Contractor** agrees that it has an ongoing duty to maintain and update these lists as new employees are hired and in the event that any previously screened employee fails to meet the statutory standards. **Contractor** further agrees to notify the **School Board** immediately upon becoming aware that one of its employees who was previously certified as completing the background check and meeting the statutory standards is subsequently arrested or convicted of any disqualifying offense. Failure by **Contractor** to notify the **School Board** of such arrest or conviction within 48 hours of being put on notice and within five (5) business days of the occurrence of qualifying arrest or conviction, shall constitute grounds for immediate termination of this Agreement. The parties further agree that failure by **Contractor** to perform any of the duties described in this section shall constitute a material breach of the Agreement entitling the **School Board** to terminate this Agreement immediately with no further responsibility to make payment or perform any other duties under this Agreement.

#### **15. CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP**

As per **School Board Rule 1113**, it is the policy that no District officer or employee, including but not limited to, **Board** members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship with any business entity or any agency which is doing business with an agency of which s/he is an officer or employee, excluding those organization and their officer who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the District.

Furthermore, it is the policy of the **Board** that no District officer or employee, including but not limited to **Board** members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship that will create any conflict whatsoever between his/her private interests and the performance of his/her duties or that would impede the full and faithful discharge of his/her duties. It is the intent of the **Board** that this policy is interpreted consistent with the Florida Commission on Ethics interpretations.

#### **16. COMPLIANCE WITH BOARD POLICIES**

I certify agreement with the following **School Board Policies**: 6320 Purchasing and Contracting for Goods and Services; 6324 Code of Silence; 6322 Construction Contracting and Bidding; 6540 Consultant Agreements;

and 6460 Vendor Relations, and agree to comply with all applicable **School Board** contracting and procurement policies and procedures.

#### **17. ASSIGNMENT**

This Agreement may not be assigned nor may any assignment of monies due, or to become due to **Contractor**, be assigned without the prior written agreement of The **School Board** of Indian River County, Florida. If **Contractor** attempts to make such an assignment, such attempt shall constitute a condition of default. Notwithstanding the foregoing, **Contractor** has the right to subcontract or assign tasks under this Agreement to one of **Contractor's** affiliates and/or a subsidiary in common control with **Contractor**.

#### **18. DEBARMENT**

By signing this Agreement, **Contractor** certifies, to the best of its knowledge and belief, that it:

- (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency.
- (b) Has not, within the preceding five-year period, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

**Contractor** and/or its subsidiaries are party to various lawsuits and administrative proceedings on a worldwide basis in the ordinary course of business. Information regarding litigation filed against Aon is available in **Contractor's** annual Form 10-K filing (Note 15) and quarterly Form 10-Q filing (Note 15). These documents are available on **Contractor's** website ([www.aon.com](http://www.aon.com)).

- (c) Are not presently indicted or otherwise criminally charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in the preceding paragraph (b).
- (d) Have not within the preceding five-year period had one or more public transactions (federal, state or local) terminated for cause or default.
- (e) Have not been debarred by the School Board pursuant to School Board policy 6320.

**Contractor** agrees to notify **School Board** within 30 days after **Contractor** is made aware of the occurrence of any of the events, actions, debarments, proposals, declarations, exclusions, convictions, judgments, indictments, information, or terminations as described in paragraphs 19(a) – (e) above, with respect to **Contractor**.

#### **19. DAVIS-BACON ACT LABOR STANDARDS**

The **Contractor** shall comply with all applicable provisions of 40 U.S.C. §276a to 276a-7, the Davis-Bacon Act, as supplemented by the Department of Labor regulations (29 C.F.R. Part 5 "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction").

#### **20. CONDUCT WHILE ON SCHOOL PROPERTY**

The **Contractor** acknowledges that its employees and agents must behave in an appropriate manner while on the premises of any school facility and shall at all times conduct themselves in a manner consistent with **School Board** Policies and subject to the administrator of designee. It will be considered a breach of this Agreement for any agent or employee of the **Contractor** to behave in a manner which is inconsistent with good conduct or decorum, or to behave in any manner which will disrupt the educational program or constitute any level of threat to safety, health and well-being of any student or employee of the **School Board**. The **Contractor**

agrees to immediately remove any agent or employee if directed to do so by the building administrator or designee.

**21. NO WAIVER** Nothing herein is intended to serve as a waiver of sovereign immunity by the **School Board**.

**22. NON-DISCRIMINATION**

The parties shall not discriminate against any employee or participant in the performance of the duties, responsibilities and obligations under this Agreement because of race, color, religion, gender, age, marital status, disability, political or religious beliefs, or national or ethnic origin.

**23. NO TAXES**

The **School Board** is not obligated and does not agree to pay any federal, state, or local tax as a result of this agreement. The only exemption regarding payment of taxes shall be for situations that involve re-sale of product to the public for the purpose of fund-raising.

**24. WRITTEN NOTICE DELIVERY**

Any notice required or permitted to be given under this agreement by one party to the other party shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the recipient's address set forth in this section or on the date shown on the certificate of receipt if placed in the United States mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the receiving party at the address hereinafter specified.

**Contractor/Vendor Address.** The address for Contractor/Vendor for all purposes under this agreement and for all notices hereunder shall be:

<b>Contractor/Vendor</b>	<b>Aon Consulting, Inc., operating as Aon Hewitt</b>
<b>Contact's Name/Title</b>	<b><u>Kathleen Sweitzer</u></b> <b><u>General Counsel</u></b>
<b>Address:</b>	<b>200 E. Randolph St.</b> <b>8<sup>th</sup> Floor</b> <b><u>Chicago, IL 60601</u></b>

**School Board's Address.** The address for the School Board of Indian River County for all purposes under this agreement and for all notices hereunder shall be:

**School Board of Indian River County**  
**Attn: Superintendent, Mark J. Rendell, Ed.D**  
**6500 57<sup>th</sup> Street**  
**Vero Beach, Florida 32967**

**With a copy to:**

<b>Department</b>	<b>Human Resources</b>
<b>Department Director</b>	<b>Attn: Edwina Suit, Executive Director</b>
<b>Address:</b>	<b>6500 57<sup>th</sup> Street</b> <b>Vero Beach, FL 32967</b>

And a copy to:

Department	<b>Purchasing</b>
Department Director	<b>Attn: Rick Chuma, Director</b>
Address:	<b>6055 62<sup>nd</sup> Avenue Vero Beach, FL 32967</b>

#### **25. INSURANCE REQUIREMENTS**

**Contractor** shall provide evidence of insurance as may be required by the **School Board's** Office of Risk and Benefit Department, which may include, without limitation, professional liability, general liability, worker's compensation and auto liability insurance coverage. Upon request, "The **School Board** of Indian River County, Florida, its officers, directors and employees" shall be named as additional insured. Prior to effective date of the Agreement, **Contractor** shall be responsible for providing the **School Board** with (1) certificate(s) of insurance and (2) policy endorsement(s) as proof of said coverage. Worker's Compensation consistent with Florida Statutes shall be carried and in force during the period of work under this Agreement by **Contractor** along with property and casualty insurance with general liability comprehensive broad form endorsement and automotive liability in limits of \$1,000,000 single occurrence; \$2,000,000 aggregate. **Contractor's** carrier shall be duly licensed by the State of Florida and recognized as an admitted carrier in the State of Florida. **Contractor** shall provide the **School Board** with a certificate of insurance naming the District as "additional insured." Certificates of insurance verifying the above coverage's and validity periods shall be provided to the Director of Purchasing and Warehousing before a purchase order can be issued, and as necessary to confirm the validity of coverage during the project. **Contractor** shall procure and maintain professional liability insurance for the life of the Agreement, plus two years after completion. This insurance shall provide coverage against such liability resulting from the Agreement. The minimum limits of coverage shall be \$1,000,000. The deductible shall be the responsibility of **Contractor**. This policy must be continued or tail coverage provided for two years after completion of the Agreement. **Contractor** shall maintain insurance coverage in effect for the entire term of the Agreement.

#### **26. OFAC COMPLIANCE**

This Agreement is subject to OFAC compliance (i.e. the laws and regulations enforced by the United States Office of Foreign Assets Control and each party's compliance policies relating thereto). Since **Contractor** can be held accountable under such laws and regulations in connection with its provision of the Services, The **School Board** agrees not to cause **Contractor** to violate any applicable OFAC requirements, including those prohibiting dealings with parties on OFAC's list of Specially Designated Nationals and Blocked Persons, in providing the services.

**SIGNATURE PAGE FOLLOWS**

**AON CONSULTING, INC.**

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

Aon Consulting  
Company Name

The School Board of Indian River County, Florida

[Signature]  
Signature of Vendor/Contractor

[Signature]  
Signature of Chairman, School Board of Indian River County, FL

Matt Miller  
Printed Name of Vendor/Contractor

Mrs. Dale Simchick  
Printed Name of Chairman, School Board of Indian River County, FL

December 7, 2015  
Date

December 8, 2015  
Date

4 Overlook Point, Lincolnshire, IL 60069  
Address

6500 57th Street  
Address

Vero Beach, FL 32960

TELEPHONE / FAX NUMBER

CONTACT EMAIL ADDRESS

FEIN (BUSINESS) \_\_\_\_\_

SS# (INDIVIDUAL) \_\_\_\_\_

## EXHIBIT A

### SCOPE OF SERVICES

#### Strategic Planning

- Assist the District staff in short and long term employee benefit strategic planning. Conduct trend analysis forecasts, project future level of reserves, and analyze the claims payment time lag pattern.
- Assist the District staff in the development, implementation and ongoing management of an effective and measurable wellness program that will reduce health and welfare cost over the long term.
- Participate in management presentations involving benefit strategies and issues.
- Keep the District informed on issues and changes in the benefits marketplace.
- Provide information regarding trends and benchmarks in the benefits field.
- Provide, maintain, and update comparison reports of other cities, counties and special districts' benefit plan offerings and costs to determine their competitiveness to District programs as needed.
- Serve as a source of general expertise for various benefit issues the School Board may encounter.
- Review and make recommendations regarding value-added benefit plans and programs, as well as modifications to the design, cost (rates), communications, and quality of current employee benefit plans, retiree plans and other related programs. In doing so, the Consulting firm will be expected to provide benchmark data from like companies including:
  - Medical/dental trend factors
  - Employee benefit "preferences"
  - Balance employer and employee needs around choice, plan design and cost.

#### Underwriting/Actuarial Services

- Provide actuary services as needed. Calculate and recommend appropriate premium rates, administrative fees, and self-funded plan liabilities to maintain the viability of the plans, insuring quality and cost-effective benefits are provided by the plans.
- Provide actuarial costing of legislative proposals for mandated benefit programs.
- Financial analysis of Medicare Part D options
- Analyze large claims.
- Validate rates needed to cover insured plan liabilities.
- Maintain full and accurate records with respect to all matters and services provided on behalf of the District's benefits plans and programs. Provide District staff all spreadsheets, assumptions, and calculations upon completion of any project performed on behalf of District's benefit plans and programs.
- Assist the District by pricing and analyzing benefit change options; project effect of possible benefit changes on plan costs.
- Assist with the development, negotiation and implementation of health and welfare providers on various topics, including, but not limited to, premium rates, benefit levels, performance standards and guarantees, contractual terms and conditions, quality assurance standards, utilization and performance reports, statistical and/or financial reports, and where applicable plan-specific data such as medical conditions, prescription drugs, high cost procedures and in-patient data.
- Calculate self-funded plan reserve liabilities.
- Project effect of employee contribution changes on participation and renewal costs.
- Prepare rate tiers for funding and contributions.
- Prepare fees/rate tiers for premiums.
- Conduct migration and/or selection analysis based upon plan design and employer contributions.

#### Utilization Reporting:

- Provide detailed quarterly reporting and analysis; meet semi-annually to review. Collect claims experience and participation data from vendors and The School Board, to include the following data:

- Premium or fixed costs, paid claims, and loss ratio for each line of coverage or subgroup level.
- Experience categorized by type of participant, such as active employees, retirees, spouse and child(ren);
- Experience categorized by the type of service provided.
- Medical and dental reports, to include number of claims processed, number of eligible employees covered, cost per claim processed.
- Prepare financial exhibits that provide the School Board with the information needed to make informed decisions regarding The School Board's benefits plan designs and funding levels.
- Data warehousing of the School Board's self-insured medical, pharmacy, dental and vision claims data.

#### **Vendor Management:**

- Provide support in the day-to-day management of vendors and resolve administrative issues; assist with claims and billing issues as requested, and conduct periodic meetings as necessary.
- Conduct, on the School Board's behalf, an RFP process to identify a third party administrator for the District's self-insured health plan, including enrollment, claims handling, payment, billing and COBRA administration of active employees and retirees.
- As directed by District staff, negotiate all insurance vendor contracts, services and renewals with vendors, including meeting directly with insurance company underwriters.
- Create performance guarantees for all insurance carriers providing services to the School Board.
- Analyze insurance proposal criteria approved by TC Plan Administrators, review all insurance, benefit and administrative service documents for accuracy and adherence to prior agreements, and manage carrier/vendor relationships.
- Review contracts with providers for accuracy in rates, benefits, eligibility, and coverage definitions.
- Assist with managing life and disability programs.
- Review carrier service levels and compare performance guarantees; resolve problems regarding vendors' services and performance.

#### **Administration/Communications Support**

- Provide day-to-day consultation on plan interpretation and problem resolution, including attendance at periodic meetings to facilitate and assist in the management of the District's health and welfare plans and programs.
- Provide customer service and assistance with issues involving provider billing, advocacy for services, disputes, interpretation of services, etc.
- Assist with entire open enrollment planning process each year, including, but not limited to, developing a timeline, assisting with the development of open enrollment materials and coordination and participation in open enrollment meetings. Assist in final review of open enrollment communications material.
- Provide assistance, technically and creatively, in the on-going development and preparation of various employee communication materials. Provide annually, a comprehensive employee benefit booklet for all county employees/retirees.
- Provide regular and timely communication of changes and proposed changes in Federal statutes and regulations that may impact the District's employee benefits plans and programs. Recommend procedures and/or policies.
- Develop and/or assist in developing and evaluating employee needs and satisfaction surveys.
- As requested by staff, provide comparison reports of other employers benefit plans and programs to determine competitiveness.
- Provide a minimum of two (2) annual on-site training programs regarding legislation updates and/or best practice seminars for Plan Administrators.



**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

**The School District of Indian River County, Florida  
New Administrative Complex**



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

[CRlcpa.com](http://CRlcpa.com) | [blog.cricpa.com](http://blog.cricpa.com)

## INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

### School District of Indian River County New Administrative Complex

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

We have performed the procedures enumerated below, which were agreed to by The School District of Indian River County, Florida (“SDIRC”), solely to assist you in determining the final contract value to Pirtle Construction Company (the “Construction Manager”), based upon the total costs of construction, as presented by the Construction Manager, for the School District of Indian River County New Administrative Complex (the “Project”). The sufficiency of these procedures is solely the responsibility of the party specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures applied and the related findings are as follows:

1. We obtained copies of the contract documents between SDIRC and the Construction Manager and read the documents noting items of financial and attestation significance.
2. We inquired of the contracting parties to determine if there were any disputed provisions relative to the Project, or if there were any other unresolved disputes, including disputes between the Construction Manager and their subcontractors. No disputes were brought to our attention.
3. We obtained reconciliation from the Construction Manager of the final job costs detail to the final pay application. We inquired regarding unusual reconciling items. Items identified as being nonreimbursable have been reported on Exhibit A.
4. We reviewed the construction costs, as documented by the Construction Manager, for compliance with the contract documents, including the following:
  - a. vouched costs as follows:
    - for subcontract costs in excess of \$50,000, we examined the subcontract, comparing the adjusted contract amount to the amount in the Construction Manager’s job cost and the total of the Construction Manager’s payments to the subcontractor. For each subcontractor selected, we reviewed the supporting documentation for the change orders to that subcontractor. Additionally, we traced owner direct purchase amounts per SDIRC to

deductive change orders between the Construction Manager and the subcontractor and ensured the subcontractors had been reduced for the purchases and related sales tax.

- relative to the Construction Manager's reimbursable payroll, we selected a sample of six items in the Construction Manager's job cost and traced those items to time sheets and pay rate authorizations. The only reimbursable labor on this Project was the personnel costs for preconstruction services.
  - for other items that exceeded \$50,000, we vouched charges to vendor invoices or other supporting documentation. We examined supporting documentation for bond, subguard, and general liability insurance regardless of the amount.
  - we randomly selected five of the remaining disbursements between the amounts of \$15,000 and \$49,900 from the job cost report, which had not been previously tested, and reviewed supporting documentation to ensure that the item was properly substantiated and verified that it was a cost of the project.
- b. reviewed Construction Manager's labor burden charges for appropriateness of items included in the burden percentages, as well as conformity to the contract documents. The contract documents included an agreed upon labor burden percentage of 50%. We compared the labor burden charges in the job cost to the agreed upon percentage and found that the percentage charged by the Construction Manager did not exceed 50%.
  - c. reviewed the job costs for and inquired of the Construction Manager regarding expenditures to entities related to the Construction Manager. There were none brought to our attention.
  - d. reviewed supporting documentation and allocations for a sample of internal charges from the Construction Manager for reasonableness.
  - e. reviewed the job cost for charges incurred prior to the Notice to Proceed, and charges after the date of final completion.
  - f. since the Construction Manager utilized a subguard program, we tested at least ten subcontractors to verify bond costs had not been included in the subcontract cost and confirmed with the Construction Manager that subcontractors had not included bond costs in their pay applications.
  - g. reviewed the Construction Manager's fee and the general conditions against the provisions of the contract.
  - h. recalculated the guaranteed maximum price and the actual costs plus fee, based upon the Construction Manager's records.

The results are shown in Exhibit A – Project Costs.

5. We reviewed the costing of change orders between SDIRC and the Construction Manager for conformity to the contract documents.
6. We reviewed the contingency usage for proper approval and resolution of any unused contingency funds. All contingency usages appeared to be properly approved, and any unused funds appeared to be properly returned to SDIRC.

7. We selected a random sample of five applications for payment from the Construction Manager, as submitted to SDIRC, and reviewed them for the following items:
  - for reimbursable general conditions and general requirement expenses in excess of \$100, we examined the supporting documentation and ensured that such costs were reimbursable under the terms of the contract document and properly supported by invoices or similar documentation.
  
8. Regarding the completion of the Project, we performed the following:
  - we inquired and reviewed supporting documentation to determine that the Project was completed on time. CRI noted that the Construction Manager achieved substantial completion sixteen days after the date required in the contract documents. However, we did not see any evidence of liquidated damages being assessed.
  - we examined the Certificate of Substantial Completion and the Certificate of Final Completion, signed by the Architect, to verify that the Project was completed in accordance with the terms of the contract.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the total costs of construction for the Project. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of The School District and School Board of Indian River County, Florida and is not intended to be and should not be used by anyone other than the specified party.

*Carri Riggs & Ingram, L.L.C.*

Orlando, Florida  
September 28, 2017

**The School District of Indian River County, Florida  
New Administrative Complex**

**Exhibit A – Project Costs**

Calculation of the construction cost plus fee:

Construction Manager job costs	\$ 5,522,222
Less: Construction phase fee costs included in the job costs	(454,613)
Less: Overhead and profit to partner included in the job costs	(40,034)
Adjustment to general liability insurance calculation	(744)
Adjustment to information technology charges	(5,502)
Adjustment to reduce vehicle costs to actual	(550)
Remove non-reimbursable expenses	(5,976)
	5,014,803

Calculation of lump sum overhead and profit fee:

Original lump sum overhead and profit fee	
Phase 1	45,563
Phase 2	221,342
Additional overhead and profit through change order	19,789
Additional overhead and profit through contingency	2,397
Adjustment to overhead and profit to contractually set percentage of the cost of the work	1,694
	290,785

Original lump sum construction phase fee:

Phase 1	76,650
Phase 2	367,000
	443,650

**Construction cost plus fee** \$ 5,749,238

Calculation of guaranteed maximum price per the Construction Manager:

Original guaranteed maximum price	\$ 116,710
Phase 1	1,117,629
Phase 2	5,399,380
Adjustments from change orders	(883,245)
	5,750,474

**Adjusted guaranteed maximum price per the Construction Manager** \$ 5,750,474

Amount the construction cost plus fee is below the adjusted guaranteed maximum price per the Construction Manager

\$ 1,236

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**Approval to Award Invitation to Bid (ITB) #04-0-2018/JC for Mechanical Services and Repairs to Mid-State Mechanical of Vero Beach, Inc. as Primary Vendor and Climate Control Mechanical Service as Secondary Vendor - Mr. Morrison**

The purpose and intent of this Invitation to Bid is to secure firm fixed hourly rates for mechanical services such as 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 majority of work for these projects will take place when students are absent from the campus such as late afternoons or weekends. To meet the time and task demands of this school district, primary and secondary awards will be made. If for some reason the primary awardee is not able to keep up with assignments the secondary awardee will be activated.

Notice of ITB was placed in the Indian River Press Journal on October 15, 2017 and mailed to twelve (12) vendors in our vendor data base. Bid documents were posted on Onvia DemandStar and the Purchasing Department’s website. Three (3) bids were received by the due date of 2:00 p.m. on October 31, 2017 as follows:

Legend: Primary Award \_\_\_\_\_ Secondary \_\_\_\_\_

Vendor	Hourly Rate Journeyman	Hourly Rate Foreman	Hourly Rate Apprentice
<u>Mid-State Mechanical of Vero Beach, Inc.</u>	\$65.00	\$80.00	\$55.00
<u>Climate Control Mechanical Service</u>	\$81.00	\$87.00	\$58.00
Florida Mechanical LLC	\$110.00	\$110.00	\$95.00

Vendor	% Markup Materials	% Markup Rental Equipment
<u>Mid-State Mechanical of Vero Beach, Inc.</u>	18%	18%
<u>Climate Control Mechanical Service</u>	20%	15%
Florida Mechanical LLC	25%	25%

The Purchasing Department recommends primary award to Mid-State Mechanical of Vero Beach, Inc. as the lowest and best responsive and responsible bidder meeting specifications, terms and conditions and secondary award to Climate Control Mechanical Service.

Failure to file a protest with the time prescribed in Florida Statutes 120.57(3) or failure to post a bond or other security required by law within the time allowed for filing a bond shall constitute a waiver or proceedings under Chapter 120, Florida Statutes.

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**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
AGREEMENT FOR CONTRACTED SERVICES**

**THIS AGREEMENT**, entered into this **21<sup>st</sup> day of November, 2017**, by and between the School Board of Indian River County, Florida, a political subdivision of the State of Florida hereinafter referred to as the "School Board", and **Mid-State Mechanical of Vero Beach, Inc.** (Legal Name of Contracting Party/Organization) hereinafter referred to as the "CONTRACTOR", for **Mechanical Services and Repairs** is as follows:

**1. SCOPE OF WORK**

The Contractor shall, in a satisfactory and proper manner as determined by the Superintendent, perform as follows:

**Nature of Contracted Services:** As per the specifications, terms and conditions of SDIRC 04-0-2018/JC ITB for Mechanical Services and Repairs which is incorporated into this Agreement by reference. The Contractor shall, in a satisfactory and proper manner as determined by the Superintendent, perform services such as installation, maintenance, repairs, sheet metal work, chiller change outs, chilled water piping and other HVAC work as requested on an as needed basis for projects and repairs up to \$300,000.

**Anticipated Outcome of Contracted Services:** Award to Mid-State Mechanical of Vero Beach, Inc. is as Primary Vendor (lowest responsive and responsible bid) for non-emergency projects. Projects less than \$15,000 will be awarded to the Primary Vendor. If the Primary Vendor is unable to perform the required services the secondary vendor will be awarded the project. When services exceeding \$15,000 are required, both awarded vendors will be invited to provide a quote for that particular project.

**Location(s) / Hours of Contracted Service:** Services will be Districtwide as needed.

**2. TERM OF AGREEMENT**

The term of this contract shall be for the period of **November 22, 2017 through November 21, 2018** with the option to renew annually for a period of two (2) additional years. Annual renewal acceptance will be based on the successful bidder and the School Board agreeing to specifications, terms and conditions and maintaining firm prices for the forthcoming year. The School Board reserves the right to terminate this Agreement without cause by giving ten (10) days written notice to the Contractor.

**3. COMPENSATION**

The School Board shall, upon completion of services by the Contractor, compensate the Contractor **\$65.00 per hour for licensed journeyman, \$80.00 per hour for Foreman, \$55.00 per hour for an Apprentice, 18% cost plus for materials and 18% cost plus for non-bid or rental equipment** which shall constitute the amount due under this Agreement. Agreements exceeding \$50,000 require School Board approval. The Contractor agrees to assume responsibility for all per diem and travel expenses, unless authorization to incur such expenses is granted by the School Board in advance of the expenditures being incurred. The Contractor shall be reimbursed for such approved expenditures as provided by §112.061 Florida Statutes, and School Board Policy 6550.

**4. PAYMENT SCHEDULE**

Payment will be generated by the School Board's Accounts Payable Department within forty-five (45) days after completion of services and receipt of invoice(s). Payment will be made as indicated below:

- One lump sum payment in the amount of \$ \_\_\_\_\_ upon completion of services
- Partial payments in the amount of \$ \_\_\_\_\_ after/before each \_\_\_\_\_
- Payment of District approved invoices.

**5. REGULATIONS & ORDINANCES**

The Contractor shall comply with all applicable laws, ordinances, codes, rules and regulations of federal, state and local governments being licensed, if required, for performance of any work under this Agreement.

**6. ENTIRE AGREEMENT**

It is understood and agreed that this Agreement including Purchase Order Terms & Conditions, contains the complete understanding and agreement of the parties. No stipulation, agreement or understanding shall be valid or enforceable unless contained in this Agreement. No representations or statements made by any employees, agents or representatives of either party shall be binding on either party as a warranty or otherwise, except as expressly set forth herein.

**7. GOVERNING LAW; VENUE**

This Agreement shall be governed by, and construed in accordance with the laws of the State of Florida. In the event of litigation, venue for any claim shall lie exclusively in a court of competent jurisdiction in Indian River County. All parties shall be responsible for their own attorneys' fees.

**8. INDEMNIFICATION / HOLD HARMLESS AGREEMENT**

Contractor shall, in addition to any other obligation to indemnify the School Board of Indian River County, Florida, protect, defend, indemnify and hold harmless the School Board, its agents, officers, elected officials and employees from and against all claims, actions, liabilities, losses (including economic losses), costs arising out of any actual or alleged bodily injury, sickness, disease or death, or injury to or destruction of tangible property including the loss of use resulting therefrom, or any other damage or loss arising out of, or claimed to have resulted in whole or part from any actual or alleged act or omission of the Contractor, subcontractor, anyone directly or indirectly employed by any of them, of anyone for whose acts any of them may be liable in the performance of the work, or violation of law, statute, ordinance, governmental administration order, rule or regulation by Contractor in the performance of the work; or liens, claims or actions made by the Contractor or any subcontractor or other party performing the work. The indemnification obligations hereunder shall not be limited to any limitation on the amount, type of damages, compensation or benefits payable by or for the Contractor or any subcontractor under workers' compensation acts, disability benefit acts, other employee benefit acts or any statutory bar. This provision shall survive the termination of or completion of all obligations under this Agreement.

#### **9. DUTY TO DEFEND**

The Contractor agrees, at its own expense, and upon written request by the Board, to defend any suit, action or demand brought against the School Board on any claim or demand arising out of, resulting from or incidental to Contractor's performance under this Agreement.

#### **10. CANCELLATION / TERMINATION**

In the event any of the provisions of this agreement are violated by the Contractor, the Superintendent or designee, shall give written notice to the Contractor stating the deficiencies and unless the deficiencies are corrected within ten (10) days, recommendation will be made to the School Board for immediate cancellation. Upon cancellation hereunder, the School Board of Indian River County, Florida, may pursue any and all legal remedies as provided herein and by law. The School Board of Indian River County, Florida, reserves the right to terminate any contract at any time and for any reason, upon giving ten (10) days prior written notice to the Contractor. If said contract should be terminated for convenience as provided herein, the School Board shall be relieved of all obligations under said contract. The School Board of Indian River County shall only be required to pay to the Contractor that amount of the contract actually performed to the effective date of termination.

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Contractors awarded contracts involving Federal Funds in excess of \$10,000 must be in compliance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor Regulations (41 CFR Chapter 60).

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This Agreement shall be subject to Florida's Public Records Laws, Chapter 119, Florida Statutes. Contractor understands the broad nature of these laws and agrees to comply with Florida's Public Records Laws and laws relating to records retention. The Contractor shall keep records to show its compliance with program requirements. Contractors and subcontractors must make available, upon request of the School Board, the United States Department of Education, the Comptroller General of the United States, the Florida Department of Education, or any of their duly authorized representatives, any books, documents, papers, and records of the Contractor which are directly pertinent to this specific Agreement for the purpose of making audit, examination, excerpting, and transcribing. The Contractor shall retain all records for five (5) years after final payment is made or received and all pending matters are completed pursuant to Title 34, Sections 80.36(b)(1). Exempt or confidential information should not be disclosed unless authorized by law. Contractor shall destroy any duplicate records which are exempt from public records disclosure as set forth in Chapter 119. Upon termination of this agreement all public records in possession of the Contractor must be transferred to School Board at no cost. If records are stored electronically, the records must be provided in a compatible format to School Board's operating system.

#### **13. PATENTS, COPYRIGHTS AND ROYALTIES**

All books, manuals, films or other materials suitable for copyright or patent, regardless of means of transmission produced as a result of the work or services performed under or in connection with this Agreement, are hereby reserved as the exclusive property of and sole ownership by The School Board of Indian River County, Florida, unless and to the extent that the parties agree otherwise, as evidenced in

writing and included as a part of this Agreement. Contractor shall defend, indemnify and hold the School Board and its successors and assigns harmless from and against all third-party claims, suits and proceedings and any and all damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs) incurred as a result of (i) infringement by Contractor of any third-party patent, copyright or trademark or (ii) misappropriation by Contractor of any third-party trade secret in connection with any of the foregoing. Contractor will indemnify and hold harmless the School Board from liability of any nature or kind, including costs and expenses for or on account of any copyrighted, service marked, trademarked, patented or unpatented invention, process, article or work manufactured or used in the performance of the Agreement, including its use by the School Board. If Contractor uses any design, device, materials or works covered by letters, service mark, trademark, patent, copyright or any other intellectual property right, it is mutually agreed and understood without exception that the proposal prices will include all royalties or costs arising from the use of such design, device or materials in any way involved in the work.

