



AUDITOR GENERAL
WILLIAM O. MONROE, CPA



MADISON COUNTY DISTRICT SCHOOL BOARD
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation

For the Fiscal Year Ended June 30, 2004

The governing body of the District is the District School Board, which is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. The Board members and Superintendent of Schools who served during the examination period were: Clyde Alexander, Chairman; Kenneth Hall; Jerri Haynes; Susie Williamson; Bart Alford; and Bill Roberts, Superintendent.

This examination was conducted by Jennifer Taylor, CPA, and supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Joe Williams, Audit Manager, via e-mail at joewilliams@aud.state.fl.us or by telephone at (850) 414-9941.

This report, as well as other audit reports prepared by the Auditor General, can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Madison County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS AND STUDENT TRANSPORTATION
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2004

	PAGE NO.
FULL-TIME EQUIVALENT (FTE) STUDENTS	
Independent Auditor's Report.....	1
Schedule A - Populations, Samples, and Audit Adjustments	3
Schedule B - Effect of Audit Adjustments on Weighted FTE	5
Schedule C - Audit Adjustments by School	6
Schedule D - Findings and Audit Adjustments	8
Schedule E – Recommendations and Regulatory Citations.....	15
Schedule F – Summary of Management’s Response	18
Notes to Schedules.....	19
STUDENT TRANSPORTATION	
Independent Auditor's Report.....	23
Schedule A - Populations, Samples, and Audit Adjustments	25
Schedule B - Findings and Audit Adjustments.....	26
Schedule C – Recommendations and Regulatory Citations.....	30
Schedule D – Summary of Management’s Response	31
Notes to Schedules.....	32
MANAGEMENT'S RESPONSE.....	34



WILLIAM O. MONROE, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



850/488-5534/SC 278-5534
Fax: 488-6975/SC 278-6975

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

INDEPENDENT AUDITOR'S REPORT MADISON COUNTY DISTRICT SCHOOL BOARD FLORIDA EDUCATION FINANCE PROGRAM (FEFP) FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated March 28, 2005, that the Madison County District School Board complied with the requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2004. These requirements are found primarily in Chapter 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-1, Florida Administrative Code, and secondarily in Chapters 1000 through 1010, 1012, and 1013, Florida Statutes, and State Board of Education Rules, Chapters 6A-4 and 6A-6, Florida Administrative Code. As discussed in the representation letter, management is responsible for the District's compliance with those statutes and rules. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the District's compliance with the aforementioned FEFP requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. The legal determination of the District's compliance with FEFP requirements is, however, ultimately the responsibility of the Department of Education.

Our examination procedures disclosed instances of material noncompliance involving 6 of the 34 teachers in our sample. These teachers did not meet applicable provisions of Florida Statutes or State Board of Education Rules regarding qualified instructional personnel; School Board approval of out-of-field teacher assignments; notification of parents regarding out-of-field teachers; or the earning of college credits in out-of-field subject areas. (See SCHEDULE D, finding nos. 4, 5, 11, 12, and 15.)

In our opinion, except for the instances of material noncompliance mentioned above involving teachers, the Madison County District School Board complied, in all material respects, with the aforementioned requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2004.

The results of our examination disclosed other instances of noncompliance with FEFP requirements, in addition to those of a material nature discussed above. We considered these other instances of noncompliance in forming our opinion regarding management's assertion and these items did not affect our opinion as stated above. All of the instances of noncompliance disclosed by our examination procedures are discussed in SCHEDULE D. The impact of those instances of noncompliance on the District's reported number of full-time equivalent (FTE) students is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

In accordance with *Government Auditing Standards*, we are required to report deficiencies in internal control that are material to management's assertion. The instances of material noncompliance mentioned above are indicative of such deficiencies in the District's internal controls related to teacher assignments. The relevant populations, samples, and exception totals are presented in SCHEDULE A herein. We performed our examination to express an opinion on the District's compliance with the FEFP requirements previously mentioned and not for the purpose of expressing an opinion on the District's related internal controls; accordingly, we express no such opinion.

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and the Madison County District School Board. Copies of this report are available pursuant to Section 11.45(4)(c), Florida Statutes, and its distribution is not limited.

Respectfully submitted,



William O. Monroe, CPA
June 14, 2005

SCHEDULE A

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Students (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE²</u>	<u>% of Pop. (Sample)</u>
<u>1. Basic</u>						
Population ³	8	100.00%	2,389	100.00%	2,208.8036	100.00%
Sample Size ⁴	6	75.00%	116	4.86%	91.3928	4.14%
Net Audit Adjustments ⁵	-	-	(5)	(4.31%)	(1.9228)	-
<u>2. English for Speakers of Other Languages (ESOL)</u>						
Population ³	1	100.00%	3	100.00%	2.2680	100.00%
Sample Size ⁴	1	100.00%	3	100.00%	2.2680	100.00%
Net Audit Adjustments ⁵	-	-	(2)	(66.67%)	(1.6344)	-
<u>3. Exceptional - Basic with ESE Services</u>						
Population ³	9	100.00%	1,041	100.00%	901.6116	100.00%
Sample Size ⁴	6	66.67%	84	8.07%	67.0455	7.44%
Net Audit Adjustments ⁵	-	-	(7)	(8.33%)	(.4462)	-
<u>4. Exceptional - ESE Support Levels 4 and 5</u>						
Population ³	2	100.00%	5	100.00%	5.4080	100.00%
Sample Size ⁴	2	100.00%	5	100.00%	5.0000	92.46%
Net Audit Adjustments ⁵	-	-	(1)	(20.00%)	(1.0000)	-
<u>5. Vocational 9-12</u>						
Population ³	3	100.00%	29	100.00%	100.6426	100.00%
Sample Size ⁴	1	33.33%	12	41.38%	1.7408	1.73%
Net Audit Adjustments ⁵	-	-	(0)	(0.00%)	.0000	-

