

**AUDITOR GENERAL**  
**WILLIAM O. MONROE, CPA**



**HIGHLANDS COUNTY DISTRICT SCHOOL BOARD**  
**FLORIDA EDUCATION FINANCE PROGRAM (FEFP)**  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**AND**  
**STUDENT TRANSPORTATION**

For the Fiscal Year Ended June 30, 2005

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: Howard C. "Wally" Randall, Vice-Chairperson to 11-15-04, Chairperson from 11-16-04; Donna Howerton; J. Ned Hancock, Chairperson to 11-15-04; Richard A. Norris, Vice-Chairperson from 11-16-04; Wendy Sue Renfro; and Wally P. Cox, Superintendent.

This examination was conducted by Patricia A. Ferguson, Bernice Rivas, and Gail Collier, CPA, and supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Joe Williams, CPA, Audit Manager, via e-mail at [joewilliams@aud.state.fl.us](mailto: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.

Highlands County District School Board  
**TABLE OF CONTENTS**  
 For the Fiscal Year Ended June 30, 2005

	<b>PAGE NO.</b>
<b>FULL-TIME EQUIVALENT (FTE) STUDENTS</b>	
Independent Auditor's Report.....	1
Schedule A - Populations, Samples, and Audit Adjustments .....	4
Schedule B - Effect of Audit Adjustments on Weighted FTE .....	6
Schedule C - Audit Adjustments by School .....	7
Schedule D - Findings and Audit Adjustments .....	11
Schedule E – Recommendations and Regulatory Citations.....	28
Schedule F – Summary of Management’s Response .....	30
Notes to Schedules.....	31
<b>STUDENT TRANSPORTATION</b>	
Independent Auditor's Report.....	35
Schedule A - Populations, Samples, and Audit Adjustments .....	37
Schedule B - Findings and Audit Adjustments.....	38
Schedule C – Recommendations and Regulatory Citations.....	46
Schedule D – Summary of Management’s Response .....	47
Notes to Schedules.....	48
<b>MANAGEMENT'S RESPONSE*</b> .....	<b>50</b>

*\*Management submitted additional documentation with its response. That documentation has not been reproduced in this report, but is available at the District’s offices.*

Highlands County District School Board

**LIST OF ABBREVIATIONS**

For the Fiscal Year Ended June 30, 2005

**FEFP** – Florida Education Finance Program

**IEP** – Individual Educational Plan

**EP** – Educational Plan

**ESE** – Exceptional Student Education

**LEP** – Limited English Proficient

**FES** – Fluent English Speaking

**ESOL** – English for Speakers of Other Languages

**PK** – Prekindergarten

**OJT** – On-the-Job Training

**IDEA** – Individuals with Disabilities Education Act



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 HIGHLANDS COUNTY DISTRICT SCHOOL BOARD FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated February 28, 2006, that the Highlands County District School Board complied with the State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2005. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. 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 State 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 these requirements is, however, ultimately the responsibility of the Department of Education.

Our examination procedures disclosed the following instances of material noncompliance:

#### Teachers

Fourteen of the 126 teachers in our sample did not meet applicable State requirements governing certification; School Board approval of out-of-field teacher assignments; notification of parents regarding out-of-field teachers; or the earning of required in-service training points in ESOL strategies. (See SCHEDULE D, finding Nos. 5, 7, 12, 16, 24, 25, 30, and 47.)

#### Students

We noted exceptions involving 34 of the 129 students in our sample for ESOL; 19 of the 117 students in our sample for ESE Support Levels 4 and 5; and 66 of the 70 students in our sample for Vocational OJT. These exceptions included reporting errors and records that were not properly and accurately prepared or were missing and could not be located. (See SCHEDULE D, finding Nos. 3, 8, 9, 13, 14, 15, 17, 18, 19, 20, 21, 22, 26, 32, 40, and 41 (for ESOL); finding Nos. 4, 6, 10, 11, 28, 29, 33, 34, 37, 38, 43, 44, 45, 46, and 50 (for ESE Support Levels 4 and 5); and finding Nos. 31, 39, and 48 (for Vocational OJT).)

#### Reporting of ESOL FTE

The District incorrectly reported the FTE earned by various students in ESOL in the October survey under Basic education rather than under ESOL. (See SCHEDULE D, finding No. 2.)

In our opinion, except for the instances of material noncompliance mentioned above involving teachers and the reporting of, and the preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Vocational OJT, the Highlands County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2005.


The results of our examination disclosed other instances of noncompliance with the State requirements 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 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, and identified above by finding number, are indicative of such deficiencies in the District's internal controls related to teacher assignments and the reporting of, and the preparation and maintenance of supporting documentation for,

students in ESOL, ESE Support Levels 4 and 5, and Vocational OJT. 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 State 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 Highlands 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 16, 2006

SCHEDULE A

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Description<sup>1</sup></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 FTE<sup>2</sup></u>	<u>% of Pop. (Sample)</u>
<b>1. Basic</b>						
Population <sup>3</sup>	17	100.00%	7,724	100.00%	8,910.6964	100.00%
Sample Size <sup>4</sup>	11	64.71%	266	3.44%	226.9185	2.55%
Net Audit Adjustments <sup>5</sup>	-	-	(8)	(3.01%)	27.7720	-
<b>2. ESOL</b>						
Population <sup>3</sup>	15	100.00%	443	100.00%	351.7289	100.00%
Sample Size <sup>4</sup>	11	73.33%	129	29.12%	73.8923	21.01%
Net Audit Adjustments <sup>5</sup>	-	-	(34)	(26.36%)	(17.7520)	-
<b>3. Exceptional - Basic with ESE Services</b>						
Population <sup>3</sup>	17	100.00%	1,956	100.00%	2,225.2525	100.00%
Sample Size <sup>4</sup>	11	64.71%	190	9.71%	169.1696	7.60%
Net Audit Adjustments <sup>5</sup>	-	-	(9)	(4.74%)	5.4688	-
<b>4. Exceptional - ESE Support Levels 4 and 5</b>						
Population <sup>3</sup>	16	100.00%	134	100.00%	143.6052	100.00%
Sample Size <sup>4</sup>	11	68.75%	117	87.31%	97.0502	67.58%
Net Audit Adjustments <sup>5</sup>	-	-	(19)	(16.24%)	(10.8384)	-
<b>5. Vocational On-the-Job Training (OJT)</b>						
Population <sup>3</sup>	3	100.00%	289	100.00%	95.9077	100.00%
Sample Size <sup>4</sup>	3	100.00%	70	24.22%	22.2650	23.22%
Net Audit Adjustments <sup>5</sup>	-	-	(66)	(94.29%)	(7.7272)	-
<b>6. Vocational (Excluding OJT)</b>						
Population <sup>3</sup>	3	100.00%	-	-	266.1544	100.00%
Sample Size <sup>4</sup>	0	0.00%	-	-	.0000	0.00%
Net Audit Adjustments <sup>5</sup>	-	-	-	-	.0000	-
-----						
<b>All Programs</b>						
Population <sup>3</sup>	17	100.00%	10,546	100.00%	11,993.3451	100.00%
Sample Size <sup>4</sup>	11	64.71%	772	7.32%	589.2956	4.91%
Net Audit Adjustments <sup>5</sup>	-	-	(136)	(17.62%)	(3.0768)	-

*The accompanying notes are an integral part of this schedule.*



SCHEDULE A (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Description<sup>1</sup></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 FTE<sup>2</sup></u>
<u>Teacher Certification</u>					
Population	17	100.00%	344	100.00%	-
Sample Size <sup>4</sup>	11	64.71%	126	36.63%	-
Net Audit Adjustments <sup>5</sup>	-	-	(14)	(11.11%)	-
Basic	-	-	-	-	11.1628
ESOL	-	-	-	-	(6.1535)
Basic with ESE Services	-	-	-	-	(4.8693)
ESE Support Levels 4 and 5	-	-	-	-	<u>(.1400)</u>
					<u>.0000</u>
<u>District-Wide Findings</u>					
Net Audit Adjustments <sup>5</sup>			<u>No. 1</u>	<u>No. 2</u>	
Basic	-	-	.7923	(77.6354)	(76.8431)
ESOL	-	-	<u>(.7923)</u>	<u>77.6354</u>	<u>76.8431</u>
			<u>.0000</u>	<u>.0000</u>	<u>.0000</u>
<b>Net Audit Adjustments</b>					<u>(3.0768)</u>

<sup>1</sup> See NOTE A6.