#### **14. BACKGROUND SCREENING REQUIREMENTS**

In accordance with the requirements of §1012.465, §1012.32 and §1012.467, Florida Statutes, and School Board Policies as amended from time to time Contractor agrees that, if Contractor receives remuneration for services, Contractor and all of its employees who provide or may provide services under this Contract will complete criminal history checks, and all background screening requirements, including level 2 screening requirements as outlined in the above-referenced statutes and School Board Policies prior to providing services to The School Board of Indian River County. Additionally, Contractor agrees that each of its employees, representatives, agents, subcontractors or suppliers who are permitted access on school grounds when students are present, who has direct contact with students or who has access to or control of school funds must meet level 2 screening requirements as described in the above-referenced statutes and School Board Policies.

A non-instructional contractor who is exempt from the screening requirements set forth in §1012.465, §1012.468 or §1012.467, Florida Statutes, is subject to a search of his or her name or other identifying information against the registration information regarding sexual predators and sexual offenders maintained by the Department of Law Enforcement under §943.043 and the national sex offender public registry maintained by the United States Department of Justice. Further, upon obtaining clearance by School Board, the School Board will issue a photo identification badge, which shall be worn by the individual at all times in plain sight while on School Board property when students are present. Contractor agrees to bear any and all costs associated with acquiring the required background screening including any costs associated with fingerprinting and obtaining the required photo identification badge. Contractor agrees to require all of its affected employees to sign a statement, as a condition of employment with Contractor in relation to performance under this Agreement, agreeing that the employee will abide by the heretofore described background screening requirements, and also agreeing that the employee will notify the Contractor/Employer of any arrest(s) or conviction (s) of any offense enumerated in School Board Policy 8475 within 48 hours of its occurrence. Contractor agrees to provide the School Board with a list of all its employees who have completed background screening as required by the above-referenced statutes and who meet the statutory requirements contained therein. Contractor agrees that it has an ongoing duty to maintain and update these lists as new employees are hired and in the event that any previously screened employee fails to meet the statutory standards. Contractor further agrees to notify the School Board immediately upon becoming aware that one of its employees who was previously certified as completing the background check and meeting the statutory standards is subsequently

arrested or convicted of any disqualifying offense. Failure by Contractor to notify the School Board of such arrest or conviction within 48 hours of being put on notice and within five (5) business days of the occurrence of qualifying arrest or conviction, shall constitute grounds for immediate termination of this Agreement. The parties further agree that failure by Contractor to perform any of the duties described in this section shall constitute a material breach of the Agreement entitling the School Board to terminate this Agreement immediately with no further responsibility to make payment or perform any other duties under this Agreement.

**15. CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP**

As per School Board Rule 1113, it is the policy that no District officer or employee, including but not limited to, Board members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship with any business entity or any agency which is doing business with an agency of which s/he is an officer or employee, excluding those organization and their officer who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the District. Furthermore, it is the policy of the Board that no District officer or employee, including but not limited to Board members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship that will create any conflict whatsoever between his/her private interests and the performance of his/her duties or that would impede the full and faithful discharge of his/her duties. It is the intent of the Board that this policy is interpreted consistent with the Florida Commission on Ethics interpretations.

**16. COMPLIANCE WITH BOARD POLICIES**

I certify agreement with the following School Board Policies: 6320 Purchasing and Contracting for Goods and Services; 6324 Cone of Silence; 6322 Construction Contracting and Bidding; 6540 Consultant Agreements; and 6460 Vendor Relations, and agree to comply with all applicable School Board contracting and procurement policies and procedures.

**17. ASSIGNMENT**

This Agreement may not be assigned nor may any assignment of monies due, or to become due to Contractor, be assigned without the prior written agreement of The School Board of Indian River County, Florida. If Contractor attempts to make such an assignment, such attempt shall constitute a condition of default.

**18. DEBARMENT**

By signing this Agreement, Contractor certifies, to the best of its knowledge and belief, that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency.
- (b) Have not, within the preceding five-year period, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

- (c) Are not presently indicted or otherwise criminally charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in the preceding paragraph (b).
- (d) Have not within the preceding five-year period had one or more public transactions (federal, state or local) terminated for cause or default.
- (e) Have not been debarred by the School Board pursuant to School Board policy 6320.

Contractor agrees to notify School Board within 30 days after the occurrence of any of the events, actions, debarments, proposals, declarations, exclusions, convictions, judgments, indictments, information, or terminations as described in paragraphs 18(a) – (e) above, with respect to Contractor or its principals.

#### **19. CONDUCT WHILE ON SCHOOL PROPERTY**

The Contractor acknowledges that its employees and agents must behave in an appropriate manner while on the premises of any school facility and shall at all times conduct themselves in a manner consistent with School Board Policies and subject to the administrator of designee. It will be considered a breach of this Agreement for any agent or employee of the Contractor to behave in a manner which is inconsistent with good conduct or decorum, or to behave in any manner which will disrupt the educational program or constitute any level of threat to safety, health and well-being of any student or employee of the School Board. The Contractor agrees to immediately remove any agent or employee if directed to do so by the building administrator or designee.

#### **20. NO WAIVER**

Nothing herein is intended to serve as a waiver of sovereign immunity by the School Board.

#### **21. NON-DISCRIMINATION**

The parties shall not discriminate against any employee or participant in the performance of the duties, responsibilities and obligations under this Agreement because of race, color, religion, gender, age, marital status, disability, political or religious beliefs, or national or ethnic origin.

#### **22. NO TAXES**

The School Board is not obligated and does not agree to pay any federal, state, or local tax as a result of this agreement. The only exemption regarding payment of taxes shall be for situations that involve re-sale of product to the public for the purpose of fund-raising.

#### **23. WRITTEN NOTICE DELIVERY**

Any notice required or permitted to be given under this agreement by one party to the other party shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the recipient's address set forth in this section or on the date shown on the certificate of receipt if placed in the United States mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the receiving party at the address hereinafter specified.

**Contractor Address:** The address for Contractor for all purposes under this agreement and for all notices hereunder shall be:

Contractor: **Mid-State Mechanical of Vero Beach, Inc.**  
Contact's Name/Title: **Robert Fields, President**  
Address: **3825 71<sup>st</sup> Street**  
**Vero Beach, FL 32967**

**School Board's Address:** The address for the School Board of Indian River County for all purposes under this agreement and for all notices hereunder shall be:

**School Board of Indian River County**  
**Attn: Superintendent Mark J. Rendell, Ed.D**  
**6500 57<sup>th</sup> Street**  
**Vero Beach, Florida 32967**

**With a copy to:**

Department: **Physical Plant**  
Department Director: **Attn: Robert Michael**  
Address: **6500 57<sup>th</sup> Street**  
**Vero Beach, Florida 32967**

**With a copy to:**

Department: **Purchasing and Central Receiving**  
Department Director: **Attn: Jeff Carver**  
Address: **6055 62<sup>nd</sup> Avenue**  
**Vero Beach, Florida 32967**

#### **24. INSURANCE REQUIREMENTS**

During the term of this Agreement, the Contractor shall maintain the following insurance coverage in accordance with the requirements hereinafter stated:

- i. Commercial general liability coverage with limits of at least \$1,000,000.00 per occurrence; \$2,000,000.00 aggregate.
- ii. Automobile liability coverage of at least \$200,000.00 per occurrence; \$600,000.00 aggregate.
- iii. Professional liability or errors and omissions insurance with coverage of at least \$100,000.00 per occurrence; \$300,000.00 aggregate.

The insurance shall be issued by insurers licensed and authorized to issue policies of insurance in Florida, and each policy required shall be issued by a carrier with preferably a BEST rating of A+ or better. **THE SCHOOL BOARD OF INDIAN RIVER COUNTY** shall be named as an additional insured on each policy and the Contractor shall provide certificates of insurance for each policy showing the SCHOOL BOARD as an additional insured, before beginning services under this contract.



**School District of  
Indian River County**

Vision: Educate and inspire every student to be successful  
Mission: To serve all students with excellence

Contract Number 04-0-2018/JC  
For Procurement Use Only)

**Mid-State Mechanical of Vero Beach, Inc.**

Company Name

*Robert Fields*

Signature of Contractor

**Robert Fields**

Printed Name of Contractor

**11/7/2017**

Date

**3825 71<sup>st</sup> Street**

Address

**Vero Beach, FL 32967**

**772-567-3102 / 772-778-8548**

Telephone / Fax Number

**sales@midstatemech.com**

Contact Email Address

FEIN (BUSINESS) **59-1837478**

SS# (INDIVIDUAL)

**The School Board of Indian River County, FL**

*Shawn R. Frost*

Signature of Board Chairman

**Shawn R. Frost**

Printed Name

**November 21, 2017**

Date

**6500 57<sup>th</sup> Street**

Address

**Vero Beach, FL 32967**



THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
AGREEMENT FOR CONTRACTED SERVICES

THIS AGREEMENT, entered into this 21<sup>st</sup> day of November, 2017, by and between the School Board of Indian River County, Florida, a political subdivision of the State of Florida hereinafter referred to as the "School Board", and Climate Control Mechanical Service. (Legal Name of Contracting Party/Organization) hereinafter referred to as the "CONTRACTOR", for Mechanical Services and Repairs is as follows:

**1. SCOPE OF WORK**

The Contractor shall, in a satisfactory and proper manner as determined by the Superintendent, perform as follows:

**Nature of Contracted Services:** As per the specifications, terms and conditions of SDIRC 04-0-2018/JC ITB for Mechanical Services and Repairs which is incorporated into this Agreement by reference. The Contractor shall, in a satisfactory and proper manner as determined by the Superintendent, perform services such as installation, maintenance, repairs, sheet metal work, chiller change outs, chilled water piping and other HVAC work as requested on an as needed basis for projects and repairs up to \$300,000.

**Anticipated Outcome of Contracted Services:** Award to Climate Control Mechanical Services as Secondary Vendor (second lowest responsive and responsible bid) for non-emergency projects. Projects less than \$15,000 will be awarded to the Primary Vendor. If the Primary Vendor is unable to perform the required services the secondary vendor will be awarded the project. When services exceeding \$15,000 are required, both awarded vendors will be invited to provide a quote for that particular project.

**Location(s) / Hours of Contracted Service:** Services will be Districtwide as needed.

**2. TERM OF AGREEMENT**

The term of this contract shall be for the period of November 22, 2017 through November 21, 2018 with the option to renew annually for a period of two (2) additional years. Annual renewal acceptance will be based on the successful bidder and the School Board agreeing to specifications, terms and conditions and maintaining firm prices for the forthcoming year. The School Board reserves the right to terminate this Agreement without cause by giving ten (10) days written notice to the Contractor.

**3. COMPENSATION**

The School Board shall, upon completion of services by the Contractor, compensate the Contractor \$81.00 per hour for licensed journeyman, \$87.00 per hour for Foreman, \$58.00 per hour for an Apprentice, 20% cost plus for materials and 15% cost plus for non-bid or rental equipment which shall constitute the amount due under this Agreement. Agreements exceeding \$50,000 require School Board approval. The Contractor agrees to assume responsibility for all per diem and travel expenses, unless authorization to incur such expenses is granted by the School Board in advance of the expenditures being incurred. The Contractor shall be reimbursed for such approved expenditures as provided by §112.061 Florida Statutes, and School Board Policy 6550.

**4. PAYMENT SCHEDULE**

Payment will be generated by the School Board's Accounts Payable Department within forty-five (45) days after completion of services and receipt of invoice(s). Payment will be made as indicated below:

- One lump sum payment in the amount of \$ \_\_\_\_\_ upon completion of services
- Partial payments in the amount of \$ \_\_\_\_\_ after/before each \_\_\_\_\_
- Payment of District approved invoices.

**5. REGULATIONS & ORDINANCES**

The Contractor shall comply with all applicable laws, ordinances, codes, rules and regulations of federal, state and local governments being licensed, if required, for performance of any work under this Agreement.

**6. ENTIRE AGREEMENT**

It is understood and agreed that this Agreement including Purchase Order Terms & Conditions, contains the complete understanding and agreement of the parties. No stipulation, agreement or understanding shall be valid or enforceable unless contained in this Agreement. No representations or statements made by any employees, agents or representatives of either party shall be binding on either party as a warranty or otherwise, except as expressly set forth herein.

**7. GOVERNING LAW; VENUE**

This Agreement shall be governed by, and construed in accordance with the laws of the State of Florida. In the event of litigation, venue for any claim shall lie exclusively in a court of competent jurisdiction in Indian River County. All parties shall be responsible for their own attorneys' fees.

**8. INDEMNIFICATION / HOLD HARMLESS AGREEMENT**

Contractor shall, in addition to any other obligation to indemnify the School Board of Indian River County, Florida, protect, defend, indemnify and hold harmless the School Board, its agents, officers, elected officials and employees from and against all claims, actions, liabilities, losses (including economic losses), costs arising out of any actual or alleged bodily injury, sickness, disease or death, or injury to or destruction of tangible property including the loss of use resulting therefrom, or any other damage or loss arising out of, or claimed to have resulted in whole or part from any actual or alleged act or omission of the Contractor, subcontractor, anyone directly or indirectly employed by any of them, of anyone for whose acts any of them may be liable in the performance of the work, or violation of law, statute, ordinance, governmental administration order, rule or regulation by Contractor in the performance of the work; or liens, claims or actions made by the Contractor or any subcontractor or other party performing the work. The indemnification obligations hereunder shall not be limited to any limitation on the amount, type of damages, compensation or benefits payable by or for the Contractor or any subcontractor under workers' compensation acts, disability benefit acts, other employee benefit acts or any statutory bar. This provision shall survive the termination of or completion of all obligations under this Agreement.

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By signing this Agreement, Contractor certifies, to the best of its knowledge and belief, that it and its principals:

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- (b) Have not, within the preceding five-year period, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

- (c) Are not presently indicted or otherwise criminally charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in the preceding paragraph (b).
- (d) Have not within the preceding five-year period had one or more public transactions (federal, state or local) terminated for cause or default.
- (e) Have not been debarred by the School Board pursuant to School Board policy 6320.

Contractor agrees to notify School Board within 30 days after the occurrence of any of the events, actions, debarments, proposals, declarations, exclusions, convictions, judgments, indictments, information, or terminations as described in paragraphs 18(a) – (e) above, with respect to Contractor or its principals.

#### **19. CONDUCT WHILE ON SCHOOL PROPERTY**

The Contractor acknowledges that its employees and agents must behave in an appropriate manner while on the premises of any school facility and shall at all times conduct themselves in a manner consistent with School Board Policies and subject to the administrator of designee. It will be considered a breach of this Agreement for any agent or employee of the Contractor to behave in a manner which is inconsistent with good conduct or decorum, or to behave in any manner which will disrupt the educational program or constitute any level of threat to safety, health and well-being of any student or employee of the School Board. The Contractor agrees to immediately remove any agent or employee if directed to do so by the building administrator or designee.

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The School Board is not obligated and does not agree to pay any federal, state, or local tax as a result of this agreement. The only exemption regarding payment of taxes shall be for situations that involve re-sale of product to the public for the purpose of fund-raising.

#### **23. WRITTEN NOTICE DELIVERY**

Any notice required or permitted to be given under this agreement by one party to the other party shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the recipient's address set forth in this section or on the date shown on the certificate of receipt if placed in the United States mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the receiving party at the address hereinafter specified.

Climate Control Mechanical Service

Company Name

~~\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_~~

Signature of Contractor

Michael McCandless

Printed Name of Contractor

11-7-2017

Date

2695 NW 4<sup>th</sup> Street

Address

Ocala, FL 34475

352-291-0185 / 352-351-0219

Telephone / Fax Number

mmccandless@Intec360.com

Contact Email Address

FEIN (BUSINESS)

593740395

SS# (INDIVIDUAL)

\_\_\_\_\_

The School Board of Indian River County, FL

John Frost

Signature of Board Chairman

Shawn R. Frost

Printed Name

November 21, 2017

Date

6500 57<sup>th</sup> Street

Address

Vero Beach, FL 32967

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**Approval to Award Request for Proposal (RFP) #02-0-2018/JC Employee Benefits Audit to Siver Insurance Consultants - Mr. Morrison**

The purpose and intent of this RFP is for the outsourcing of a qualified firm to conduct a comprehensive claims audit of the District's self-insured employee and retiree health benefits program that is administered by Blue Cross Blue Shield of Florida. This RFP will be awarded to a single firm as a group. Award will be made not on the basis of price alone, but to the proposal whose submission contains the most advantageous combination of price, qualifications, experience, references and work capacity.

Notice of RFP was placed in the Indian River Press Journal on September 10, 2017 and also posted on Onvia DemandStar and the Purchasing Department's website. Five (5) proposals were received by the deadline of 2:00 p.m. on September 28, 2017. The Evaluation Team reviewed each response and recommends award to the highest ranking firm as follows.

Company Name	Points Assigned
Siver Insurance Consultants	356
Claim Technologies Inc.	333
BMI Audit Services LLC	293
AON	224
Rehmann Robson	154

The Purchasing Department recommends award to Siver Insurance Consultants as the best responsive and responsible bidder meeting specifications, terms and conditions.

Failure to file a protest with the time prescribed in Florida Statutes 120.57(3) or failure to post a bond or other security required by law within the time allowed for filing a bond shall constitute a waiver or proceedings under Chapter 120, Florida Statutes.

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**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
AGREEMENT FOR CONTRACTED SERVICES**

**THIS AGREEMENT**, entered into this **21<sup>st</sup>** day of **November, 2017**, by and between the School Board of Indian River County, Florida, a political subdivision of the State of Florida hereinafter referred to as the “School Board”, and **E. W. Siver & Associates d/b/a Siver Insurance Consultants**. (Legal Name of Contracting Party/Organization) hereinafter referred to as the “Contractor”, for an **Employee Benefits Audit** as follows:

**1. SCOPE OF WORK**

As per the specifications, terms and conditions of SDIRC 02-0-2018/JC RFP for Employee Benefits Audit which is incorporated into this Agreement by reference. The Contractor shall, in a satisfactory and proper manner as determined by the Superintendent, perform as follows: Conduct a comprehensive claims audit of the District’s self-insured employee and retiree health benefits program administered by Florida Blue for FY 2015 - 2016 school year. The awarded firm will audit 220 random claims to confirm and verify the following:

Anticipated Outcome of Contracted Services: Confirmation and verification that Florida Blue is processing claims accurately and in compliance with current service contract and that comprehensive due diligence has been performed and that systems at Florida Blue have been tested under the Sarbanes-Oxley Act.

Location(s) / Hours of Contracted Service: Employee Benefits Department

**2. TERM OF AGREEMENT**

The Contractor shall commence performance of the Agreement on the 22<sup>nd</sup> day of **November, 2017** and shall complete performance to the satisfaction of the Superintendent no later than the 4<sup>th</sup> day of **April, 2018**. The School Board reserves the right to terminate this Agreement without cause by giving ten (10) days written notice to the Contractor.

**3. COMPENSATION**

The School Board shall, upon completion of services by the Contractor, compensate the Contractor a **total cost not to exceed \$30,000** which shall constitute the amount due under this Agreement. Agreements exceeding \$50,000 require School Board approval. The Contractor agrees to assume responsibility for all per diem and travel expenses, unless authorization to incur such expenses is granted by the School Board in advance of the expenditures being incurred. The Contractor shall be reimbursed for such approved expenditures as provided by §112.061 Florida Statutes, and School Board Policy 6550.

**4. PAYMENT SCHEDULE**

Payment will be generated by the School Board's Accounts Payable Department within forty-five (45) days after completion of services and receipt of invoice(s). Payment will be made as:

- One lump sum payment **not to exceed \$30,000** upon completion of services
- Partial payments in the amount of \$ \_\_\_\_\_ after/before each \_\_\_\_\_.
- Payment of District approved invoices.

**5. REGULATIONS & ORDINANCES**

The Contractor shall comply with all applicable laws, ordinances, codes, rules and regulations of federal, state and local governments being licensed, if required, for performance of any work under this Agreement.

**6. ENTIRE AGREEMENT**

It is understood and agreed that this Agreement including Purchase Order Terms & Conditions, contains the complete understanding and agreement of the parties. No stipulation, agreement or understanding shall be valid or enforceable unless contained in this Agreement. No representations or statements made by any employees, agents or representatives of either party shall be binding on either party as a warranty or otherwise, except as expressly set forth herein.

**7. GOVERNING LAW; VENUE**

This Agreement shall be governed by, and construed in accordance with the laws of the State of Florida. In the event of litigation, venue for any claim shall lie exclusively in a court of competent jurisdiction in Indian River County. All parties shall be responsible for their own attorneys' fees.

**8. INDEMNIFICATION / HOLD HARMLESS AGREEMENT**

Contractor shall, in addition to any other obligation to indemnify the School Board of Indian River County, Florida, protect, defend, indemnify and hold harmless the School Board, its agents, officers, elected officials and employees from and against all claims, actions, liabilities, losses (including economic losses), costs arising out of any actual or alleged bodily injury, sickness, disease or death, or injury to or destruction of tangible property including the loss of use resulting therefrom, or any other damage or loss arising out of, or claimed to have resulted in whole or part from any actual or alleged act or omission of the Contractor, subcontractor, anyone directly or indirectly employed by any of them, of anyone for whose acts any of them may be liable in the performance of the work, or violation of law, statute, ordinance, governmental administration order, rule or regulation by Contractor in the performance of the work; or liens, claims or actions made by the Contractor or any subcontractor or other party performing the work. The indemnification obligations hereunder shall not be limited to any limitation on the amount, type of damages, compensation or benefits payable by or for the Contractor or any subcontractor under workers' compensation acts, disability benefit acts, other employee benefit acts or any statutory bar. This provision shall survive the termination of or completion of all obligations under this Agreement.

**9. DUTY TO DEFEND**

The Contractor agrees, at its own expense, and upon written request by the Board, to defend any suit, action or demand brought against the School Board on any claim or demand arising out of, resulting from or incidental to Contractor's performance under this Agreement.

**10. CANCELLATION / TERMINATION**

In the event any of the provisions of this agreement are violated by the Contractor, the Superintendent or designee, shall give written notice to the Contractor stating the deficiencies and unless the deficiencies are corrected within ten (10) days, recommendation will be made to the School Board for immediate cancellation. Upon cancellation hereunder, the School Board of Indian River County, Florida, may pursue any and all legal remedies as provided herein and by law. The School Board of Indian River County, Florida, reserves the right to terminate any contract at any time and for any reason, upon giving ten (10) days prior written notice to the Contractor. If said contract should be terminated for convenience as provided herein, the School Board shall be relieved of all obligations under said contract. The School Board of Indian River County shall only be required to pay to the Contractor that amount of the contract actually performed to the effective date of termination.

**11. EQUAL EMPLOYMENT OPPORTUNITY**

Contractors awarded contracts involving Federal Funds in excess of \$10,000 must be in compliance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor Regulations (41 CFR Chapter 60).

**12. ACCESS TO RECORDS / FLORIDA'S PUBLIC RECORDS LAWS**

This Agreement shall be subject to Florida's Public Records Laws, Chapter 119, Florida Statutes. Contractor understands the broad nature of these laws and agrees to comply with Florida's Public Records Laws and laws relating to records retention. The Contractor shall keep records to show its compliance with program requirements. Contractors and subcontractors must make available, upon request of the School Board, the United States Department of Education, the Comptroller General of the United States, the Florida Department of Education, or any of their duly authorized representatives, any books, documents, papers, and records of the Contractor which are directly pertinent to this specific Agreement for the purpose of making audit, examination, excerpting, and transcribing. The Contractor shall retain all records for five (5) years after final payment is made or received and all pending matters are completed pursuant to Title 34, Sections 80.36(b)(1). Exempt or confidential information should not be disclosed unless authorized by law. Contractor shall destroy any duplicate records which are exempt from public records disclosure as set forth in Chapter 119. Upon termination of this agreement all public records in possession of the Contractor must be transferred to School Board at no cost. If records are stored electronically, the records must be provided in a compatible format to School Board's operating system.

**13. PATENTS, COPYRIGHTS AND ROYALTIES**

All books, manuals, films or other materials suitable for copyright or patent, regardless of means of transmission produced as a result of the work or services performed under or in connection with this Agreement, are hereby reserved as the exclusive property of and sole ownership by The School Board of

Indian River County, Florida, unless and to the extent that the parties agree otherwise, as evidenced in writing and included as a part of this Agreement. Contractor shall defend, indemnify and hold the School Board and its successors and assigns harmless from and against all third-party claims, suits and proceedings and any and all damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs) incurred as a result of (i) infringement by Contractor of any third-party patent, copyright or trademark or (ii) misappropriation by Contractor of any third-party trade secret in connection with any of the foregoing. Contractor will indemnify and hold harmless the School Board from liability of any nature or kind, including costs and expenses for or on account of any copyrighted, service marked, trademarked, patented or unpatented invention, process, article or work manufactured or used in the performance of the Agreement, including its use by the School Board. If Contractor uses any design, device, materials or works covered by letters, service mark, trademark, patent, copyright or any other intellectual property right, it is mutually agreed and understood without exception that the proposal prices will include all royalties or costs arising from the use of such design, device or materials in any way involved in the work.

#### **14. BACKGROUND SCREENING REQUIREMENTS**

In accordance with the requirements of §1012.465, §1012.32 and §1012.467, Florida Statutes, and School Board Policies as amended from time to time Contractor agrees that, if Contractor receives remuneration for services, Contractor and all of its employees who provide or may provide services under this Contract will complete criminal history checks, and all background screening requirements, including level 2 screening requirements as outlined in the above-referenced statutes and School Board Policies prior to providing services to The School Board of Indian River County. Additionally, Contractor agrees that each of its employees, representatives, agents, subcontractors or suppliers who are permitted access on school grounds when students are present, who has direct contact with students or who has access to or control of school funds must meet level 2 screening requirements as described in the above-referenced statutes and School Board Policies.

A non-instructional contractor who is exempt from the screening requirements set forth in §1012.465, §1012.468 or §1012.467, Florida Statutes, is subject to a search of his or her name or other identifying information against the registration information regarding sexual predators and sexual offenders maintained by the Department of Law Enforcement under §943.043 and the national sex offender public registry maintained by the United States Department of Justice. Further, upon obtaining clearance by School Board, the School Board will issue a photo identification badge, which shall be worn by the individual at all times in plain sight while on School Board property when students are present. Contractor agrees to bear any and all costs associated with acquiring the required background screening including any costs associated with fingerprinting and obtaining the required photo identification badge. Contractor agrees to require all of its affected employees to sign a statement, as a condition of employment with Contractor in relation to performance under this Agreement, agreeing that the employee will abide by the heretofore described background screening requirements, and also agreeing that the employee will notify the Contractor/Employer of any arrest(s) or conviction (s) of any offense enumerated in School Board Policy 8475 within 48 hours of its occurrence. Contractor agrees to provide the School Board with a list of all its employees who have completed background screening as required by the above-referenced statutes and who meet the statutory requirements contained therein. Contractor agrees that it has an ongoing duty to maintain and update these lists as new employees are hired and in the event that any previously screened employee fails to meet the statutory standards. Contractor further agrees to notify the School Board immediately upon becoming aware that one of its employees who was previously certified as completing

the background check and meeting the statutory standards is subsequently arrested or convicted of any disqualifying offense. Failure by Contractor to notify the School Board of such arrest or conviction within 48 hours of being put on notice and within five (5) business days of the occurrence of qualifying arrest or conviction, shall constitute grounds for immediate termination of this Agreement. The parties further agree that failure by Contractor to perform any of the duties described in this section shall constitute a material breach of the Agreement entitling the School Board to terminate this Agreement immediately with no further responsibility to make payment or perform any other duties under this Agreement.

**15. CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP**

As per School Board Rule 1113, it is the policy that no District officer or employee, including but not limited to, Board members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship with any business entity or any agency which is doing business with an agency of which s/he is an officer or employee, excluding those organization and their officer who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the District. Furthermore, it is the policy of the Board that no District officer or employee, including but not limited to Board members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship that will create any conflict whatsoever between his/her private interests and the performance of his/her duties or that would impede the full and faithful discharge of his/her duties. It is the intent of the Board that this policy is interpreted consistent with the Florida Commission on Ethics interpretations.

**16. COMPLIANCE WITH BOARD POLICIES**

I certify agreement with the following School Board Policies: 6320 Purchasing and Contracting for Goods and Services; 6324 Code of Silence; 6322 Construction Contracting and Bidding; 6540 Consultant Agreements; and 6460 Vendor Relations, and agree to comply with all applicable School Board contracting and procurement policies and procedures.

**17. ASSIGNMENT**

This Agreement may not be assigned nor may any assignment of monies due, or to become due to Contractor, be assigned without the prior written agreement of The School Board of Indian River County, Florida. If Contractor attempts to make such an assignment, such attempt shall constitute a condition of default.

**18. DEBARMENT**

By signing this Agreement, Contractor certifies, to the best of its knowledge and belief, that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency.
- (b) Have not, within the preceding five-year period, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under public transaction; violation of federal or state antitrust statutes or commission of embezzlement,

theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

- (c) Are not presently indicted or otherwise criminally charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in the preceding paragraph (b).
- (d) Have not within the preceding five-year period had one or more public transactions (federal, state or local) terminated for cause or default.
- (e) Have not been debarred by the School Board pursuant to School Board policy 6320.

Contractor agrees to notify School Board within 30 days after the occurrence of any of the events, actions, debarments, proposals, declarations, exclusions, convictions, judgments, indictments, information, or terminations as described in paragraphs 18(a) – (e) above, with respect to Contractor or its principals.

**19. CONDUCT WHILE ON SCHOOL PROPERTY**

The Contractor acknowledges that its employees and agents must behave in an appropriate manner while on the premises of any school facility and shall at all times conduct themselves in a manner consistent with School Board Policies and subject to the administrator of designee. It will be considered a breach of this Agreement for any agent or employee of the Contractor to behave in a manner which is inconsistent with good conduct or decorum, or to behave in any manner which will disrupt the educational program or constitute any level of threat to safety, health and well-being of any student or employee of the School Board. The Contractor agrees to immediately remove any agent or employee if directed to do so by the building administrator or designee.

**20. NO WAIVER** Nothing herein is intended to serve as a waiver of sovereign immunity by the School Board.

**21. NON-DISCRIMINATION**

The parties shall not discriminate against any employee or participant in the performance of the duties, responsibilities and obligations under this Agreement because of race, color, religion, gender, age, marital status, disability, political or religious beliefs, or national or ethnic origin.