<u>All Programs</u>						
Population ³	9	100.00%	3,467	100.00%	3,218.7338	100.00%
Sample Size ⁴	6	66.67%	220	6.35%	167.4471	5.20%
Net Audit Adjustments ⁵	-	-	(15)	(6.82%)	(5.0034)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE²</u>
<u>Teacher Certification</u>					
Population	9	100.00%	74	100.00%	-
Sample Size ⁴	6	66.67%	34	45.95%	-
Net Audit Adjustments ⁵	-	-	(6)	(17.65%)	-
Basic	-	-	-	-	37.1498
Basic with ESE Services	-	-	-	-	(32.0178)
ESE Support Levels 4 and 5	-	-	-	-	(.1668)
Vocational 9-12	-	-	-	-	<u>(4.9652)</u>
					<u>.0000</u>
Net Audit Adjustments					<u>(5.0034)</u>

¹ See NOTE A6.

² Unweighted full-time equivalent (FTE) students represents FTE prior to the application of the applicable cost factor for each program. (See SCHEDULE B and NOTE A4.)

³ The population shown for the number of schools is the total number of schools in the District which offered the courses in the program specified (i.e., Basic, English for Speakers of Other Languages (ESOL), Exceptional, and Vocational). The population shown for the number of students is the total number of students in each program at the schools in our sample. Our Vocational sample was limited to only those students who participated in on-the-job-training (OJT). The population shown for full-time equivalent (FTE) students is the total FTE for all of the District's schools (sample schools plus nonsample schools) as reported for each survey conducted for the fiscal year ended June 30, 2004. The population shown for teachers is the total number of teachers at schools in our sample who taught courses in Exceptional education or Vocational education or taught courses to Limited English Proficient (LEP) students. (See NOTE A5.)

⁴ See NOTE B.

⁵ Our audit adjustments generally reclassify reported FTE to Basic education for all exceptions except for those involving a student's attendance or enrollment (the audit adjustments for which take the reported FTE to zero).

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
 For the Fiscal Year Ended June 30, 2004

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	(1.0000)	1.002	(1.0020)
102 Basic 4-8	14.3632	1.000	14.3632
103 Basic 9-12	21.8638	1.140	24.9247
111 Grades K-3 with ESE Services	1.0000	1.002	1.0020
112 Grades 4-8 with ESE Services	(14.3321)	1.000	(14.3321)
113 Grades 9-12 with ESE Services	(19.1319)	1.140	(21.8104)
130 ESOL	(1.6344)	1.298	(2.1215)
254 ESE Support Level 4	(1.1668)	3.948	(4.6065)
300 Vocational 9-12	<u>(4.9652)</u>	1.190	<u>(5.9086)</u>
Total	<u>(5.0034)</u>		<u>(9.4912)</u>

¹ See NOTE A6.

² These adjustments are for unweighted FTE. (See SCHEDULE C.)

³ Weighted FTE adjustments are presented for illustrative purposes only; they do not take special program caps or allocation factors into consideration and are not intended to indicate the FTE used to compute the dollar value of audit adjustments. That computation is the responsibility of the Department of Education. (See NOTE A4.)

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2004

<u>No. Program</u>	<u>Audit Adjustments¹</u>			<u>Balance Forward</u>
	<u>#0011</u>	<u>#0041</u>	<u>#0101</u>	
101 Basic K-3	.....	.....	.0000	.0000
102 Basic 4-8	.....	.....	.0000	.0000
103 Basic 9-12	8.0436	.....	.....	8.0436
111 Grades K-3 with ESE Services	.....	1.0000	.0000	1.0000
112 Grades 4-8 with ESE Services	.....	.....	.0000	.0000
113 Grades 9-12 with ESE Services	(1.8195)	.....	.....	(1.8195)
130 ESOL	(1.6344)	.....	.....	(1.6344)
254 ESE Support Level 4	(.1668)	(1.0000)	.....	(1.1668)
300 Vocational 9-12	<u>(4.9652)</u>	<u>.....</u>	<u>.....</u>	<u>(4.9652)</u>
Total	<u>(.5423)</u>	<u>.0000</u>	<u>.0000</u>	<u>(.5423)</u>

¹ These adjustments are for unweighted FTE. (See NOTE A4.)

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2004

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>			<u>Total</u>
		<u>#0111</u>	<u>#0900</u>	<u>#0950</u>	
101	.0000	.0000	.....	(1.0000)	(1.0000)
102	.0000	.0000	12.6962	1.6670	14.3632
103	8.0436	.....	10.9526	2.8676	21.8638
111	1.0000	.0000	.....	.....	1.0000
112	.0000	.0000	(12.6651)	(1.6670)	(14.3321)
113	(1.8195)	.....	(10.9448)	(6.3676)	(19.1319)
130	(1.6344)	.....	.....	.....	(1.6344)
254	(1.1668)	.....	.....	.....	(1.1668)
300	<u>(4.9652)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(4.9652)</u>
Total	<u>(.5423)</u>	<u>.0000</u>	<u>.0389</u>	<u>(4.5000)</u>	<u>(5.0034)</u>

¹ These adjustments are for unweighted FTE. (See NOTE A4.)