<sup>2</sup> 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.)

<sup>3</sup> 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, ESOL, ESE, 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 OJT. The population shown for full-time equivalent (FTE) students is the total FTE for all of the District's schools (sample schools plus Non-sample schools) as reported for each survey conducted for the fiscal year ended June 30, 2005. The population shown for teachers is the total number of teachers at schools in our sample who taught courses in ESE or Vocational education or taught courses to LEP students. (See NOTE A5.)

<sup>4</sup> See NOTE B.

<sup>5</sup> 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

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE**  
*(For Illustrative Purposes Only)*  
 For the Fiscal Year Ended June 30, 2005

<u>No. Program<sup>1</sup></u>	<u>Net Audit Adjustment<sup>2</sup></u>	<u>Cost Factor</u>	<u>Weighted FTE<sup>3</sup></u>
101 Basic K-3	(35.2521)	1.012	(35.6751)
102 Basic 4-8	(1.6971)	1.000	(1.6971)
103 Basic 9-12	(.9591)	1.132	(1.0857)
111 Grades K-3 with ESE Services	.5000	1.012	.5060
112 Grades 4-8 with ESE Services	(3.8693)	1.000	(3.8693)
113 Grades 9-12 with ESE Services	3.9688	1.132	4.4927
130 ESOL	52.9376	1.302	68.9248
254 ESE Support Level 4	(8.1234)	3.948	(32.0712)
255 ESE Support Level 5	(2.8550)	5.591	(15.9623)
300 Vocational 9-12	<u>(7.7272)</u>	1.187	<u>(9.1722)</u>
Total	<u>(3.0768)</u>		<u>(25.6094)</u>

<sup>1</sup> See NOTE A6.

<sup>2</sup> These adjustments are for unweighted FTE. (See SCHEDULE C.)

<sup>3</sup> 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

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**AUDIT ADJUSTMENTS BY SCHOOL**  
 For the Fiscal Year Ended June 30, 2005

<u>No.</u> <u>Program</u>	<u>District- Wide</u>	<u>Audit Adjustments<sup>1</sup></u>		<u>Balance Forward</u>
		<u>#0021</u>	<u>#0031</u>	
101 Basic K-3	(49.2213)	.....	.0234	(49.1979)
102 Basic 4-8	(16.1280)	5.6415	.1464	(10.3401)
103 Basic 9-12	(11.4938)	.....	.....	(11.4938)
111 Grades K-3 with ESE Services	.....	.....	.....	.0000
112 Grades 4-8 with ESE Services	.....	(4.6692)	.5000	(4.1692)
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	76.8431	(.8323)	(.1698)	75.8410
254 ESE Support Level 4	.....	(.1400)	(.5000)	(.6400)
255 ESE Support Level 5	.....	.....	.....	.0000
300 Vocational 9-12	.....	.....	.....	<u>.0000</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>

<sup>1</sup> These adjustments are for unweighted FTE. (See NOTE A4.)

*The accompanying notes are an integral part of this schedule.*

SCHEDULE C (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**AUDIT ADJUSTMENTS BY SCHOOL**  
 For the Fiscal Year Ended June 30, 2005

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments<sup>1</sup></u>				<u>Balance Forward</u>
		<u>#0051</u>	<u>#0081</u>	<u>#0091</u>	<u>#0101</u>	
101	(49.1979)	9.2823	1.7834	.....	.3801	(37.7521)
102	(10.3401)	1.4068	.....	.4350	.5000	(7.9983)
103	(11.4938)	.....	.....	.....	.....	(11.4938)
111	.0000	1.0000	.....	.....	.....	1.0000
112	(4.1692)	.5000	.....	.5000	.....	(3.1692)
113	.0000	.....	.....	.....	.....	.0000
130	75.8410	(10.6891)	(1.7834)	(.9350)	(.8801)	61.5534
254	(.6400)	(2.0000)	.....	.....	.....	(2.6400)
255	.0000	.5000	.....	.....	.....	.5000
300	<u>.0000</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.0000</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>

<sup>1</sup> These adjustments are for unweighted FTE. (See NOTE A4.)

*The accompanying notes are an integral part of this schedule.*

SCHEDULE C (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**AUDIT ADJUSTMENTS BY SCHOOL**  
 For the Fiscal Year Ended June 30, 2005

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments<sup>1</sup></u>				<u>Balance Forward</u>
		<u>#0111</u>	<u>#0211</u>	<u>#0221</u>	<u>#0231</u>	
101	(37.7521)	.....	2.5000	.....	.....	(35.2521)
102	(7.9983)	5.6212	.6800	.....	.....	(1.6971)
103	(11.4938)	.....	.....	2.7914	6.8893	(1.8131)
111	1.0000	.....	(.5000)	.....	.....	.5000
112	(3.1692)	(.7001)	.....	.....	.....	(3.8693)
113	.0000	.....	.....	2.4078	1.5000	3.9078
130	61.5534	(4.9211)	(1.6800)	(.0920)	(1.9227)	52.9376
254	(2.6400)	.....	(.9834)	(1.5000)	(3.0000)	(8.1234)
255	.5000	.....	.....	(1.4780)	(1.8770)	(2.8550)
300	<u>.0000</u>	<u>.....</u>	<u>.....</u>	<u>(4.6552)</u>	<u>(2.1570)</u>	<u>(6.8122)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0166</u>	<u>(2.5260)</u>	<u>(.5674)</u>	<u>(3.0768)</u>

<sup>1</sup> These adjustments are for unweighted FTE. (See NOTE A4.)

*The accompanying notes are an integral part of this schedule.*

SCHEDULE C (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**AUDIT ADJUSTMENTS BY SCHOOL**  
 For the Fiscal Year Ended June 30, 2005

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments<sup>1</sup></u>	
		<u>#0251</u>	<u>Total</u>
101 Basic K-3	(35.2521)	.....	(35.2521)
102 Basic 4-8	(1.6971)	.....	(1.6971)
103 Basic 9-12	(1.8131)	.8540	(.9591)
111 Grades K-3 with ESE Services	.5000	.....	.5000
112 Grades 4-8 with ESE Services	(3.8693)	.....	(3.8693)
113 Grades 9-12 with ESE Services	3.9078	.0610	3.9688
130 ESOL	52.9376	.....	52.9376
254 ESE Support Level 4	(8.1234)	.0000	(8.1234)
255 ESE Support Level 5	(2.8550)	.....	(2.8550)
300 Vocational 9-12	<u>(6.8122)</u>	<u>(.9150)</u>	<u>(7.7272)</u>
Total	<u>(3.0768)</u>	<u>.0000</u>	<u>(3.0768)</u>

<sup>1</sup> These adjustments are for unweighted FTE. (See NOTE A4.)

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

Overview

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. Except for instances of material noncompliance involving teachers and the reporting of, and the preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Vocational OJT, the Highlands County District School Board complied, in all material respects, with State requirements governing the determination and reporting of FTE for the fiscal year ended June 30, 2005. All of the instances of noncompliance disclosed by our examination procedures are discussed below and require management's attention and action, as recommended on page 28.