**22. NO TAXES**

The School Board is not obligated and does not agree to pay any federal, state, or local tax as a result of this agreement. The only exemption regarding payment of taxes shall be for situations that involve re-sale of product to the public for the purpose of fund-raising.

**23. WRITTEN NOTICE DELIVERY**

Any notice required or permitted to be given under this agreement by one party to the other party shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the recipient's address set forth in this section or on the date shown on the certificate of receipt if placed in the United States mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the receiving party at the address hereinafter specified.



**Contractor's Address:** The address for Contractor for all purposes under this agreement and for all notices hereunder shall be:

Contractor: **Siver Insurance Consultants**  
Contact's Name/Title: **Kathy Gordon, ARM, AAI, Vice President**  
Address: **805 Executive Center Drive West, Suite 110  
St. Petersburg, FL 33702**

**School Board's Address:** The address for the School Board of Indian River County for all purposes under this agreement and for all notices hereunder shall be:

**School Board of Indian River County  
Attn: Superintendent Mark J. Rendell, Ed.D  
6500 57<sup>th</sup> Street  
Vero Beach, Florida 32967**

**With a copy to:**

Department: **Finance and Employee Services**  
Assistant Superintendent: **Attn: Carter Morrison**  
Address: **6500 57<sup>th</sup> Street  
Vero Beach, Florida 32967**

**With a copy to:**

Department: **Purchasing and Central Receiving**  
Department Director: **Attn: Jeff Carver**  
Address: **6055 62<sup>nd</sup> Avenue  
Vero Beach, Florida 32967**

## **24. INSURANCE REQUIREMENTS**

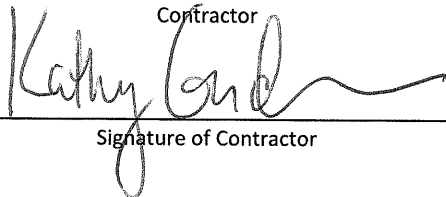
During the term of this Agreement, the Contractor shall maintain the following insurance coverage in accordance with the requirements hereinafter stated:

- i. Commercial general liability coverage with limits of at least \$1,000,000.00 per occurrence; \$2,000,000.00 aggregate.
- ii. Automobile liability coverage of at least \$200,000.00 per occurrence; \$600,000.00 aggregate.
- iii. Professional liability or errors and omissions insurance with coverage of at least \$100,000.00 per occurrence; \$300,000.00 aggregate.

The insurance shall be issued by insurers licensed and authorized to issue policies of insurance in Florida, and each policy required shall be issued by a carrier with preferably a BEST rating of A+ or better. **THE SCHOOL BOARD OF INDIAN RIVER COUNTY** shall be named as an additional insured on each policy and the Contractor shall provide certificates of insurance for each policy showing the SCHOOL BOARD as an additional insured, before beginning services under this contract.

Siver Insurance Consultants

Contractor



Signature of Contractor

Kathy Gordon

Printed Name of Contractor

11-2-17

Date

805 Executive Center Drive, West, Suite 110

Address

St. Petersburg, FL 33702

(727) 577-278 / (727) 579-8692

Telephone / Fax Number

kgordon@siver.com

Contact Email Address

FEIN (BUSINESS)

59-1712226

SS# (INDIVIDUAL)

The School Board of Indian River County, FL



Signature of Board Chairman

Shawn R. Frost

~~Charles G. Searcy~~

Printed Name

November 21, 2017

Date

6500 57<sup>th</sup> Street

Address

Vero Beach, FL 32967

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
AGREEMENT FORM FOR CONSTRUCTION CONTRACTED SERVICES**

**THIS AGREEMENT**, entered into this 21<sup>st</sup> of November, 2017, by and between the School Board of Indian River County, Florida, a political subdivision of the State of Florida hereinafter referred to as the "**School Board**", and **Macy Construction Corp** (Legal Name of Contracting Party/Organization) hereinafter referred to as the "**CONTRACTOR**", is as follows:

**1. SCOPE OF WORK**

Nature of Contracted Services: Project to include all material, labor and engineering to install new extruded aluminum walkway covers, approximately 240 lineal ft., at Citrus Elementary School, as per attached proposal. All posts to be set in isolated concrete footings.

Nature of Contracted Services: Furnish and Install approximately 240 lineal ft. of extruded aluminum walkway covers at Citrus Elementary School. All posts to be set in isolated concrete footings. Price includes all materials, labor and engineering for complete project as per attached proposal.

Anticipated Outcome of Contracted Services: Furnish and Install approximately 240 lineal ft. of extruded aluminum walkway covers at Citrus Elementary School. All posts to be set in isolated concrete footings. Price includes all materials, labor and engineering for complete project as per attached proposal.

Location of Contracted Service: Citrus Elementary School, 2771 4<sup>th</sup> Street, Vero Beach, FL 32968

Date(s)/Hours of Service: As needed – Scheduled TBD

**2. TERM OF AGREEMENT -**

The Contractor shall commence performance of the Agreement on the 22<sup>nd</sup> day of November, 2017, and shall complete performance to the satisfaction of the Superintendent no later than the 30<sup>th</sup> day of April, 2018. The School Board reserves the right to terminate this Agreement without cause by giving ten (10) days written notice to the Contractor.

**3. COMPENSATION**

The School Board shall, upon completion of services by the Contractor, compensate the Contractor in an amount **NOT TO EXCEED \$62,800.00 (\$52,800.00 - Proposal Amount (attached), plus \$10,000.00 – Owner Added Contingency)** which shall constitute the amount due under this Agreement. Agreements exceeding \$50,000 require School Board approval. The Contractor agrees to assume responsibility for all per diem and travel expenses, unless authorization to incur such expenses is granted by the School

Board in advance of the expenditures being incurred. The Contractor shall be reimbursed for such approved expenditures as provided by §112.061 Florida Statutes, and School Board Policy 6550.

#### 4. PAYMENT SCHEDULE

Payment will be generated by the School Board's Accounts Payable Department within forty-five (45) days after completion of services and receipt of invoice(s). Payment will be made as indicated below:

- Lump sum payment in the amount of \$ \_\_\_\_\_ upon completion of services and District-approved invoice
- Partial payments after District-approved invoice(s).
- See payment schedule hereto attached and incorporated into this Agreement.
- Payment of District-approved invoice(s).

#### 5. REGULATIONS & ORDINANCES

The Contractor shall comply with all applicable laws, ordinances, codes, rules and regulations of federal, state and local governments being licensed, if required, for performance of any work under this Agreement.

#### 6. GOVERNING LAW; VENUE

This Agreement shall be governed by, and construed in accordance with the laws of the State of Florida. In the event of litigation, venue for any claim shall lie exclusively in a court of competent jurisdiction in Indian River County. All parties shall be responsible for their own attorneys' fees.

#### 7. INDEMNIFICATION / HOLD HARMLESS AGREEMENT

Contractor shall, in addition to any other obligation to indemnify the School Board of Indian River County, Florida, protect, defend, indemnify and hold harmless the School Board, its agents, officers, elected officials and employees from and against all claims, actions, liabilities, losses (including economic losses), costs arising out of any actual or alleged bodily injury, sickness, disease or death, or injury to or destruction of tangible property including the loss of use resulting therefrom, or any other damage or loss arising out of, or claimed to have resulted in whole or part from any actual or alleged act or omission of the Contractor, subcontractor, anyone directly or indirectly employed by any of them, of anyone for whose acts any of them may be liable in the performance of the work, or violation of law, statute, ordinance, governmental administration order, rule or regulation by Contractor in the performance of the work; or liens, claims or actions made by the Contractor or any subcontractor or other party performing the work. The indemnification obligations hereunder shall not be limited to any limitation on the amount, type of damages, compensation or benefits payable by or for the Contractor or any subcontractor under workers' compensation acts, disability benefit acts, other employee benefit acts or any statutory bar. This provision shall survive the termination of or completion of all obligations under this Agreement.

#### 8. DUTY TO DEFEND

The Contractor agrees, at its own expense, and upon written request by the Board, to defend any suit, action or demand brought against the School Board on any claim or demand arising out of, resulting from or incidental to Contractor's performance under this Agreement.

#### 9. CANCELLATION / TERMINATION

In the event any of the provisions of this agreement are violated by the contractor, the Superintendent or their designee, shall give written notice to the Contractor stating the deficiencies and unless the deficiencies are corrected within ten (10) days, recommendation will be made to the School Board for immediate cancellation.

Upon cancellation hereunder, the **School Board** of Indian River County, Florida, may pursue any and all legal remedies as provided herein and by law. The **School Board** of Indian River County, Florida, reserves the right to terminate any contract at any time and for any reason, upon giving ten (10) business days prior written notice to the **Contractor**. If said contract should be terminated for convenience as provided herein, the **School Board** shall be relieved of all obligations under said contract. The **School Board** of Indian River County shall only be required to pay to the **Contractor** that amount of the contract actually performed to the effective date of termination.

#### 10. EQUAL EMPLOYMENT OPPORTUNITY

**Contractors** awarded contracts involving Federal Funds in excess of \$10,000 must be in compliance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor Regulations (41 CFR Chapter 60).

#### 11. ACCESS TO RECORDS / FLORIDA'S PUBLIC RECORDS LAWS

This Agreement shall be subject to Florida's Public Records Laws, Chapter 119, Florida Statutes. **Contractor** understands the broad nature of these laws and agrees to comply with Florida's Public Records Laws and laws relating to records retention. The **Contractor** shall keep records to show its compliance with program requirements. **Contractors** and subcontractors must make available, upon request of the **School Board**, a Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives, any books, documents, papers, and records of the **Contractor** which are directly pertinent to this specific Agreement for the purpose of making audit, examination, excerpts, and transcriptions. The **Contractor** shall retain all records for five (5) years after final payment is made or received and all pending matters are completed pursuant to Title 34, Sections 80.36(b)(1). Exempt or confidential information should not be disclosed unless authorized by law. **Contractor** shall destroy any duplicate records which are exempt from public records disclosure as set forth in Chapter 119. Upon termination of this agreement all public records in possession of the **Contractor** must be transferred to **School Board** at no cost. If records are stored electronically, the records must be provided in a compatible format to **School Board's** operating system.

#### 12. PATENTS, COPYRIGHTS AND ROYALTIES

All books, manuals, films or other materials suitable for copyright or patent, regardless of means of transmission produced as a result of the work or services performed under or in connection with this Agreement, are hereby reserved as the exclusive property of and sole ownership by The **School Board** of Indian River County, Florida, unless and to the extent that the parties agree otherwise, as evidenced in writing and included as a part of this Agreement. **Contractor** shall defend, indemnify and hold the **School Board** and its successors and assigns harmless from and against all third-party claims, suits and proceedings and any and all damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs) incurred as a result of (i) infringement by **Contractor** of any third-party patent, copyright or trademark or (ii) misappropriation by **Contractor** of any third-party trade secret in connection with any of the foregoing. **Contractor** will indemnify and hold harmless the **School Board** from liability of any nature or kind, including costs and expenses for or on account of any copyrighted, service marked, trademarked, patented or unpatented invention, process, article or work manufactured or used in the performance of the Agreement, including its use by the **School Board**. If **Contractor** uses any design, device, materials or works covered by letters, service mark, trademark, patent, copyright or any other intellectual property right, it is mutually agreed and understood without exception that the proposal prices will include all royalties or costs arising from the use of such design, device or materials in any way involved in the work.

#### 13. BACKGROUND SCREENING REQUIREMENTS

In accordance with the requirements of §1012.465, §1012.32 and §1012.467, Florida Statutes, and **School Board** Policies as amended from time to time **Contractor** agrees that, if **Contractor** receives remuneration for services, **Contractor** and all of its employees who provide or may provide services under this Contract will

complete criminal history checks, and all background screening requirements, including level 2 screening requirements as outlined in the above-referenced statutes and **School Board Policies** prior to providing services to The **School Board** of Indian River County.

Additionally, **Contractor** agrees that each of its employees, representatives, agents, subcontractors or suppliers who is permitted access on school grounds when students are present, who has direct contact with students or who has access to or control of school funds must meet level 2 screening requirements as described in the above-referenced statutes and **School Board Policies**.

A non-instructional **Contractor** who is exempt from the screening requirements set forth in §1012.465, §1012.468 or §1012.467, Florida Statutes, is subject to a search of his or her name or other identifying information against the registration information regarding sexual predators and sexual offenders maintained by the Department of Law Enforcement under §943.043 and the national sex offender public registry maintained by the United States Department of Justice.

Further, upon obtaining clearance by **School Board**, the **School Board** will issue a photo identification badge, which shall be worn by the individual at all times in plain sight while on **School Board** property when students are present. **Contractor** agrees to bear any and all costs associated with acquiring the required background screening including any costs associated with fingerprinting and obtaining the required photo identification badge. **Contractor** agrees to require all its affected employees to sign a statement, as a condition of employment with **Contractor** in relation to performance under this Bid/RFP/Agreement, agreeing that the employee will abide by the heretofore described background screening requirements, and also agreeing that the employee will notify the **Contractor/Employer** of any arrest(s) or conviction (s) of any offense enumerated in **School Board Policy** 8475 within 48 hours of its occurrence.

**Contractor** agrees to provide the **School Board** with a list of all its employees who have completed background screening as required by the above-referenced statutes and who meet the statutory requirements contained therein. **Contractor** agrees that it has an ongoing duty to maintain and update these lists as new employees are hired and in the event that any previously screened employee fails to meet the statutory standards. **Contractor** further agrees to notify the **School Board** immediately upon becoming aware that one of its employees who was previously certified as completing the background check and meeting the statutory standards is subsequently arrested or convicted of any disqualifying offense. Failure by **Contractor** to notify the **School Board** of such arrest or conviction within 48 hours of being put on notice and within five (5) business days of the occurrence of qualifying arrest or conviction, shall constitute grounds for immediate termination of this Agreement. The parties further agree that failure by **Contractor** to perform any of the duties described in this section shall constitute a material breach of the Agreement entitling the **School Board** to terminate this Agreement immediately with no further responsibility to make payment or perform any other duties under this Agreement.

#### **14. CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP**

As per **School Board Rule** 1113, it is the policy that no District officer or employee, including but not limited to, **Board** members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship with any business entity or any agency which is doing business with an agency of which s/he is an officer or employee, excluding those organization and their officer who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the District.

Furthermore, it is the policy of the **Board** that no District officer or employee, including but not limited to **Board** members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship that will create any conflict whatsoever between his/her private interests and the performance of his/her duties or that would impede the full and faithful discharge of his/her

duties. It is the intent of the **Board** that this policy is interpreted consistent with the Florida Commission on Ethics interpretations.

#### 15. COMPLIANCE WITH BOARD POLICIES

I certify agreement with the following **School Board Policies**: 6320 Purchasing and Contracting for Goods and Services; 6324 Code of Silence; 6322 Construction Contracting and Bidding; 6540 Consultant Agreements; and 6460 Vendor Relations, and agree to comply with all applicable **School Board** contracting and procurement policies and procedures.

#### 16. ASSIGNMENT

This Agreement may not be assigned nor may any assignment of monies due, or to become due to **Contractor**, be assigned without the prior written agreement of The **School Board** of Indian River County, Florida. If **Contractor** attempts to make such an assignment, such attempt shall constitute a condition of default.

#### 17. DEBARMENT

By signing this Agreement, **Contractor** certifies, to the best of its knowledge and belief, that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency.
- (b) Have not, within the preceding five-year period, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
- (c) Are not presently indicted or otherwise criminally charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in the preceding paragraph (b).
- (d) Have not within the preceding five-year period had one or more public transactions (federal, state or local) terminated for cause or default.
- (e) Have not been debarred by the School Board pursuant to School Board policy 6320.

**Contractor** agrees to notify **School Board** within 30 days after the occurrence of any of the events, actions, debarments, proposals, declarations, exclusions, convictions, judgments, indictments, information, or terminations as described in paragraphs 19(a) – (e) above, with respect to **Contractor** or its principals.

#### 18. DAVIS-BACON ACT LABOR STANDARDS

The **Contractor** shall comply with all applicable provisions of 40 U.S.C. §276a to 276a-7, the Davis-Bacon Act, as supplemented by the Department of Labor regulations (29 C.F.R. Part 5 "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction").

#### 19. CONDUCT WHILE ON SCHOOL PROPERTY

The **Contractor** acknowledges that its employees and agents must behave in an appropriate manner while on the premises of any school facility and shall at all times conduct themselves in a manner consistent with **School Board Policies** and subject to the administrator of designee. It will be considered a breach of this Agreement for any agent or employee of the **Contractor** to behave in a manner which is inconsistent with good conduct or decorum, or to behave in any manner which will disrupt the educational program or constitute any level of threat to safety, health and well-being of any student or employee of the **School Board**. The **Contractor**

agrees to immediately remove any agent or employee if directed to do so by the building administrator or designee.

**20. NO WAIVER**

Nothing herein is intended to serve as a waiver of sovereign immunity by the **School Board**.

**21. NON-DISCRIMINATION**

The parties shall not discriminate against any employee or participant in the performance of the duties, responsibilities and obligations under this Agreement because of race, color, religion, gender, age, marital status, disability, political or religious beliefs, or national or ethnic origin.

**22. NO TAXES**

The **School Board** is not obligated and does not agree to pay any federal, state, or local tax as a result of this agreement. The only exemption regarding payment of taxes shall be for situations that involve re-sale of product to the public for the purpose of fund-raising.

**23. WRITTEN NOTICE DELIVERY**

Any notice required or permitted to be given under this agreement by one party to the other party shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the recipient's address set forth in this section or on the date shown on the certificate of receipt if placed in the United States mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the receiving party at the address hereinafter specified.



**Contractor/Vendor Address.** The address for Contractor/Vendor for all purposes under this agreement and for all notices hereunder shall be:

**Contractor/Vendor** Macy Construction Corp  
**Contact's Name/Title** Attn: Mr. Reid Macy  
**Address:** 715 Tumblin Kling Road  
Fort Pierce, FL 34982

**School Board's Address.** The address for the School Board of Indian River County for all purposes under this agreement and for all notices hereunder shall be:

**School Board of Indian River County**  
**Attn: Superintendent, Mark J. Rendell, Ed.D**  
**6500 57<sup>th</sup> Street**  
**Vero Beach, Florida 32967**

**With a copy to:**

**Department** Facilities Planning & Construction  
**Department Director** Attn: Nicholas Westenberger, Director  
**Address:** 6055 62<sup>nd</sup> Avenue  
Vero Beach, FL 32967

**And a copy to:**

**Department** Purchasing  
**Department Director** Attn: Jeff Carver, Director  
**Address:** 6055 62<sup>nd</sup> Avenue  
Vero Beach, FL 32967

#### **24. INSURANCE REQUIREMENTS**

**Contractor** shall provide evidence of insurance as may be required by the **School Board's** Office of Risk and Benefit Department, which may include, without limitation, professional liability, general liability, worker's compensation and auto liability insurance coverage. Upon request, "The **School Board** of Indian River County, Florida, its officers, directors and employees" shall be named as additional insured. Prior to effective date of the Agreement, **Contractor** shall be responsible for providing the **School Board** with (1) certificate(s) of insurance and (2) policy endorsement(s) as proof of said coverage. If the Agreement is pursuant to a Request for Proposal or Invitation to Bid, then the **Contractor** shall also comply with insurance requirements set forth therein. **Contractor** shall maintain insurance coverage in effect for the entire term of the Agreement. Cancellation or modification of terms, without the prior written consent of the **School Board**, shall constitute a material default under the Agreement.

**VENDOR/CONTRACTOR**

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

Macy Construction Corp  
Company Name

The School Board of Indian River County, Florida

*[Signature]*  
Signature of Vendor/Contractor

*[Signature]*  
Signature of Chairman, School Board of Indian River County, FL

REID MACY  
Printed Name of Vendor/Contractor

Shawn R. Frost  
Printed Name of Chairman, School Board of Indian River County, FL

11-7-17  
Date

11/29/17  
Date

715 Tumblin Kling Road  
Address

6500 57<sup>th</sup> Street  
Address

Fort Pierce, FL 34982

Vero Beach, FL 32967

772-201-0339

TELEPHONE / FAX NUMBER  
FISHSTALKR@aol.com

CONTACT EMAIL ADDRESS

FEIN (BUSINESS) \_\_\_\_\_

SSN (INDIVIDUAL) \_\_\_\_\_

F

**MACY CONSTRUCTION CORP**

715 Tumblin Kling Rd.  
Fort Pierce, FL 34982  
Phone (772) 201-0339  
CGC 1512939

**PROPOSAL**

OCT 23, 2017

**TO: INDIAN RIVER COUNTY SCHOOL BOARD**

**FOR: CITRUS ELEMENTARY**

Quantity	Description	RATE	AMOUNT
	<p>LABOR AND MATERIALS TO INSTALL EXTRUDED ALUMINUM WALWAY COVER OVER EXISTING WALKWAY. APPROX 240 LINEAL FT. ALL POSTS SET IN ISOLATED CONCRETE FOOTING</p> <p>INCLUDES ALL MATERIALS, LABOR AND ENGINEERING FOR COMPLETE PROJECT</p>		
		TOTAL	<b>\$52,800.00</b>

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**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
AGREEMENT FORM FOR CONSTRUCTION CONTRACTED SERVICES**

**THIS AGREEMENT**, entered into this 21<sup>st</sup> of November, 2017, by and between the School Board of Indian River County, Florida, a political subdivision of the State of Florida hereinafter referred to as the "**School Board**", and **Macy Construction Corp** (Legal Name of Contracting Party/Organization) hereinafter referred to as the "**CONTRACTOR**", is as follows:

**1. SCOPE OF WORK**

Nature of Contracted Services: Project to include all material, labor and engineering to install new extruded aluminum walkway covers over existing walkway, approximately 238 lineal ft., at Fellsmere Elementary School, as per attached proposal. All posts to be set in isolated concrete footings. Bronze fascia and beams on front cover.

Nature of Contracted Services: Furnish and Install approximately 238 lineal ft. of extruded aluminum walkway covers at Fellsmere Elementary School. All posts to be set in isolated concrete footings. Bronze fascia and beams on front cover. Price includes all materials, labor and engineering for complete project as per attached proposal.

Anticipated Outcome of Contracted Services: Furnish and Install approximately 238 lineal ft. of extruded aluminum walkway covers at Fellsmere Elementary School. All posts to be set in isolated concrete footings. Bronze fascia and beams on front cover. Price includes all materials, labor and engineering for complete project as per attached proposal.

Location of Contracted Service: Fellsmere Elementary School, 50 N. Cypress Street, Fellsmere, FL 32948

Date(s)/Hours of Service: As needed -- Scheduled TBD

**2. TERM OF AGREEMENT -**

The Contractor shall commence performance of the Agreement on the 22<sup>nd</sup> day of November, 2017, and shall complete performance to the satisfaction of the Superintendent no later than the 30<sup>th</sup> day of April, 2018. The School Board reserves the right to terminate this Agreement without cause by giving ten (10) days written notice to the Contractor.

**3. COMPENSATION**

The School Board shall, upon completion of services by the Contractor, compensate the Contractor in an amount **NOT TO EXCEED** \$77,500.00 (\$62,500.00 - Proposal Amount (attached), plus \$15,000.00

**- Owner Added Contingency**) which shall constitute the amount due under this Agreement. Agreements exceeding \$50,000 require **School Board** approval. The **Contractor** agrees to assume responsibility for all per diem and travel expenses, unless authorization to incur such expenses is granted by the **School Board** in advance of the expenditures being incurred. The **Contractor** shall be reimbursed for such approved expenditures as provided by §112.061 Florida Statutes, and School Board Policy 6550.

#### 4. PAYMENT SCHEDULE

Payment will be generated by the **School Board's** Accounts Payable Department within forty-five (45) days after completion of services and receipt of invoice(s). Payment will be made as indicated below:

- Lump sum payment in the amount of \$ \_\_\_\_\_ upon completion of services and District-approved invoice
- Partial payments after District-approved invoice(s).
- See payment schedule hereto attached and incorporated into this Agreement.
- Payment of District-approved invoice(s).

#### 5. REGULATIONS & ORDINANCES

The **Contractor** shall comply with all applicable laws, ordinances, codes, rules and regulations of federal, state and local governments being licensed, if required, for performance of any work under this Agreement.

#### 6. GOVERNING LAW; VENUE

This Agreement shall be governed by, and construed in accordance with the laws of the State of Florida. In the event of litigation, venue for any claim shall lie exclusively in a court of competent jurisdiction in Indian River County. All parties shall be responsible for their own attorneys' fees.

#### 7. INDEMNIFICATION / HOLD HARMLESS AGREEMENT

**Contractor** shall, in addition to any other obligation to indemnify the **School Board** of Indian River County, Florida, protect, defend, indemnify and hold harmless the School Board, its agents, officers, elected officials and employees from and against all claims, actions, liabilities, losses (including economic losses), costs arising out of any actual or alleged bodily injury, sickness, disease or death, or injury to or destruction of tangible property including the loss of use resulting therefrom, or any other damage or loss arising out of, or claimed to have resulted in whole or part from any actual or alleged act or omission of the **Contractor**, subcontractor, anyone directly or indirectly employed by any of them, of anyone for whose acts any of them may be liable in the performance of the work, or violation of law, statute, ordinance, governmental administration order, rule or regulation by **Contractor** in the performance of the work; or liens, claims or actions made by the **Contractor** or any subcontractor or other party performing the work. The indemnification obligations hereunder shall not be limited to any limitation on the amount, type of damages, compensation or benefits payable by or for the **Contractor** or any subcontractor under workers' compensation acts, disability benefit acts, other employee benefit acts or any statutory bar. This provision shall survive the termination of or completion of all obligations under this Agreement.

#### 8. DUTY TO DEFEND

The **Contractor** agrees, at its own expense, and upon written request by the **Board**, to defend any suit, action or demand brought against the **School Board** on any claim or demand arising out of, resulting from or incidental to **Contractor's** performance under this Agreement.

## 9. CANCELLATION / TERMINATION

In the event any of the provisions of this agreement are violated by the contractor, the Superintendent or their designee, shall give written notice to the **Contractor** stating the deficiencies and unless the deficiencies are corrected within ten (10) days, recommendation will be made to the **School Board** for immediate cancellation. Upon cancellation hereunder, the **School Board** of Indian River County, Florida, may pursue any and all legal remedies as provided herein and by law. The **School Board** of Indian River County, Florida, reserves the right to terminate any contract at any time and for any reason, upon giving ten (10) business days prior written notice to the **Contractor**. If said contract should be terminated for convenience as provided herein, the **School Board** shall be relieved of all obligations under said contract. The **School Board** of Indian River County shall only be required to pay to the **Contractor** that amount of the contract actually performed to the effective date of termination.

## 10. EQUAL EMPLOYMENT OPPORTUNITY

**Contractors** awarded contracts involving Federal Funds in excess of \$10,000 must be in compliance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor Regulations (41 CFR Chapter 60).

## 11. ACCESS TO RECORDS / FLORIDA'S PUBLIC RECORDS LAWS

This Agreement shall be subject to Florida's Public Records Laws, Chapter 119, Florida Statutes. **Contractor** understands the broad nature of these laws and agrees to comply with Florida's Public Records Laws and laws relating to records retention. The **Contractor** shall keep records to show its compliance with program requirements. **Contractors** and subcontractors must make available, upon request of the **School Board**, a Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives, any books, documents, papers, and records of the **Contractor** which are directly pertinent to this specific Agreement for the purpose of making audit, examination, excerpts, and transcriptions. The **Contractor** shall retain all records for five (5) years after final payment is made or received and all pending matters are completed pursuant to Title 34, Sections 80.36(b)(1). Exempt or confidential information should not be disclosed unless authorized by law. **Contractor** shall destroy any duplicate records which are exempt from public records disclosure as set forth in Chapter 119. Upon termination of this agreement all public records in possession of the **Contractor** must be transferred to **School Board** at no cost. If records are stored electronically, the records must be provided in a compatible format to **School Board's** operating system.

## 12. PATENTS, COPYRIGHTS AND ROYALTIES

All books, manuals, films or other materials suitable for copyright or patent, regardless of means of transmission produced as a result of the work or services performed under or in connection with this Agreement, are hereby reserved as the exclusive property of and sole ownership by The **School Board** of Indian River County, Florida, unless and to the extent that the parties agree otherwise, as evidenced in writing and included as a part of this Agreement. **Contractor** shall defend, indemnify and hold the **School Board** and its successors and assigns harmless from and against all third-party claims, suits and proceedings and any and all damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs) incurred as a result of (i) infringement by **Contractor** of any third-party patent, copyright or trademark or (ii) misappropriation by **Contractor** of any third-party trade secret in connection with any of the foregoing. **Contractor** will indemnify and hold harmless the **School Board** from liability of any nature or kind, including costs and expenses for or on account of any copyrighted, service marked, trademarked, patented or unpatented invention, process, article or work manufactured or used in the performance of the Agreement, including its use by the **School Board**. If **Contractor** uses any design, device, materials or works covered by letters, service mark, trademark, patent, copyright or any other intellectual property right, it is mutually agreed and understood without exception that the proposal prices will include all royalties or costs arising from the use of such design, device or materials in any way involved in the work.

### **13. BACKGROUND SCREENING REQUIREMENTS**

In accordance with the requirements of §1012.465, §1012.32 and §1012.467, Florida Statutes, and **School Board Policies** as amended from time to time **Contractor** agrees that, if **Contractor** receives remuneration for services, **Contractor** and all of its employees who provide or may provide services under this Contract will complete criminal history checks, and all background screening requirements, including level 2 screening requirements as outlined in the above-referenced statutes and **School Board Policies** prior to providing services to **The School Board** of Indian River County.

Additionally, **Contractor** agrees that each of its employees, representatives, agents, subcontractors or suppliers who is permitted access on school grounds when students are present, who has direct contact with students or who has access to or control of school funds must meet level 2 screening requirements as described in the above-referenced statutes and **School Board Policies**.

A non-instructional **Contractor** who is exempt from the screening requirements set forth in §1012.465, §1012.468 or §1012.467, Florida Statutes, is subject to a search of his or her name or other identifying information against the registration information regarding sexual predators and sexual offenders maintained by the Department of Law Enforcement under §943.043 and the national sex offender public registry maintained by the United States Department of Justice.