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

Overview

The management of the Madison County District School Board is responsible for determining and reporting the number of full-time equivalent (FTE) students in compliance with requirements of the Florida Education Finance Program (FEFP). These requirements are found primarily in Chapter 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-1, Florida Administrative Code, and secondarily in Chapters 1000 through 1010, 1012, and 1013, Florida Statutes, and State Board of Education Rules, Chapters 6A-4 and 6A-6, Florida Administrative Code. In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2004. The instances of noncompliance disclosed by our examination procedures require management's attention and action, as recommended on page 15.

Findings

**Net Audit
 Adjustment
(Unweighted FTE)**

Madison County High School (#0011)

1. [Ref. 1101] We noted the following exceptions involving two students in the English for Speakers of Other Languages (ESOL) program in the October and February surveys: (a) one student scored above the ESOL-eligibility benchmark on the Florida Comprehensive Assessment Test (FCAT) during the prior school year and should not have been reported in ESOL; and (b) the letter used to notify the parents of one student of their child's placement in the ESOL was not dated and we could not otherwise determine if the notification was made prior to survey. We made the following audit adjustments:

103 Basic 9-12	1.6344	
130 ESOL	<u>(1.6344)</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Madison County High School (#0011) (Continued)

2. [Ref. 1102] The course schedule for one student in the October and February surveys was reported using an incorrect priority. The student's off-campus, dual enrollment courses were funded prior to the student's on-campus courses. We made the following audit adjustments:

103 Basic 9-12	(.0572)	
113 Grades 9-12 with ESE Services	<u>.0572</u>	.0000

3. [Ref. 1103] Two Exceptional students were incorrectly reported for 25 hours of on-the-job-training (OJT) during the October survey. The students' timecards supported only 20 hours and 2 hours 53 minutes, respectively. We made the following audit adjustment:

113 Grades 9-12 with ESE Services	<u>(.5423)</u>	(.5423)
-----------------------------------	----------------	---------

4. [Ref. 1171] One teacher's out-of-field status was not approved by the School Board. The teacher was certified in Mentally Handicapped, but taught a course during the school terms covered by the October and February surveys that required certification in Drama. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:

103 Basic 9-12	1.5012	
113 Grades 9-12 with ESE Services	(1.3344)	
254 ESE Support Level 4	<u>(.1668)</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Madison County High School (#0011) (Continued)

5. [Ref. 1172] One teacher's out-of-field status was not approved by the School Board. The teacher was certified in Business Education, but taught courses during the school terms covered by the October and February surveys that required certification in Any Vocational Field with the Cooperative Education Endorsement. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:

103 Basic 9-12	4.9652	
300 Vocational 9-12	<u>(4.9652)</u>	.0000

Management's Response – See page no. 18.

Auditor's Resolution – See page no. 18. *Our finding stands as presented.*

.0000
(.5423)

Madison County Central School (#0041)

6. [Ref. 4101] One Exceptional student was reported incorrectly in program no. 255 (ESE Support Level 5) in the October and February surveys. The student's Matrix of Services form for the October survey included three Special Considerations points for which the student was not eligible and the Matrix form for the February survey supported program no. 111 (Grades K-3 with ESE Services). We made the following audit adjustments:

111 Grades K-3 with ESE Services	1.0000	
254 ESE Support Level 4	<u>(1.0000)</u>	<u>.0000</u>

.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Lee Elementary School (#0101)

7. [Ref. 10170] The out-of-field status of one teacher, who taught during the school terms covered by the October and February surveys, was appropriately approved by the School Board in a prior year; however, the teacher did not subsequently earn the college credits required towards certification. We made the following audit adjustments:

101 Basic K-3	.4272	
102 Basic 4-8	.4806	
111 Grades K-3 with ESE Services	(.4272)	
112 Grades 4-8 with ESE Services	(.4806)	.0000

Management's Response – See page no. 18.

Auditor's Resolution – See page no. 18. We have resolved our finding in the favor of the District:

101 Basic K-3	(.4272)	
102 Basic 4-8	(.4806)	
111 Grades K-3 with ESE Services	.4272	
112 Grades 4-8 with ESE Services	.4806	.0000
		.0000

Pinetta Elementary School (#0111)

8. [Ref. 11170] The out-of-field status of one teacher, who taught during the school terms covered by the October and February surveys, was appropriately approved by the School Board in a prior year; however, the teacher did not subsequently earn the 12 college credits required towards certification. We made the following audit adjustments:

101 Basic K-3	2.4942	
102 Basic 4-8	2.3717	
111 Grades K-3 with ESE Services	(2.4942)	
112 Grades 4-8 with ESE Services	(2.3717)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

<u>Findings</u>	Net Audit Adjustment (Unweighted FTE)
<u>Pinetta Elementary School (#0111)</u> (Continued)	
<i>Management's Response – See page no. 18.</i>	
<i>Auditor's Resolution – See page no. 18. We have resolved our finding in the favor of the District:</i>	
101 Basic K-3	(2.4942)
102 Basic 4-8	(2.3717)
111 Grades K-3 with ESE Services	2.4942
112 Grades 4-8 with ESE Services	<u>2.3717</u>
	<u>.0000</u>
	<u>.0000</u>

Greenville Hills Academy (#0900)

9. [Ref. 90001] The reported FTE for three students in the July survey was understated due to isolated data processing errors. We made the following audit adjustments:

112 Grades 4-8 with ESE Services	.0311	
113 Grades 9-12 with ESE Services	<u>.0078</u>	.0389

10. [Ref. 90002] The file for one Exceptional student in the October survey did not contain an Individual Educational Plan (IEP) that was valid for that survey. We made the following audit adjustments:

103 Basic 9-12	.5000	
113 Grades 9-12 with ESE Services	<u>(.5000)</u>	.0000

11. [Ref. 90070/71] Two Exceptional teachers, one who taught during the school term covered by the February survey and one who taught during the school terms covered by the July, October, February, and June surveys, did not hold a Florida teacher's certificate. We made the following audit adjustments:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

Findings

**Net Audit
 Adjustment
 (Unweighted FTE)**

Greenville Hills Academy (#0900) (Continued)

Ref. 90070

102 Basic 4-8	4.6813	
103 Basic 9-12	1.7925	
112 Grades 4-8 with ESE Services	(4.6813)	
113 Grades 9-12 with ESE Services	<u>(1.7925)</u>	.0000

Ref. 90071

102 Basic 4-8	8.0149	
103 Basic 9-12	7.5243	
112 Grades 4-8 with ESE Services	(8.0149)	
113 Grades 9-12 with ESE Services	<u>(7.5243)</u>	.0000

12. [Ref. 90072] One teacher's out-of-field status was not approved by the School Board. The teacher was certified in Administrative/Supervisory, Guidance and Counseling, and Social Science, but taught a course to Exceptional students during the school terms covered by the October and February surveys that required certification in Exceptional Student Education. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:

103 Basic 9-12	1.1358	
113 Grades 9-12 with ESE Services	<u>(1.1358)</u>	.0000
		<u>.0389</u>

Madison County Excel School (#0950)

13. [Ref. 95001] The records necessary to support the attendance of five students in the October and February surveys were missing and could not be located. We made the following audit adjustments:

101 Basic K-3	(.5000)	
103 Basic 9-12	(2.5000)	
113 Grades 9-12 with ESE Services	<u>(.5000)</u>	(3.5000)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Net Audit
 Adjustment
(Unweighted FTE)**

Findings

Madison County Excel School (#0950) (Continued)

14. [Ref. 95002] Two students in the February survey should not have been reported. One student had withdrawn from school prior to that survey and the other student was absent from school during the entire survey period. We made the following audit adjustments:

101 Basic K-3	(.5000)	
103 Basic 9-12	<u>(.5000)</u>	(1.0000)

15. [Ref. 95070] One teacher's out-of-field status was not approved by the School Board. The teacher was certified in Math, but taught a course during the school term covered by the February survey that required certification in Political Science. We also noted that the teacher had not earned the required 12 college credits related to a prior year's out-of-field appointment in Exceptional education. We made the following audit adjustments:

102 Basic 4-8	1.6670	
103 Basic 9-12	5.8676	
112 Grades 4-8 with ESE Services	(1.6670)	
113 Grades 9-12 with ESE Services	<u>(5.8676)</u>	.0000
		(4.5000)
		<u>(5.0034)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Madison County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2004

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the records necessary to support the reporting of students for FEFP funding are appropriately prepared and maintained in readily accessible files; (2) students are reported in accordance with their *Matrix of Services* forms; (3) teachers are properly certified or, if out-of-field, have timely School Board approval to teach out-of-field, and have completed, as appropriate for the circumstances involved, all required college education requirements; and (4) the parents of the students taught by out-of-field teachers are timely and properly notified of that fact prior to the teachers' courses being reported for FEFP funding.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all of the statutory and rule provisions governing the Florida Education Finance Program (FEFP).

Regulatory Citations

Reporting

- Section 1011.60, F.S.Minimum Requirements of Florida Education Finance Program (FEFP)
- Section 1011.61, F.S.Definitions
- Section 1011.62, F.S.Funds for Operation of Schools
- Rule 6A-1.0451, F.A.C.FEFP Student Membership Surveys
- Rule 6A-1.04513, F.A.C.Maintaining Auditable FTE Records
- FTE General Instructions 2003-2004

Attendance

- Section 1003.23, F.S.Attendance Records and Reports
- Rules 6A-1.044(3)&(6)(c), F.A.C. ..Pupil Attendance Records
- Rule 6A-1.04513, F.A.C.Maintaining Auditable FTE Records
- FTE General Instructions 2003-2004
- Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2004

Regulatory Citations (Continued)

English for Speakers of Other Languages (ESOL)

- Section 1003.56, F.S. English Language Instruction for Limited English Proficient Students
- Section 1011.62(1)(g), F.S. Education for Speakers of Other Languages
- Rule 6A-6.0901, F.A.C. Definitions Which Apply to Programs for Limited English Proficient Students
- Rule 6A-6.0902, F.A.C. Requirements for Identification, Assessment, and Programmatic Assessment of Limited English Proficient Students
- Rule 6A-6.0904, F.A.C. Equal Access to Appropriate Programming for Limited English Proficient Students

Vocational On-the-Job Attendance

- Rule 6A-1.044(6)(c), F.A.C. Pupil Attendance Records

Exceptional Education

- Section 1003.57(5), F.S. Exceptional Students Instruction
- Section 1011.62, F.S. Funds for Operation of Schools
- Section 1011.62(1)(e), F.S. Funding Model for Exceptional Student Education Programs
- Rule 6A-6.03028, F.A.C. Development of Individual Educational Plans for Exceptional Students
- Rule 6A-6.03029, F.A.C. Development of Family Support Plans for Children with Disabilities Ages Birth Through Five Years
- Rule 6A-6.0312, F.A.C. Course Modification for Exceptional Students
- Rule 6A-6.0331, F.A.C. Identification and Assignment of Exceptional Students to Special Programs
- Rule 6A-6.0334, F.A.C. Temporary Assignment of Transferring Exceptional Students
- Rule 6A-6.03411, F.A.C. Special Programs and Procedures for Exceptional Students