Findings

**Net Audit  
Adjustment  
(Unweighted FTE)**

*Our examination included the July and October 2004 surveys and the February and June 2005 surveys. (See NOTE A5.) Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2004 survey or the February 2005 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.*

District-WideIneligible Courses Reported in ESOL

1. [Ref. 149] Our examination procedures include a comparison of the courses reported in ESOL to the courses that have been designated for that program by the Department of Education. The results of this comparison disclosed that five Basic subject area courses with 52 students were reported incorrectly in ESOL. Section 1003.56, Florida Statutes, permits such reporting only for courses in the Basic subject areas of Reading, Mathematics, Science, Social Studies, and Computer Literacy. We made the following audit adjustments:

101 Basic K-3	.5322	
102 Basic 4-8	.2601	
130 ESOL	(.7923)	.0000

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS  
FINDINGS AND AUDIT ADJUSTMENTS**  
For the Fiscal Year Ended June 30, 2005

**Net Audit  
Adjustment  
(Unweighted FTE)**

Findings

District-Wide (Continued)

ESOL FTE Reported Incorrectly in Basic Education in October Survey

2. [Ref. 150] Our examination procedures include an analytical comparison of the FTE reported by the District for each program funded under FEFP in the October and February surveys. The results of this comparison disclosed that the District’s reported FTE for ESOL in the October survey was substantially less than was reported in the February survey: approximately 116 FTE in October versus 235 FTE in February. In response to our inquiries, management advised us that the District had intentionally reported ESOL FTE under Basic program numbers in the October survey because various ESOL-related classes were taught by teachers who had not earned the number of in-service training points required in ESOL strategies, pursuant to the teachers’ in-service training timelines. Management indicated that the District had intended to make similar reporting reclassifications for the February survey, but these were not done due to an internal miscommunication. We were told by the Department of Education that the District was over the enrollment cap for ESOL and, thus, would have received no funding for over-cap ESOL FTE in the October survey had it not been reported as Basic FTE. All students should be reported in the FEFP programs in which they were served, regardless of the compliance status of their teachers or the effects of enrollment caps on the District. We made the following audit adjustments to reverse the District’s reclassification of ESOL FTE to Basic FTE in the October survey:

101 Basic K-3	(49.7535)	
102 Basic 4-8	(16.3881)	
103 Basic 9-12	(11.4938)	
130 ESOL	<u>77.6354</u>	<u>.0000</u>
		<u>.0000</u>

*The accompanying notes are an integral part of this schedule.*



SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<b><u>Sebring Middle School (#0021)</u></b>	
3. [Ref. 2101] <u>One student was reported incorrectly in ESOL. The student was FES and ineligible for ESOL-services. We made the following audit adjustments:</u>	
102 Basic 4-8	.8323
130 ESOL	<u>(.8323)</u>
	.0000
4. [Ref. 2102] <u>The file for one ESE student did not contain a <i>Matrix of Services</i> form covering the reporting survey. We made the following audit adjustments:</u>	
112 Grades 4-8 with ESE Services	1.0000
254 ESE Support Level 4	<u>(1.0000)</u>
	.0000
<i>Management's Response</i> – See page 30. <i>Management provided a copy of the missing Matrix form.</i>	
<i>Auditor's Resolution</i> – See page 30. <i>We have resolved this finding in the favor of the District:</i>	
112 Grades 4-8 with ESE Services	(1.0000)
254 ESE Support Level 4	<u>1.0000</u>
	.0000
5. [Ref. 2171/72] <u>Two teachers were not properly certified and were not approved by the School Board to teach out-of-field. One teacher (Ref. 2171) was certified in Social Science, but taught Gifted classes and needed Gifted certification. The other teacher (Ref. 2172) held certification in Elementary Education and Social Science, but taught courses that required certification in General Science. We also noted that the parents of the students taught by this teacher (Ref. 2172) were not notified of the teacher's out-of-field status. We made the following audit adjustments:</u>	
<u>Ref. 2171</u>	
102 Basic 4-8	3.9200
112 Grades 4-8 with ESE Services	(3.7800)
254 ESE Support Level 4	<u>(.1400)</u>
	.0000
<u>Ref. 2172</u>	
102 Basic 4-8	.8892
112 Grades 4-8 with ESE Services	<u>(.8892)</u>
	.0000
	<u>.0000</u>

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
-----------------	--

**Lake Country Elementary School (#0031)**

6. [Ref. 3101] One ESE student was not reported in accordance with his Matrix of Services form. We made the following audit adjustments:

112 Grades 4-8 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000

7. [Ref. 3171/72] Two teachers taught Primary Language Arts to classes that each included one LEP student, but were not properly certified to teach LEP students and were not approved by the School Board to teach such students out-of-field. We also noted that the parents of the LEP students taught by these teachers were not notified of the teachers' out-of-field status. We made the following audit adjustments:

<u>Ref. 3171</u>		
101 Basic K-3	.0234	
130 ESOL	(.0234)	.0000
 <u>Ref. 3172</u>		
102 Basic 4-8	.1464	
130 ESOL	(.1464)	<u>.0000</u>
		<u>.0000</u>

**Woodlawn Elementary School (#0051)**

8. [Ref. 5101] The instructional schedules for 13 LEP students (8 in the October and February surveys and 5 in the February survey) were not added to the students' LEP Student Plans until May 31, 2005, approximately three months after the February survey. We made the following audit adjustments:

101 Basic K-3	7.4136	
102 Basic 4-8	1.2801	
130 ESOL	(8.6937)	.0000

9. [Ref. 5102] The LEP Student Plans for two students did not include the students' instructional schedules. We made the following audit adjustments:

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<b>Woodlawn Elementary School (#0051) (Continued)</b>	
101 Basic K-3	.7767
130 ESOL	(.7767)
	.0000
<p>10. [Ref. 5103] <u>One student was reported incorrectly in program No. 255 (ESE Support Level 5) for instructional services under the Hospital and Homebound program. The student had been dismissed from that program prior to the reporting survey and should have been reported in program No. 112 (Grades 4-8 with ESE Services). We made the following audit adjustments:</u></p>	
112 Grades 4-8 with ESE Services	.5000
255 ESE Support Level 5	(.5000)
	.0000
<p>11. [Ref. 5104] <u>Two students were not reported in accordance with their <i>Matrix of Services</i> forms. We made the following audit adjustments:</u></p>	
111 Grades K-3 with ESE Services	1.0000
254 ESE Support Level 4	(2.0000)
255 ESE Support Level 5	1.0000
	.0000
<p>12. [Ref. 5171/72/73/74/75] <u>Five teachers taught Primary Language Arts to classes that included LEP students, but were not properly certified to teach LEP students and were not approved by the School Board to teach such students out-of-field. We also noted that the parents of the LEP students taught by these teachers were not notified of the teachers' out-of-field status. Additionally, two of the teachers (Ref. 5173/75) also taught Basic subject area classes that included LEP students, but had not earned the 60 in-service training points required in ESOL strategies, pursuant to the teachers' in-service training timelines. We made the following audit adjustments:</u></p>	
<u>Ref. 5171</u>	
102 Basic 4-8	.1267
130 ESOL	(.1267)
	.0000
<u>Ref. 5172</u>	
101 Basic K-3	.2034
130 ESOL	(.2034)
	.0000