Further, upon obtaining clearance by **School Board**, the **School Board** will issue a photo identification badge, which shall be worn by the individual at all times in plain sight while on **School Board** property when students are present. **Contractor** agrees to bear any and all costs associated with acquiring the required background screening including any costs associated with fingerprinting and obtaining the required photo identification badge. **Contractor** agrees to require all its affected employees to sign a statement, as a condition of employment with **Contractor** in relation to performance under this Bid/RFP/Agreement, agreeing that the employee will abide by the heretofore described background screening requirements, and also agreeing that the employee will notify the **Contractor**/Employer of any arrest(s) or conviction (s) of any offense enumerated in **School Board Policy** 8475 within 48 hours of its occurrence.

**Contractor** agrees to provide the **School Board** with a list of all its employees who have completed background screening as required by the above-referenced statutes and who meet the statutory requirements contained therein. **Contractor** agrees that it has an ongoing duty to maintain and update these lists as new employees are hired and in the event that any previously screened employee fails to meet the statutory standards. **Contractor** further agrees to notify the **School Board** immediately upon becoming aware that one of its employees who was previously certified as completing the background check and meeting the statutory standards is subsequently arrested or convicted of any disqualifying offense. Failure by **Contractor** to notify the **School Board** of such arrest or conviction within 48 hours of being put on notice and within five (5) business days of the occurrence of qualifying arrest or conviction, shall constitute grounds for immediate termination of this Agreement. The parties further agree that failure by **Contractor** to perform any of the duties described in this section shall constitute a material breach of the Agreement entitling the **School Board** to terminate this Agreement immediately with no further responsibility to make payment or perform any other duties under this Agreement.

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As per **School Board Rule** 1113, it is the policy that no District officer or employee, including but not limited to, **Board** members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship with any business entity or any agency which is doing business with an agency of which s/he is an officer or employee, excluding those organization and their officer who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the District.



Furthermore, it is the policy of the **Board** that no District officer or employee, including but not limited to **Board** members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship that will create any conflict whatsoever between his/her private interests and the performance of his/her duties or that would impede the full and faithful discharge of his/her duties. It is the intent of the **Board** that this policy is interpreted consistent with the Florida Commission on Ethics interpretations.

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I certify agreement with the following **School Board Policies**: 6320 Purchasing and Contracting for Goods and Services; 6324 Code of Silence; 6322 Construction Contracting and Bidding; 6540 Consultant Agreements; and 6460 Vendor Relations, and agree to comply with all applicable **School Board** contracting and procurement policies and procedures.

#### 16. ASSIGNMENT

This Agreement may not be assigned nor may any assignment of monies due, or to become due to **Contractor**, be assigned without the prior written agreement of The **School Board** of Indian River County, Florida. If **Contractor** attempts to make such an assignment, such attempt shall constitute a condition of default.

#### 17. DEBARMENT

By signing this Agreement, **Contractor** certifies, to the best of its knowledge and belief, that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency.
- (b) Have not, within the preceding five-year period, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
- (c) Are not presently indicted or otherwise criminally charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in the preceding paragraph (b).
- (d) Have not within the preceding five-year period had one or more public transactions (federal, state or local) terminated for cause or default.
- (e) Have not been debarred by the School Board pursuant to School Board policy 6320.

**Contractor** agrees to notify **School Board** within 30 days after the occurrence of any of the events, actions, debarments, proposals, declarations, exclusions, convictions, judgments, indictments, information, or terminations as described in paragraphs 19(a) – (e) above, with respect to **Contractor** or its principals.

#### 18. DAVIS-BACON ACT LABOR STANDARDS

The **Contractor** shall comply with all applicable provisions of 40 U.S.C. §276a to 276a-7, the Davis-Bacon Act, as supplemented by the Department of Labor regulations (29 C.F.R. Part 5 "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction").

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for any agent or employee of the **Contractor** to behave in a manner which is inconsistent with good conduct or decorum, or to behave in any manner which will disrupt the educational program or constitute any level of threat to safety, health and well-being of any student or employee of the **School Board**. The **Contractor** agrees to immediately remove any agent or employee if directed to do so by the building administrator or designee.

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Nothing herein is intended to serve as a waiver of sovereign immunity by the **School Board**.

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Any notice required or permitted to be given under this agreement by one party to the other party shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the recipient's address set forth in this section or on the date shown on the certificate of receipt if placed in the United States mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the receiving party at the address hereinafter specified.

**Contractor/Vendor Address.** The address for Contractor/Vendor for all purposes under this agreement and for all notices hereunder shall be:

**Contractor/Vendor** Macy Construction Corp  
**Contact's Name/Title** Attn: Mr. Reid Macy  
**Address:** 715 Tumblin Kling Road  
Fort Pierce, FL 34982

**School Board's Address.** The address for the School Board of Indian River County for all purposes under this agreement and for all notices hereunder shall be:

**School Board of Indian River County**  
**Attn: Superintendent, Mark J. Rendell, Ed.D**  
**6500 57<sup>th</sup> Street**  
**Vero Beach, Florida 32967**

**With a copy to:**

**Department** Facilities Planning & Construction  
**Department Director** Attn: Nicholas Westenberger, Director  
**Address:** 6055 62<sup>nd</sup> Avenue  
Vero Beach, FL 32967

**And a copy to:**

**Department** Purchasing  
**Department Director** Attn: Jeff Carver, Director  
**Address:** 6055 62<sup>nd</sup> Avenue  
Vero Beach, FL 32967

#### **24. INSURANCE REQUIREMENTS**

**Contractor** shall provide evidence of insurance as may be required by the **School Board's** Office of Risk and Benefit Department, which may include, without limitation, professional liability, general liability, worker's compensation and auto liability insurance coverage. Upon request, "The **School Board** of Indian River County, Florida, its officers, directors and employees" shall be named as additional insured. Prior to effective date of the Agreement, **Contractor** shall be responsible for providing the **School Board** with (1) certificate(s) of insurance and (2) policy endorsement(s) as proof of said coverage. If the Agreement is pursuant to a Request for Proposal or Invitation to Bid, then the **Contractor** shall also comply with insurance requirements set forth therein. **Contractor** shall maintain insurance coverage in effect for the entire term of the Agreement. Cancellation or modification of terms, without the prior written consent of the **School Board**, shall constitute a material default under the Agreement.

**VENDOR/CONTRACTOR**

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

Macy Construction Corp

Company Name



Signature of Vendor/Contractor

REID MACY

Printed Name of Vendor/Contractor

11-7-17

Date

715 Tumblin Kling Road

Address

Fort Pierce, FL 34982

772-201-0339

TELEPHONE / FAX NUMBER  
FISHSTALKR@aol.com

CONTACT EMAIL ADDRESS

FEIN (BUSINESS) \_\_\_\_\_

SS# (INDIVIDUAL) \_\_\_\_\_

The School Board of Indian River County, Florida



Signature of Chairman, School Board of Indian River County, FL

Shawn R. Frost

Printed Name of Chairman, School Board of Indian River County, FL

11/21/17

Date

6500 57<sup>th</sup> Street

Address

Vero Beach, FL 32967

**MACY CONSTRUCTION CORP**

715 Tumblin Kling Rd.  
Fort Pierce, FL 34982  
Phone (772) 201-0339  
CGC 1512939

**PROPOSAL**

OCT 23, 2017

**TO: INDIAN RIVER COUNTY SCHOOL BOARD**

**FOR: FELSMERE ELEMENTARY**

Quantity	Description	RATE	AMOUNT
	<p>LABOR AND MATERIALS TO INSTALL EXTRUDED ALUMINUM WALKWAY COVER OVER EXISTING WALKWAY. APPROX 238 LINEAL FT. ALL POSTS SET IN ISOLATED CONCRETE FOOTING BRONZE FASCIA AND BEAMS ON FRONT COVER</p> <p>INCLUDES ALL MATERIALS, LABOR AND ENGINEERING FOR COMPLETE PROJECT</p>		
		TOTAL	<b>\$62,500.00</b>

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# 2017 - 2018 Non Instructional 180 Day Calendar

Pay Type 660 Student Monitors

FIRST CHECK 8/31/2017

**August 14 - First Day**

**May 24 - Last Day**

July-17						
S	M	T	W	T	F	S
						1
						0
2	3	4	5	6	7	8
0	0	0	0	0	0	0
9	10	11	12	13	14	15
0	0	0	0	0	0	0
16	17	18	19	20	21	22
0	0	0	0	0	0	0
23	24	25	26	27	28	29
0	0	0	0	0	0	0
30	31					
0	0					

August-17						
S	M	T	W	T	F	S
		1	2	3	4	5
		0	0	0	0	0
6	7	8	9	10	11	12
0	0	0	0	0	0	0
13	14	15	16	17	18	19
0	1	1	1	1	1	0
20	21	22	23	24	25	26
0	1	1	1	1	1	0
27	28	29	30	31		
0	1	1	1	1		

September-17						
S	M	T	W	T	F	S
					1	2
					1	0
3	4	5	6	7	8	9
0	0	1	1	0	0	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	1	1	1	1	1	0
24	25	26	27	28	29	30
0	1	1	1	1	1	0

October-17						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
0	1	1	1	1	0	0
8	9	10	11	12	13	14
0	1	1	1	1	1	0
15	16	17	18	19	20	21
0	1	1	1	1	1	0
22	23	24	25	26	27	28
0	1	1	1	1	1	0
29	30	31				
0	1	1				

November-17						
S	M	T	W	T	F	S
			1	2	3	4
			1	1	1	0
5	6	7	8	9	10	11
0	1	1	1	1	1	0
12	13	14	15	16	17	18
0	1	1	1	1	1	0
19	20	21	22	23	24	25
0	1	1	1	0	0	0
26	27	28	29	30		
0	1	1	1	1		

December-17						
S	M	T	W	T	F	S
					1	2
					1	0
3	4	5	6	7	8	9
0	1	1	1	1	1	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	1	1	1	1	0	0
24	25	26	27	28	29	30
0	0	0	0	0	0	0
31						
0						

January-18						
S	M	T	W	T	F	S
	1	2	3	4	5	6
	0	0	0	1	1	0
7	8	9	10	11	12	13
0	1	1	1	1	1	0
14	15	16	17	18	19	20
0	0	1	1	1	1	0
21	22	23	24	25	26	27
0	1	1	1	1	1	0
28	29	30	31			
0	1	1	1			

February-18						
S	M	T	W	T	F	S
				1	2	3
				1	1	0
4	5	6	7	8	9	10
0	1	1	1	1	1	0
11	12	13	14	15	16	17
0	1	1	1	1	0	0
18	19	20	21	22	23	24
0	0	1	1	1	1	0
25	26	27	28			
0	1	1	1			

March-18						
S	M	T	W	T	F	S
				1	2	3
				1	1	0
4	5	6	7	8	9	10
0	1	1	1	1	1	0
11	12	13	14	15	16	17
0	1	1	1	1	1	0
18	19	20	21	22	23	24
0	1	1	1	1	1	0
25	26	27	28	29	30	31
0	0	0	0	0	0	0

April-18						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
0	1	1	1	1	1	0
8	9	10	11	12	13	14
0	1	1	1	1	1	0
15	16	17	18	19	20	21
0	1	1	1	1	1	0
22	23	24	25	26	27	28
0	1	1	1	1	1	0
29	30					
0	1					

May-18						
S	M	T	W	T	F	S
		1	2	3	4	5
		1	1	1	1	0
6	7	8	9	10	11	12
0	1	1	1	1	1	0
13	14	15	16	17	18	19
0	1	1	1	1	1	0
20	21	22	23	24	25	26
0	1	1	1	1	0	0
27	28	29	30	31		
0	0	0	0	0		
31						
0						

June-18						
S	M	T	W	T	F	S
					1	2
					0	0
3	4	5	6	7	8	9
0	0	0	0	0	0	0
10	11	12	13	14	15	16
0	0	0	0	0	0	0
17	18	19	20	21	22	23
0	0	0	0	0	0	0
24	25	26	27	28	29	30
0	0	0	0	0	0	0

Non Work Days    
  Paid Holidays

Working Days    
  Hurricane Out  
 Hurricane Make Up  
 Hurricane Dy Waived

Grand Total **181**

**Non Workdays**

September 4- Labor Day  
 October 6 - Conference Day  
 November 22-24 - Thanksgiving Holiday  
 December 21-January 3rd - Winter Break  
 January 15 -MLK Day  
 February 16 - Conference Day  
 February 19 - President's Day  
 March 26-30 - Spring Break  
 April 2 - Non Work Day

Calendar 66

# 2017 - 2018 Non Instructional 186 Day Calendar

Pay Type 601, 611, 612, 613, 614, 616, 710, 720 - Teachers Assistants, Cafeteria Workers, Bus Drivers, Bus Assistants, Computer Lab Assistants

FIRST CHECK 8/31/2017

August 14 - First Day

May 24 - Last Day

July-17						
S	M	T	W	T	F	S
						1
						0
2	3	4	5	6	7	8
0	0	0	0	0	0	0
9	10	11	12	13	14	15
0	0	0	0	0	0	0
16	17	18	19	20	21	22
0	0	0	0	0	0	0
23	24	25	26	27	28	29
0	0	0	0	0	0	0
30	31					
0	0					0

August-17						
S	M	T	W	T	F	S
		1	2	3	4	5
		0	0	0	0	0
6	7	8	9	10	11	12
0	0	0	0	0	0	0
13	14	15	16	17	18	19
0	1	1	1	1	1	0
20	21	22	23	24	25	26
0	1	1	1	1	1	0
27	28	29	30	31		
0	1	1	1	1		
						14

September-17						
S	M	T	W	T	F	S
					1	2
					1	0
3	4	5	6	7	8	9
0	1	1	1	0	0	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	1	1	1	1	1	0
24	25	26	27	28	29	30
0	1	1	1	1	1	0
						19

October-17						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
0	1	1	1	1	0	0
8	9	10	11	12	13	14
0	1	1	1	1	1	0
15	16	17	18	19	20	21
0	1	1	1	1	1	0
22	23	24	25	26	27	28
0	1	1	1	1	1	0
29	30	31				
0	1	1				
						21

November-17						
S	M	T	W	T	F	S
			1	2	3	4
			1	1	1	0
5	6	7	8	9	10	11
0	1	1	1	1	1	0
12	13	14	15	16	17	18
0	1	1	1	1	1	0
19	20	21	22	23	24	25
0	1	1	1	1	1	0
26	27	28	29	30		
0	1	1	1	1		
						22

December-17						
S	M	T	W	T	F	S
					1	2
					1	0
3	4	5	6	7	8	9
0	1	1	1	1	1	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	1	1	1	1	1	0
24	25	26	27	28	29	30
0	0	0	0	0	0	0
31						
0						
						15

January-18						
S	M	T	W	T	F	S
	1	2	3	4	5	6
	1	0	0	1	1	0
7	8	9	10	11	12	13
0	1	1	1	1	1	0
14	15	16	17	18	19	20
0	1	1	1	1	1	0
21	22	23	24	25	26	27
0	1	1	1	1	1	0
28	29	30	31			
0	1	1	1			
						21

February-18						
S	M	T	W	T	F	S
				1	2	3
				1	1	0
4	5	6	7	8	9	10
0	1	1	1	1	1	0
11	12	13	14	15	16	17
0	1	1	1	1	1	0
18	19	20	21	22	23	24
0	1	1	1	1	1	0
25	26	27	28			
0	1	1	1			
						19

March-18						
S	M	T	W	T	F	S
				1	2	3
				1	1	0
4	5	6	7	8	9	10
0	1	1	1	1	1	0
11	12	13	14	15	16	17
0	1	1	1	1	1	0
18	19	20	21	22	23	24
0	1	1	1	1	1	0
25	26	27	28	29	30	31
0	0	0	0	0	0	0
						17

April-18						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
0	1	1	1	1	1	0
8	9	10	11	12	13	14
0	1	1	1	1	1	0
15	16	17	18	19	20	21
0	1	1	1	1	1	0
22	23	24	25	26	27	28
0	1	1	1	1	1	0
29	30					
0	1					
						21

May-18						
S	M	T	W	T	F	S
		1	2	3	4	5
		1	1	1	1	0
6	7	8	9	10	11	12
0	1	1	1	1	1	0
13	14	15	16	17	18	19
0	1	1	1	1	1	0
20	21	22	23	24	25	26
0	1	1	1	1	0	0
27	28	29	30	31		
0	0	0	0	0		
31						
0						
						18

June-18						
S	M	T	W	T	F	S
					1	2
					0	0
3	4	5	6	7	8	9
0	0	0	0	0	0	0
10	11	12	13	14	15	16
0	0	0	0	0	0	0
17	18	19	20	21	22	23
0	0	0	0	0	0	0
24	25	26	27	28	29	30
0	0	0	0	0	0	0
						0

Non Work Days
  Paid Holidays

Working Days
  Hurricane Out
  Hurricane Make Up
  Hurricane Dy Waived

Grand Total 187

Paid Holidays	
Sept 4 - Labor Day	
November 23 & 24 - Thanksgiving	
January 1st - New Year's Day	
January 15- MLK Day	
February 19 - Presidents Day	

Non Workdays	
October 6- Conference Day	
November 22 - Thanksgiving Holiday	
December 21- January 3- Winter Break	
February 16 - Conference Day	
March 26-30 - Spring Break	
April 2 - Non Work Day	



# 2017 - 2018 Food Service 196 Day Calendar

Pay Type 153, 602- Food Service Managers & Trainees

FIRST CHECK 8/15/2017

August 7 - First Day

May 25 - Last Day

July-17						
S	M	T	W	T	F	S
						1
						0
2	3	4	5	6	7	8
0	0	0	0	0	0	0
9	10	11	12	13	14	15
0	0	0	0	0	0	0
16	17	18	19	20	21	22
0	0	0	0	0	0	0
23	24	25	26	27	28	29
0	0	0	0	0	0	0
30	31					
0	0					0

August-17						
S	M	T	W	T	F	S
		1	2	3	4	5
		0	0	0	0	0
6	7	8	9	10	11	12
0	1	1	1	1	1	0
13	14	15	16	17	18	19
0	1	1	1	1	1	0
20	21	22	23	24	25	26
0	1	1	1	1	1	0
27	28	29	30	31		
0	1	1	1	1		
						19

September-17						
S	M	T	W	T	F	S
					1	2
					0	0
3	4	5	6	7	8	9
0	1	1	1	0	0	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	1	1	1	1	1	0
24	25	26	27	28	29	30
0	1	1	1	1	1	0
						19

October-17						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
0	1	1	1	1	1	0
8	9	10	11	12	13	14
0	1	1	1	1	1	0
15	16	17	18	19	20	21
0	1	1	1	1	1	0
22	23	24	25	26	27	28
0	1	1	1	1	1	0
29	30	31				
0	1	1				22

November-17						
S	M	T	W	T	F	S
			1	2	3	4
			1	1	1	0
5	6	7	8	9	10	11
0	1	1	1	1	1	0
12	13	14	15	16	17	18
0	1	1	1	1	1	0
19	20	21	22	23	24	25
0	1	1	1	1	1	0
26	27	28	29	30		
0	1	1	1	1		
						22

December-17						
S	M	T	W	T	F	S
					1	2
					0	0
3	4	5	6	7	8	9
0	1	1	1	1	1	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	1	1	1	1	1	0
24	25	26	27	28	29	30
0	0	0	0	0	0	0
31						
0						15

January-18						
S	M	T	W	T	F	S
	1	2	3	4	5	6
	1	0	1	1	1	0
7	8	9	10	11	12	13
0	1	1	1	1	1	0
14	15	16	17	18	19	20
0	1	1	1	1	1	0
21	22	23	24	25	26	27
0	1	1	1	1	1	0
28	29	30	31			
0	1	1	1			22

February-18						
S	M	T	W	T	F	S
				1	2	3
				1	1	0
4	5	6	7	8	9	10
0	1	1	1	1	1	0
11	12	13	14	15	16	17
0	1	1	1	1	1	0
18	19	20	21	22	23	24
0	1	1	1	1	1	0
25	26	27	28			
0	1	1	1			20

March-18						
S	M	T	W	T	F	S
				1	2	3
				1	1	0
4	5	6	7	8	9	10
0	1	1	1	1	1	0
11	12	13	14	15	16	17
0	1	1	1	1	1	0
18	19	20	21	22	23	24
0	1	1	1	1	1	0
25	26	27	28	29	30	31
0	0	0	0	0	0	0
						17

April-18						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
0	1	1	1	1	1	0
8	9	10	11	12	13	14
0	1	1	1	1	1	0
15	16	17	18	19	20	21
0	1	1	1	1	1	0
22	23	24	25	26	27	28
0	1	1	1	1	1	0
29	30					
0	1					21

May-18						
S	M	T	W	T	F	S
		1	2	3	4	5
		1	1	1	1	0
6	7	8	9	10	11	12
0	1	1	1	1	1	0
13	14	15	16	17	18	19
0	1	1	1	1	1	0
20	21	22	23	24	25	26
0	1	1	1	1	1	0
27	28	29	30	31		
0	0	0	0	0		
31						
0						19

June-18						
S	M	T	W	T	F	S
					1	2
					0	0
3	4	5	6	7	8	9
0	0	0	0	0	0	0
10	11	12	13	14	15	16
0	0	0	0	0	0	0
17	18	19	20	21	22	23
0	0	0	0	0	0	0
24	25	26	27	28	29	30
0	0	0	0	0	0	0
						0

Non Work Days
  Paid Holiday
  Working Days
  NO SCHOOL- Conference Day off

Grand Total **196**

Paid Holidays
Sept 4 - Labor Day
November 23 & 24- Thanksgiving
January 1st - New Year's Day
January 15- MLK Day
February 19 - Presidents Day

Non Workdays
November 22 - Thanksgiving Holiday
December 21- January 2- Winter Break
March 26-30 - Spring Break

Hurricane Out
  Hurricane Make Up
  Hurricane Waived Day

# 2017 - 2018 Non Instructional 196 Day Calendar

Pay Type 603, 604, 830 - Media Assistants, 10 Month Pro/Tech., Health Assistants and Nurses,

FIRST CHECK 8/15/2017

August 3 - First Day

May 25 - Last Day

July-17						
S	M	T	W	T	F	S
						1
						0
2	3	4	5	6	7	8
0	0	0	0	0	0	0
9	10	11	12	13	14	15
0	0	0	0	0	0	0
16	17	18	19	20	21	22
0	0	0	0	0	0	0
23	24	25	26	27	28	29
0	0	0	0	0	0	0
30	31					
0	0					

August-17						
S	M	T	W	T	F	S
		1	2	3	4	5
		0	0	1	1	0
6	7	8	9	10	11	12
0	1	1	1	1	1	0
13	14	15	16	17	18	19
0	1	1	1	1	1	0
20	21	22	23	24	25	26
0	1	1	1	1	1	0
27	28	29	30	31		
0	1	1	1	1		

September-17						
S	M	T	W	T	F	S
					1	2
					1	0
3	4	5	6	7	8	9
0	1	1	1	0	0	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	1	1	1	1	1	0
24	25	26	27	28	29	30
0	1	1	1	1	1	0

October-17						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
0	1	1	1	1	0	0
8	9	10	11	12	13	14
0	1	1	1	1	1	0
15	16	17	18	19	20	21
0	1	1	1	1	1	0
22	23	24	25	26	27	28
0	1	1	1	1	1	0
29	30	31				
0	1	1				

November-17						
S	M	T	W	T	F	S
			1	2	3	4
			1	1	1	0
5	6	7	8	9	10	11
0	1	1	1	1	1	0
12	13	14	15	16	17	18
0	1	1	1	1	1	0
19	20	21	22	23	24	25
0	1	1	1	1	1	0
26	27	28	29	30		
0	1	1	1	1		

December-17						
S	M	T	W	T	F	S
					1	2
					1	0
3	4	5	6	7	8	9
0	1	1	1	1	1	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	1	1	1	1	1	0
24	25	26	27	28	29	30
0	0	0	0	0	0	0
31						
0						

January-18						
S	M	T	W	T	F	S
	1	2	3	4	5	6
	1	0	1	1	1	0
7	8	9	10	11	12	13
0	1	1	1	1	1	0
14	15	16	17	18	19	20
0	1	1	1	1	1	0
21	22	23	24	25	26	27
0	1	1	1	1	1	0
28	29	30	31			
0	1	1	1			

February-18						
S	M	T	W	T	F	S
				1	2	3
				1	1	0
4	5	6	7	8	9	10
0	1	1	1	1	1	0
11	12	13	14	15	16	17
0	1	1	1	1	1	0
18	19	20	21	22	23	24
0	1	1	1	1	1	0
25	26	27	28			
0	1	1	1			

March-18						
S	M	T	W	T	F	S
					1	2
					1	0
4	5	6	7	8	9	10
0	1	1	1	1	1	0
11	12	13	14	15	16	17
0	1	1	1	1	1	0
18	19	20	21	22	23	24
0	1	1	1	1	1	0
25	26	27	28	29	30	31
0	0	0	0	0	0	0

April-18						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
0	1	1	1	1	1	0
8	9	10	11	12	13	14
0	1	1	1	1	1	0
15	16	17	18	19	20	21
0	1	1	1	1	1	0
22	23	24	25	26	27	28
0	1	1	1	1	1	0
29	30					
0	1					

May-18						
S	M	T	W	T	F	S
			1	2	3	4
			1	1	1	0
6	7	8	9	10	11	12
0	1	1	1	1	1	0
13	14	15	16	17	18	19
0	1	1	1	1	1	0
20	21	22	23	24	25	26
0	1	1	1	1	1	0
27	28	29	30	31		
0	0	0	0	0		
31						
0						

June-18						
S	M	T	W	T	F	S
					1	2
					0	0
3	4	5	6	7	8	9
0	0	0	0	0	0	0
10	11	12	13	14	15	16
0	0	0	0	0	0	0
17	18	19	20	21	22	23
0	0	0	0	0	0	0
24	25	26	27	28	29	30
0	0	0	0	0	0	0

Non Work Days

Paid Holidays

Working Days

Hurricane Out

Hurricane Make Up

Hurricane Day Waived

Grand Total

196

Paid Holidays
Sept 4 - Labor Day
November 23 & 24 - Thanksgiving
January 1st - New Year's Day
January 15- MLK Day
February 19 - Presidents Day

Non Workdays
October 6- Conference Day
November 22 - Thanksgiving Holiday
December 21- January 2- Winter Break
February 16 - Conference Day
March 26-30 - Spring Break

NOTE: 8/3, & 8/4 may be scheduled as non-work days for Media Assistants only  
Media Assistants will make up the time on (2) Conference nights as per site direction  
Time will be tracked at the site level. Any employee who does not  
work the Conference nights, will be docked leave time or salary, if no leave is  
available.

# 2017 - 2018 Non Instructional 220 Day Calendar

Pay Type 102, 151, 606, 610, 615, 810, 850 - Asst Principals, 11 Mth Secretaries, Auto Service Workers, Dispatchers, Receptionists and 11 Mth Professional Technical

FIRST CHECK 7/31/2017

July 20 - First Day

June 15 - Last Day

July-17						
S	M	T	W	T	F	S
						1
						0
2	3	4	5	6	7	8
0	0	0	0	0	0	0
9	10	11	12	13	14	15
0	0	0	0	0	0	0
16	17	18	19	20	21	22
0	0	0	0	1	1	0
23	24	25	26	27	28	29
0	1	1	1	1	1	0
30	31					
0	1					

August-17						
S	M	T	W	T	F	S
		1	2	3	4	5
		1	1	1	1	0
6	7	8	9	10	11	12
0	1	1	1	1	1	0
13	14	15	16	17	18	19
0	1	1	1	1	1	0
20	21	22	23	24	25	26
0	1	1	1	1	1	0
27	28	29	30	31		
0	1	1	1	1		

September-17						
S	M	T	W	T	F	S
					1	2
					1	0
3	4	5	6	7	8	9
0	1	1	1	0	0	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	1	1	1	1	1	0
24	25	26	27	28	29	30
0	1	1	1	1	1	0

October-17						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
0	1	1	1	1	0	0
8	9	10	11	12	13	14
0	1	1	1	1	1	0
15	16	17	18	19	20	21
0	1	1	1	1	1	0
22	23	24	25	26	27	28
0	1	1	1	1	1	0
29	30	31				
0	1	1				

November-17						
S	M	T	W	T	F	S
			1	2	3	4
			1	1	1	0
5	6	7	8	9	10	11
0	1	1	1	1	1	0
12	13	14	15	16	17	18
0	1	1	1	1	1	0
19	20	21	22	23	24	25
0	1	1	1	1	1	0
26	27	28	29	30		
0	1	1	1	1		

December-17						
S	M	T	W	T	F	S
					1	2
					1	0
3	4	5	6	7	8	9
0	1	1	1	1	1	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	1	1	1	1	1	0
24	25	26	27	28	29	30
0	0	0	0	0	0	0
31						
0						

January-18						
S	M	T	W	T	F	S
	1	2	3	4	5	6
	1	0	1	1	1	0
7	8	9	10	11	12	13
0	1	1	1	1	1	0
14	15	16	17	18	19	20
0	1	1	1	1	1	0
21	22	23	24	25	26	27
0	1	1	1	1	1	0
28	29	30	31			
0	1	1	1			

February-18						
S	M	T	W	T	F	S
				1	2	3
				1	1	0
4	5	6	7	8	9	10
0	1	1	1	1	1	0
11	12	13	14	15	16	17
0	1	1	1	1	1	0
18	19	20	21	22	23	24
0	1	1	1	1	1	0
25	26	27	28			
0	1	1	1			

March-18						
S	M	T	W	T	F	S
					1	2
					1	0
4	5	6	7	8	9	10
0	1	1	1	1	1	0
11	12	13	14	15	16	17
0	1	1	1	1	1	0
18	19	20	21	22	23	24
0	1	1	1	1	1	0
25	26	27	28	29	30	31
0	0	0	0	0	0	0

April-18						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
0	1	1	1	1	1	0
8	9	10	11	12	13	14
0	1	1	1	1	1	0
15	16	17	18	19	20	21
0	1	1	1	1	1	0
22	23	24	25	26	27	28
0	1	1	1	1	1	0
29	30					
0	1					

May-18						
S	M	T	W	T	F	S
		1	2	3	4	5
		1	1	1	1	0
6	7	8	9	10	11	12
0	1	1	1	1	1	0
13	14	15	16	17	18	19
0	1	1	1	1	1	0
20	21	22	23	24	25	26
0	1	1	1	1	1	0
27	28	29	30	31		
0	0	1	1	1		
31						
0						

June-18						
S	M	T	W	T	F	S
					1	2
					1	0
3	4	5	6	7	8	9
0	1	1	1	1	1	0
10	11	12	13	14	15	16
0	1	1	1	1	1	0
17	18	19	20	21	22	23
0	0	0	0	0	0	0
24	25	26	27	28	29	30
0	0	0	0	0	0	0

Non Work Days Paid Holidays

Working Days Hurricane Out  
Hurricane Make Up  
Hurricane Dy Waived

Grand Total **220**

**Paid Holidays**  
Sept 4 - Labor Day  
November 23 & 24- Thanksgiving  
January 1 - New Years Day  
January 15- MLK Day  
February 19 - Presidents Day

**Non Workdays**  
October 6 - Conference Day  
November 22 - Thanksgiving Holiday  
December 21- January 2- Winter Break  
February 16 - Conference Day  
March 26-30 - Spring Break  
May 28 - Memorial Day

Calendar 27

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## THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA SERVICE AGREEMENT

**THIS AGREEMENT**, entered into this 22 day of November, 2017, by and between the School Board of Indian River County, Florida, 6500 57<sup>th</sup> Street, Vero Beach, FL 32967, (hereinafter referred to as the “School Board”), and Senior Resource Association/Indian River Transit Paratransit Eligibility Specialist 4385 43<sup>rd</sup> Avenue, Vero Beach, FL 32967, (hereinafter referred to as the “PROVIDER”), as follows:

### 1. DESCRIPTION OF SERVICES

The Provider shall, in a satisfactory and proper manner as determined by the Superintendent, perform the following:

- a. **Nature of Services:** The Provider agrees to provide residential curb to curb transportation services to students with disabilities within the school district who live in areas which are deemed inaccessible by school bus. All services provided by the Provider in accordance with this Agreement shall be performed by its employees at a cost of \$20 weekly per student to the School Board for the Provider’s services.
- b. The Provider will provide services to students identified by transportation department (via written referral) as needing specialized transportation arrangements due to inaccessibility of school bus. Students referred will have an Individual Education Plan (IEP) on file with the designation of curb to curb transportation services.

