



AUDITOR GENERAL
WILLIAM O. MONROE, CPA



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

For the Fiscal Year Ended June 30, 2006

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: Don J. Fenneman, Chair; Lynn Roberson, Vice Chair; Martha W. Butler; J. T. Simon; Larry Carver; and Harry J. Pennington, Superintendent.

This examination was conducted by Theodore Montgomery Jr, 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 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.

Hamilton County District School Board
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Hamilton County District School Board
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2006

LEP – Limited English Proficient

ESOL – English for Speakers of Other Languages

PK – Prekindergarten

OJT – On-the-Job Training

IDEA – Individuals with Disabilities Education Act



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

INDEPENDENT AUDITOR'S REPORT HAMILTON COUNTY DISTRICT SCHOOL BOARD FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated August 4, 2006, that the Hamilton 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, 2006. 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: 5 of the 32 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 in-service points

in ESOL strategies; 5 of the 17 students in our ESOL sample and all 12 of our sample of students in Career Education OJT had exceptions involving reporting errors or missing records. (See SCHEDULE D, finding Nos. 2, 3, 7, and 8 for teachers; finding Nos. 4, 5, and 6 for ESOL; and finding No. 1 for Career Education OJT.)


In our opinion, except for the instances of material noncompliance mentioned above involving teachers and the reporting of, and maintenance of supporting records for, students in ESOL and Career Education OJT, the Hamilton 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 under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2006.

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 in the preceding paragraph. 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 *Governmental Auditing Standards*, we are required to report deficiencies in internal control that are material to management's assertion. The instances of material noncompliance 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 maintenance of supporting records for, students in ESOL and Career Education on-the-job training (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 Hamilton 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
February 8, 2007

SCHEDULE A

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2006

<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	5	100.00%	1,177	100.00%	1,472.5900	100.00%
Sample Size ⁴	3	60.00%	57	4.84%	44.6799	3.03%
Net Audit Adjustments ⁵	-	-	(8)	(14.04%)	2.5211	-
<u>2. Exceptional - Basic with ESE Services</u>						
Population ³	6	100.00%	254	100.00%	280.2500	100.00%
Sample Size ⁴	4	66.67%	32	12.60%	22.4972	8.03%
Net Audit Adjustments ⁵	-	-	(5)	(15.63%)	(.0346)	-
<u>3. English for Speakers of Other Languages (ESOL)</u>						
Population ³	4	100.00%	62	100.00%	31.5900	100.00%
Sample Size ⁴	2	50.00%	17	27.42%	7.2885	23.07%
Net Audit Adjustments ⁵	-	-	(5)	(29.41%)	(.4018)	-
<u>4. Exceptional - ESE Support Levels 4 and 5</u>						
Population ³	4	100.00%	35	100.00%	32.4100	100.00%
Sample Size ⁴	3	75.00%	27	77.14%	24.6191	75.96%
Net Audit Adjustments ⁵	-	-	(0)	(0.00%)	.0000	-
<u>5. Career Education 9-12 On-the-Job Training (OJT)</u>						
Population ³	1	100.00%	31	100.00%	11.3200	100.00%
Sample Size ⁴	1	100.00%	12	38.71%	4.6783	41.33%
Net Audit Adjustments ⁵	-	-	(12)	(100.00%)	(2.1885)	-
<u>6. Career Education 9-12 (Excl. OJT)</u>						
Population ³	2	100.00%	0	0.00%	62.3200	100.00%
Sample Size ⁴	0	0.00%	0	0.00%	.0000	0.00%
Net Audit Adjustments ⁵	-	-	(0)	(0.00%)	.0000	-

<u>All Programs</u>						
Population ³	6	100.00%	1,559	100.00%	1,890.4800	100.00%
Sample Size ⁴	4	66.67%	145	9.30%	103.7630	5.49%
Net Audit Adjustments ⁵	-	-	(30)	(20.69%)	(.1038)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2006