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>		<u>Net Audit Adjustment (Unweighted FTE)</u>
<b><u>Woodlawn Elementary School (#0051)</u></b> (Continued)		
<u>Ref. 5173</u>		
101 Basic K-3	.3801	
130 ESOL	(.3801)	.0000
<u>Ref. 5174</u>		
101 Basic K-3	.1017	
130 ESOL	(.1017)	.0000
<u>Ref. 5175</u>		
101 Basic K-3	.4068	
130 ESOL	(.4068)	.0000
		<u>.0000</u>
<b><u>Fred Wild Elementary School (#0081)</u></b>		
13. [Ref. 8101] <u>The instructional schedule for one LEP student in ESOL in the February survey was not added to the student's LEP Student Plan until February 16, 2006, five days after the end of that survey. We made the following audit adjustments:</u>		
101 Basic K-3	.4900	
130 ESOL	(.4900)	.0000
14. [Ref. 8102] <u>The file for one LEP student did not contain documentation justifying the student's continued placement in ESOL beyond the initial three-year base period. We made the following audit adjustments:</u>		
101 Basic K-3	.4900	
130 ESOL	(.4900)	.0000
15. [Ref. 8103] <u>One student in ESOL in the October and February surveys had been dismissed from ESOL on August 24, 2004, approximately six weeks prior to the October survey. We made the following audit adjustments:</u>		
101 Basic K-3	.7034	
130 ESOL	(.7034)	.0000

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE D (Continued)**

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

**Net Audit  
 Adjustment  
 (Unweighted FTE)**

**Findings**

**Fred Wild Elementary School (#0081)** (Continued)

16. [Ref. 8171] One teacher taught Primary Language Arts to a class that included one LEP student, but was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field. We also noted that the parents of the LEP student taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:

101 Basic K-3	.1000	
130 ESOL	(.1000)	.0000
		<u>.0000</u>

**Hill-Gustat Middle School (#0091)**

17. [Ref. 9101] The course schedule for one ESE student was reported incorrectly in ESOL and Basic education. The schedules for ESE students should be reported entirely in ESE. We made the following audit adjustments:

102 Basic 4-8	(.0650)	
112 Grades 4-8 with ESE Services	.5000	
130 ESOL	(.4350)	.0000

18. [Ref. 9102] The ESOL-reporting of one LEP student in the February survey was not adequately supported. The student was FES and was placed in ESOL based on an LEP Committee recommendation dated February 17, 2005, six days after the end of that survey. We made the following audit adjustments:

102 Basic 4-8	.5000	
130 ESOL	(.5000)	.0000
		<u>.0000</u>

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS  
FINDINGS AND AUDIT ADJUSTMENTS**  
For the Fiscal Year Ended June 30, 2005

**Net Audit  
Adjustment  
(Unweighted FTE)**

Findings

Avon Elementary School (#0101)

19. [Ref. 10101] The file for one student in ESOL did not contain documentation justifying the student's placement and reporting in ESOL. We noted that the student was FES, competent in reading and writing, and, thus, ineligible for ESOL-services. We made the following audit adjustments:

102 Basic 4-8	.5000	
130 ESOL	<u>(.5000)</u>	.0000

20. [Ref. 10102] One student was reported incorrectly in ESOL. The student had been dismissed from ESOL on May 21, 2004, prior to the start of the 2004-05 school year. We made the following audit adjustments:

101 Basic K-3	.3801	
130 ESOL	<u>(.3801)</u>	<u>.0000</u>
		<u>.0000</u>

Avon Park Middle School (#0111)

21. [Ref. 11101] The parents of one LEP student in ESOL in the October survey were not notified of their child's ESOL-placement until October 23, 2004, eight days after the end of that survey, and approximately two months after the child's initial placement date of August 27, 2004. We also noted that the student's instructional schedule was not added to the student's LEP Student Plan until October 22, 2004. We made the following audit adjustments:

102 Basic 4-8	.2134	
130 ESOL	<u>(.2134)</u>	.0000

22. [Ref. 11102] The files for two LEP students did not contain documentation justifying the students' continued placement in ESOL beyond the initial three-year base period. We made the following audit adjustments:

102 Basic 4-8	.8735	
130 ESOL	<u>(.8735)</u>	.0000

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>	
<b><u>Avon Park Middle School (#0111)</u></b> (Continued)		
23. [Ref. 11103] <u>The file for one ESE student did not contain evidence that the student's parents had been notified of, and invited to, the student's annual IEP-meeting. We made the following audit adjustments:</u>		
102 Basic 4-8	.5000	
112 Grades 4-8 with ESE Services	(.5000)	.0000
24. [Ref. 11171] <u>One teacher taught Primary Language Arts to classes that included LEP students, but was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field. We also noted that the parents of the LEP students taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:</u>		
102 Basic 4-8	1.8332	
130 ESOL	(1.8332)	.0000
25. [Ref. 11172] <u>One teacher taught Developmental Language Arts out-of-field to classes that included both LEP students and ESE students during the school terms covered by the October and February surveys, but the teacher's out-of-field status was not approved by the School Board. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status. Additionally, at the time of the reporting surveys, the teacher had earned none of the 120 in-service training points required in ESOL strategies, pursuant to the teacher's in-service training timeline. We noted that the teacher did earn 60 points on March 5, 2005, approximately one month after the end of the February survey. We made the following audit adjustments:</u>		
102 Basic 4-8	2.2011	
112 Grades 4-8 with ESE Services	(.2001)	
130 ESOL	(2.0010)	<u>.0000</u> <u>.0000</u>

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<b><u>Lake Placid Elementary School (#0211)</u></b>	
26. [Ref. 21101/02] <u>Two students were reported incorrectly in ESOL in the February survey. One student (Ref. 21101) had been dismissed from ESOL on October 26, 2004, approximately three months prior to that survey, and the other student was FES and ineligible for ESOL-services. We made the following audit adjustments:</u>	
<u>Ref. 21101</u>	
101 Basic K-3	.5000
130 ESOL	<u>(.5000)</u>
	.0000
<u>Ref. 21102</u>	
101 Basic K-3	.5000
130 ESOL	<u>(.5000)</u>
	.0000
27. [Ref. 21103] <u>The file for one ESE student did not contain an IEP covering the reporting survey. We made the following audit adjustments:</u>	
101 Basic K-3	.5000
111 Grades K-3 with ESE Services	<u>(.5000)</u>
	.0000
28. [Ref. 21104] <u>The FTE calculation for one PK student was based incorrectly on a 900-hour instructional school year. It should have been based on one having 720 hours. We made the following audit adjustment:</u>	
254 ESE Support Level 4	<u>.0166</u>
	.0166
29. [Ref. 21105] <u>The IEP committee for one student had only one of the two required professionals. We also noted that the student's <i>Matrix of Services</i> form was not reviewed and updated at the time of the IEP-review. We made the following audit adjustments:</u>	
101 Basic K-3	1.0000
254 ESE Support Level 4	<u>(1.0000)</u>
	.0000

*The accompanying notes are an integral part of this schedule.*



SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

**Net Audit  
 Adjustment  
 (Unweighted FTE)**

FindingsLake Placid Elementary School (#0211) (Continued)

30. [Ref. 21171] One teacher taught Primary Language Arts to a class that included one LEP student, but was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field. We also noted that the parents of the LEP student taught by this teacher were not notified of the teacher's out-of-field status. Additionally, the teacher also taught Basic subject area classes that included this same LEP student, but had not earned the 60 in-service training points required in ESOL strategies, pursuant to the teacher's in-service training timeline. We made the following audit adjustments:

102 Basic 4-8	.6800	
130 ESOL	(.6800)	
		<u>.0000</u>
		<u>.0166</u>

Sebring High School (#0221)

31. [Ref. 22101] The course schedules for 43 students (39 of whom were in our Vocational OJT sample) were funded using an incorrect priority. The students' off-campus, OJT or dual-enrolled courses were funded prior to the students' on-campus courses. We also noted that the timesheets for 3 of the students showed no OJT time during the reporting survey and the timesheet for 1 student showed less OJT time than was reported (two hours versus eight hours). We made the following audit adjustments:

103 Basic 9-12	3.9910	
113 Grades 9-12 with ESE Services	.0614	
300 Vocational 9-12	(4.5784)	
		(.5260)

32. [Ref. 22102] One student was reported incorrectly in ESOL in the October survey. The student had been dismissed from ESOL on May 21, 2004, approximately four months prior to that survey. We made the following audit adjustments:

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<b><u>Sebring High School (#0221)</u></b> (Continued)	
103 Basic 9-12	.0920
130 ESOL	(.0920)
	.0000
<p>33. [Ref. 22103] <u>Three students (one of whom was in our ESE Support Levels 4 and 5 sample) were absent during the 11-day window of the reporting survey and should not have been included with the survey's results. We also noted that the <i>Matrix of Services</i> form for the ESE student was not reviewed when the student's IEP was prepared. We made the following audit adjustments:</u></p>	
103 Basic 9-12	(.9232)
113 Grades 9-12 with ESE Services	.5000
254 ESE Support Level 4	(1.0000)
300 Vocational 9-12	(.0768)
	(1.5000)
<p>34. [Ref. 22104] <u>One Gifted student in the February survey was reported incorrectly in program No. 255 (ESE Support Level 5) for instructional services in the Hospital and Homebound program. The student had been dismissed from that program on December 6, 2004, approximately two months prior to the February survey, and should have been reported in program No. 113 (Grades 9-12 with ESE Services). We made the following audit adjustments:</u></p>	
113 Grades 9-12 with ESE Services	.4780
255 ESE Support Level 5	(.4780)
	.0000
<p>35. [Ref. 22105] <u>The course schedules for three ESE students were reported using an incorrect priority. The students' dual-enrolled courses in Basic education were funded prior to the student's on-campus instruction. We made the following audit adjustments:</u></p>	
103 Basic 9-12	(.3684)
113 Grades 9-12 with ESE Services	.3684
	.0000

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE D (Continued)**

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<b>Sebring High School (#0221) (Continued)</b>	
36. [Ref. 22106] <u>The supporting timecard for one ESE student in OJT was missing and could not be located. We made the following audit adjustment:</u>	
113 Grades 9-12 with ESE Services	(.5000)                      (.5000)
37. [Ref. 22107] <u>The files for two ESE students did not contain a Matrix of Services form covering the reporting survey. We made the following audit adjustments:</u>	
113 Grades 9-12 with ESE Services	1.0000
254 ESE Support Level 4	(1.0000)                      .0000
<i>Management's Response – See page 30. Management provided copies of the missing Matrix forms.</i>	
<i>Auditor's Resolution – See page 30. We have resolved this finding in the favor of the District with regard to one of the two cited students:</i>	
113 Grades 9-12 with ESE Services	(.5000)
254 ESE Support Level 4	.5000                              .0000
38. [Ref. 22108] <u>The Matrix of Services form for one ESE student was not reviewed when the student's new IEP was developed. We made the following audit adjustments:</u>	
113 Grades 9-12 with ESE Services	1.0000
255 ESE Support Level 5	(1.0000)                      .0000
<i>Management's Response – See page 30. Management provided a copy of a reviewed Matrix form.</i>	
<i>Auditor's Resolution – See page 30. Our finding stands as presented above.</i>	
	.0000
	<u>(2.5260)</u>

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

**Net Audit  
 Adjustment  
 (Unweighted FTE)**

Findings

Avon Park High School (#0231)

39. [Ref. 23101] The course schedules for 21 OJT students (18 of whom were in our Vocational OJT sample) were funded using an incorrect priority. The students' off-campus, OJT work time was funded prior to the students' on-campus instruction. We also noted that the timesheets for 4 of the students were missing and could not be located. We made the following audit adjustments:

103 Basic 9-12	1.5896	
300 Vocational 9-12	<u>(2.1570)</u>	(.5674)

40. [Ref. 23102] Three students were reported incorrectly in ESOL (two in the October and February surveys, and one in the February survey). The students were FES and their files did not contain documentation justifying their ESOL-placement. We also noted the students' English language proficiency was not tested on a timely basis. The two students in the October survey were not assessed until February 10, 2005, approximately two months after the survey, and the student in the February survey was not assessed until February 23, 2005, approximately 12 days after that survey. We made the following audit adjustments:

103 Basic 9-12	1.0933	
130 ESOL	<u>(1.0933)</u>	.0000

41. [Ref. 23103] Two students were reported incorrectly in ESOL. The students were FES and their files did not contain documentation justifying their ESOL-placement. We made the following audit adjustments:

103 Basic 9-12	.6786	
130 ESOL	<u>(.6786)</u>	.0000

42. [Ref. 23104] The files for two ESE students in the February survey did not contain an IEP covering the reporting survey. We made the following audit adjustments:

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<b><u>Avon Park High School (#0231)</u></b> (Continued)	
103 Basic 9-12	1.0000
113 Grades 9-12 with ESE Services	(1.0000)
	.0000
<p>43. [Ref. 23105] <u>Four students in our ESE Support Levels 4 and 5 sample were incorrectly reported in program No. 255 (ESE Support Level 5) for instructional services in the Hospital and Homebound program. The students had been dismissed from that program prior to the reporting survey. One student should have been reported in program No. 113 (Grades 9-12 with ESE Services) and three students in program No. 103 (Basic 9-12). We made the following audit adjustments:</u></p>	
103 Basic 9-12	1.3770
113 Grades 9-12 with ESE Services	.5000
255 ESE Support Level 5	(1.8770)
	.0000
<p>44. [Ref. 23106] <u>The file for one ESE student did not contain an IEP and Matrix of Services form covering the reporting survey. We made the following audit adjustments:</u></p>	
103 Basic 9-12	1.0000
254 ESE Support Level 4	(1.0000)
	.0000
<p>45. [Ref. 23107] <u>The Matrix of Services forms for four ESE students were not reviewed when the students' IEPs were developed for the 2004-05 school year. We made the following audit adjustments:</u></p>	
113 Grades 9-12 with ESE Services	2.0000
254 ESE Support Level 4	(2.0000)
	.0000
<p><u>Management's Response</u> – See page 30. Management provided copies of reviewed Matrix forms.</p>	
<p><u>Auditor's Resolution</u> – See page 30. Our finding stands as presented above.</p>	
	.0000

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE D (Continued)**

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<b>Net Audit Adjustment (Unweighted FTE)</b>
<b><u>Avon Park High School (#0231)</u></b> (Continued)	
46. [Ref. 23108] <u>The files for five ESE students did not contain a Matrix of Services form covering the reporting survey. We made the following audit adjustments:</u>	
113 Grades 9-12 with ESE Services	2.2262
254 ESE Support Level 4	(1.7262)
255 ESE Support Level 5	(.5000)
	.0000
<i>Management's Response – See page 30. Management provided copies of the missing Matrix forms.</i>	
<i>Auditor's Resolution – See page 30. We have resolved this finding in the favor of the District:</i>	
113 Grades 9-12 with ESE Services	(2.2262)
254 ESE Support Level 4	1.7262
255 ESE Support Level 5	.5000
	.0000
47. [Ref. 23171] <u>One teacher taught Social Science to a class that included two LEP students, but had earned none of the 60 in-service training points required in ESOL strategies, pursuant to the teacher's in-service training timeline. We made the following audit adjustments:</u>	
103 Basic 9-12	.1508
130 ESOL	(.1508)
	.0000
	(.5674)
<b><u>Lake Placid Senior High School (#0251)</u></b>	
48. [Ref. 25101] <u>The course schedules for nine Vocational OJT students were funded using an incorrect priority. The students' off-campus, OJT work time was funded prior to the student's on-campus instruction. We made the following audit adjustments:</u>	
103 Basic 9-12	.9150
300 Vocational 9-12	(.9150)
	.0000