**Standards.** Provider will ensure their vehicles are inspected by an approved FDOT Inspection Company once a year and meets all the standards for paratransit transportation to students upon each Contract renewal date. A copy of the FMCSA Annual Vehicle Inspection Label and Annual Vehicle Inspection Report will be submitted to the Transportation Department prior to the first day of Services.

- **Vehicle Standards.** Provider will transport students in their inspected bus and follow all School District guidelines for student capacity and procedures.
- **Driver Standards.** The driver for Provider will hold a Class E license for transporting students and adults. A copy of the driver’s Class E license will be submitted to the Transportation Department prior to the first day of Services.

- c. Senior Resource Association/Indian River Transit staff will perform transportation duties. The transportation services provided will be AM/PM pickup from student's physical address to/from assigned school. School pickup and drop-off time will be determined based on start and dismissal times. The transportation department will inform parents of designated pickup and drop-off times. Parent supervision is required at both AM pickup time and PM drop-off time. Student will not be released in the PM without the transfer of supervision to parent/caregiver. The school board will acknowledge SRA will prioritize these trips the same way they prioritize Transportation Disadvantaged paratransit trips and services rendered to the school district will not preclude any service done for the county.
- d. Confidential Student Information: For the purposes of performing the above scope of services only, Provider is hereby designated a school official for the purposes of receiving limited confidential student information and the Provider shall remain under the direct control of the School Board with respect to the use and maintenance of the confidential student information. Provider acknowledges and agrees that it will not disclose the confidential student information to any other person or entity, and will only use the confidential student information for the purpose listed in paragraph 1 above and for no other purpose. Upon the completion of the services, Provider shall return to School Board all original and any copies of the confidential student information, and shall not retain any confidential student information. As Provider will be receiving student information that is otherwise confidential, Provider shall fully comply with the requirements of § 1002.22 and § 1002.221, Florida Statutes, and any other law or regulation, either federal or State of Florida, regarding confidentiality of student information and records. Further, Provider for itself, and its officers, employees, agents, representatives, contractors, and subcontractors, shall fully indemnify and hold the School Board and its officers and employees harmless for any violation of this provision, including, but not limited to defending the School Board and its officers and employees against any complaint, administrative or judicial proceeding, payment of any penalty imposed upon the School Board, or payment of any and all costs, damages, judgments, or losses incurred by or imposed upon the School Board arising out of the breach of this provision by the Provider, or its officers, employees, agents, representatives, contractors, and subcontractors, to the extent that the Provider shall either intentionally or negligently violate this provision, or § 1002.22 or § 1002.221, Florida Statutes. This provision shall survive the termination of or completion of all obligations under this Agreement and shall be fully binding upon the Provider until such time as any proceeding which may be brought on account of this provision is barred by any applicable statute of limitations.

## 2. LOCATION OF SERVICES

Services will be provided to and from designated school locations within the Indian River County School District with the main office located at 6500 57<sup>th</sup> Street Vero Beach, FL 32967.

## 3. TERM OF AGREEMENT

The Provider shall commence performance of the Agreement on the 22 day of November, 2017, and the Agreement shall continue until such time as either party may terminate it in writing.

## 4. PAYMENT SCHEDULE

Payment will be generated by the School Board's Accounts Payable Department within forty-five (45) days after completion of services and receipt of invoice(s). Payment will be made as indicated below:

- One lump sum payment in the amount of \$ \_\_\_\_\_ upon completion of services
- Partial payments in the amount of \$ \_\_\_\_\_ after/before each \_\_\_\_\_
- Payment of District approved invoices

## 5. REGULATIONS & ORDINANCES

The Provider shall comply with all applicable laws, ordinances, codes, rules and regulations of federal, state and local governments being licensed, if required, for performance of any work under this Agreement.

## 6. ENTIRE AGREEMENT

It is understood and agreed that this Agreement including Purchase Order Terms & Conditions, contains the complete understanding and agreement of the parties. No stipulation, agreement or understanding shall be valid or enforceable unless contained in this Agreement. No representations or statements made by any employees, agents or representatives of either party shall be binding on either party as a warranty or otherwise, except as expressly set forth herein.

## 7. GOVERNING LAW; VENUE

This Agreement shall be governed by, and construed in accordance with the laws of the State of Florida. In the event of litigation, venue for any claim shall lie exclusively in a court of competent jurisdiction in Indian River County. All parties shall be responsible for their own attorneys' fees.

## **8. INDEMNIFICATION / HOLD HARMLESS AGREEMENT**

Provider shall, in addition to any other obligation to indemnify the School Board of Indian River County, Florida, protect, defend, indemnify and hold harmless the School Board, its agents, officers, elected officials and employees from and against all claims, actions, liabilities, losses (including economic losses), costs arising out of any actual or alleged bodily injury, sickness, disease or death, or injury to or destruction of tangible property including the loss of use resulting therefrom, or any other damage or loss arising out of, or claimed to have resulted in whole or part from any actual or alleged act or omission of the Provider, subcontractor, anyone directly or indirectly employed by any of them, of anyone for whose acts any of them may be liable in the performance of the work, or violation of law, statute, ordinance, governmental administration order, rule or regulation by Provider in the performance of the work; or liens, claims or actions made by the Provider or any subcontractor or other party performing the work. The indemnification obligations hereunder shall not be limited to any limitation on the amount, type of damages, compensation or benefits payable by or for the Provider or any subcontractor under workers' compensation acts, disability benefit acts, other employee benefit acts or any statutory bar. This provision shall survive the termination of or completion of all obligations under this Agreement.

## **9. DUTY TO DEFEND**

The Provider agrees, at its own expense, and upon written request by the Board, to defend any suit, action or demand brought against the School Board on any claim or demand arising out of, resulting from or incidental to Provider's performance under this Agreement.

## **10. CANCELLATION / TERMINATION**

In the event any of the provisions of this agreement are violated by the Provider, the Superintendent or designee, shall give written notice to the Provider stating the deficiencies and unless the deficiencies are corrected within ten (10) days, recommendation will be made to the School Board for immediate cancellation. Upon cancellation hereunder, the School Board of Indian River County, Florida, may pursue any and all legal remedies as provided herein and by law. The School Board of Indian River County, Florida, reserves the right to terminate any contract at any time and for any reason, upon giving ten (10) days prior written notice to the Provider. If said contract should be terminated for convenience as provided herein, the School Board shall be relieved of all obligations under said contract. The School Board of Indian River County shall only be required to pay to the Provider that amount of the contract actually performed to the effective date of termination.



## **11. EQUAL EMPLOYMENT OPPORTUNITY**

Providers awarded contracts involving Federal Funds in excess of \$10,000 must be in compliance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor Regulations (41 CFR Chapter 60).

## **12. ACCESS TO RECORDS / FLORIDA'S PUBLIC RECORDS LAWS**

This Agreement shall be subject to Florida's Public Records Laws, Chapter 119, Florida Statutes. Provider understands the broad nature of these laws and agrees to comply with Florida's Public Records Laws and laws relating to records retention. The Provider shall keep records to show its compliance with program requirements. Providers and subcontractors must make available, upon request of the School Board, the United States Department of Education, the Comptroller General of the United States, the Florida Department of Education, or any of their duly authorized representatives, any books, documents, papers, and records of the Provider which are directly pertinent to this specific Agreement for the purpose of making audit, examination, excerpting, and transcribing. The Provider shall retain all records for five (5) years after final payment is made or received and all pending matters are completed pursuant to Title 34, Sections 80.36(b)(1). Exempt or confidential information should not be disclosed unless authorized by law. Provider shall destroy any duplicate records which are exempt from public records disclosure as set forth in Chapter 119. Upon termination of this agreement all public records in possession of the Provider must be transferred to School Board at no cost. If records are stored electronically, the records must be provided in a compatible format to School Board's operating system.

## **13. PATENTS, COPYRIGHTS AND ROYALTIES**

All books, manuals, films or other materials suitable for copyright or patent, regardless of means of transmission produced as a result of the work or services performed under or in connection with this Agreement, are hereby reserved as the exclusive property of and sole ownership by The School Board of Indian River County, Florida, unless and to the extent that the parties agree otherwise, as evidenced in writing and included as a part of this Agreement. Provider shall defend, indemnify and hold the School Board and its successors and assigns harmless from and against all third-party claims, suits and proceedings and any and all damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs) incurred as a result of (i) infringement by Provider of any third-party patent, copyright or trademark or (ii) misappropriation by Provider of any third-party trade secret in connection with any of the foregoing. Provider will indemnify and hold harmless the School Board from liability of any nature or kind, including costs and expenses for

or on account of any copyrighted, service marked, trademarked, patented or unpatented invention, process, article or work manufactured or used in the performance of the Agreement, including its use by the School Board. If Provider uses any design, device, materials or works covered by letters, service mark, trademark, patent, copyright or any other intellectual property right, it is mutually agreed and understood without exception that the proposal prices will include all royalties or costs arising from the use of such design, device or materials in any way involved in the work.

#### **14. BACKGROUND SCREENING REQUIREMENTS**

In accordance with the requirements of §1012.465, §1012.32 and §1012.467, Florida Statutes, and School Board Policies as amended from time to time Provider agrees that, if Provider receives remuneration for services, Provider and all of its employees who provide or may provide services under this Provider will complete criminal history checks, and all background screening requirements, including level 2 screening requirements as outlined in the above-referenced statutes and School Board Policies prior to providing services to The School Board of Indian River County.

Additionally, Provider agrees that each of its employees, representatives, agents, subcontractors or suppliers who are permitted access on school grounds when students are present, who has direct contact with students or who has access to or control of school funds must meet level 2 screening requirements as described in the above-referenced statutes and School Board Policies.

A non-instructional contractor who is exempt from the screening requirements set forth in §1012.465, §1012.468 or §1012.467, Florida Statutes, is subject to a search of his or her name or other identifying information against the registration information regarding sexual predators and sexual offenders maintained by the Department of Law Enforcement under §943.043 and the national sex offender public registry maintained by the United States Department of Justice.

Further, upon obtaining clearance by School Board, the School Board will issue a photo identification badge, which shall be worn by the individual at all times in plain sight while on School Board property when students are present.

Provider agrees to bear any and all costs associated with acquiring the required background screening -- including any costs associated with fingerprinting and obtaining the required photo identification badge. Provider agrees to require all its affected employees to sign a statement, as a condition of employment with Provider in relation to performance under this Agreement, agreeing that the employee will abide by the heretofore described background screening requirements, and also agreeing that the employee will notify the Provider/Employer of any arrest(s) or conviction (s) of any offense enumerated in School Board Policy 8475 within 48 hours of its occurrence.

Provider agrees to provide the School Board with a list of all its employees who have completed background screening as required by the above-referenced statutes and who meet the statutory requirements contained therein. Provider agrees that it has an ongoing duty to maintain and update

these lists as new employees are hired and in the event that any previously screened employee fails to meet the statutory standards. Provider further agrees to notify the School Board immediately upon becoming aware that one of its employees who was previously certified as completing the background check and meeting the statutory standards is subsequently arrested or convicted of any disqualifying offense. Failure by Provider to notify the School Board of such arrest or conviction within 48 hours of being put on notice and within five (5) business days of the occurrence of qualifying arrest or conviction, shall constitute grounds for immediate termination of this Agreement.

The parties further agree that failure by Provider to perform any of the duties described in this section shall constitute a material breach of the Agreement entitling the School Board to terminate this Agreement immediately with no further responsibility to make payment or perform any other duties under this Agreement.

#### **15. CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP**

As per School Board Rule 1113, it is the policy that no District officer or employee, including but not limited to, Board members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship with any business entity or any agency which is doing business with an agency of which s/he is an officer or employee, excluding those organization and their officer who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the District.

Furthermore, it is the policy of the Board that no District officer or employee, including but not limited to Board members, administrators, instructional staff members, or support staff members, shall have or hold any employment or contractual relationship that will create any conflict whatsoever between his/her private interests and the performance of his/her duties or that would impede the full and faithful discharge of his/her duties.

It is the intent of the Board that this policy is interpreted consistent with the Florida Commission on Ethics interpretations.

#### **16. COMPLIANCE WITH BOARD POLICIES**

I certify agreement with the following School Board Policies: 6320 Purchasing and Contracting for Goods and Services; 6324 Code of Silence; 6322 Construction Contracting and Bidding; 6540 Consultant Agreements; and 6460 Vendor Relations, and agree to comply with all applicable School Board contracting and procurement policies and procedures.

#### **17. ASSIGNMENT**

This Agreement may not be assigned nor may any assignment of monies due, or to become due to Provider, be assigned without the prior written agreement of The School Board of Indian River

County, Florida. If Provider attempts to make such an assignment, such attempt shall constitute a condition of default.

## **18. DEBARMENT**

By signing this Agreement, Provider certifies, to the best of its knowledge and belief, that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency.
- (b) Have not, within the preceding five-year period, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
- (c) Are not presently indicted or otherwise criminally charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in the preceding paragraph (b).
- (d) Have not within the preceding five-year period had one or more public transactions (federal, state or local) terminated for cause or default.
- (e) Have not been debarred by the School Board pursuant to School Board policy 6320.

Provider agrees to notify School Board within 30 days after the occurrence of any of the events, actions, debarments, proposals, declarations, exclusions, convictions, judgments, indictments, informations, or terminations as described in paragraphs 18(a) – (e) above, with respect to Contractor or its principals.

## **19. CONDUCT WHILE ON SCHOOL PROPERTY**

The Provider acknowledges that its employees and agents must behave in an appropriate manner while on the premises of any school facility and shall at all times conduct themselves in a manner consistent with School Board Policies and subject to the administrator of designee. It will be considered a breach of this Agreement for any agent or employee of the Provider to behave in a manner which is inconsistent with good conduct or decorum, or to behave in any manner which

will disrupt the educational program or constitute any level of threat to safety, health and well-being of any student or employee of the School Board. The Provider agrees to immediately remove any agent or employee if directed to do so by the building administrator or designee.

## **20. NO WAIVER**

Nothing herein is intended to serve as a waiver of sovereign immunity by the School Board.

## **21. NON-DISCRIMINATION**

The parties shall not discriminate against any employee or participant in the performance of the duties, responsibilities and obligations under this Agreement because of race, color, religion, gender, age, marital status, disability, political or religious beliefs, or national or ethnic origin.

## **22. NO TAXES**

The School Board is not obligated and does not agree to pay any federal, state, or local tax as a result of this agreement. The only exemption regarding payment of taxes shall be for situations that involve re-sale of product to the public for the purpose of fund-raising.

## **23. WRITTEN NOTICE DELIVERY**

Any notice required or permitted to be given under this agreement by one party to the other party shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the recipient's address set forth in this section or on the date shown on the certificate of receipt if placed in the United States mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the receiving party at the address hereinafter specified.

**Provider/Vendor Address.** The address for Provider/Vendor for all purposes under this agreement and for all notices hereunder shall be:

Provider/Vendor: Senior Resource Association/Indian River Transit.  
Contact's Name/Title: Attn: Karen Diegl/CEO  
Address: 4385 43<sup>rd</sup> Avenue Vero Beach, FL 32967

**School Board's Address.** The address for the School Board of Indian River County for all purposes under this agreement and for all notices hereunder shall be:

School Board of Indian River County  
Attn: Superintendent Mark Rendell  
6500 57<sup>th</sup> Street  
Vero Beach, Florida 32967



Contract Number \_\_\_\_\_ (Fore Procurement Use Only)

**With a copy to:**

Department: IRCSA Transportation Dept.  
 Department Director: Attn: Jennifer B. Idlette  
 Address: 5235 41<sup>st</sup> Street  
 Vero Beach, FL 32967

**24. INSURANCE REQUIREMENTS**

During the term of this Agreement, the Provider shall maintain the following insurance coverage in accordance with the requirements hereinafter stated:

- i. Commercial general liability coverage with limits of at least \$1,000,000.00 per occurrence; \$2,000,000.00 aggregate.
- ii. Automobile liability coverage of at least \$200,000.00 per occurrence; \$600,000.00 aggregate.
- iii. Professional liability or errors and omissions insurance with coverage of at least \$100,000.00 per occurrence; \$300,000.00 aggregate.

The insurance shall be issued by insurers licensed and authorized to issue policies of insurance in Florida, and each policy required shall be issued by a carrier with preferably a BEST rating of A+ or better. THE SCHOOL BOARD OF INDIAN RIVER COUNTY shall be named as an additional insured on each policy and the Contractor shall provide certificates of insurance for each policy showing the SCHOOL BOARD as an additional insured, before beginning services under this contract.

**VENDOR/CONTRACTOR**

BY: [Signature]  
 (Signature)

Karen Diegl  
CEO

4385 43<sup>rd</sup> Avenue  
Vero Beach, FL 32967

DATE: 11/16/17

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

BY: [Signature]  
 Signature (Superintendent of Schools or Designee)

Mark J. Rendell  
Superintendent

DATE: 11/21/2017

2017-18 Recurring Vendors Purchase Order authority report 9-30-2017

Vendor Number	Vendor Name	2017/18 Purchase Order/Spend Authority Approved	PO amount issued / Expenditures YTD thru 9/30/2017	2017/18 Remaining Authority	Category	Bid/RFP/Contract Piggyback Reference or Bid Exempt
<b>V090359</b>	<b>1ST FIRE AND SECURITY</b>	<b>\$ 225,000.00</b>			Fire Alarms - inspect,test,repair	<b>St. Lucie Co Bid #14-043 (Repair only)</b>
P.O.Number	Date		Amount			
1800010	07.01.2017		\$ 31,250.00		Blanket Fire Alarm Inspections D/W	
1800012	07.01.2017		\$ 6,720.00		Blanket Fire Alarm Monitoring D/W	
1800528	07.12.2017		\$ 49,000.00		Blanket Fire Alarm Repair D/W	
1800536	07.12.2017		\$ 4,318.71		SRHS - replacement	
1800750	07.18.2017		\$ 1,550.00		SRMS - replacement	
1801085	07.26.2017		\$ 1,940.00		FLC new installation	
1801089	07.26.2017		\$ 1,528.00		TCE replace card	
1801187	08.02.2017		\$ 5,000.00		Rosewood - new installation	
1801993	09.27.2017		\$ 5,000.00		Insurance deductible for GMS	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 106,306.71</b>	<b>\$ 118,693.29</b>		
<b>V081198</b>	<b>ADVANCED PLACEMENT</b>	<b>\$ 160,000.00</b>			Instructional Materials	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount			
1800690	THRU 9.30.17 subtotal.....		\$ 118,627.00	\$ 41,373.00	Exams, testing charges VBHS	
<b>V080053</b>	<b>AFLAC</b>	<b>\$ 156,200.00</b>			Employee Benefits	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 29,767.11</b>	<b>\$ 126,432.89</b>		
<b>V101900</b>	<b>AMERIGAS</b>	<b>\$ 325,000.00</b>			LP Fuel for school buses	<b>Broward Co. Schools Bid #15-024R</b>
P.O.Number	Date		Amount			
18000308	THRU 9.30.17 subtotal.....		\$ 99,000.00	\$ 226,000.00		
<b>V085007</b>	<b>CDW GOVERNMENT LLC</b>	<b>\$ 900,000.00</b>			Technology Equipment/Software	<b>NJPA Contract #100614</b>
P.O.Number	Date		Amount			
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 255,106.10</b>	<b>\$ 644,893.90</b>		
<b>V013080</b>	<b>CITY OF VERO BEACH UTILITIES</b>	<b>\$ 1,600,000.00</b>			Utilities	<b>Bid Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 402,055.65</b>	<b>\$ 1,197,944.35</b>		
<b>V080054</b>	<b>CONSECO HEALTH INS CO</b>	<b>\$ 164,800.00</b>			Employee Benefits	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 22,280.94</b>	<b>\$ 142,519.06</b>		
<b>V099396</b>	<b>DAVIS VISION INC</b>	<b>\$ 155,000.00</b>			Employee Vision Benefits	<b>6A-1.012(15) Exempt</b>

2017-18 Recurring Vendors Purchase Order authority report 9-30-2017

Vendor Number	Vendor Name	2017/18 Purchase Order/Spend Authority Approved	PO amount issued / Expenditures YTD thru 9/30/2017	2017/18 Remaining Authority	Category	Bid/RFP/Contract Piggyback Reference or Bid Exempt
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 37,273.85</b>	<b>\$ 117,726.15</b>		
<b>V099393</b>	<b>DELTA DENTAL INSURANCE CO</b>	<b>\$ 1,380,400.00</b>			Employee Dental Benefits	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 327,018.92</b>	<b>\$ 1,053,381.08</b>		
<b>V088974</b>	<b>EE&amp;G ENVIRONMENTAL</b>	<b>\$ 120,000.00</b>			Environmental Services	<b>Brevard Co. RFP #14-P-079-DR</b>
P.O.Number	Date		Amount			
1801388	08.14.2017		\$ 500.00		Blanket PO for emergencies	
1801403	08.14.2017		\$ 10,000.00		Blanket PO for after hour services	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 10,500.00</b>	<b>\$ 109,500.00</b>		
<b>V101504</b>	<b>FAMOSO INC dba MANPOWER</b>	<b>\$ 150,000.00</b>			Substitute Custodians	<b>FL State Alt. Contr #3141800-14-ACS</b>
P.O.Number	Date		Amount			
1800219	07.01.2017		\$ 49,000.00		Blanket for subs	
10801796	09.07.2017		\$ 1,000.00		Blanket to clean shelters	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 50,000.00</b>	<b>\$ 100,000.00</b>		
<b>V089969</b>	<b>FIRST FINANCIAL ADMIN.</b>	<b>\$ 115,200.00</b>			Employee Benefits	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 17,701.02</b>	<b>\$ 97,498.98</b>		
<b>V023780</b>	<b>FLORIDA POWER &amp; LIGHT</b>	<b>\$ 2,696,200.00</b>			Utilities	<b>Bid Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 845,293.03</b>	<b>\$ 1,850,906.97</b>		
<b>V023900</b>	<b>FL. SCHOOL BOOK DEPOSITORY</b>	<b>\$ 1,719,141.88</b>			Instructional Materials/Supplies	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 1,140,273.29</b>	<b>\$ 578,868.59</b>		
<b>V024025</b>	<b>FL TRANSP. SYSTEMS</b>	<b>\$ 1,150,000.00</b>			School Buses / Parts & Inventory	<b>DOE BID #2017-01 (buses only)</b>
P.O.Number	Date		Amount			
1800319	07.01.2017		\$ 10,000.00		Blanket for parts	
1800452	07.11.2017		\$ 702.29		Parts	
1800858	07.19.2017		\$ 2,256.14		Parts	
1801156	08.01.2017		\$ 370.96		Parts	
1801927	09.25.2017		\$ 1,660.34		Parts	



2017-18 Recurring Vendors Purchase Order authority report 9-30-2017

Vendor Number	Vendor Name	2017/18 Purchase Order/Spend Authority Approved	PO amount issued / Expenditures YTD thru 9/30/2017	2017/18 Remaining Authority	Category	Bid/RFP/Contract Piggyback Reference or Bid Exempt
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 14,989.73</b>	<b>\$ 1,135,010.27</b>		
<b>V086509</b>	<b>GRAINGER</b>	<b>\$ 125,000.00</b>			MRO Parts	<b>FL State Contract #450-000-11-ACS</b>
P.O.Number	Date		Amount			
1800247	07.01.2017		\$ 5,000.00		Blanket misc. supplies	
1800296	07.01.2017		\$ 184.80		Supplies	
1800529	07.12.2017		\$ 49,927.00		Blanket a/c filters	
1800563	07.12.2017		\$ 10,000.00		Blanket parts	
1800927	07.19.2017		\$ 777.48		Parts	
1801240	08.03.2017		\$ 164.36		Parts	
1801811	09.14.2017		\$ 120.80		Sand bags	
1801833	09.15.2017		\$ 102.00		Parts	
1801962	09.25.2017		\$ 219.62		Parts	
1801975	09.26.2017		\$ 446.54		Equipment - TCE	
1802007	09.28.2017		\$ 509.16		Parts	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 67,451.76</b>	<b>\$ 57,548.24</b>		
<b>V084279</b>	<b>HEINEMANN</b>	<b>\$ 170,000.00</b>			Instructional Materials/Supplies	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount			
1801433	08.10.2017		\$ 4,169.25		Instructional Materials/Supplies	
1801348	08.15.2017		\$ 5,395.50		Instructional Materials/Supplies	
1801618	08.24.2017		\$ 245.56		Instructional Materials/Supplies	
1801682	08.29.2017		\$ 573.65		Instructional Materials/Supplies	
1801868	09.20.2017		\$ 3,600.00		Instructional Materials/Supplies	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 13,983.96</b>	<b>\$ 156,016.04</b>		
<b>V070618</b>	<b>INDIAN RIVER CO SHERIFFS</b>	<b>\$ 540,000.00</b>			Resource Officers/Other Srvs.	<b>Board Approved 06/14/16</b>
P.O.Number	Date		Amount			
1800061	07.01.2017		\$ 2,000.00		VBHS Senior pranks / graduation	
1800173	07.01.2017		\$ 30,000.00		VBHS Athletic events	
1800895	07.19.2017		\$ 1,500.00		GMS School related activities	
1801000	07.24.2017		\$ 2,695.00		Board meetings	
1801848	09.18.2017		\$ 5,100.00		SRO training	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 41,295.00</b>	<b>\$ 498,705.00</b>		
<b>V032740</b>	<b>INDIAN RIVER CO UTILITIES</b>	<b>\$ 275,200.00</b>			Utilities	<b>Bid Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 61,111.40</b>	<b>\$ 214,088.60</b>		
<b>V099209</b>	<b>INDIAN RIVER STATE COLLEGE</b>	<b>\$ 410,000.00</b>			Dual Enrollment/Textbooks/Fees	<b>Board Apprd. 08.22.17 Action A</b>
P.O.Number	Date		Amount			

2017-18 Recurring Vendors Purchase Order authority report 9-30-2017

Vendor Number	Vendor Name	2017/18 Purchase Order/Spend Authority Approved	PO amount issued / Expenditures YTD thru 9/30/2017	2017/18 Remaining Authority	Category	Bid/RFP/Contract Piggyback Reference or Bid Exempt
1801347	08.10.2017		\$ 108,500.00		Textbooks both high schools	
1801512	08.17.2017		\$ 282,600.00		Fees both high schools	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 391,100.00</b>	<b>\$ 18,900.00</b>		
<b>V086879</b>	<b>INTNL. BACCALAUREATE</b>	<b>\$ 100,000.00</b>		<b>\$ 69,780.00</b>	Instr. Materials/Supplies/Fees	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount			
1800349	07.01.2017		\$ 10,050.00		SRM fees	
1800376	07.01.2017		\$ 8,520.00		Liberty Magnet fees	
1801510	08.17.2017		\$ 11,650.00		SRHS fees	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 30,220.00</b>			
<b>V040546</b>	<b>M&amp;B PRODUCTS</b>	<b>\$ 250,000.00</b>			Juice for School Lunch Program	<b>Palm Beach Co. Schls ITB #15C-34D</b>
P.O.Number	Date		Amount			
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 205,475.00</b>	<b>\$ 44,525.00</b>		
<b>V082781</b>	<b>MARTIN FENCE</b>	<b>\$ 100,000.00</b>			Fencing	<b>Town of Davie B-12-76</b>
P.O.Number	Date		Amount			
1800742	07.18.2017		\$ 10,788.00			
	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 10,788.00</b>	<b>\$ 89,212.00</b>		
<b>V101301</b>	<b>NATIONAL EMPLOYEE BENEFIT</b>	<b>\$ 1,300,000.00</b>			Employee Benefits	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 195,706.71</b>	<b>\$ 1,104,293.29</b>		
<b>V086490</b>	<b>PORT CONSOLIDATED</b>	<b>\$ 150,000.00</b>			Fuel Unleaded & Diesel	<b>City of PSL Co-Op Bid #20130038</b>
P.O.Number	Date		Amount			
1800307	07.01.2017		\$ 80,000.00		Unleaded (White Fleet)	
1800309	07.02.17		\$ 35,200.00		Diesel (Buses)	
1800311	07.01.2017		\$ 9,600.00		Oil (Vehicle Maintenance)	
1801724	08.29.2017		\$ 373.05		Diesel SSC	
1801810	09.14.2017		\$ 5,000.00		Blanket diesel for generators	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 130,173.05</b>	<b>\$ 19,826.95</b>		
<b>V090306</b>	<b>PRESIDIO NETWORKED</b>	<b>\$ 500,000.00</b>			Technology Equipment/Software	<b>FL St. Contr #43220000-WSCA-14-ACS*</b>
P.O.Number	Date		Amount			
1800413	07.01.2017		\$ 2,243.67		Storage	
1800416	07.01.2017		\$ 4,500.00		Services & Support	
1800417	07.01.2017		\$ 12,600.00		1000 License Maintenance	

2017-18 Recurring Vendors Purchase Order authority report 9-30-2017

Vendor Number	Vendor Name	2017/18 Purchase Order/Spend Authority Approved	PO amount issued / Expenditures YTD thru 9/30/2017	2017/18 Remaining Authority	Category	Bid/RFP/Contract Piggyback Reference or Bid Exempt
1800546	07.12.2017		\$ 2,000.00		VLAN Support / Physical Plant	
1801353	08.10.2017		\$ 21,904.00		Network Services	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 43,247.67</b>	<b>\$ 456,752.33</b>		
<b>V099196</b>	<b>REGIONS BANK</b>	<b>\$ 7,000,000.00</b>			Authorized E-Payables and P-Card payments for School & District Sites	<b>Bid Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 2,162,194.42</b>	<b>\$ 4,837,805.58</b>		
<b>V099275</b>	<b>ROBERT ERNESTON PRODUCE</b>	<b>\$ 250,000.00</b>			Fresh Fruits and Vegetables	<b>Palm Beach Co. Schools ITB 15C-33D</b>
P.O.Number	Date		Amount			
<b>Multiple pCard</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 107,092.37</b>	<b>\$ 142,907.63</b>		
<b>V057921</b>	<b>SCERMP PC</b>	<b>\$ 2,401,100.00</b>			Insurance Services	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount		Property Casualty & Worker Comp.	
<b>1801061</b>	<b>07.25.2017 (&amp; direct pay) Subtotal</b>		<b>\$ 1,279,808.84</b>	<b>\$ 1,121,291.16</b>		
<b>V089275</b>	<b>STANDARD INSURANCE CO</b>	<b>\$ 550,000.00</b>			Employee Benefits	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount		Life Insurance	
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 139,542.04</b>	<b>\$ 410,457.96</b>		
<b>V080064</b>	<b>TRANE</b>	<b>\$ 1,000,000.00</b>			HVAC	<b>TCPN #R150502</b>
P.O.Number	Date		Amount			
1800203	07.01.2017		\$ 4,000.00		Blanket for service calls	
1801844	09.15.2017		\$ 3,138.00		Replacement parts SGMS	
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 7,138.00</b>	<b>\$ 992,862.00</b>		
<b>V087664</b>	<b>UNITED DATA TECHNOLOGIES</b>	<b>\$ 800,000.00</b>			Technology Equipment/Software	<b>FL St. Contr #43211500-WSCA-15-ACS*</b>
P.O.Number	Date		Amount			
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 21,162.89</b>	<b>\$ 778,837.11</b>		
<b>V100088</b>	<b>UNUM LIFE INSURANCE CO</b>	<b>\$ 300,000.00</b>			Employee Benefits	<b>6A-1.012(15) Exempt</b>
P.O.Number	Date		Amount			
<b>Multiple Checks</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 121,853.42</b>	<b>\$ 178,146.58</b>		
<b>V090538</b>	<b>US FOODS (P.O.W.E.R.B.U.Y.)</b>	<b>\$ 2,250,000.00</b>			Food & Non-Food Cafeteria Items	<b>Ocseola Co. Schools Bid C-14-0508-LH</b>

2017-18 Recurring Vendors Purchase Order authority report 9-30-2017

Vendor Number	Vendor Name	2017/18 Purchase Order/Spend Authority Approved	PO amount issued / Expenditures YTD thru 9/30/2017	2017/18 Remaining Authority	Category	Bid/RFP/Contract Piggyback Reference or Bid Exempt
P.O.Number	Date		Amount			
<b>Multiple P.O.'s</b>	<b>THRU 9.30.17 subtotal.....</b>		<b>\$ 1,465,640.00</b>	<b>\$ 784,360.00</b>		
Total approved authority		<b>\$ 29,488,241.88</b>	<b>\$9,971,177.88</b>	<b>\$ 19,517,064.00</b>		
* Vendor has several Bids/Contracts to piggyback (primary						

**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, 2017*

***King & Walker, CPAs, PL***

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*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, 2017, 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, 2017, 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 1, 2017 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 1, 2017  
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)

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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, 2017.