<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	6	100.00%	80	100.00%	-
Sample Size ⁴	4	66.67%	32	40.00%	-
Net Audit Adjustments ⁵	-	-	(5)	(15.63%)	-
Basic	-	-	-	-	6.9441
Basic with ESE Services	-	-	-	-	(.7316)
ESOL	-	-	-	-	(2.0682)
Career Education 9-12	-	-	-	-	<u>(4.1443)</u>
					<u>.0000</u>
<u>Non-Sampled Students</u>					
Net Audit Adjustments ⁵					
Basic	-	-	-	-	(.3233)
Basic with ESE Services	-	-	-	-	(.2771)
Career Education 9-12	-	-	-	-	<u>(.0706)</u>
					<u>(.6710)</u>
Net Audit Adjustments					<u>(.7748)</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, ESOL, ESE, and Career Education). The population shown for the number of students is the total number of students in each program at the schools in our sample. Our Career Education 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 nonsample schools) as reported for each survey conducted for the fiscal year ended June 30, 2006. The population shown for teachers is the total number of teachers at schools in our sample who taught courses in ESE or Career education or taught courses to 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

Hamilton 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, 2006

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	1.8671	1.018	1.9007
102 Basic 4-8	.1171	1.000	.1171
103 Basic 9-12	7.1577	1.113	7.9665
112 Grades 4-8 with ESE Services	(.0667)	1.000	(.0667)
113 Grades 9-12 with ESE Services	(.9766)	1.113	(1.0870)
130 ESOL	(2.4700)	1.318	(3.2555)
300 Career Education 9-12	<u>(6.4034)</u>	1.193	<u>(7.6393)</u>
Total	<u>(.7748)</u>		<u>(2.0642)</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

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2006

<u>No. Program</u>	<u>Audit Adjustments¹</u>			<u>Total</u>
	<u>#0032</u>	<u>#0041</u>	<u>#9009</u>	
101 Basic K-3	.....	1.8671	.....	1.8671
102 Basic 4-8	.....	.2693	(.1522)	.1171
103 Basic 9-12	7.3851	.....	(.2274)	7.1577
112 Grades 4-8 with ESE Services	.....	.....	(.0667)	(.0667)
113 Grades 9-12 with ESE Services	(.7316)	.....	(.2450)	(.9766)
130 ESOL	(.3336)	(2.1364)	.....	(2.4700)
300 Career Education 9-12	<u>(6.3199)</u>	<u>.....</u>	<u>(.0835)</u>	<u>(6.4034)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>(.7748)</u>	<u>(.7748)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2006

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 students in Career Education OJT, the Hamilton 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, 2006. 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 11.

Findings

**Net Audit
 Adjustment
 (Unweighted FTE)**

Our examination included the July and October 2005 surveys and the February and June 2006 surveys. (See NOTE A5.) Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2005 survey or the February 2006 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Hamilton County High School (#0032)

1. [Ref. 3201] The course schedules for 13 OJT students (12 of whom were in our Career Education OJT sample) were reported using an incorrect priority that funded the student's off-campus OJT courses prior to their on-campus instruction. We made the following audit adjustments:

103 Basic 9-12	2.1756	
300 Career Education 9-12	(2.1756)	.0000

2. [Ref. 3270] One teacher was not properly certified and was not approved by the School Board to teach out-of-field. 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	4.2277	
113 Grades 9-12 with ESE Services	(.0834)	
300 Career Education 9-12	(4.1443)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2006

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Hamilton County High School (#0032) (Continued)

3. [Ref. 3271] One noncertificated teacher taught English during the school terms covered by the October and February surveys. As of the completion of our audit field work, the teacher had not received the appropriate certification. We made the following audit adjustments:

103 Basic 9-12	.9818	
113 Grades 9-12 with ESE Services	(.6482)	
130 ESOL	(.3336)	.0000
		<u>.0000</u>

North Hamilton Elementary School (#0041)

4. [Ref. 4101] One LEP student was beyond the maximum six-year period allowed for State funding of ESOL. We made the following audit adjustments:

102 Basic 4-8	.3450	
130 ESOL	(.3450)	.0000

5. [Ref. 4102] The files for two LEP students did not contain documentation justifying their placement in ESOL for the 2005-06 school year. We made the following audit adjustments:

101 Basic K-3	.7185	
130 ESOL	(.7185)	.0000

6. [Ref. 4103] Two LEP students were reported incorrectly in program Nos. 101 (Basic K-3) and 102 (Basic 4-8), respectively. They should have been reported in program No. 130 (ESOL). We made the following audit adjustments:

101 Basic K-3	(.5000)	
102 Basic 4-8	(.1617)	
130 ESOL	.6617	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2006

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

North Hamilton Elementary School (#0041) (Continued)

7. [Ref. 4170] 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 parents were not notified of the teacher's out-of-field status. Additionally, the teacher 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:

101 Basic K-3	.8486	
102 Basic 4-8	.0860	
130 ESOL	<u>(.9346)</u>	.0000

8. [Ref. 4171/72] Two teachers of Primary Language Arts to LEP students had not earned the in-service training points required in ESOL strategies pursuant to the teachers' in-service training timelines. One teacher (Ref. 4171) had earned only 60 of 120 required points, and the other teacher (Ref. 4172) had earned none of 120 required points. We made the following audit adjustments:

<u>Ref. 4171</u>		
101 Basic K-3	.3000	
130 ESOL	<u>(.3000)</u>	.0000
 <u>Ref. 4172</u>		
101 Basic K-3	.5000	
130 ESOL	<u>(.5000)</u>	<u>.0000</u>
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2006

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<u>Panther Success Center (#9009)</u>	
<p>9. [Ref. 900901/02] <u>The number of days-in-term for both the July 2005 and June 2006 surveys was incorrectly reported for 46 and 45 students, respectively, of whom 12 (six from each survey) were sample students. For the July 2005 survey, the students were reported for 20 days-in-term; however, the District's calendar supported a 16-day term. For the June 2006 survey, the students were reported for 19 days-in-term; however, the District's calendar supported a 20-day term. We made the following audit adjustments:</u></p>	
<u>Ref. 900901 (June 2006)</u>	
102 Basic 4-8	.0728
103 Basic 9-12	.1166
112 Grades 4-8 with ESE Services	.0468
113 Grades 9-12 with ESE Services	<u>.0260</u>
	.2622
<u>Ref. 900902 (July 2005)</u>	
102 Basic 4-8	(.2250)
103 Basic 9-12	(.3440)
112 Grades 4-8 with ESE Services	(.1135)
113 Grades 9-12 with ESE Services	(.2710)
300 Career Education 9-12	<u>(.0835)</u>
	<u>(1.0370)</u>
	<u>(.7748)</u>
	<u>(.7748)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2006

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) students are reported in the appropriate funding categories and have adequate documentation to support that reporting; (2) students in OJT programs are reported in accordance with priority funding requirements of the *FTE General Instructions*; (3) the number of days-in-term is reported correctly; (4) teachers are properly certified or, if out-of-field, have proper School Board approval to teach out-of-field; and (5) 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 the 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 2005-2006

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2006

Regulatory Citations (Continued)

Career Education On-the-Job Funding Hours

Rule 6A-6.055(3), F.A.C.Definitions of Terms Used in Vocational Education and Adult Programs
FTE General Instructions 2005-2006

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.Non-certificated Instructional Personnel
Rule 6A-1.0503, F.A.C.Definition of 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

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2006

Management agreed with our findings and recommendations.

A copy of management's response may be found beginning on page 28 of this report.

The accompanying notes are an integral part of this schedule.

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2006

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 Hamilton County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Hamilton County, Florida. Those services are provided primarily to students attending kindergarten through high school, but also to adults seeking career education-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 Hamilton County. For the fiscal year ended June 30, 2006, the District operated six schools, reported 1,890.4800 unweighted full-time equivalent (FTE) students, and received approximately \$6.4 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.

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2006

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

The funding provided by FEEP 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 FEEP Funds

The amount of State and local FEEP 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 FEEP 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 2005-2006 school year were conducted during and for the following weeks: survey one was performed for July 11-15, 2005; survey two was performed for October 10-14, 2005; survey three was performed for February 6-10, 2006; and survey four was performed for June 12-16, 2006.