Vocational (7-12) Placement

- Section 1011.62(1)(k), F.S. Funds for Operation of Schools; Instructions in Exploratory Education
- Rule 6A-6.065, F.A.C. Instructional Components of Vocational Education

Vocational On-the-Job Funding Hours

- Rule 6A-6.055(3), F.A.C. Definitions of Terms in Vocational Education Program
- FTE General Instructions 2003-2004

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Madison County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2004

Regulatory Citations (Continued)

Teacher Certification

Section 1003.56, F.S.English Language Instruction for Limited English Proficient Students

Section 1011.62(1)(g), F.S.Education For Speakers of Other Languages

Section 1012.42(2), F.S.Teacher Teaching Out-of-Field; Notification Requirements

Section 1012.55, F.S.Positions for Which Certificates Required

Rule 6A-1.0502, F.A.C.Noncertificated Instructional Personnel

Rule 6A-1.0503, F.A.C.Qualified Instructional Personnel

Rule 6A-4.001, F.A.C.Instructional Personnel Certification

Rule 6A-6.0521, F.A.C.Definitions and Requirements Which Apply to All Dropout Prevention Programs

The accompanying notes are an integral part of this schedule.

SCHEDULE F

Madison County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2004

Management agreed with our findings and recommendations, except for finding nos. 5, 7, and 8, as discussed below. A copy of management's response may be found on page 34 of this report. The supporting documentation submitted with management's response has not been reproduced in this report, but it is available at the offices of the District.

Finding No. 5 (Ref. 1172)

This finding cites the District regarding one teacher who was not properly certified and was not approved by the School Board to teach out-of-field.

Management's Response – Management contends that the teacher's certification in Business Education was the appropriate certification for the courses concerned.

Auditor's Resolution – The teacher also needed, but did not have, the Cooperative Education Endorsement; consequently, the teacher was out-of-field. Our finding stands as presented.

Finding Nos. 7 and 8 (Ref. 10170 and 11170)

This finding cites the District regarding one out-of-field teacher who taught at two different schools, but had not earned the required number of college credits toward certification in the teacher's out-of-field subject.

Management's Response – Management contends that the teacher had passed the appropriate Subject Area Examination (SAE) for her out-of-field subject area and, consequently, was not required to earn college credits.

Auditor's Resolution – Management's contention is correct. Accordingly, we have resolved finding nos. 7 and 8 in the favor of the District.

The accompanying notes are an integral part of this schedule.

Madison County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2004

NOTE A - SUMMARY

A summary discussion of the essential features of the Madison County District School Board, the Florida Education Finance Program (FEFP), full-time equivalent (FTE) students, and related areas follows:

1. Madison County District School Board

The Madison County District School Board was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Madison County, Florida. Those services are provided primarily to students attending kindergarten through high school, but also to adults seeking vocational-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Madison County. For the fiscal year ended June 30, 2004, the District operated nine schools, reported 3,218.7338 unweighted full-time equivalent (FTE) students, and received approximately \$13 million in State FEFP funding for those FTE. The primary sources of funding for the District are funds from the Florida Education Finance Program, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through the Florida Education Finance Program (FEFP), which was established by the Florida Legislature in 1973. It is the intent of the law "to guarantee to each student in the Florida public school system the availability of programs and services appropriate to his educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors." To provide equalization of educational opportunity in Florida, the FEFP formula recognizes (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per student cost for equivalent educational programs due to sparsity and dispersion of student population.

Madison County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2004

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an unweighted FTE (full-time equivalent) student. For example, for kindergarten through third grade, one FTE is defined as one student in membership in a program or a group of programs for 20 hours per week for 180 days; for grade levels four through twelve, one FTE is defined as one student in membership in a program or a group of programs for 25 hours per week for 180 days.

4. Calculation of FEFP Funds

The amount of State and local FEFP funds is calculated by the Department of Education by multiplying the number of unweighted full-time equivalent (FTE) students in each educational program by the specific cost factor of each program to obtain weighted FTEs. Weighted FTEs are multiplied by the base student allocation amount and that product is multiplied by the appropriate cost differential factor. Various adjustments are then added to this product to obtain the total State and local FEFP dollars. All cost factors, the base student allocation amount, cost differential factors, and various adjustment figures are established by the Florida Legislature.

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys, which are conducted under the direction of district and school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2003-2004 school year were conducted during and for the following weeks: survey one was performed for July 14-18, 2003; survey two was performed for October 13-17, 2003; survey three was performed for February 2-6, 2004; and survey four was performed for June 14-18, 2004.

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2004

NOTE A - SUMMARY (Continued)

6. Educational Programs

FEFP funds ten specific programs under which instruction may be provided as authorized by the Florida Legislature. The general program titles under which these specific programs fall are as follows: (1) Basic; (2) English for Speakers of Other Languages (ESOL); (3) Exceptional; and (4) Vocational (9-12).