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 \$1,173,848, as shown on the Statement of Net Position.
- For the fiscal year ended June 30, 2017, the School's revenues exceeded expenses by \$325,085 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.

## **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.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a useful indicator of a government's financial position. The following is a summary of the School's Net Position as of June 30, 2016, and June 30, 2017:

	Net Position, End of Year		
	Governmental Activities		
	6-30-16	6-30-17	Increase (Decrease)
<b>ASSETS</b>			
Current and Other Assets	\$ 1,173,775	\$ 1,550,618	\$ 376,843
Capital Assets, net	269,660	305,083	35,423
Total Assets	<u>1,443,435</u>	<u>1,855,701</u>	<u>412,266</u>
<b>LIABILITIES</b>			
Current Liabilities	<u>289,589</u>	<u>376,770</u>	<u>87,181</u>
Total Liabilities	<u>289,589</u>	<u>376,770</u>	<u>87,181</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	269,660	305,083	35,423
Unrestricted	<u>884,186</u>	<u>1,173,848</u>	<u>289,662</u>
Total Net Position	<u>\$ 1,153,846</u>	<u>\$ 1,478,931</u>	<u>\$ 325,085</u>

Current assets consist primarily of cash, amounts due from other agencies and prepaid expenses. The School's investment in capital assets consist of furniture, fixtures and equipment, audio visual materials, construction in progress, and buildings and fixed equipment net of depreciation. Liabilities are comprised primarily of salaries & benefits payable, unearned revenue, and accounts payable.

Total Net Position amounted to \$1,478,931 as of June 30, 2017, representing an increase of \$325,085 over the prior fiscal year.

The key elements of the changes in the School's Net Position for the fiscal years ended June 30, 2016, and June 30, 2017 are as follows:

<b>Operating Results for the Year</b>			
Governmental Activities			
	6-30-16	6-30-17	Increase (Decrease)
<b>Revenues:</b>			
Federal Through Local	\$ 160,353	\$ 192,163	\$ 31,810
State Sources	6,178,693	6,428,334	249,641
Local and Other	644,653	761,420	116,767
<b>Total Revenues</b>	<b>6,983,699</b>	<b>7,381,917</b>	<b>398,218</b>
<b>Expenses:</b>			
Instruction	3,271,390	3,178,713	(92,677)
Pupil Personnel Services	33,566	43,423	9,857
Instruction and Curriculum Development	55,122	49,020	(6,102)
Board of Education	40,641	50,358	9,717
School Administration	1,314,736	1,316,423	1,687
Food Services	296,182	325,963	29,781
Central Services	1,393	960	(433)
Operation of Plant	1,769,143	1,806,958	37,815
Maintenance of Plant	1,120	54,609	53,489
Community Service	115,275	148,950	33,675
Unallocated Depreciation	77,659	81,455	3,796
<b>Total Expenses</b>	<b>6,976,227</b>	<b>7,056,832</b>	<b>80,605</b>
<b>Increase in Net Position</b>	<b>\$ 7,472</b>	<b>\$ 325,085</b>	<b>\$ 317,613</b>

The largest revenue source for the School is the State of Florida (87 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 (45 percent) and operation of plant (26 percent).

## **FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

### **Governmental Funds**

As the School completed the year, its governmental funds reported a total fund balance of \$1,173,848.

### **BUDGETARY HIGHLIGHTS**

The general fund and special revenue fund budget for the fiscal year ended June 30, 2017, 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 budget 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, 2017, amounts to \$305,083 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures, and equipment, audio visual materials, construction in progress, 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 4<sup>th</sup> St., Vero Beach, FL 32968.

**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**

**STATEMENT OF NET POSITION**

*June 30, 2017*

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 1,371,386
Due From Other Agencies	56,650
Accounts Receivable	23,670
Prepaid Expenses	98,912
Capital Assets:	
Furniture, Fixtures, and Equipment, Net	131,431
Buildings and Fixed Equipment, Net	155,976
Audio Visual Materials, Net	1,005
Construction in Progress	16,671
Total Capital Assets, Net	<u>305,083</u>
<b>TOTAL ASSETS</b>	<u><u>1,855,701</u></u>
<b>LIABILITIES</b>	
Salaries and Benefits Payable	240,767
Accounts Payable	26,452
Due to Management Company	81,598
Unearned Revenue	27,953
<b>TOTAL LIABILITIES</b>	<u><u>376,770</u></u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	305,083
Unrestricted	1,173,848
<b>TOTAL NET POSITION</b>	<u><u>\$ 1,478,931</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**  
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**DISTRICT SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2017*

	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	\$ 3,178,713	\$ -	\$ -	\$ -	\$ (3,178,713)
Pupil Personnel Services	43,423				(43,423)
Instructional and Curriculum Development	49,020				(49,020)
Board of Education	50,358				(50,358)
School Administration	1,316,423				(1,316,423)
Food Services	325,963	183,898	192,163		50,098
Central Services	960				(960)
Operation of Plant	1,806,958			252,576	(1,554,382)
Maintenance of Plant	54,609				(54,609)
Community Service	148,950				(148,950)
Unallocated Depreciation	81,455				(81,455)
<b>Total Governmental Activities</b>	<b>\$ 7,056,832</b>	<b>\$ 183,898</b>	<b>\$ 192,163</b>	<b>\$ 252,576</b>	<b>\$ (6,428,195)</b>
General Revenues:					
State Sources					6,175,758
Local and Other					577,522
Total General Revenues					6,753,280
Change in Net Position					325,085
Net Position - July 1, 2016					1,153,846
Net Position - June 30, 2017					\$ 1,478,931

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



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**BALANCE SHEET - GOVERNMENTAL FUNDS**

*June 30, 2017*

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 1,371,386	\$ -	\$ -	\$ 1,371,386
Due From Other Agencies	12,466	22,829	21,355	56,650
Accounts Receivable	23,670			23,670
Prepaid Expenses	98,912			98,912
Due From Other Funds	44,184			44,184
	<u>\$ 1,550,618</u>	<u>\$ 22,829</u>	<u>\$ 21,355</u>	<u>\$ 1,594,802</u>
<b>LIABILITIES</b>				
Salaries and Benefits Payable	\$ 240,767	\$ -	\$ -	\$ 240,767
Accounts Payable	26,452			26,452
Due to Management Company	81,598			81,598
Unearned Revenue	27,953			27,953
Due to Other Funds		22,829	21,355	44,184
	<u>376,770</u>	<u>22,829</u>	<u>21,355</u>	<u>420,954</u>
<b>FUND BALANCE</b>				
Nonspendable	98,912			98,912
Assigned				
Instructional Materials/Textbooks	82,000			82,000
Technology	100,000			100,000
Unassigned	892,936		-	892,936
	<u>1,173,848</u>	<u>-</u>	<u>-</u>	<u>1,173,848</u>
Total Fund Balances	1,173,848	-	-	1,173,848
Total Liabilities and Fund Balances	<u>\$ 1,550,618</u>	<u>\$ 22,829</u>	<u>\$ 21,355</u>	<u>\$ 1,594,802</u>

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

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**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
*June 30, 2017***

<b>Total Fund Balances - Governmental Funds</b>	\$ 1,173,848
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.	<u>305,083</u>
<b>Total Net Position - Governmental Activities</b>	<u>\$ 1,478,931</u>

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

**IMAGINE SCHOOLS AT SOUTH INDIAN RIVER COUNTY, LLC  
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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS**

*For the Fiscal Year Ended June 30, 2017*

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>				
Intergovernmental:				
Federal Through Local	\$ -	\$ 192,163	\$ -	\$ 192,163
State Sources	6,175,758		252,576	6,428,334
Local and Other	577,522	183,898		761,420
Total Revenues	6,753,280	376,061	252,576	7,381,917
<b>Expenditures</b>				
Current - Education:				
Instruction	3,178,713			3,178,713
Pupil Personnel Services	43,423			43,423
Instructional and Curriculum Development	49,020			49,020
Board of Education	50,358			50,358
School Administration	1,316,423			1,316,423
Food Services		325,963		325,963
Central Services	960			960
Operation of Plant	1,554,382		252,576	1,806,958
Maintenance of Plant	54,609			54,609
Community Service	148,950			148,950
Fixed Capital Outlay:				
Facilities Acquisition	46,609			46,609
Other Capital Outlay	70,269			70,269
Total Expenditures	6,513,716	325,963	252,576	7,092,255
Excess (Deficiency) of Revenues Over/(Under) Expenditures				
	239,564	50,098	-	289,662
Other Financing Sources (Uses):				
Transfers In	231,709	-		231,709
Transfers (Out)		(231,709)		(231,709)
Total Other Financing Sources (Uses)	231,709	(231,709)	-	-
Net Change in Fund Balances	471,273	(181,611)	-	289,662
Fund Balances, July 1, 2016	702,575	181,611	-	884,186
Fund Balances, June 30, 2017	\$ 1,173,848	\$ -	\$ -	\$ 1,173,848

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

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**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, 2017***

<b>Net Change in Fund Balances - Governmental Funds</b>	<b>\$</b>	289,662
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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 (\$116,878) in excess of depreciation expense (\$81,455) in the current period.

35,423

<b>Change in Net Position - Governmental Activities</b>	<b>\$</b>	<b>325,085</b>
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The accompanying notes to the financial statements are an integral part of this statement.

**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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

**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, 2018, 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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**June 30, 2017**

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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**June 30, 2017**

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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**June 30, 2017**

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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**June 30, 2017**

- 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, 2017, the School reported 896.98 unweighted FTE and 938.0566 weighted FTE.

**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, 2017**

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.

**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, 2017**

➤ **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 the ERATE program (\$12,466) and Capital Outlay (\$21,355) funds, and amounts due from the Florida Department of Education for the National School Lunch Program (\$22,829). These receivables are considered to be fully collectible and as such, no allowance for uncollectible is accrued.

**4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2017 the Capital Projects Fund owed the General Fund \$21,355 for expenditures incurred for the facilities rent and the Special Revenue Fund owed the General Fund \$22,829 for food service expenditures awaiting reimbursement. The amounts of interfund receivables and payables are netted together and not reported in the statement of net position.

The Special Revenue Fund transferred \$231,709 to the General Fund to provide support for the School's general operations. The amounts of interfund transfers are netted together and not reported in the statement of activities.

**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, 2017**

**5. 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>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ -	\$ 16,671	\$ -	\$ 16,671
Total Capital Assets Not Being Depreciated	<u>-</u>	<u>16,671</u>	<u>-</u>	<u>16,671</u>
Capital Assets Being Depreciated:				
Furniture, Fixtures and Equipment	363,009	70,269		433,278
Buildings and Fixed Equipment	171,452	29,938		201,390
Audio Visual Materials	32,781			32,781
Computer Software	4,409			4,409
Total Capital Assets Being Depreciated	<u>571,651</u>	<u>100,207</u>	<u>-</u>	<u>671,858</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(234,627)	(67,220)		(301,847)
Buildings and Fixed Equipment	(35,207)	(10,207)		(45,414)
Audio Visual Materials	(27,748)	(4,028)		(31,776)
Computer Software	(4,409)			(4,409)
Total Accumulated Depreciation	<u>(301,991)</u>	<u>(81,455)</u>	<u>-</u>	<u>(383,446)</u>
Total Capital Assets Being Depreciated, Net	<u>269,660</u>	<u>18,752</u>	<u>-</u>	<u>288,412</u>
Governmental Activities Capital Assets, Net	<u>\$ 269,660</u>	<u>\$ 35,423</u>	<u>\$ -</u>	<u>\$ 305,083</u>

All depreciation expense was shown as unallocated on the Statement of Activities.

**6. FUND BALANCE CLASSIFICATION**

For the year ended June 30, 2017, the breakout of the fund balance is shown below:

	<u>General Fund</u>
Nonspendable	\$ 98,912
Assigned	
Instructional Materials/Textbooks	82,000
Technology	100,000
Unassigned	892,936
Total Fund Balance	<u>\$ 1,173,848</u>

**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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

**7. SCHEDULE OF STATE REVENUE SOURCES**

The following is a schedule of the School's State revenue:

Source	Amount
Florida Education Finance Program	\$ 3,883,176
Class Size Reduction	1,022,574
Discretionary Lottery Allocation	14,625
Supplementary Academic Instruction	183,204
Discretionary Local Effort	587,552
Charter School Capital Outlay	252,576
ESE Guaranteed Allocation	107,573
Instructional Materials	67,963
Digital Classrooms Allocation	39,647
Reading Allocation	43,007
Local Millage	185,783
Safe Schools	20,509
Florida Teachers Classroom Supply	13,608
Declining Enrollment	6,537
Total State Revenue	\$ 6,428,334

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 \$33,390.

**8. 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 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

**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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

budgeted allocation. Current year Indirect Cost Allocation fees charged to operations totaled \$770,856.

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 15<sup>th</sup> 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.

**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 escalate annually on July 1 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, 2017 totaled \$1,470,212.

**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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

The total future minimum payments for the years ended June 30, are as follows:

Fiscal Year Ending June 30:	Development Allocation	Facilities
2018	\$ 30,000	\$ 1,470,212
2019	30,000	
2020	30,000	
2021	30,000	
2022	30,000	
2023-27	150,000	
2028	30,000	
Total Minimum Payments	\$ 330,000	\$ 1,470,212

**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. 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 \$88,676 for the year ended June 30, 2017. The School is currently making matching contributions up to 5% for participating employees. The rate of contribution is set annually by the Management Company.

**11. 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, 2017, may be impaired.

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.

**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, 2017**

**12. 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.

**13. 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  
D/B/A IMAGINE SCHOOLS AT SOUTH VERO  
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, 2017**

	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)
<b>Revenues:</b>								
Intergovernmental:								
Federal Through Local	\$ -	\$ -	\$ -	\$ -	\$ 145,844	\$ 198,000	\$ 192,163	\$ (5,837)
State Sources	6,250,563	6,184,831	6,175,758	(9,073)				-
Local and Other	443,622	568,451	577,522	9,071	165,758	178,062	183,898	5,836
Total Revenues	6,694,185	6,753,282	6,753,280	(2)	311,602	376,062	376,061	(1)
<b>Expenditures:</b>								
Current - Education:								
Instruction	3,144,401	3,176,555	3,178,713	(2,158)	-	-	-	-
Pupil Personnel Services	84,706	83,070	43,423	39,647	-	-	-	-
Instructional and Curriculum Development		17,000	49,020	(32,020)	-	-	-	-
Board of Education	12,000	12,000	50,358	(38,358)	-	-	-	-
School Administration	1,403,548	1,376,006	1,316,423	59,583	-	-	-	-
Food Services			-	-	281,571	326,241	325,963	278
Central Services	1,103	960	960	-	-	-	-	-
Operation of Plant	1,861,397	1,544,524	1,554,382	(9,858)	-	-	-	-
Maintenance of Plant	52,120	54,609	54,609	-	-	-	-	-
Community Service	120,890	148,826	148,950	(124)	-	-	-	-
Fixed Capital Outlay:								
Facilities Acquisition	39,786	100,206	46,609	53,597	-	-	-	-
Other Capital Outlay	4,265		70,269	(70,269)	-	-	-	-
Total Expenditures	6,724,216	6,513,756	6,513,716	40	281,571	326,241	325,963	278
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(30,031)	239,526	239,564	38	30,031	49,821	50,098	277
Other Financing Sources (Uses):								
Transfers In	30,031	231,432	231,709	277	-	-	-	-
Transfers (Out)			-	-	(30,031)	(231,432)	(231,709)	(277)
Total Other Financing Sources (Uses)	30,031	231,432	231,709	277	(30,031)	(231,432)	(231,709)	(277)
Net Change in Fund Balances		470,958	471,273	315		(181,611)	(181,611)	
Fund Balances, July 1, 2016	702,575	702,575	702,575	-	181,611	181,611	181,611	-
Fund Balances, June 30, 2017	\$ 702,575	\$ 1,173,533	\$ 1,173,848	\$ 315	\$ 181,611	\$ -	\$ -	\$ -

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, 2017**

**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, 2017, 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 1, 2017.

**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 1, 2017  
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, 2017, and have issued our report thereon dated September 1, 2017.

**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 1, 2017, 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 1, 2017  
Tampa, Florida

**SEBASTIAN CHARTER JUNIOR HIGH, INC.**

**Basic Financial Statements  
with  
Independent Auditors' Report**

Year ended June 30, 2017

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**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, 2017, 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, 2017, 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.

***Prior Period Adjustment***

As discussed in Note 5 to the financial statements, the settlement of a law suit in September 2017 resulted in \$296,907 of additional taxes receivable due from the Indian River County School District, which had not been included in due from local sources as of June 30, 2016. As a result, a prior period adjustment was recorded to reflect the correct amount in due from local sources as of June 30, 2016. 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 September 20, 2017, 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 20, 2017

**SEBASTIAN CHARTER JUNIOR HIGH, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017. 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 \$1,582,060 (net position). Of this amount, \$678,768 (unrestricted net position) may be used to meet the ongoing obligations of the School, while \$37,597 is designated for future professional/technical services and \$31,576 is designated for capital improvements. The School's total net position increased by \$308,844 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 \$747,941, or 38% of total expenditures. Of this amount, \$678,768 (unassigned fund balance) may be used to meet the ongoing obligations of the School, while \$37,597 is committed for future professional/technical services and \$31,576 is committed for capital improvements. The School's combined ending fund balance increased by \$206,860 or 138% in comparison with the prior year balance.
- Investment in capital assets increased compared to the prior year by \$101,984 or 14%.

**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, 2017**

***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 - 24 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 \$1,582,060, at June 30, 2017.

A portion of the School's net position (53%) 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, 2017 of \$2,308,560 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, 2017**

**SEBASTIAN CHARTER JUNIOR HIGH, INC.'S NET POSITION**

	2017	2016
Current assets	\$ 850,479	\$ 626,170
Capital assets, net	3,142,679	3,201,344
<b>Total assets</b>	<b>3,993,158</b>	<b>3,827,514</b>
Current liabilities	264,487	246,908
Long-term liabilities:	2,146,611	2,307,390
<b>Total liabilities</b>	<b>2,411,098</b>	<b>2,554,298</b>
Net position:		
Invested in capital assets	834,119	732,135
Unrestricted	747,941	541,081
<b>Total net position</b>	<b>\$ 1,582,060</b>	<b>\$ 1,273,216</b>

An additional portion of the School's net position (47%) 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, 2017**

**SEBASTIAN CHARTER JUNIOR HIGH, INC.'S CHANGE IN NET POSITION**

	2017	2016
<b>Revenues:</b>		
Program revenues:		
Operating grants and contributions	\$ 136,489	\$ 145,239
Capital grants and contributions	75,062	78,958
General revenues:		
FTE non-specific revenues	1,965,799	2,027,380
<b>Total revenues</b>	<b>2,177,350</b>	<b>2,251,577</b>
<b>Expenses:</b>		
Instruction	996,274	1,053,140
Instructional staff training	12,330	2,837
Board	2,577	11,387
School administration	330,060	408,247
Facilities acquisition and construction	46,881	2,598
Fiscal services	40,979	39,137
Food services	92,420	113,997
Transportation	46,378	54,517
Operation of plant	116,752	107,332
Maintenance of plant	24,525	11,360
Interest on long-term debt	91,975	96,698
Depreciation - unallocated	67,355	67,356
<b>Total expenses</b>	<b>1,868,506</b>	<b>1,968,606</b>
Change in net position	308,844	282,971
Net position, beginning of year	1,273,216	990,245
Net position, end of year	\$ 1,582,060	\$ 1,273,216

**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 10% of total revenues. General revenues comprise 90% 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, 2017**

**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 \$747,941, an increase of \$206,860 over the previous fiscal year. The fund balance consists of *unassigned* fund balance of \$678,768, which is available for spending at the School's discretion. While \$37,597 is *committed* for future professional/technical services and \$31,576 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, 2017 amounted to \$3,142,679 (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, 2017 of \$2,308,560 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, 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 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 2017-2018.

All of these factors were considered in preparing the School's budget for the 2017-2018 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, 2017

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 536,425	\$ -	\$ 536,425
Due from local sources	303,407	-	303,407
Prepaid insurance	10,647	-	10,647
Capital assets, net	3,142,679	-	3,142,679
<b>Total Assets</b>	<b>3,993,158</b>	<b>-</b>	<b>3,993,158</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	102,538	-	102,538
Long-term liabilities:			
Due within one year:			
Note payable	160,612	-	160,612
Obligation under capital leases	1,337	-	1,337
Due in more than one year:			
Note payable	2,146,611	-	2,146,611
<b>Total Liabilities</b>	<b>2,411,098</b>	<b>-</b>	<b>2,411,098</b>
<b>Net Position</b>			
Net investment in capital assets	834,119	-	834,119
Unrestricted, reported in:			
Designated for professional/technical services	37,597	-	37,597
Designated for capital improvements	31,576	-	31,576
Governmental activities	678,768	-	678,768
<b>Total Net Position</b>	<b>\$ 1,582,060</b>	<b>\$ -</b>	<b>\$ 1,582,060</b>

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, 2017

	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
<b>Functions/Programs</b>							
Governmental activities:							
Instruction	\$ 1,043,155	\$ -	\$ 44,069	\$ 46,881	\$ (952,205)	\$ -	\$ (952,205)
Instructional staff training	12,330	-	-	-	(12,330)	-	(12,330)
Board	2,577	-	-	-	(2,577)	-	(2,577)
School administration	330,060	-	-	-	(330,060)	-	(330,060)
Fiscal services	40,979	-	-	-	(40,979)	-	(40,979)
Food services	92,420	-	92,420	-	-	-	-
Transportation	46,378	-	-	-	(46,378)	-	(46,378)
Operation of plant	116,752	-	-	-	(116,752)	-	(116,752)
Maintenance of plant	24,525	-	-	-	(24,525)	-	(24,525)
Interest on long-term debt	91,975	-	-	28,181	(63,794)	-	(63,794)
Depreciation - unallocated *	67,355	-	-	-	(67,355)	-	(67,355)
<b>Total governmental activities</b>	<b>\$ 1,868,506</b>	<b>\$ -</b>	<b>\$ 136,489</b>	<b>\$ 75,062</b>	<b>(1,656,955)</b>	<b>-</b>	<b>(1,656,955)</b>
<b>General Revenues:</b>							
Local revenue:							
Florida Education Finance Program					1,616,058	-	1,616,058
Instructional materials					19,977	-	19,977
Class size					239,202	-	239,202
Discretionary lottery funds					4,156	-	4,156
Teacher supply assistance program					3,788	-	3,788
Other miscellaneous local sources					82,618	-	82,618
<b>Total general revenues and special items</b>					<b>1,965,799</b>	<b>-</b>	<b>1,965,799</b>
<b>Change in net position</b>					<b>308,844</b>	<b>-</b>	<b>308,844</b>
<b>Net Position, beginning (as restated)</b>					<b>1,273,216</b>	<b>-</b>	<b>1,273,216</b>
<b>Net Position, ending</b>					<b>\$ 1,582,060</b>	<b>\$ -</b>	<b>\$ 1,582,060</b>

\* 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, 2017

	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash	\$ 536,425	\$ -	\$ -	\$ 536,425
Due from local sources	303,407	-	-	303,407
Prepaid insurance	10,647	-	-	10,647
<b>Total Assets</b>	<b>\$ 850,479</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 850,479</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 102,538	\$ -	\$ -	\$ 102,538
<b>Total Liabilities</b>	<b>102,538</b>	<b>-</b>	<b>-</b>	<b>102,538</b>
Fund balances:				
Committed for professional /technical services	37,597	-	-	37,597
Committed for capital improvements	31,576	-	-	31,576
Unassigned	678,768	-	-	678,768
<b>Total Fund Balances</b>	<b>747,941</b>	<b>-</b>	<b>-</b>	<b>747,941</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 850,479</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 850,479</b>

Total fund balances	\$ 747,941
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.	3,142,679
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,308,560)
Net position of governmental activities	<u>\$ 1,582,060</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, 2017

	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Intergovernmental:				
Federal through local	\$ -	\$ 75,062	\$ 44,069	\$ 119,131
Local	1,965,799	-	92,420	2,058,219
<b>Total Revenues</b>	1,965,799	75,062	136,489	2,177,350
<b>Expenditures</b>				
Current - Education:				
Instruction	967,369	-	44,069	1,011,438
Instructional staff training	12,330	-	-	12,330
Board	2,577	-	-	2,577
School administration	323,586	-	-	323,586
Fiscal services	40,979	-	-	40,979
Food services	-	-	92,420	92,420
Transportation	46,378	-	-	46,378
Operation of plant	116,752	-	-	116,752
Maintenance of plant	24,525	-	-	24,525
Debt service	224,443	28,181	-	252,624
Fixed Capital Outlay	-	46,881	-	46,881
<b>Total Expenditures</b>	1,758,939	75,062	136,489	1,970,490
<b>Excess of Revenues over Expenditures</b>	206,860	-	-	206,860
<b>Net Change in Fund Balances</b>	206,860	-	-	206,860
<b>Fund Balances, beginning of year (as restated)</b>	541,081	-	-	541,081
<b>Fund Balances, end of year</b>	\$ 747,941	\$ -	\$ -	\$ 747,941

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, 2017

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<b>Net change in fund balances - governmental funds</b>	\$ 206,860
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 (\$105,546) is more than capital outlays (\$46,881) in the period.	(58,665)
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.	160,649
<b>Change in net position of governmental activities</b>	<b>\$ 308,844</b>

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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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Local	\$ 1,825,275	\$ 1,825,275	\$ 1,965,799	\$ 140,524
<b>Total Revenues</b>	<b>1,825,275</b>	<b>1,825,275</b>	<b>1,965,799</b>	<b>140,524</b>
<b>Expenditures</b>				
Current - Education:				
Instruction	931,326	931,326	967,369	(36,043)
Instructional staff training	7,622	7,622	12,330	(4,708)
Board	1,800	1,800	2,577	(777)
School administration	372,539	372,539	323,586	48,953
Fiscal services	36,600	36,600	40,979	(4,379)
Transportation	52,000	52,000	46,378	5,622
Operation of plant	119,050	119,050	116,752	2,298
Maintenance of plant	31,500	31,500	24,525	6,975
Debt service	194,433	194,433	224,443	(30,010)
<b>Total Expenditures</b>	<b>1,746,870</b>	<b>1,746,870</b>	<b>1,758,939</b>	<b>(12,069)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 78,405</b>	<b>\$ 78,405</b>	<b>206,860</b>	<b>\$ 128,455</b>
<b>Fund Balance</b> , beginning of year (as restated)			<b>541,081</b>	
<b>Fund Balance</b> , end of year			<b>\$ 747,941</b>	

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, 2017

**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.

**Capital Projects Fund** - Used to account for all acquisitions or construction of capital facilities.

**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	4-5 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.

**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**

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, 2017.