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<b><u>Lake Placid Senior High School (#0251)</u></b> (Continued)	
49. [Ref. 25102] <u>The course schedule for one ESE student was reported using an incorrect priority. The student's dual-enrolled courses in Basic education were funded prior to the student's on-campus instruction. We made the following audit adjustments:</u>	
103 Basic 9-12	(.0610)
113 Grades 9-12 with ESE Services	<u>.0610</u>
	.0000
50. [Ref. 25103] <u>The file for one ESE student did not contain a Matrix of Services form covering the reporting survey. We made the following audit adjustments:</u>	
113 Grades 9-12 with ESE Services	.5000
254 ESE Support Level 4	<u>(.5000)</u>
	.0000
<i><u>Management's Response</u> – See page 30. Management provided a copy of the missing Matrix form.</i>	
<i><u>Auditor's Resolution</u> – See page 30. We have resolved this finding in the favor of the District:</i>	
113 Grades 9-12 with ESE Services	(.5000)
254 ESE Support Level 4	<u>.5000</u>
	<u>.0000</u>
	<u>(3.0768)</u>

*The accompanying notes are an integral part of this schedule.*

SCHEDULE E

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**RECOMMENDATIONS AND REGULATORY CITATIONS**  
For the Fiscal Year Ended June 30, 2005

**Recommendations**

**We recommend** that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only eligible courses are reported for funding in ESOL; (2) students are reported in the programs in which they were served, particularly LEP students in ESOL; (3) only eligible students who were in attendance and membership for a particular survey are reported for FTE funding; (4) students are reported in the proper funding categories and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE; (5) teachers are properly certified or, if out-of-field, have the proper School Board approval which identifies which subject they are teaching out-of-field; and (6) teachers earn the in-service training points required in ESOL strategies, pursuant to their in-service training timelines.

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 State requirements governing full-time equivalent (FTE) students and 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 2004-2005

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 2004-2005
- Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

*The accompanying notes are an integral part of this schedule.*



**SCHEDULE E (Continued)**

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**RECOMMENDATIONS AND REGULATORY CITATIONS**  
 For the Fiscal Year Ended June 30, 2005

**Regulatory Citations** (Continued)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  
 FTE General Instructions 2004-2005

Exceptional Education

- Section 1003.57(5), F.S. ....ESE 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 ESE 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 ESE students  
 Rule 6A-6.0331, F.A.C. ....Identification and Assignment of ESE students to Special Programs  
 Rule 6A-6.0334, F.A.C. ....Temporary Assignment of Transferring ESE students  
 Rule 6A-6.03411, F.A.C. ....Special Programs and Procedures for ESE students

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

*The accompanying notes are an integral part of this schedule.*

---

**SCHEDULE F**

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**SUMMARY OF MANAGEMENT'S RESPONSE**  
For the Fiscal Year Ended June 30, 2005

*Management agreed with our findings and recommendations, except for finding Nos. 4, 37, 38, 45, 46, and 50, as discussed below.*

*A copy of management's response may be found beginning on page 50 of this report.*

**Finding Nos. 4 (Ref. 2102); 37 (Ref. 22107); 46 (Ref. 23108); and 50 (Ref. 25103)**

The above findings cited the District with regard to missing *Matrix of Services* forms for nine students.

Management's Response – Management provided copies of the missing *Matrix* forms.

Auditor's Resolution – We examined the *Matrix* forms provided by management and concluded that they supported the Exceptional reporting of eight of the nine cited students. The *Matrix* form for one of the two students cited in finding No. 37 (Ref. 22107), dated March 14, 2003, was not reviewed and updated when the student's IEP was developed on November 1, 2004. Accordingly, we have resolved our findings in the favor of the District, with the exception of this one student.

**Finding Nos. 38 (Ref. 22108) and 45 (Ref. 23107)**

The above findings cited the District for failing to review the *Matrix of Services* forms for five students when the students' *Individual Educational Plans* (IEPs) were developed.

Management's Response – Management provided copies of *Matrix of Services* forms which were marked as having been reviewed when the students' *Individual Educational Plans* (IEPs) were developed.

Auditor's Resolution – We examined the *Matrix* forms provided by management and concluded that they were the same forms we had originally examined and copied for our work paper files, except that they were now marked as having been appropriately reviewed. Management's response does not provide an explanation for the change in forms; consequently, our findings stand as presented herein.

*The accompanying notes are an integral part of this schedule.*

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2005

**NOTE A - SUMMARY**

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

**1. School District of Highlands County**

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Highlands 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 Highlands County. For the fiscal year ended June 30, 2005, the District operated 17 schools, reported 11,993.3451 unweighted full-time equivalent (FTE) students, and received approximately \$35.3 million in State funding under the Florida Education Finance Program (FEFP) for those FTE. The primary sources of funding for the District are funds from FEFP, 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.

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2005

**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 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 2004-2005 school year were conducted during and for the following weeks: survey one was performed for July 12-16, 2004; survey two was performed for October 11-15, 2004; survey three was performed for February 7-11, 2005; and survey four was performed for June 13-17, 2005.

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**NOTES TO SCHEDULES**  
 For the Fiscal Year Ended June 30, 2005

**NOTE A - SUMMARY** (Continued)

**6. Educational Programs**

The Florida Education Finance Program (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) 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:

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-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 FTE reported to the Department of Education for the fiscal year ended June 30, 2005. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing FTE and the Florida Education Finance Program (FEFP). The following schools were in our sample:

Highlands County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**NOTES TO SCHEDULES**  
 For the Fiscal Year Ended June 30, 2005

**NOTE B - SAMPLING** (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
- Ineligible Courses Reported in ESOL	1
- Misreported ESOL FTE in Basic Programs	2
1. Sebring Middle School	3 through 5
2. Lake Country Elementary School	6 and 7
3. Woodlawn Elementary School	8 through 12
4. Fred Wild Elementary School	13 through 16
5. Hill-Gustat Middle School	17 and 18
6. Avon Elementary School	19 and 20
7. Avon Park Middle School	21 through 25
8. Lake Placid Elementary School	26 through 30
9. Sebring High School	31 through 38
10. Avon Park High School	39 through 47
11. Lake Placid Senior High School	48 through 50



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 HIGHLANDS COUNTY DISTRICT SCHOOL BOARD STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated February 28, 2006, that the Highlands County District School Board complied with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2005. These requirements are found primarily in Chapter 1006 Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. 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 State 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 these requirements is, however, ultimately the responsibility of the Department of Education.

Our examination procedures disclosed the following instances of material noncompliance involving the District's reported student ridership: 148 of the 416 students in our student sample had exceptions involving their reported ridership category or eligibility for State funded ridership.


In our opinion, except for the instances of material noncompliance mentioned above involving the classification and reporting of transported students, the Highlands County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2005.

The results of our examination disclosed other instances of noncompliance with the aforementioned State requirements, in addition to those of a material nature 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 State 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 Highlands 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 16, 2006



SCHEDULE A

Highlands County District School Board  
**STUDENT TRANSPORTATION**  
**POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Description</u>	<u>Number of Vehicles</u>	<u>% of Pop.</u>	<u>No. of Students Transp.</u>	<u>% of Pop. (Sample)</u>
Population <sup>1</sup>	244	100.00%	11,831	100.00%
Sample <sup>2</sup>	30	12.30%	416	3.52%
<u>General Tests</u>				
Net Audit Adjustments	-	-	(13)	NM
<u>Detailed Tests -- Sample Students</u>				
Students w/ Exceptions	-	-	148	(35.58%)
Net Audit Adjustments	-	-	(65)	(15.63%)
<u>Detailed Tests -- Non-sample Students</u>				
Students w/ Exceptions	-	-	18	NM
Net Audit Adjustments	-	-	(18)	NM
<u>General and Detailed Tests</u>				
Net Audit Adjustments	-	-	(96)	NM

NM - *Not Meaningful*

<sup>1</sup> *The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2005. The District reported 11,831 students in the following ridership categories: 336 in IDEA (K-12), Weighted; 51 in IDEA (K-12), Unweighted; 93 in IDEA (PK), Weighted; 46 in IDEA (PK), Unweighted; 35 in Teenage Parents and Infants; 11,249 in Two Miles or More; and 21 in Center to Center (Vocational). The District also reported operating a total of 244 school buses.*

<sup>2</sup> *See NOTE B.*

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE B**

Highlands County District School Board  
**STUDENT TRANSPORTATION**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

**Overview**

Management is responsible for determining and reporting the number of students transported in compliance with State requirements. These requirements are found primarily in Chapter 1006 Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. Except for instances of material noncompliance involving the classification and reporting of transported students, Highlands County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported for the fiscal year ended June 30, 2005. All of the instances of noncompliance disclosed by our examination procedures are discussed below and require management's attention and action, as recommended on page 46.