7. Statutes and Rules

The following statutes and rules are of significance to the administration of Florida public education and the Florida Education Finance Program (FEFP):

- Chapter 1000, F.S.K-20 General Provisions
- Chapter 1001, F.S.K-20 Governance
- Chapter 1002, F.S.Student and Parental Rights and Educational Choices
- Chapter 1003, F.S.Public K-12 Education
- Chapter 1006, F.S.Support for Learning
- Chapter 1007, F.S.Articulation and Access
- Chapter 1010, F.S.Financial Matters
- Chapter 1011, F.S.Planning and Budgeting
- Chapter 1012, F.S.Personnel
- Chapter 6A-1, F.A.C.Finance and Administration
- Chapter 6A-3, F.A.C.Transportation
- Chapter 6A-4, F.A.C.Certification
- Chapter 6A-6, F.A.C.Special Programs I

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers, using statistical and judgmental methods, for testing of FTE membership as reported to the Department of Education for the fiscal year ended June 30, 2004. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with applicable Florida Statutes and State Board of Education Administrative Rules. The following schools were in our sample:

Madison County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2004

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Madison County High School	1 through 5
2. Madison County Central School	6
3. Lee Elementary School	7
4. Pinetta Elementary School	8
5. Greenville Hills Academy	9 through 12
6. Madison County Excel School	13 through 15



WILLIAM O. MONROE, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



850/488-5534/SC 278-5534
Fax: 488-6975/SC 278-6975

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

INDEPENDENT AUDITOR'S REPORT MADISON COUNTY DISTRICT SCHOOL BOARD FLORIDA EDUCATION FINANCE PROGRAM (FEFP) STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated March 28, 2005, that the Madison County District School Board complied with the requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of students transported for the fiscal year ended June 30, 2004. These requirements are found in Chapters 1006 and 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-3, Florida Administrative Code. As discussed in the representation letter, management is responsible for the District's compliance with those statutes and rules. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the District's compliance with the aforementioned FEFP requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. The legal determination of the District's compliance with FEFP requirements is, however, ultimately the responsibility of the Department of Education.

Our examination procedures disclosed instances of material noncompliance with the District's reported student ridership data, as follows: 16 of the 158 students in our student sample had exceptions involving their reported ridership category or eligibility for ridership. The net impact of our sample student exceptions was a negative 14 students. (See SCHEDULE A and SCHEDULE B.)


In our opinion, except for the instances of material noncompliance mentioned above involving the classification and reporting of transported students, the Madison County District School Board complied, in all material respects, with the aforementioned requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of students transported for the fiscal year ended June 30, 2004.

The results of our examination disclosed other instances of noncompliance with the aforementioned FEFP requirements, in addition to those mentioned above. We considered these other instances of noncompliance in forming our opinion regarding management's assertion and these items did not affect our opinion as stated above. All of the instances of noncompliance disclosed by our examination procedures are discussed in SCHEDULE B. The impact of those instances of noncompliance on the District's reported number of transported students is presented in SCHEDULE A and SCHEDULE B.

In accordance with *Government Auditing Standards*, we are required to report deficiencies in internal control that are material to management's assertion. The instances of material noncompliance mentioned above are indicative of such deficiencies in the District's internal controls over the classification and reporting of transported students. The relevant populations, samples, and exception totals that pertain to these instances of noncompliance are presented in SCHEDULE A herein. We performed our examination to express an opinion on the District's compliance with the FEFP requirements previously mentioned and not for the purpose of expressing an opinion on the District's related internal controls; accordingly, we express no such opinion.

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and the Madison County District School Board. Copies of this report are available pursuant to Section 11.45(4)(c), Florida Statutes, and its distribution is not limited.

Respectfully submitted,



William O. Monroe, CPA
June 14, 2005

SCHEDULE A

Madison County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

<u>Description</u>	<u>Number of Vehicles</u>	<u>% of Pop.</u>	<u>No. of Students Transp.</u>	<u>% of Pop. (Sample)</u>
Population ¹	88	100.00%	4,471	100.00%
Sample ²	30	34.09%	158	3.53%
General Tests				
Students w/ Exceptions ³	-	-	-	-
Net Audit Adjustments	-	-	(28)	NA
Detailed Tests				
Students w/ Exceptions	-	-	16	(10.13%)
Net Audit Adjustments	-	-	(14)	NA

NA - *Not Applicable*

¹ *The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2004. The District reported 4,471 students in the following ridership categories: 48 in IDEA (K-12), Weighted; 16 in IDEA (K-12), Unweighted; 87 in PK Other; 38 in Teenage Parents and Infants; 4,274 in Two Miles or More; and 8 in Center to Center (Exceptional), Weighted. The District also reported operating a total of 88 buses (1 in the July survey; 39 in the October survey; 39 in the February survey; and 9 in the June survey). (IDEA stands for Individuals with Disabilities Education Act.)*

² *See NOTE B.*

³ *Our General Tests do not include the selection and testing of individual students; consequently, there are no test results presented above for General Tests/ Students with Exceptions.*

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Madison County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

Overview

The management of the Madison County District School Board is responsible for determining and reporting the number of students transported in compliance with requirements of the Florida Education Finance Program (FEFP). These requirements are found in Chapters 1006 and 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-3, Florida Administrative Code. In our opinion, except for instances of material noncompliance involving the classification and reporting of transported students, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2004. The instances of noncompliance disclosed by our examination procedures require management's attention and action, as recommended on page 30.

**Students
 Transported
 Net Audit
Adjustment**

Findings

Our examination procedures included both general tests and detailed tests. For our general tests, we made inquiries concerning the District's transportation of students and reconciled the District's reported ridership totals for the fiscal year ended June 30, 2004, to the supporting records. Our general tests disclosed the instances of noncompliance discussed in finding nos. 1, 2, and 3. Our detailed tests of the specific ridership categories for students sampled from the July, October, February, and June surveys disclosed the instances of noncompliance discussed in finding nos. 4, 5, and 6.