**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, 2017.

**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 \$37,597 committed for professional/technical services and \$31,576 committed for capital improvements as of June 30, 2017.

**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, 2017.

**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 \$678,768 at June 30, 2017.

**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, 2017.

**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 20, 2017, the date the financial statements were available to be issued.

In September 2017, the District and the School reached a settlement regarding a law suit between the local charter schools and the Indian River County School District for improperly withholding local tax revenues dedicated to education from the charter schools. See Note 5 – Prior Period Adjustment to Net Position for the details.

**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, 2017, was as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
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	224,691	46,881	-	271,572
Property under capital leases	35,935	-	-	35,935
Computer software	11,277	-	-	11,277
Total other capital assets at historical cost	3,387,427	46,881	-	3,434,308
Less accumulated depreciation for:				
Buildings and fixed equipment	(186,930)	(62,310)	-	(249,240)
Furniture, fixtures and equipment	(133,709)	(42,201)	-	(175,910)
Property under capital leases	(34,901)	(1,035)	-	(35,936)
Computer software	(11,276)	-	-	(11,276)
Total accumulated depreciation	(366,816)	(105,546) *	-	(472,362)
Other capital assets, net	3,020,611	(58,665)	-	2,961,946
Governmental activities capital assets, net	\$ 3,201,344	\$ (58,665)	\$ -	\$ 3,142,679

\* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 31,717
School administration	6,474
Unallocated	67,355
	\$ 105,546

**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 – Obligation under Capital Leases**

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

Fiscal year ending June 30, 2017	Amount
2018	\$ 1,346
Total minimum lease payments	1,346
Less amount representing interest	(9)
	\$ 1,337

The imputed interest rate is 6.79 percent.

**Note 4 – 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 will adjust 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%. The 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, 2017, are as follows:

Fiscal year ending June 30, 2017	Principal	Interest	Total
2018	\$ 160,612	\$ 83,735	\$ 244,347
2019	166,739	77,608	244,347
2020	173,100	71,247	244,347
2021	179,705	64,642	244,347
2022 and after	1,627,067	246,258	1,873,325
	\$ 2,307,223	\$ 543,490	\$ 2,850,713

**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 – Long-Term Liabilities (continued)**

The changes in the School’s long-term obligations for governmental activities during the year consist of the following:

	Principal Outstanding June 30, 2016	Additions	Reductions	Principal Outstanding June 30, 2017	Amount Due in One Year
Building mortgage	\$ 2,460,762	\$ -	\$(153,539)	\$ 2,307,223	\$ 160,612
Obligation under capital leases	8,447	-	(7,110)	1,337	1,337
	\$ 2,469,209	\$ -	\$(160,649)	\$ 2,308,560	\$ 161,949

**Note 5 – Prior Period Adjustment to Net Position**

The financial statements as presented contain an adjustment to the net position of fiscal year ended June 30, 2016 which reflects a change in estimate. This prior period adjustment represents a change in estimate for amounts due from local sources. 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 contract with the charter schools. During the fiscal year ending June 30, 2017, 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 corresponding totals as of and for the fiscal year ended June 30, 2016 are restated to record the prior period adjustment, to reflect the accrual of taxes due from local sources and its corresponding affect on beginning net position. Due from local sources at June 30, 2016, as restated, consist of the following:

Due from local sources	\$ 9,929
Prior period adjustment	218,498
Due from local sources after restatement	\$ 228,427

Beginning net position for fiscal year ending June 30, 2016 is restated as follows:

	Unrestricted	Net investment in capital assets	Total
Net position, June 30, 2016	\$ 322,583	\$ 732,135	\$ 1,054,718
Prior period adjustment	218,498	-	218,498
Net position, June 30, 2016 - restated	\$ 541,081	\$ 732,135	\$ 1,273,216

**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 6 – Net Position**

At June 30, 2017, 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	\$ 3,142,679	\$ -
Less:		
Mortgage and capital leases payable	(2,308,560)	-
Total net investment in capital assets	834,119	-
Designated for professional/technical services	37,597	-
Designated for capital improvements	31,576	-
Unrestricted	678,768	-
Total net position	\$ 1,582,060	\$ -

**Note 7– Deferred Revenue**

During prior fiscal years the School received Capital Outlay awards which were to be used toward capital purchases or improvements. At June 30, 2017, the School had no Capital Outlay deferred revenue.

**Note 8 – 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, 2017, the School made elective contributions of \$9,588 to the plan.

**Note 9– Risk Management Programs**

During the year ended June 30, 2017, 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.



KMETZ NUTTALL ELWELL GRAHAM, PLLC  
Certified Public Accountants

**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, 2017, 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, 2017.

**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 20, 2017



**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, 2017, and have issued our report thereon dated September 20, 2017

**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 Required by *Government Auditing Standards***

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 20, 2017, 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. Corrective actions have been taken to correct the prior year audit finding.

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year</b>	<b>FYE 6/30/16</b>	<b>FYE 6/30/15</b>
<b>Finding #</b>	<b>Finding #</b>	<b>Finding #</b>
<b>CORRECTED</b>	<b>2016-1</b>	<b>2015-1</b>

**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 Sebastian Charter Junior High, Inc.

To the Board of Directors  
Sebastian Charter Junior High, Inc.

**Financial Condition**

Sections 10.854(1)(e)2., Rules of the Auditor General, require that we report the results of our determination as to 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 identification of 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.

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 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 result of determination as to whether Sebastian Charter Junior High, Inc. maintains on its website 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 website 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, Indian River County School District, 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.

Kmetz, Nuttall, Elwell, Graham, PLLC  
Certified Public Accountants

September 20, 2017

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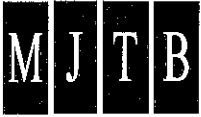
**Morgan • Jacoby • Thurn • Boyle  
& Associates, P.A.**  
Certified Public Accountants

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

Annual Financial Report

June 30, 2017

(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, 2017

(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, 2017

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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, 2017, 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, 2017, 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 3-10 and 27 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 19, 2017, 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 19, 2017

**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, 2017. 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 \$241,829 or 4.3% from the prior year. In comparison, the prior year experienced an increase of \$400,334. The change reflected in the past two years is primarily due to a combination of decreased revenues and decreased expenses. Student enrollment for the 2016-2017 school year totaled six hundred and thirty four, a decrease from the six hundred and thirty-eight students enrolled during the 2015-2016 school year. FTE revenues decreased by 2.5% from the prior year.

At year end, the School accumulated a surplus of unrestricted net position of \$1,636,267, which was an increase of \$208,435 for this fiscal year.

In addition to the above financial highlights, the School also achieved the following nonfinancial results:

- 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, "Birth of America - The Classical Era." This large performance and dual-evening affair was comprised of over 600+ students. This production was a stunning dinner show featuring choral, orchestral, dramatic, dance, and jazz students.
  - In April 2016, the School Chorus earned straight superior ratings at the District Choral Competition. In March the Chorus toured Washington D.C.
  - The School's Theatre Program was awarded an invitation and participated in its fifth consecutive Mainstage performance at the Florida State Thespians Festival in Tampa, Florida; the largest high school theatre festival in the country, presenting "One Flew Over the Cookoo's Nest" for the first time in School theatre. Every event received a medal.
  - The School participated in "The Annual Student Juried Art Competition", which was held and hosted by the Vero Beach Museum of Art. School students were awarded the following:

Photography:

- Best in Show – *Theatre Plaza*
- Second Place – *Eggplant*
- Third Place – *A, Adams Tree Canopy*

#### Ceramics:

- First Place – *Rabbit*
- Second Place – *Birds*
- Third Place – *Galaxy Backpack*

#### Drawing:

- Second Place – *A Girl in the Light*
- Third Place – *Squire of Hyde Park*

At the 2017 Congressional Art Competition, two School students earned merit awards.

- The Indian River Charter High School Art Club created an installation exploring the themes of empathy and interconnectedness that was on display at the Children's Art Festival in April. The Art Club works in partnership with the Vero Beach Museum of Art to give students the opportunity to impact our community. The hexagons are part of a national project that was started after the 9/11 attacks: [www.hexagonproject.org](http://www.hexagonproject.org)
- Indian River Charter High School's Model United Nations was recognized with a variety of regional and state-wide accolades including:
  - The Model United Nations team competed many conferences at some of Florida's most prestigious universities such as University of Central Florida, University of Florida and University of Miami. In addition, our members put together a multi-county conference at the School, hosting Palm Beach Gardens for a rousing day of debate and discourse.
  - During the state-wide conference, School Model United Nations members attained the Best Delegate award (ranked first) and Honorable Mention award (ranked third).
- The School has been certified as an AP Capstone School, which is a rigorous program for students preparing for college.
- The School is currently constructing a storage facility for the Visual and Performing Arts Program.

### **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, 2017 and 2016:

	Net Position – Governmental Activities	
	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 2,172,882	2,056,494
Capital assets, net	4,435,757	4,737,431
Total assets	<u>6,608,639</u>	<u>6,793,925</u>
Current liabilities	434,615	515,105
Long-term debt	296,993	643,618
Total liabilities	<u>731,608</u>	<u>1,158,723</u>
Net position:		
Invested in capital assets	4,138,764	4,105,370
Restricted	102,000	102,000
Unrestricted	<u>1,636,267</u>	<u>1,427,832</u>
Total net position	<u>\$ 5,877,031</u>	<u>5,635,202</u>

The School’s net position increased by \$241,829, or 4.3%, 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, 2017 and 2016. The following schedule compares revenues and expenses during the years ended June 30, 2017 and 2016:

	<u>Change in Net Position – Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Revenues:		
General revenues:		
Intergovernmental	\$ 4,504,019	4,656,385
Other	489,097	329,209
Operating grants and contributions	123,462	250,527
Contributions for capital expenditures	20,928	1,500
Total revenues	<u>5,137,506</u>	<u>5,237,621</u>
Expenses:		
Instruction related	3,055,324	2,942,658
School administration	615,559	621,518
Food service	1,517	391
Information and technology services	167,682	167,846
Transportation	1,053	1,646
Maintenance and operations of facilities and plant	593,608	626,277
Other	460,934	476,951
Total expenses	<u>4,895,677</u>	<u>4,837,287</u>
Change in net position	\$ <u>241,829</u>	<u>400,334</u>

Total revenues for the year decreased by \$100,115, or 1.9%, due to increased operational revenue allocated on a per-student basis (FTE revenues) in the amount of \$36,623 and an increase of non-resident tuition in the amount of \$121,813, along with decreases of \$258,551 in other contributions, cost-sharing related to dual enrollment classes, capital projects fund and other revenues.

Total expenses increased \$58,390, or 1.2%, 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 \$208,435 during the year to \$1,736,267, resulting in an increase in its cash by \$264,282. The net increase in reserves was attributable to an increase in FTE revenues of \$36,623 and non-resident tuition of \$121,813 in addition to an increase in expenses of \$58,389 and financing use of reserves of \$354,431 for capital projects.

The net increase/decrease of \$-0- in the School's capital projects fund reflects a \$169,951 decrease in revenues, a \$52,184 increase in expenditures, and supplemental funding of \$354,431 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 2016-2017 actual results.

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal through state through local	\$ -	91,088	91,088	-
State through local	-	73,134	73,301	167
Local	4,070,307	4,161,252	4,161,085	(167)
Other	340,000	585,990	612,135	26,145
<b>Total revenues</b>	<u>4,410,307</u>	<u>4,911,464</u>	<u>4,937,609</u>	<u>26,145</u>
<b>Expenditures:</b>				
<b>Current – education:</b>				
Instruction related	2,881,742	3,059,780	3,055,324	4,456
School administration	598,683	621,695	615,559	6,136
Food service	1,000	1,517	1,517	-
Information and technology services	167,706	166,240	167,682	(1,442)
Transportation	3,000	1,053	1,053	-
Maintenance and operations of facilities and plant	561,580	524,199	533,608	(9,409)
<b>Total expenditures</b>	<u>4,213,711</u>	<u>4,374,484</u>	<u>4,374,743</u>	<u>(259)</u>
Other financing sources (uses)	<u>(188,603)</u>	<u>(56,860)</u>	<u>(354,431)</u>	<u>(297,571)</u>
<b>Net change in fund balance</b>	<u>\$ 7,993</u>	<u>480,120</u>	<u>208,435</u>	<u>(271,685)</u>

While the School had initially planned for utilizing unrestricted reserves this year for capital outlay, the unfavorable variance was due to a significant reduction in capital outlay funding.

## Capital Asset and Debt Administration

### Capital Position

As of June 30, 2017, the School had invested \$4,435,757 in a variety of capital position, as reflected in the following schedule, which represents a net decrease (additions less disposals and depreciation) of \$301,674 or 6.4% from the end of last year.

	<u>2017</u>	<u>2016</u>
Improvements other than buildings	\$ 192,633	229,063
Buildings and improvements	3,947,661	4,245,165
Furniture, fixtures, and equipment	266,409	257,492
Audio/visual equipment	-	-
Computer software	3,838	5,711
Construction in progress	<u>25,216</u>	<u>-</u>
<b>Governmental capital assets, net</b>	<u>\$ 4,435,757</u>	<u>4,737,431</u>

The decreases 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 \$434,921 for the year ended June 30, 2017.

### Long-term Debt

During the year ended June 30, 2005, the School completed construction on the buildings to house its new visual and performing arts program. The construction was financed with long-term debt of \$3,800,000. The principal balance on the loan at June 30, 2017 is \$296,993. The repayment provision calls for monthly installments of \$30,142, including interest at 3.07%, until the debt is repaid on April 7, 2018.

### **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:

- This year, as in past years, the state has continued to cut charter school capital outlay funding. Due to these cuts, the School has had to transfer dollars from the general fund to the capital fund in order to meet the monthly mortgage payments; \$354,431 was transferred during the year ended June 30, 2017. This year the state legislature has allowed charter school students to be included in the share of the local tax levy of 1.5 mils. This inclusion will solve the need to continue to transfer money from the general fund to the capital fund.
- The School currently leases the land on which the school is located from Indian River State College (IRSC). The current lease expires March 31, 2018. The School is in communication with the College to renew the current lease. It is anticipated that the College will renew the current lease for an additional 15 years.
- The School anticipates completing the final payment of the VAPA building \$4,000,000 construction mortgage by March 2018. The completion of payment will allow IRCHS to plan and design new construction projects. New construction plans will include removal of portable classrooms to be replaced by permanent structures.
- Indian River Charter High School continues to expand its partnership with international student exchange companies. Currently, international students are registered through five companies representing 15 countries. The reputation of the School's academic, visual and performing arts, and golf programs has created a strong interest among international students therefore increasing the international student enrollment year to year. As international student enrollment offers first hand cultural exposure while also providing a greater understanding of diversity and educational standards, local students gain a more informed view of the world.



- 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. Prior to the hearing, the District and the charter schools entered into a settlement agreement, which was completed on September 7, 2017. Under 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.
- The School is currently engaged in the process of renewing its charter with the Indian River County School District, which expires in June 2018.

### **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, 2017

	<u>Total Governmental Activities</u>
<b>Assets:</b>	
Cash	\$ 2,090,022
Due from primary government (note 2)	14,666
Other receivables	55,607
Prepaid expenses	12,587
Capital assets, net of accumulated depreciation of \$4,383,770 (note 3)	<u>4,435,757</u>
Total assets	<u>6,608,639</u>
<b>Liabilities:</b>	
Accounts payable	65,626
Accrued expenses	191,564
Deferred revenue	177,425
Long-term debt (note 4):	
Due within one year	<u>296,993</u>
Total liabilities	<u>731,608</u>
<b>Net Position:</b>	
Invested in capital assets, net of related debt	4,138,764
Restricted for capital projects	2,000
Restricted for scholarships	100,000
Unrestricted	<u>1,636,267</u>
Total net position	<u>\$ 5,877,031</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, 2017

	<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	\$ 2,698,527	86,998	(2,611,529)
Student and instructional support services	286,325	–	(286,325)
Instructional media services	70,472	–	(70,472)
School administration	615,559	–	(615,559)
Facilities acquisition and construction	80,544	–	(80,544)
Food service	1,517	–	(1,517)
Information services	48,315	–	(48,315)
Student transportation services	1,053	–	(1,053)
Operation of plant	490,523	–	(490,523)
Maintenance of plant	22,541	–	(22,541)
Administrative technology services	119,367	–	(119,367)
Interest on long-term debt	14,456	–	(14,456)
Unallocated depreciation expense	434,921	–	(434,921)
Amortization expense	<u>11,557</u>	<u>–</u>	<u>(11,557)</u>
Total governmental activities	\$ <u>4,895,677</u>	<u>86,998</u>	<u>(4,808,679)</u>
General revenues:			
Intergovernmental:			
Local for operational purposes			4,161,085
State through local for operational purposes			73,301
State through local for capital projects			178,545
Federal through state through local for operational purposes			91,088
Federal through state through local for capital purposes			–
Investment earnings			6,642
Miscellaneous			<u>539,847</u>
Total general revenues			<u>5,050,508</u>
Change in net position			241,829
Net position, beginning of year			<u>5,635,202</u>
Net position, end of year			\$ <u>5,877,031</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, 2017

<u>Assets</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Cash	\$ 1,737,900	352,122	2,090,022
Due from primary government (note 2)	-	14,666	14,666
Other receivables	55,607	-	55,607
Due from other fund (note 2)	309,510	-	309,510
Prepaid expenses	<u>12,587</u>	<u>-</u>	<u>12,587</u>
	<b>\$ <u>2,115,604</u></b>	<b><u>366,788</u></b>	<b><u>2,482,392</u></b>

**Liabilities and Fund Balances**

Liabilities:

Accounts payable	10,988	54,638	65,626
Accrued expenses	190,924	640	191,564
Due to other fund (note 2)	-	309,510	309,510
Deferred revenue	<u>177,425</u>	<u>-</u>	<u>177,425</u>
Total liabilities	<u>379,337</u>	<u>364,788</u>	<u>744,125</u>

Fund Balances:

Nonspendable	112,587	-	112,587
Restricted	-	2,000	2,000
Committed	604,472	-	604,472
Assigned	2,040	-	2,040
Unassigned	<u>1,017,168</u>	<u>-</u>	<u>1,017,168</u>
Total fund balances	<u>1,736,267</u>	<u>2,000</u>	<u>1,738,267</u>

\$ 2,115,604      366,788

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 \$8,819,527 and the accumulated depreciation is \$4,383,770.	4,435,757
Long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(296,993)</u>

Total net position – governmental activities      \$ 5,877,031

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, 2017

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Federal through state through local	\$ 91,088	-	91,088
State through local	73,301	178,545	251,846
Local (note 5)	4,161,085	-	4,161,085
Contributions	36,464	20,928	57,392
Non-resident tuition	428,638	-	428,638
Student fees	86,998	-	86,998
Other	<u>60,035</u>	<u>424</u>	<u>60,459</u>
Total revenues	<u>4,937,609</u>	<u>199,897</u>	<u>5,137,506</u>
Expenditures:			
Current – education:			
Instruction	2,698,527	-	2,698,527
Student and instructional support services	286,325	-	286,325
Instructional media services	70,472	-	70,472
School administration	615,559	-	615,559
Facilities acquisition and construction	20,544	60,000	80,544
Food service	1,517	-	1,517
Information services	48,315	-	48,315
Student transportation services	1,053	-	1,053
Operation of plant	490,523	-	490,523
Maintenance of plant	22,541	-	22,541
Administrative technology services	119,367	-	119,367
Debt service:			
Principal	-	346,625	346,625
Interest	-	14,456	14,456
Capital outlay:			
Facilities acquisition and construction	<u>-</u>	<u>133,247</u>	<u>133,247</u>
Total expenditures	<u>4,374,743</u>	<u>554,328</u>	<u>4,929,071</u>
Other financing sources (uses):			
Transfers in	-	354,431	354,431
Transfers out	<u>(354,431)</u>	<u>-</u>	<u>(354,431)</u>
Total other financing sources (uses)	<u>(354,431)</u>	<u>354,431</u>	<u>-</u>
Net change in fund balances	208,435	-	208,435
Fund balances, beginning of year	<u>1,527,832</u>	<u>2,000</u>	<u>1,529,832</u>
Fund balances, end of year	\$ <u>1,736,267</u>	<u>2,000</u>	<u>1,738,267</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, 2017

	<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	\$ 208,435
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 \$(133,247) exceeds depreciation expense \$(434,921).	(301,674)
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.	346,625
The payment of debt issue costs is an expenditure in the governmental funds, however, prior debt issue costs were allocated over their useful lives as amortization expense. This is the final amount of amortization expense.	<u>(11,557)</u>
Change in net position of governmental activities	\$ <u>241,829</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, 2017

	<u>Total Agency Funds</u>
Assets:	
Cash	\$ <u>152,464</u>
Total assets	\$ <u>152,464</u>
Liabilities:	
Amounts held for others	<u>152,464</u>
Total liabilities	\$ <u>152,464</u>

See accompanying notes to basic financial statements.

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

Notes to Basic Financial Statements

June 30, 2017

**(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 January 14, 2003 and is effective until June 30, 2018. 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, 2017, 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, 2017, 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, 2017, 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.

**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, 2017, 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, 2017, cash includes \$1,846,642 of deposits invested in overnight repurchase agreements. The underlying securities pledged by the bank as collateral had market values totaling \$1,848,147 as of June 30, 2017.

**(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	3

**(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. Loan costs are deferred and amortized over the life of the related debt.

**(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, 2017.

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, 2017.

(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 2014-2017.

**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**

As of June 30, 2017, due from primary government includes \$14,666 of funding under the Capital Outlay allocation.

As of June 30, 2017, the School's general fund was due \$309,510 from the capital projects fund for capital expenditures funded by the general fund.

**(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, 2017:

	Balance 2016	Additions	Retirements and Transfers	Balance 2017
Improvements other than buildings	\$ 648,610	-	(1,108)	647,502
Buildings and improvements	7,124,565	12,768	(26,743)	7,110,590
Furniture, fixtures, and equipment	1,001,127	95,263	(91,012)	1,005,378
Audio/visual equipment	9,709	-	-	9,709
Computer software	22,282	-	(1,150)	21,132
Construction in progress	<u>-</u>	<u>25,216</u>	<u>-</u>	<u>25,216</u>
<b>Total capital assets</b>	<b><u>8,806,293</u></b>	<b><u>133,247</u></b>	<b><u>(120,013)</u></b>	<b><u>8,819,527</u></b>
Less accumulated depreciation for:				
Improvements other than buildings	419,547	36,430	(1,108)	454,869
Buildings and improvements	2,879,400	310,272	(26,743)	3,162,929
Furniture, fixtures, and equipment	743,635	86,346	(91,012)	738,969
Audio/visual equipment	9,709	-	-	9,709
Computer software	<u>16,571</u>	<u>1,873</u>	<u>(1,150)</u>	<u>17,294</u>
<b>Total accumulated depreciation</b>	<b><u>4,068,862</u></b>	<b><u>434,921</u></b>	<b><u>(120,013)</u></b>	<b><u>4,383,770</u></b>
<b>Governmental capital assets, net</b>	<b><u>\$ 4,737,431</u></b>	<b><u>(301,674)</u></b>	<b><u>-</u></b>	<b><u>4,435,757</u></b>

(Continued)

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

Notes to Basic Financial Statements

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.

**(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, 2017:

	<u>Balance</u> <u>2016</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance</u> <u>2017</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	\$ 643,618	—	346,625	296,993

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, 2017 is as follows: 2018, principal of \$296,993; interest of \$4,271, for a total of \$301,264.

During the year ended June 30, 2017, interest expense totaled \$14,456.

**(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	\$ 3,398,248
Class size	571,314
School academic improvement	129,507
Instructional materials and teacher training	47,518
Safe schools	<u>14,498</u>
Total	\$ <u>4,161,085</u>

(Continued)

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

Notes to Basic Financial Statements

The School'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 2016-2017 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 \$31,825 from the School's revenues for the year ended June 30, 2017, 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, 2018. The lease provides for payments of \$4,750 per month for each of the five years ending March 31, 2013; and \$5,000 per month for each of the five years ending March 31, 2018. The lease has an option to be renewed for ten additional years.

During the year ended June 30, 2011, the School entered into a 63 month lease for their copying equipment. The lease provided for payments of \$1,489 per month through June 30, 2015. This lease was revised in October 2014 to include new equipment and provides for 63 monthly payments of \$1,368 through January 2020.

Total rent expense incurred during the year ended June 30, 2017 amounted to \$76,415.

The future lease commitments as of June 30, 2017 follow:

2018	\$	61,415
2019		16,415
2020		<u>8,208</u>
	\$	<u>86,038</u>

**(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, 2017, 2016, and 2015, the school experienced no settlements in excess of insurance coverage.



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

Notes to Basic Financial Statements

**(8) Gain Contingency**

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 alleges 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. The ultimate disposition of this matter is uncertain and as the School records gain contingencies if and when received, no provision has been reflected in the accompanying financial statements.

**(9) 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, 2017, the School provided for contributions approximating \$347,922.

**(10) Subsequent Event**

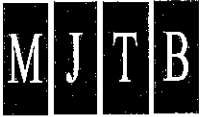
During August 2017, the District and the charter schools entered into a settlement agreement regarding the complaint discussed in note 8, which was completed on September 7, 2017. In accordance with the settlement agreement, the School will receive a total of \$731,738, plus interest of 5.17% per annum, in monthly payments of \$17,377 over four years beginning February 2018 and ending January 2022.

**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, 2017

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Variance with <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal through state through local	\$ —	91,088	91,088	—
State through local	—	73,134	73,301	167
Local	4,070,307	4,161,252	4,161,085	(167)
Non-resident tuition	260,000	428,638	428,638	—
Other	<u>80,000</u>	<u>157,352</u>	<u>183,497</u>	<u>26,145</u>
Total revenues	<u>4,410,307</u>	<u>4,911,464</u>	<u>4,937,609</u>	<u>26,145</u>
Expenditures:				
Current – education:				
Instruction	2,539,527	2,706,309	2,698,527	7,782
Student and instructional support services	275,935	282,999	286,325	(3,326)
Instructional media services	66,280	70,472	70,472	—
School administration	598,683	621,695	615,559	6,136
Facilities acquisition and construction	—	—	20,544	(20,544)
Food service	1,000	1,517	1,517	—
Information services	50,223	46,873	48,315	(1,442)
Student transportation services	3,000	1,053	1,053	—
Operation of plant	529,580	501,658	490,523	11,135
Maintenance of plant	32,000	22,541	22,541	—
Administrative technology services	<u>117,483</u>	<u>119,367</u>	<u>119,367</u>	<u>—</u>
Total expenditures	<u>4,213,711</u>	<u>4,374,484</u>	<u>4,374,743</u>	<u>(259)</u>
Other financing sources (uses)	<u>(188,603)</u>	<u>(56,860)</u>	<u>(354,431)</u>	<u>(297,571)</u>
Net change in fund balance	7,993	480,120	208,435	(271,685)
Fund balance, beginning of year	<u>1,527,832</u>	<u>1,527,832</u>	<u>1,527,832</u>	<u>—</u>
Fund balance, end of year	\$ <u>1,535,825</u>	<u>2,007,952</u>	<u>1,736,267</u>	<u>(271,685)</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, 2017, 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 19, 2017.

**Internal Control Over Financial Reporting**

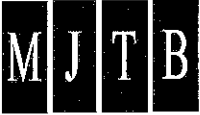
In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, 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, BOYCE & ASSOCIATES, P.A.

September 19, 2017



## **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, 2017, and have issued our report thereon dated September 19, 2017.

### **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 Required by *Government Auditing Standards***

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 19, 2017, 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. The official title of the School is Indian River Charter High School, Inc.

### **Financial Condition**

Section 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 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 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 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 19, 2017

**NORTH COUNTY CHARTER SCHOOL, INC.**

**Basic Financial Statements  
with  
Independent Auditors' Report**

Year ended June 30, 2017

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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, 2017, 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, 2017, 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.

## 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 9, 2017, 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

August 9, 2017

**NORTH COUNTY CHARTER SCHOOL, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017. 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 \$3,914,468 (net position). Of this amount, \$1,532,895 (unrestricted net position) may be used to meet the ongoing obligations of the School. The School's total net position increased by \$622,429 or 19% 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 \$1,532,895, or 55% of total expenditures. The School's combined ending fund balances increased by \$183,169 or 14% in comparison with the prior year balances. \$1,532,895 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 increased over the prior year by \$258,967, or 5%.