**Findings**

**Students  
 Transported  
 Net Audit  
 Adjustment**

*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, 2005, 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, 6, 7, 8, and 9.*

**General Tests**

1. [Ref. 51/60] The number of days-in-term for 31 students was reported incorrectly in the June survey. Twenty-one of the students were reported for a 19-day term, 1 student for a 90-day term, and 9 for a 17-day term. They should have been reported as follows: 22 for a 16-day term and 9 for a 22-day term. We made the following audit adjustments:

**June 2005 Survey (Ref. 51)**

<u>16 Days-in-Term</u>		
Two Miles or More	22	
 <u>19 Days-in-Term</u>		
Two Miles or More	(21)	
 <u>90 Days-in-Term</u>		
Two Miles or More	(1)	0

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE B (Continued)**

Highlands County District School Board  
**STUDENT TRANSPORTATION**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<b>Students Transported</b>	<b>Net Audit Adjustment</b>
<b><u>General Tests</u></b> (Continued)		
<b><u>June 2005 Survey (Ref. 60)</u></b>		
<u>17 Days-in-Term</u>		
Two Miles or More	(9)	
<u>22 Days-in-Term</u>		
Two Miles or More	2	0
2. [Ref. 52] <u>The District's reporting for IDEA (K-12), Unweighted in the October survey included one student whose ridership was not adequately supported. The totals on the bottom of the applicable bus driver's report indicated there was one transported student in this category; however, the report did not specifically identify the student by name or student identification number and none of the students who were so identified were marked as eligible for IDEA (K-12), Unweighted. We made the following audit adjustment:</u>		
<b><u>October 2004 Survey</u></b>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Unweighted	(1)	(1)
3. [Ref. 59] <u>Twelve students in the June survey were enrolled in a federally funded summer Migrant program that was not eligible for State Transportation funding. We made the following audit adjustment:</u>		
<b><u>June 2005 Survey</u></b>		
<u>22 Days-in-Term</u>		
Two Miles or More	(12)	(12)
<b>Net Audit Adjustments from General Tests</b>		<u>(13)</u>

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE B (Continued)**

Highlands County District School Board  
**STUDENT TRANSPORTATION  
FINDINGS AND AUDIT ADJUSTMENTS**  
For the Fiscal Year Ended June 30, 2005

**Students  
Transported  
Net Audit  
Adjustment**

**Findings**

**Detailed Tests**

4. [Ref. 53] Eight students in the July survey (five of whom were in our sample) were not enrolled in school during the survey and should not have been reported. We also noted that one of our sample students lived less than two miles from school and, thus, was not eligible for Two Miles or More. We made the following audit adjustments:

**July 2004 Survey**

6 Days-in-Term

Two Miles or More (5)

Two Miles or More (*Non-sample Students*) (3) (8)

5. [Ref. 54] Twenty-seven students in Two Miles or More (1 in the July survey, 20 in the October survey, 4 in the February survey, and 2 in the June survey) were reported incorrectly in Two Miles or More. All of the students lived less than two miles from school and should not have been reported. Seventeen of the students were in our sample. We made the following audit adjustments:

**July 2004 Survey**

11 Days-in-Term

Two Miles or More (1)

**October 2004 Survey**

90 Days-in-Term

Two Miles or More (10)

Two Miles or More (*Non-sample Students*) (10)

**February 2005 Survey**

90 Days-in-Term

Two Miles or More (4)

**June 2005 Survey**

22 Days-in-Term

Two Miles or More (2) (27)

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE B (Continued)**

Highlands County District School Board  
**STUDENT TRANSPORTATION**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

**Students  
 Transported  
 Net Audit  
 Adjustment**

**Findings****Detailed Tests** (Continued)

6. [Ref. 55] Fifty-nine students (4 in the July survey, 6 in the October survey, 37 in the February survey, and 12 in the June survey) were reported incorrectly in IDEA-Weighted ridership categories. The students' IEPs either did not authorize any special transportation services or did not indicate that the students met at least one of the five criteria needed for classification in an IDEA-weighted category. All of the students were eligible to be reported in other ridership categories. We also noted that the number of days-in-term was reported incorrectly for 5 of the 59 students. We made the following audit adjustments:

**July 2004 Survey****8 Days-in-Term**

IDEA (K-12), Weighted	(4)
Two Miles or More	4

**October 2004 Survey****18 Days-in-Term**

IDEA (PK), Unweighted	1
-----------------------	---

**90 Days-in-Term**

IDEA (K-12), Weighted	(4)
IDEA (K-12), Unweighted	1
IDEA (PK), Weighted	(2)
IDEA (PK), Unweighted	1
Two Miles or More	3

**February 2005 Survey****18 Days-in-Term**

IDEA (PK), Unweighted	2
Two Miles or More	1

**36 Days-in-Term**

IDEA (PK), Unweighted	1
-----------------------	---

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE B (Continued)**

Highlands County District School Board  
**STUDENT TRANSPORTATION  
 FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

**Students  
 Transported  
 Net Audit  
 Adjustment**

**Findings**

**Detailed Tests** (Continued)

**February 2005 Survey** (Continued)

90 Days-in-Term

IDEA (K-12), Weighted	(26)	
IDEA (K-12), Unweighted	5	
IDEA (PK), Weighted	(11)	
IDEA (PK), Unweighted	9	
Two Miles or More	19	

**June 2005 Survey**

8 Days-in-Term

IDEA (K-12), Weighted	(8)	
IDEA (K-12), Unweighted	1	
IDEA (PK), Weighted	(4)	
IDEA (PK), Unweighted	4	
Two Miles or More	7	0

7. [Ref. 56] Twenty-six students (1 in the July survey; 2 in the October survey; and 23 in the February survey) were reported incorrectly in IDEA (K-12) Unweighted. Fourteen of the 26 students lived more than two miles from school and should have been reported in Two Miles or More in the February survey. One student was eligible for weighted classification, pursuant to the student’s IEP, and should have been reported in IDEA (K-12), Weighted in the February survey. The remaining 11 students were not eligible to be reported because they lived less than two miles from school; were in the Specific Learning Disabilities, Speech Impaired, or Language Impaired programs; and their IEPs did not authorize special transportation services. We made the following audit adjustments:

**July 2004 Survey**

11 Days-in-Term

IDEA (K-12), Unweighted	(1)	
-------------------------	-----	--

**October 2004 Survey**

90 Days-in-Term

IDEA (K-12), Unweighted	(2)	
-------------------------	-----	--

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE B (Continued)**

Highlands County District School Board  
**STUDENT TRANSPORTATION**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<u>Students Transported</u> <u>Net Audit Adjustment</u>
-----------------	--

**Detailed Tests** (Continued)**February 2005 Survey**90 Days-in-Term

IDEA (K-12), Weighted	1	
IDEA (K-12), Unweighted	(23)	
Two Miles or More	<u>14</u>	(11)