General Tests

1. [Ref. 51] Eight students in the July survey were reported incorrectly in Center to Center (Exceptional), Weighted. The students were not transported center to center and should have been reported in IDEA (K-12), Weighted. We made the following audit adjustments:

July 2003 Survey

8 Days-in-Term

IDEA (K-12), Weighted	1	
Center to Center (Exceptional), Weighted	(1)	

9 Days-in-Term

IDEA (K-12), Weighted	7	
Center to Center (Exceptional), Weighted	(7)	0

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Students
 Transported
 Net Audit
 Adjustment**

Findings

General Tests (Continued)

2. [Ref. 52] The number of days-in-term was reported incorrectly as 15 days for ten Exceptional students in the June survey. All of the students were transported to other Florida school districts for their Exceptional services. Nine of the students were transported to the Hamilton County School District for 19 days and the tenth student was transported to the Leon County School District for 12 days. We made the following audit adjustments:

June 2004 Survey

<u>12 Days-in-Term</u> IDEA (K-12), Weighted	1	
<u>15 Days-in-Term</u> IDEA (K-12), Weighted	(10)	
<u>19 Days-in-Term</u> IDEA (K-12), Weighted	2	0

3. [Ref. 53] Our reconciliation of the District's reported riderhip data for the July, October, and February surveys to the supporting records for those surveys disclosed various discrepancies. We made the following audit adjustments:

<u>October 2003 Survey (90 Days-in-Term)</u>		
IDEA (K-12), Weighted	(1)	
PK Other	2	
Teenage Parents and Infants	(6)	
Two Miles or More	(17)	
<u>February 2004 Survey (90 Days-in-Term)</u>		
PK Other	5	
Two Miles or More	(11)	(28)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Students
 Transported
 Net Audit
 Adjustment**

Findings

General Tests (Continued)

Management's Response – See page 31.

Auditor's Response – See page 31. Our finding stands as presented.

Net Audit Adjustments from General Tests

0
(28)

Detailed Tests

4. [Ref. 54] Eight prekindergarten students in PK Other (three in the October survey, four in the February survey, and one in both surveys) should not have been reported for FEFP transportation funding. The students were enrolled in a School Readiness program that was not eligible for such funding. We made the following audit adjustments:

October 2003 Survey (90 Days-in-Term)

PK Other (4)

February 2004 Survey (90 Days-in-Term)

PK Other (5) (9)

5. [Ref. 55] We noted the following exceptions involving five students in Two Miles or More (two in the October survey and three in the February survey): (a) two lived less than two miles from school and were not eligible to be reported for FEFP transportation funding and (b) the home addresses for three were not documented and we could not otherwise determine how far they lived from school. We made the following audit adjustments:

October 2003 Survey (90 Days-in-Term)

Two Miles or More (2)

February 2004 Survey (90 Days-in-Term)

Two Miles or More (3) (5)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Madison County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Students
 Transported
 Net Audit
 Adjustment**

Findings

Detailed Tests (Continued)

6. [Ref. 56] Two students (one in the February survey and one in the October and February surveys) were incorrectly reported. The first student was reported in IDEA (K-12), Weighted, but the student's Individual Educational Plan (IEP) did not indicate that the student met at least one of the five criteria required for weighted classification. The second student was reported in IDEA (K-12), Unweighted, but was not an Exceptional student. We noted that both students were eligible for Two Miles or More. We made the following audit adjustments:

<u>October 2003 Survey (90 Days-in-Term)</u>		
IDEA (K-12), Unweighted	(1)	
Two Miles or More	1	
<u>February 2004 Survey (90 Days-in-Term)</u>		
IDEA (K-12), Weighted	(1)	
IDEA (K-12), Unweighted	(1)	
Two Miles or More	<u>2</u>	0

Management's Response – See page 31.

Auditor's Resolution – See page 31. We have resolved our finding in the favor of the District with regard to the student reported in IDEA (K-12), Weighted in the February survey:

<u>February 2004 Survey (90 Days-in-Term)</u>		
IDEA (K-12), Weighted	1	
Two Miles or More	(1)	0
Net Audit Adjustments from Detailed Tests		<u>(14)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Madison County District School Board
Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2004

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) transported students are reported in the correct ridership categories and for the correct term lengths; (2) summaries of bus drivers' reports are accurate and include only those students whose transportation is supported by those bus drivers' reports; and (3) prekindergarten students are reported for transportation funding only if they are disabled or enrolled in a District-operated, Chapter 1 program.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all of the statutory and rule provisions governing the Florida Education Finance Program (FEFP).

Regulatory Citations

- Section 1006.21, F.S.Duties of District School Superintendent and District School Board regarding Transportation
- Section 1006.23, F.S.Hazardous Walking Conditions
- Section 1011.68, F.S.Funds for Student Transportation
- Rule 6A-3.001(3), F.A.C.Basic Principles for Transportation
- Student Transportation General Instructions

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Madison County District School Board
Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2004

Management agreed with our findings and recommendations, except for finding nos. 3 and 6, as discussed below. A copy of management's response may be found on page 34 of this report. The supporting documentation submitted with that response has not been reproduced in this report, but it is available at the offices of the District.

Finding No. 3 (Ref. 53)

This finding cites the District regarding discrepancies between its reported ridership data for the October and February surveys and the supporting records for those surveys.

Management's Response – Management submitted documentation for four of the buses affected by our finding.

Auditor's Resolution – The documentation submitted by management was insufficient to justify the resolution of our finding in the District's favor. Accordingly, our finding stands as presented.

Finding No. 6 (Ref. 56)

This finding cites the District for incorrectly reporting two students, one in IDEA (K-12), Weighted in the February survey and one in IDEA (K-12), Unweighted in the October and February surveys.