**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, 2017**

***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 \$3,914,468 at June 30, 2017.

A portion of the School's net position (61%) reflects its net investment in capital assets (e.g. land, buildings, equipment and furniture). The School has related debt outstanding as of June 30, 2017, of \$2,886,615 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, 2017**

**NORTH COUNTY CHARTER SCHOOL, INC.'S NET POSITION**

	2017	2016
Current assets	\$ 1,532,895	\$ 1,349,726
Capital assets, net	5,268,188	5,009,221
<b>Total assets</b>	<b>6,801,083</b>	<b>6,358,947</b>
Current liabilities	1,918,239	204,438
Long-term liabilities	968,376	2,862,470
<b>Total liabilities</b>	<b>2,886,615</b>	<b>3,066,908</b>
Net position:		
Net investment in capital assets	2,381,573	1,942,313
Restricted for:		
Capital projects	-	43,906
Unrestricted	1,532,895	1,305,820
<b>Total net position</b>	<b>\$ 3,914,468</b>	<b>\$ 3,292,039</b>

An additional portion of the School's net position (39%) 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, 2017**

**NORTH COUNTY CHARTER SCHOOL, INC.'S CHANGE IN NET POSITION**

	2017	2016
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 106,712	\$ 98,319
Operating grants and contributions	199,219	193,548
Capital grants and contributions	97,903	67,247
General revenues:		
FTE non-specific revenues	2,529,193	2,295,861
Unrestricted investment earnings	7,193	3,132
Loss on sale of assets	-	(539)
Gifts, grants and bequests not restricted to specific programs	43,064	42,420
<b>Total revenues</b>	<b>2,983,284</b>	<b>2,699,988</b>
<b>Expenses:</b>		
Instruction	1,378,359	1,197,400
Parental involvement	415	239
Instructional staff training	1,452	138
Board	7,634	17,378
School administration	327,283	304,804
Facilities acquisition and construction	6,807	400
Fiscal services	13,215	12,720
Food services	168,051	160,201
Transportation	27,964	24,856
Operation of plant	177,435	166,329
Maintenance of plant	27,353	9,167
Interest on long-term debt	114,214	120,917
Depreciation - unallocated	110,673	106,984
<b>Total expenses</b>	<b>2,360,855</b>	<b>2,121,533</b>
Increase in net position	622,429	578,455
Net position, beginning of year	3,292,039	2,713,584
Net position, end of year	\$ 3,914,468	\$ 3,292,039

**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 14% of total revenues. General revenues comprise 86% 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, 2017**

**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 \$1,532,895, an increase of \$183,169 over the previous fiscal year. The fund balance consists of *unassigned fund balance*, which is available for spending at the School's discretion.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

- The original budget was amended, and approved by the School's Board of Directors, for fiscal year June 30, 2017, to adjust allocation of expenses and to increase funding due to an increase in enrollment.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets** – The School's investment in capital assets for its governmental activities as of June 30, 2017, amounted to \$5,268,188 (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, 2017, of \$2,886,615 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%.
- The Charter School has estimated revenues and appropriations in the fiscal year 2017-18 budget of \$3,046,894. Appropriations include an additional \$79,000 and \$19,000 for instructional and administrative salary/wage increases.

All of these factors were considered in preparing the School's budget for the 2017-18 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, 2017

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 1,524,144	\$ -	\$ 1,524,144
Due from local sources	8,751	-	8,751
Capital assets, net	5,268,188	-	5,268,188
<b>Total Assets</b>	<b>6,801,083</b>	<b>-</b>	<b>6,801,083</b>
<b>Liabilities</b>			
Long-term liabilities:			
Due within one year			
Mortgage payable	1,912,891	-	1,912,891
Obligation under capital lease	5,348	-	5,348
Due in more than one year			
Mortgage payable	950,100	-	950,100
Obligation under capital lease	18,276	-	18,276
<b>Total Liabilities</b>	<b>2,886,615</b>	<b>-</b>	<b>2,886,615</b>
<b>Net Position</b>			
Net investment in capital assets	2,381,573	-	2,381,573
Unrestricted	1,532,895	-	1,532,895
<b>Total Net Position</b>	<b>\$ 3,914,468</b>	<b>\$ -</b>	<b>\$ 3,914,468</b>

See accompanying notes to the basic financial statements.





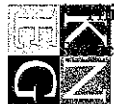
**North County Charter School, Inc.**  
A Charter School and Component Unit of the  
Indian River County District School Board  
Statement of Activities

Year ended June 30, 2017

	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>							
Governmental activities:							
Instruction	\$ 1,378,359	\$ 101,948	\$ 75,734	\$ -	\$ (1,200,677)	\$ -	\$ (1,200,677)
Parental involvement	415	-	-	-	(415)	-	(415)
Instructional staff training	1,452	-	-	-	(1,452)	-	(1,452)
Board	7,634	-	-	-	(7,634)	-	(7,634)
School administration	327,283	-	-	-	(327,283)	-	(327,283)
Facilities acquisition and construction	6,807	-	-	97,903	91,096	-	91,096
Fiscal services	13,215	-	-	-	(13,215)	-	(13,215)
Food services	168,051	4,764	123,485	-	(39,802)	-	(39,802)
Transportation	27,964	-	-	-	(27,964)	-	(27,964)
Operation of plant	177,435	-	-	-	(177,435)	-	(177,435)
Maintenance of plant	27,353	-	-	-	(27,353)	-	(27,353)
Interest on long-term debt	114,214	-	-	-	(114,214)	-	(114,214)
Depreciation - unallocated *	110,673	-	-	-	(110,673)	-	(110,673)
<b>Total Governmental Activities</b>	<b>\$ 2,360,855</b>	<b>\$ 106,712</b>	<b>\$ 199,219</b>	<b>\$ 97,903</b>	<b>(1,957,021)</b>	<b>-</b>	<b>(1,957,021)</b>
<b>General Revenues:</b>							
Local revenue:							
Florida Education Finance Program					1,995,644	-	1,995,644
Class size funds					439,610	-	439,610
Instructional materials					26,048	-	26,048
Lottery					5,797	-	5,797
Teachers lead program					5,040	-	5,040
Idea funds					25,200	-	25,200
School recognition funds					31,854	-	31,854
Gifts, grants and bequests					43,064	-	43,064
Interest earned					7,193	-	7,193
<b>Total General Revenues</b>					<b>2,579,450</b>	<b>-</b>	<b>2,579,450</b>
<b>Change in Net Position</b>					<b>622,429</b>	<b>-</b>	<b>622,429</b>
<b>Net Position, beginning</b>					<b>3,292,039</b>	<b>-</b>	<b>3,292,039</b>
<b>Net Position, ending</b>					<b>\$ 3,914,468</b>	<b>\$ -</b>	<b>\$ 3,914,468</b>

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, 2017

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash	\$ 1,524,144	\$ -	\$ -	\$ 1,524,144
Due from local sources	8,751	-	-	8,751
<b>Total Assets</b>	<b>\$ 1,532,895</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,532,895</b>
<b>Liabilities and Fund Balances</b>				
Liabilities	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:				
Unassigned	1,532,895	-	-	1,532,895
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,532,895</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,532,895</b>
Total fund balances				\$ 1,532,895
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.				5,268,188
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.				(2,886,615)
Net position of governmental activities				<u>\$ 3,914,468</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, 2017

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Intergovernmental:				
Federal through local	\$ -	\$ 97,903	\$ 25,200	\$ 123,103
Interest	7,193	-	-	7,193
Local	2,724,739	-	128,249	2,852,988
<b>Total Revenues</b>	<b>2,731,932</b>	<b>97,903</b>	<b>153,449</b>	<b>2,983,284</b>
<b>Expenditures</b>				
Current - Education:				
Instruction	1,314,068	-	25,200	1,339,268
Parental involvement	415	-	-	415
Instructional staff training	1,452	-	-	1,452
Board	7,634	-	-	7,634
School administration	324,185	-	-	324,185
Facilities acquisition and construction	6,807	-	-	6,807
Fiscal services	13,215	-	-	13,215
Food services	-	-	160,951	160,951
Transportation	27,964	-	-	27,964
Operation of plant	177,435	-	-	177,435
Maintenance of plant	27,353	-	-	27,353
Debt service	322,805	-	-	322,805
Fixed Capital Outlay:				
Facilities acquisition and construction	-	390,631	-	390,631
<b>Total Expenditures</b>	<b>2,223,333</b>	<b>390,631</b>	<b>186,151</b>	<b>2,800,115</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>508,599</b>	<b>(292,728)</b>	<b>(32,702)</b>	<b>183,169</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in (out)	(281,524)	248,822	32,702	-
<b>Total Other Financing Sources (Uses)</b>	<b>(281,524)</b>	<b>248,822</b>	<b>32,702</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>227,075</b>	<b>(43,906)</b>	<b>-</b>	<b>183,169</b>
<b>Fund Balance, beginning of year</b>	<b>1,305,820</b>	<b>43,906</b>	<b>-</b>	<b>1,349,726</b>
<b>Fund Balance, end of year</b>	<b>\$ 1,532,895</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,532,895</b>

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, 2017

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<b>Net change in fund balances - governmental funds</b>	<b>\$ 183,169</b>
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 capital outlays (\$390,631) exceeds depreciation expense (\$159,962) in the period.	230,669
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.	208,591
<hr/> <b>Change in net position of governmental activities</b>	<hr/> <b>\$ 622,429</b>

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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, 2017

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Local	\$ 2,674,778	\$ 2,651,500	\$ 2,724,739	\$ 73,239
Interest income	-	-	7,193	7,193
<b>Total Revenues</b>	<b>2,674,778</b>	<b>2,651,500</b>	<b>2,731,932</b>	<b>80,432</b>
<b>Expenditures</b>				
Current - Education:				
Instruction	1,241,850	1,245,650	1,314,068	(68,418)
Parental involvement	500	500	415	85
Instructional staff training	900	900	1,452	(552)
Board	15,650	15,650	7,634	8,016
School administration	314,050	311,925	324,185	(12,260)
Facilities acquisition and construction	11,000	11,000	6,807	4,193
Fiscal services	13,140	13,140	13,215	(75)
Transportation	27,000	27,000	27,964	(964)
Operation of plant	202,170	178,670	177,435	1,235
Maintenance of plant	9,500	9,500	27,353	(17,853)
Debt service	316,933	316,933	322,805	(5,872)
<b>Total Expenditures</b>	<b>2,152,693</b>	<b>2,130,868</b>	<b>2,223,333</b>	<b>(92,465)</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>522,085</b>	<b>520,632</b>	<b>508,599</b>	<b>(12,033)</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in (out)	-	-	(281,524)	(281,524)
<b>Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>\$ 522,085</b>	<b>\$ 520,632</b>	<b>227,075</b>	<b>\$ (293,557)</b>
<b>Fund Balance, beginning of year</b>			<b>1,305,820</b>	
<b>Fund Balance, end of year</b>			<b>\$ 1,532,895</b>	

See accompanying notes to the basic financial statements.



**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.



**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.

**Capital Projects Fund** - Used to account for the financial resources to be used in the acquisition, construction, or improvement of capital facilities.

**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, 2017.

**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, 2017.

**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 did not have any committed resources as of June 30, 2017.

**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, 2017.

**Unassigned** – This classification includes the residual fund balance for the General Fund.

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.

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.

**Note 1 – Summary of Significant Accounting Policies** (continued)

**Fund Balance Disclosure** (continued)

**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 reserve the right to selectively defer the use until a future project. The School did not have any restricted net positions as of June 30, 2017.

**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, 2017, the School made an interfund transfer of \$32,702 from the general fund to the special revenue fund to subsidize the School’s food program. Also, during the year ended June 30, 2017, the School made an interfund transfer of \$248,822 from the general fund to the capital projects fund to temporarily subsidize the capital projects fund. As fund balance becomes available the capital project fund will transfer back amounts subsidized by 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, 2017.

**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 9, 2017, 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, 2017, was as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<b>Capital assets not being depreciated:</b>				
Land	\$ 599,238	\$ -	\$ -	\$ 599,238
Total capital assets not being depreciated	599,238	-	-	599,238
<b>Other capital assets:</b>				
Buildings and fixed equipment	4,755,253	357,809	-	5,113,062
Improvements other than buildings	100,442	20,976	-	121,418
Furniture, fixtures and equipment	265,887	33,232	-	299,119
Property under capital lease	-	28,298	-	28,298
Computer software	2,150	900	-	3,050
Loan costs	63,109	-	-	63,109
Construction in progress	22,286	-	(22,286)	-
Total other capital assets at historical cost	5,209,127	441,215	(22,286)	5,628,056
<b>Less accumulated depreciation for:</b>				
Buildings and fixed equipment	(553,236)	(98,703)	-	(651,939)
Improvements other than buildings	(46,225)	(10,593)	-	(56,818)
Furniture, fixtures and equipment	(168,361)	(35,711)	-	(204,072)
Property under capital lease	-	(5,660)	-	(5,660)
Computer software	(429)	(407)	-	(836)
Loan costs	(30,893)	(8,888)	-	(39,781)
Total accumulated depreciation	(799,144)	(159,962) *	-	(959,106)
Other capital assets, net	4,409,983	281,253	(22,286)	4,668,950
Governmental activities capital assets, net	\$ 5,009,221	\$ 281,253	\$ (22,286)	\$ 5,268,188

\* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 39,091
School administration	3,098
Food services	7,100
Unallocated	110,673
	\$ 159,962

**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,	
2018	\$ 6,408
2019	6,408
2020	6,408
2021	6,408
2022	534
Total minimum lease payments	26,166
Less amount representing interest	(2,542)
	<b>\$ 23,624</b>

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, 2016	Additions	Reductions	Principal Outstanding June 30, 2017	Amount Due in One Year
Mortgages payable	\$ 3,066,908	\$ -	\$ 203,917	\$ 2,862,991	\$ 1,912,891

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, 2017, at which time all unpaid principal and interest shall become immediately due and payable. The loan carries a fixed interest rate of 3.75%, based on a five year adjusted rate through November 1, 2017.

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 shall be due and payable commencing on November 1, 2013. Beginning November 1, 2014, the agreement requires 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.



**Note 4 – Long-Term Liabilities** (continued)

Amounts needed for the planned extended repayment of the mortgage at June 30, 2017, are as follows:

Fiscal year ending June 30	Principal	Interest	Total
2018	\$ 1,912,891	\$ 65,973	\$ 1,978,864
2019	68,715	34,397	103,112
2020	71,336	31,776	103,112
2021	74,058	29,054	103,112
2022	76,883	26,229	103,112
2023 and thereafter	659,108	95,114	754,222
	\$ 2,862,991	\$ 282,543	\$ 3,145,534

**Note 5 – Governmental Fund Balance**

GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

**Nonspendable** – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Spendable:**

**Restricted** – Amounts that can be spent only for specific purposes because of the School Charter, state or federal laws, or externally imposed conditions by grantors or creditors.

**Committed** – Amounts that can be used only for specific purposes determined by a formal action by the Board of Directors.

**Assigned** – Amounts that are designated by the Principal for a specific purpose.

**Unassigned** – All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 11). As discussed in Note 1, restricted funds are used first as appropriate. Decreases to fund balance first reduce Unassigned Fund Balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

**General Fund**

The General Fund has an Unassigned Fund Balance of \$1,532,895 at June 30, 2017.



**Note 6 – Net Position**

At June 30, 2017, 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	\$ 5,268,188	\$ -
Less:		
Mortgage payable and capital lease obligation	(2,886,615)	-
Total net investment in capital assets	2,381,573	-
Restricted for capital projects	-	-
Unrestricted	1,532,895	-
Total net position	\$ 3,914,468	\$ -

**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, 2017, the School contributed \$20,065 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 – Pending Litigation**

The School, along with four other charter schools in Indian River County, are seeking tax revenues it believes that the Indian River County School District (District) illegally withheld from the charter schools each year beginning in the 2012-13 fiscal year. These monies were generated by a local discretionary tax levy. The charter schools believe that Florida law requires the District to share those monies pro rata. 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 fiscal year ending June 30, 2017, a Circuit Court in and for Indian River County ruled in favor of the charter schools; however, as of the date of these financial statements the District has not remitted these revenues to the charter schools. A Notice of Hearing – Motion for Damages has been scheduled for August 30, 2017, between the two parties.







**KMETZ NUTTALL ELWELL GRAHAM, PLLC**  
*Certified Public Accountants*

**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, 2017, 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 9, 2017.

**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.

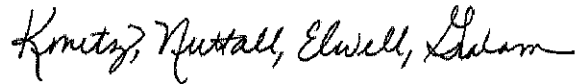
**Compliance and Other Matters**

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 9, 2017





**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, 2017, and have issued our report thereon dated August 9, 2017.

**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 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 9, 2017, 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**

Sections 10.854(1)(e)2., Rules of the Auditor General, require that we report the results of our determination as to 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.

### **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 North County Charter School, Inc. maintains on its website 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 website 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 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 9, 2017

**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, 2017**



**M<sup>C</sup>CRADY | HESS**  
CERTIFIED PUBLIC ACCOUNTANTS

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**ST. PETER'S ACADEMY, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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, 2017. 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, 2017, the School's revenues exceeded expenses by approximately \$73,000.
- ❖ At June 30, 2017, the School's governmental funds balance sheet reported combined ending unassigned fund balance of \$270,041.

**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, 2017, 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, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 355,484	\$ 247,887	\$ 107,597
Capital assets, net	<u>1,253,260</u>	<u>1,300,119</u>	<u>(46,859)</u>
Total assets	<u>1,608,744</u>	<u>1,548,006</u>	<u>60,738</u>
<b>Liabilities:</b>			
Current liabilities	22,556	8,221	14,335
Long-term liabilities	<u>312,849</u>	<u>339,784</u>	<u>(26,935)</u>
Total liabilities	<u>335,405</u>	<u>348,005</u>	<u>(12,600)</u>
<b>Net Position:</b>			
Investment in capital assets, net of related debt	940,411	960,335	(19,924)
Restricted:			
Food services	62,558	21,424	41,134
Unrestricted	<u>270,370</u>	<u>218,242</u>	<u>52,128</u>
Total net position	<u>\$ 1,273,339</u>	<u>\$ 1,200,001</u>	<u>\$ 73,338</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 \$73,000 in fiscal 2017—see table below.

	<u>2017</u>	<u>2016</u>	<u>Increases (Decreases)</u>
<b>Revenues:</b>			
Federal sources	\$ 177,393	\$ 188,905	\$ 11,512
State and local sources	1,113,939	1,024,678	89,261
Other revenues	<u>72,577</u>	<u>81,088</u>	<u>(72,345)</u>
Total revenues	<u>1,363,909</u>	<u>1,294,671</u>	<u>69,238</u>
<b>Expenses:</b>			
Instruction	693,855	623,563	70,292
General administration	20,936	19,418	1,518
School administration	177,713	292,361	(114,648)
Fiscal Services	6,389	-	6,389
Food service	89,416	67,563	21,853
Transportation	74,746	10,953	63,793
Operation of plant	211,079	163,345	47,734
Interest	<u>16,437</u>	<u>17,296</u>	<u>(859)</u>
Total expenses	<u>1,290,571</u>	<u>1,194,499</u>	<u>96,072</u>
Change in net position	<u>\$ 73,338</u>	<u>\$ 100,172</u>	<u>\$ (34,128)</u>

The School's overall revenue increased due to increase in student enrollment. The School's ended the fiscal year with 138 students, an increase of 8% from prior year. Instruction and food services expense increased due to additional wages and benefits related to the increase in student population. School administration, transportation and operation of plant expense changed due to a reclassification of expenditures in the current year.

## FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As the School completed the year, its governmental funds reported a combined fund balance of \$332,928.

### 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 \$63,000 more than budgeted amounts. Actual expenditures were consistent with budgeted amounts.

In the special revenue fund, actual revenues were approximately \$41,000 greater than the budgeted amounts while actual expenditures were \$6,000 more than the budgeted amounts.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal 2017, the School's investment in capital assets was approximately \$1.26 million in capital assets, net of accumulated depreciation of approximately \$546,000.

Comparative information regarding the School's capital assets as of June 30, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>	<u>Change</u>
<b>Capital assets</b>			
Building and improvements	\$ 1,599,883	\$ 1,599,883	\$ -
Equipment and software	178,021	172,362	5,659
Vehicles	<u>21,569</u>	<u>21,569</u>	<u>-</u>
Total capital assets	1,799,473	1,793,814	5,659
Net of accumulated depreciation	<u>(546,213)</u>	<u>(493,695)</u>	<u>(52,518)</u>
Net capital assets	<u>\$ 1,253,260</u>	<u>\$ 1,300,119</u>	<u>\$ (46,859)</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 \$27,000 due to the current year principal payments. Interest paid during fiscal year 2017 was approximately \$16,000. 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, 2018**

Amounts available for appropriation in the general fund is expected to remain consistent with current year at approximately \$1,130,000, which is due to a conservative student enrollment count.

Budgeted expenditures are expected to decrease to approximately \$1,051,000 from the fiscal year 2017 actual amount of \$1,091,016 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 \$191,000.

Budgeted expenditures in the special revenue fund are expected to increase to approximately \$145,000 from the year 2017 actual of \$136,259.

## **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 38<sup>th</sup> Avenue Vero Beach, FL 32967.



## **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

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, 2017, 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, 2017, 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, 2017, 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.

*MC CRADY HESS*

Orlando, Florida  
September 20, 2017

1000 Legion Place, Suite 701 | Orlando, FL 32801

Office 407-478-4020 ■ Fax 407-894-2094 ■ [cpa@mccradyhess.com](mailto:cpa@mccradyhess.com) ■ [www.mccradyhess.com](http://www.mccradyhess.com)

**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, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 317,971
Due from other agencies	12,838
Due from Rock Academy, Inc.	24,346
Other asset	329
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>(546,213)</u>
Total capital assets, net	<u>1,253,260</u>
Total assets	<u><u>\$ 1,608,744</u></u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 22,556
Long-term liabilities:	
Portion due or payable within one year:	
Note payable	29,709
Portion due or payable after one year:	
Note payable	<u>283,140</u>
Total liabilities	<u>335,405</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	940,411
Restricted:	
Food services	62,558
Unrestricted	<u>270,370</u>
Total net position	<u>1,273,339</u>
Total liabilities and net position	<u><u>\$ 1,608,744</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, 2017**

	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	\$ 693,855	\$ 63,142	\$ 46,843	\$ -	\$ (583,870)	\$ (583,870)
General administration	20,936	-	-	-	(20,936)	(20,936)
School administration	177,713	-	-	-	(177,713)	(177,713)
Fiscal services	6,389	-	-	-	(6,389)	(6,389)
Food service	89,416	-	130,550	-	41,134	41,134
Transportation	74,746	-	-	-	(74,746)	(74,746)
Operation of plant	211,079	-	-	43,372	(167,707)	(167,707)
Interest	16,437	-	-	-	(16,437)	(16,437)
<b>Total primary government</b>	<b>\$ 1,290,571</b>	<b>\$ 63,142</b>	<b>\$ 177,393</b>	<b>\$ 43,372</b>	<b>(1,006,664)</b>	<b>(1,006,664)</b>
General revenues:						
State and local sources					1,070,567	1,070,567
Contributions and other revenues					9,435	9,435
Total general revenue					1,080,002	1,080,002
Changes in net position					73,338	73,338
Net position at beginning of year					1,200,001	1,200,001
Net position at end of year					\$ 1,273,339	\$ 1,273,339

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, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 255,413	\$ 62,558	\$ 317,971
Due from other agencies	7,294	5,544	12,838
Due from Rock Academy, Inc.	24,346	-	24,346
Other assets	329	-	329
Due from other governmental funds	5,544	-	5,544
	<hr/>	<hr/>	<hr/>
Total assets	\$ 292,926	\$ 68,102	\$ 361,028
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 22,556	\$ -	\$ 22,556
Due to general fund	-	5,544	5,544
	<hr/>	<hr/>	<hr/>
Total liabilities	22,556	5,544	28,100
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid assets	329	-	329
Restricted:			
Food services	-	62,558	62,558
Spendable:			
Unassigned	270,041	-	270,041
	<hr/>	<hr/>	<hr/>
Total fund balances	270,370	62,558	332,928
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 292,926	\$ 68,102	\$ 361,028
	<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, 2017**

**Total fund balances - governmental funds** \$ 332,928

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 \$546,213. 1,253,260

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 (312,849)

**Total net assets - governmental activities** \$ 1,273,339

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, 2017**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Federal sources passed through local school district	\$ -	\$ 177,393	\$ -	\$ 177,393
State and local sources	1,070,567	-	43,372	1,113,939
Contributions and other revenues	72,577	-	-	72,577
<b>Total revenues</b>	<b>1,143,144</b>	<b>177,393</b>	<b>43,372</b>	<b>1,363,909</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	642,141	46,843	-	688,984
General administration	20,936	-	-	20,936
School administration	177,713	-	-	177,713
Fiscal services	6,389	-	-	6,389
Food service	-	89,416	-	89,416
Transportation	71,649	-	-	71,649
Operation of plant	166,529	-	-	166,529
Debt service:				
Principal	-	-	26,935	26,935
Interest	-	-	16,437	16,437
Capital outlay	5,659	-	-	5,659
<b>Total expenditures</b>	<b>1,091,016</b>	<b>136,259</b>	<b>43,372</b>	<b>1,270,647</b>
<b>Net changes in fund balances</b>	<b>52,128</b>	<b>41,134</b>	<b>-</b>	<b>93,262</b>
Fund balances at beginning of year	218,242	21,424	-	239,666
<b>Fund balances at end of year</b>	<b>\$ 270,370</b>	<b>\$ 62,558</b>	<b>\$ -</b>	<b>\$ 332,928</b>

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, 2017**

<b>Net changes in fund balance - total governmental funds</b>	<b>\$ 93,262</b>
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 and reported as depreciation expense. This is the amount of depreciation expense (\$52,518) exceeded capital additions (\$5,659) in the current period.	(46,859)
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.	<u>26,935</u>
<b>Change in net assets of governmental activities</b>	<b><u><u>\$ 73,338</u></u></b>

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, 2017**

**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 and special revenue 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, 2017, the School's cash balances exceeded FDIC coverage by approximately \$85,000.

**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 \$5,500 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, 2017, the School reported 138.13 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 \$5,500 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, 2017 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Capital assets:</b>				
Buildings & improvements	\$ 1,577,276	\$ -	\$ -	\$ 1,577,276
Improvements other than building	22,607	-	-	22,607
Furniture, fixtures & equipment	165,310	5,659	-	170,969
Computer software	7,052	-	-	7,052
Vehicles	21,569	-	-	21,569
Total capital assets	<u>1,793,814</u>	<u>5,659</u>	<u>-</u>	<u>1,799,473</u>
<b>Accumulated depreciation:</b>				
Buildings & improvements	(306,344)	(44,347)	-	(350,691)
Improvements other than building	(20,387)	(203)	-	(20,590)
Furniture, fixtures & equipment	(147,572)	(4,871)	-	(152,443)
Computer software	(7,052)	-	-	(7,052)
Vehicles	(12,340)	(3,097)	-	(15,437)
Total accumulated depreciation	<u>(493,695)</u>	<u>(52,518)</u>	<u>-</u>	<u>(546,213)</u>
Capital assets, net	<u>\$ 1,300,119</u>	<u>\$ (46,859)</u>	<u>\$ -</u>	<u>\$ 1,253,260</u>
<b>Depreciation expense:</b>				
Instruction			\$ 4,871	
Transportation			3,097	
Operation of plant			<u>44,550</u>	
Total governmental activities depreciation expense			<u>\$ 52,518</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, 2017. Effective June 2016, 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, 2017 is as follows:

Balance outstanding at beginning of year	\$	339,784
Additions		-
Reductions		(26,935)
Balance outstanding at end of year		<u>312,849</u>
Less: portion due or payable within one year		<u>(29,709)</u>
Portion due or payable after one year	\$	<u><u>283,140</u></u>

Interest paid during the year ended June 30, 2017 totaled approximately \$16,000.

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,			
2018	\$ 29,709	\$ 13,663	\$ 43,372
2019	31,077	12,295	43,372
2020	32,508	10,864	43,372
2021	219,555	8,646	228,201
	<u>\$ 312,849</u>	<u>\$ 45,468</u>	<u>\$ 358,317</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	\$	645,600
Class size reduction		190,743
Discretionary local effort		96,443
Capital outlay		48,619
ESE guaranteed allocation		31,644
Supplemental academic instruction		28,211
Transportation		24,259
School recognition		12,884
Instructional materials		10,351
Reading allocation		7,059
Digital classroom allocation		6,105
Lead teacher		5,639
Safe schools		3,158
Discretionary lottery funds		2,401
Declining enrollment		1,073
State proration		(250)
Total	\$	<u>1,113,939</u>

The administrative fee paid to the School Board during the year ended June 30, 2017 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.

**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, 2017, the School has an amount due from Rock Academy of approximately \$24,000.

**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 \$2,650 per month. Several of the members of the School's Board of Directors are associated with the Church. Total rent expenses incurred during the year ended June 30, 2017 totaled \$31,800. At June 30, 2017, there were no amounts outstanding.

**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)**

**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.

**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 2015, 2014 and 2013 are subject to examination by tax authorities, and may change upon examination.

**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)**

**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, 2017, the School made contributions for eligible participants to the 403(b) plan in the amount of approximately \$10,800, 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, 2017, 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, 2017**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
State and local sources	\$ 920,000	\$ 1,080,000	\$ 1,070,567	\$ (9,433)
Contributions and other revenues	-	-	72,577	72,577
<b>Total revenues</b>	<b>920,000</b>	<b>1,080,000</b>	<b>1,143,144</b>	<b>63,144</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	527,293	665,000	642,141	(22,859)
General administration	-	-	20,936	20,936
School administration	212,669	212,669	177,713	(34,956)
Fiscal services	-	-	6,389	6,389
Transportation	57,245	72,500	71,649	(851)
Operation of plant	106,650	140,000	166,529	26,529
Capital outlay	-	-	5,659	5,659
<b>Total expenditures</b>	<b>903,857</b>	<b>1,090,169</b>	<b>1,091,016</b>	<b>847</b>
Net changes in fund balances	16,143	(10,169)	52,128	62,297
Fund balances at beginning of year,	218,242	218,242	218,242	-
Fund balances at end of year	<u>\$ 234,385</u>	<u>\$ 208,073</u>	<u>\$ 270,370</u>	<u>\$ 62,297</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, 2017**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal sources passed through local school district	\$ 136,000	\$ 136,000	\$ 177,393	\$ 41,393
Total revenues	136,000	136,000	177,393	41,393
<b>EXPENDITURES</b>				
Current:				
Instruction	44,263	44,263	46,843	2,580
Food service	85,768	85,768	89,416	3,648
Total expenditures	130,031	130,031	136,259	6,228
Net changes in fund balances	5,969	5,969	41,134	35,165
Fund balances at beginning of year	13,859	13,859	21,424	7,565
Fund balances at end of year	\$ 19,828	\$ 19,828	\$ 62,558	\$ 42,730

See Independent Auditor's Report.



**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, 2017, 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, 2017.

**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.

This report is intended solely for the information and use of management of the School, the board of directors, regulatory agencies of federal and state governments, the District School Board of Indian River County, Florida, the Florida Department of Education and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*McCRA DY HESS*

Orlando, Florida  
September 20, 2017

1000 Legion Place, Suite 701 | Orlando, FL 32801

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**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, 2017, and have issued our report thereon dated September 20, 2017.

**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*.

**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. The official title of the entity is St. Peter's Academy, Inc.

**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 Indian River County School Board and is not intended to be and should not be used by anyone other than these specified parties.

*McCRA DY HESS*

Orlando, Florida  
September 20, 2017

1000 Legion Place, Suite 701 | Orlando, FL 32801

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