8. [Ref. 57] Thirty-nine PK students (13 in the October survey and 26 in the February survey) were reported incorrectly: 38 in IDEA (PK), Unweighted, and 1 in Teenage Parents and Infants. Thirty-six of the 38 students in IDEA (PK), Unweighted were in a federally funded PK program that was not eligible for State transportation funding. Of the remaining two students, one should have been reported in IDEA (PK), Weighted, pursuant to the student's IEP, and the other should have been reported in Teenage Parents and Infants. The last student, who was reported in Teenage Parents and Infants, was actually enrolled in the aforementioned federally funded PK program and should not have been reported. Thirty-four of the 39 students were in our sample. We made the following audit adjustments:

**October 2004 Survey**90 Days-in-Term

IDEA (PK), Weighted	1	
IDEA (PK), Unweighted	(8)	
IDEA (PK), Unweighted ( <i>Non-sample Students</i> )	(5)	

**February 2005 Survey**90 Days-in-Term

IDEA (PK), Unweighted	(25)	
Teenage Parents and Infants	1	
Teenage Parents and Infants	<u>(1)</u>	(37)

9. [Ref. 58] Seven students (six in the February survey and one in the June survey) were reported incorrectly, as follows:

- a. Two K-12 students in the February survey were reported in PK ridership categories.

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE B (Continued)**

Highlands County District School Board  
**STUDENT TRANSPORTATION  
 FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

**Students  
 Transported  
 Net Audit  
 Adjustment**

**Findings**

**Detailed Tests** (Continued)

- b. One IDEA-weighted, PK student in the February survey was reported for a 90-day term rather than for the correct 18-day term.
- c. One IDEA-unweighted, PK student in the February survey was reported for a 90-day term rather than for the correct 18-day term.
- d. One PK student in the February survey was reported for a 90-day term in Two Miles or More rather than for the correct 36-day term in IDEA (PK), Unweighted.
- e. One PK student in the February survey was reported in IDEA (K-12), Unweighted rather than in IDEA (PK), Unweighted.
- f. One PK student in the June survey was reported in Two Miles or More rather than in IDEA (PK), Weighted.

We made the following audit adjustments:

- a. **February 2005 Survey**  
90 Days-in-Term  
 IDEA (K-12), Weighted 2  
 IDEA (PK), Weighted (2)
- b. **February 2005 Survey**  
90 Days-in-Term  
 IDEA (PK), Weighted (1)  
  
18 Days-in-Term  
 IDEA (PK), Weighted 1
- c. **February 2005 Survey**  
90 Days-in-Term  
 IDEA (PK), Unweighted (1)  
  
18 Days-in-Term  
 IDEA (PK), Unweighted 1

*The accompanying notes are an integral part of this schedule.*



**SCHEDULE B (Continued)**

Highlands County District School Board  
**STUDENT TRANSPORTATION**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2005

<u>Findings</u>	<b>Students Transported Net Audit Adjustment</b>
<b><u>Detailed Tests</u></b> (Continued)	
d. <b><u>February 2005 Survey</u></b> <u>90 Days-in-Term</u> Two Miles or More	(1)
<u>36 Days-in-Term</u> IDEA (PK), Unweighted	1
e. <b><u>February 2005 Survey</u></b> <u>90 Days-in-Term</u> IDEA (K-12), Unweighted	(1)
IDEA (PK), Unweighted	1
f. <b><u>June 2005 Survey</u></b> <u>8 Days-in-Term</u> IDEA (PK), Weighted	1
Two Miles or More	<u>(1)</u>
<b>Net Audit Adjustments from Detailed Tests</b>	
Sample Students	(65)
Non-sample Students	<u>(18)</u>
	<u>(83)</u>

*The accompanying notes are an integral part of this schedule.*

SCHEDULE C

Highlands County District School Board  
**STUDENT TRANSPORTATION**  
**RECOMMENDATIONS AND REGULATORY CITATIONS**  
For the Fiscal Year Ended June 30, 2005

**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 number of days-in-term; (2) only those students who are enrolled in school during survey week and ride a bus during the 11-day survey period are reported with the survey’s results; (3) the distance from home to school, for students classified in Two Miles or More, is verified prior to being reported; and (4) only ESE students whose need for special transportation services has been properly documented on their IEPs are reported in IDEA-weighted ridership categories.

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 State requirements governing student transportation.

**Regulatory Citations**

- Chapter 1006, Part I, E., F.S. ....Transportation of Public K-12 Students
- Section 1011.68, F.S. ....Funds for Student Transportation
- Chapter 6A-3, F.A.C. ....Transportation
- Student Transportation General Instructions

*The accompanying notes are an integral part of this schedule.*

---

**SCHEDULE D**

Highlands County District School Board  
**STUDENT TRANSPORTATION**  
**SUMMARY OF MANAGEMENT'S RESPONSE**  
For the Fiscal Year Ended June 30, 2005

*Management agreed with our findings and recommendations.*

*A copy of management's response may be found beginning on page 50 of this report.*

*The accompanying notes are an integral part of this schedule.*

Highlands County District School Board  
**STUDENT TRANSPORTATION**  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2005

**NOTE A - SUMMARY**

A summary discussion of the significant features of student transportation and related areas 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 State transportation funding: 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 Highlands County**

For the fiscal year ended June 30, 2005, the District received approximately \$2.4 million in State 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 2004	12	85
October 2004	106	5,812
February 2005	105	5,796
June 2005	<u>21</u>	<u>138</u>
Total	<u>244</u>	<u>11,831</u>

**3. Statutes and Rules**

The following statutes and rules are of significance to the District’s administration of student transportation:

- Chapter 1006, Part I, E., F.S. ....Transportation of Public K-12 Students
- Section 1011.68, F.S. ....Funds for Student Transportation
- Chapter 6A-3, F.A.C. ....Transportation

Highlands County District School Board  
**STUDENT TRANSPORTATION**  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2005

**NOTE B – SAMPLING**

Our examination procedures provided for the selection of samples of buses and students, using statistical and judgmental methods, for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2005. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing students transported.

MANAGEMENT'S RESPONSE



# The School Board of Highlands County

426 School Street • P.O. Box 9300 • Sebring, FL 33870-4098

(863) 471-5555 • FAX (863) 471-5600 • TDD (863) 382-3693

Wally Cox  
Superintendent

Richard Norris  
Chairperson

Donna Howerton  
Vice Chairperson

J. Ned Hancock

Wally Randall

Wendy Renfro

July 25, 2006

Auditor General  
Attn: Joe Williams, Section 321  
Room 412C Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Subject: FTE Audit Response

Dear Mr. Monroe:

Following are our responses to the preliminary and tentative audit findings of the FTE audit conducted by your office for the period ending June 30, 2005. Except for those listed below, we agree with the findings in the audit report.

*Finding 4:* Sebring Middle School (Ref. 2102)

The District does not agree with the audit adjustment. A copy of the Matrix of Services is attached.

*Finding 37:* Sebring High School (Ref. 22107)

The District does not agree with the audit adjustment. A copy of the Matrix of Services is attached.

*Finding 38:* Sebring High School (Ref. 22108)

The District does not agree with the audit adjustment. A copy of the Matrix of Services is attached.

"A fully accredited school system"  
Southern Association of Colleges and Schools  
Equal Opportunity Employer



*Finding 45:* Avon Park High School (Ref. 23107)

The District does not agree with the audit adjustment. A copy of the Matrix of Services is attached.

*Finding 46:* Avon Park High School (Ref. 23108)

The District does not agree with the audit adjustment. A copy of the Matrix of Services is attached.

*Finding 50:* Lake Placid High School (Ref. 25103)

The District does not agree with the audit adjustment. A copy of the Matrix of Services is attached.

Please contact the District if you need any additional information. We are confident that the District will benefit from this review.

Sincerely,

Wally Cox  
Superintendent of Schools

WC/cd

Attachments