Management's Response – Management submitted copies of the *Individual Educational Plans* (IEPs) and related documentation to support the eligibility of the student who was reported in IDEA (K-12), Weighted in the February survey.

Auditor's Resolution – The student's IEP dated February 4, 2004, indicates that the student met one of the five criteria required for weighted classification during the February survey. Accordingly, we have resolved our finding in the favor of the District with regard to this student.

The accompanying notes are an integral part of this schedule.

Madison County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2004

NOTE A - SUMMARY

A summary of the significant features of student transportation under the Florida Education Finance Program (FEFP) and applicable statutes and rules follows:

1. Student Eligibility

Any student who is transported by bus must meet one or more of the following conditions in order to be eligible for funding under FEFP: live two or more miles from school, be physically handicapped, be a Vocational or Exceptional student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes.

2. Transportation in Madison County District School Board

For the fiscal year ended June 30, 2004, the District received approximately \$860,000 in State FEFP transportation funding. The District’s transportation reporting by survey was as follows:

<u>Survey Period</u>	<u>No. of Vehicles</u>	<u>No. of Students</u>
July 2003	1	8
October 2003	39	2,197
February 2004	39	2,116
June 2004	2	<u>150</u>
Total	<u>88</u>	<u>4,471</u>

3. Statutes and Rules

The following statutes and rules are of significance to the administration of Florida public education and the Florida Education Finance Program (FEFP):

- Chapter 1000, F.S. K-20 General Provisions
- Chapter 1001, F.S. K-20 Governance
- Chapter 1002, F.S. Student and Parental Rights and Educational Choices
- Chapter 1003, F.S. Public K-12 Education
- Chapter 1006, F.S. Support for Learning

Madison County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2004

NOTE A - SUMMARY (Continued)

- Chapter 1010, F.S.Financial Matters
- Chapter 1011, F.S.Planning and Budgeting
- Chapter 6A-1, F.A.C.Finance and Administration
- Chapter 6A-3, F.A.C.Transportation

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of buses and students, using statistical and judgmental methods, for testing of the transportation data reported to the Department of Education for the fiscal year ended June 30, 2004. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with applicable Florida Statutes and State Board of Education Administrative Rules.

MANAGEMENT'S RESPONSE

District School Board of Madison County

312 NE DUVAL STREET • MADISON FL 32340

July 5, 2005

Mr. William O. Monroe, CPA
 Auditor General, State of Florida
 Room 412C, Claude Pepper Building
 111 West Madison Street
 Tallahassee, FL 32399-1450
 Attn: Joe Williams, Section 321

Dear Mr. Monroe,

In response to the findings of our recent audit conducted by Jennifer Taylor of your office, we submit the following acceptance, exceptions and proposed corrective actions:

Schedule D Agreement/Acceptance of Findings
 AG424# 1. [Ref.1101], 2. [Ref.1102], 3. [Ref.1103], 4. [Ref. 1171], 6. [Ref. 4101], 9. [Ref. 90001], 10. [Ref. 90002], 11. [Ref. 90070/71], 12. [Ref. 90072], 13. [Ref. 95001], 14. [Ref. 90052]

We agree with these findings. We are making corrective action to comply with statutes and rules governing our FTE records. We are taking steps to ensure that we have supporting documents for students reported for FTE and that the reporting of ESE students matches their Matrix of Services. We will also give extra attention to the reporting of ESOL students. In personnel certification, we have changed our Board policy to help ensure that we have all documents for teacher certification to be in place before a teacher salary is paid and those teachers who are out of field will be approved by the Board in a timely manner. We will be more diligent in sending letters to parents of students taught by out-of-field teachers. The School Board added a position of staffing specialist/curriculum coordinator for Greenville Hills Academy which should help with compliance.

Schedule D Exceptions to Findings
 AG424# 5. [Ref/ 1172] Madison County High School - Business Education is a Vocational Coverage so the teacher meets the requirements. I have attached the certification chart.
 7. [Ref. 10170] Lee Elementary School - The teacher passed VE Subject area test and therefore did not need to take courses. I have attached her certificate and test results.
 8. [Ref. 11170] Pinetta Elementary School - The teacher passed VE Subject area test and therefore did not need to take courses. This is the same teacher referenced above who taught part time at Lee and part time at Pinetta. Her documents are attached.

I hope the attached evidence will help correct these three findings.

Schedule B Agreement/Acceptance of Findings
 AG424# 1. [Ref. 51], 2. [Ref. 52], 4. [Ref. 54], 5. [Ref. 55]
 We agree with these findings and are taking corrective action to improve the accuracy of bus drivers' reports and the accounting of actual students being transported. Pre-K students will be carefully screened before reporting.

Schedule B Exceptions to Findings
 AG424# 3. [Ref. 53] Our transportation department sent the attached reconciliation in response to this finding on June 2.
 6. [Ref. 56] Our ESE department sent the attached explanation in response to this finding

I hope the attached evidence will help correct these two findings.

I appreciate the opportunity of responding to these audit findings. Thank you for the professional manner in which the audit was conducted.

Sincerely,
 Lou S. Miller, Superintendent



PHONE 850-973-5022 • FAX 850-973-5027 • ANNEX FAX 850-973-5017 • WWW.MADISON.K12.FL.US
 Lou S. Miller Superintendent • Susie B. Williamson District 1 • Kenneth Hall District 2 • VeEtta Hagan-Smith District 3 • Clyde Alexander District 4 • Bart Alford District 5
 An Equal Opportunity Employer