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2006

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) English for Speakers of Other Languages (ESOL); (3) Exceptional; and (4) Career Education (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, 2006. 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:

Hamilton County District School Board
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2006

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Hamilton County High School	1 through 3
2. North Hamilton Elementary School	4 through 8
3. Greenwood School	NA
4. Panther Success Center	9



WILLIAM O. MONROE, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



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

INDEPENDENT AUDITOR'S REPORT HAMILTON COUNTY DISTRICT SCHOOL BOARD STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated August 4, 2006, that the Hamilton 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, 2006. 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.

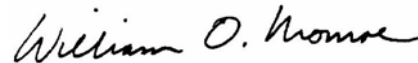
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, 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.

In our opinion, the Hamilton 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, 2006.

The results of our examination disclosed instances of noncompliance with the State requirements mentioned above. We considered these 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.

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 Hamilton 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,

A handwritten signature in cursive script that reads "William O. Monroe".

William O. Monroe, CPA

February 8, 2007

SCHEDULE A

Hamilton County District School Board
STUDENT TRANSPORTATION
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2006

<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	48	100.00%	2,083	100.00%
Sample ²	0	0.00%	122	5.86%
<u>General Tests</u>				
Students w/ Exceptions ³	-	-	-	-
Net Audit Adjustments	-	-	(120)	5.76%
<u>Detailed Tests</u>				
Students w/ Exceptions	-	-	6	(4.92%)
Net Audit Adjustments	-	-	(0)	(0.00%)
<u>General and Detailed Tests</u>				
Net Audit Adjustments	-	-	(120)	5.76%

¹ The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2006. The District reported 2,083 students in the following ridership categories: 55 in IDEA (K-12), Weighted; 6 in IDEA (PK), Weighted; and 2,022 in Two Miles or More. The District also reported operating a total of 48 buses. (IDEA stands for Individuals with Disabilities Education Act.)

² See NOTE B.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Hamilton County District School Board
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2006

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. The Hamilton 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, 2006. 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 24.

**Students
Transported
Net Audit
Adjustment**

Findings

Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey. Our general tests disclosed the instances of noncompliance discussed in finding No. 1. Our detailed tests checked the accuracy of the reported ridership categories for students sampled from the July, October, February, and June surveys. Our detailed tests disclosed the instances of noncompliance discussed in finding No. 2.

General Tests

1. [Ref. 51] Our review of the reported ridership in the February survey disclosed the following involving 124 students:
 - a. One hundred and twenty-three students on transportation route CHE1 were reported incorrectly in Two Miles or More. We noted that 120 of these students lived less than two miles from school and were not eligible for State Transportation funding. The remaining three students were PK IDEA students who were eligible to be reported in IDEA (PK), Unweighted.

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Hamilton County District School Board
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2006

**Students
 Transported
 Net Audit
 Adjustment**

Findings

General Tests (Continued)

- b. The days-in-term for one student in Two Miles or More was reported incorrectly as 54 days. The school term covered by the February survey had 90 days.

We made the following audit adjustments:

February 2006 Survey

<u>90 Days-in-Term</u>		
IDEA (PK), Unweighted	3	
Two Miles or More	<u>(123)</u>	(120)

<u>54 Days-in-Term</u>		
Two Miles or More	(1)	

<u>90 Days-in-Term</u>		
Two Miles or More	<u>1</u>	<u>0</u>

Net Audit Adjustments from General Tests		<u>(120)</u>
---	--	--------------

Detailed Tests

- 2. [Ref. 52] We noted the following exceptions involving four students in various surveys:

- a. Three PK students (one in the July survey and two in the June survey) were reported incorrectly in IDEA (PK), Weighted. The students' IEPs did not document that the students met one or more of the five eligibility criteria for classification in a weighted IDEA ridership category. However, these students were eligible to be reported in IDEA (PK), Unweighted.

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Hamilton County District School Board
**STUDENT TRANSPORTATION
 FINDINGS AND AUDIT ADJUSTMENTS**
 For the Fiscal Year Ended June 30, 2006

<u>Findings</u>	Students Transported Net Audit Adjustment
<u>Detailed Tests</u> (Continued)	
b. <u>One student in the February survey was reported incorrectly in IDEA (K-12), Weighted. The student was not an IDEA-eligible. However, the student lived more than two miles from school, and was eligible to be reported in Two Miles or More.</u>	
<u>We made the following audit adjustments:</u>	
a. <u>July 2005 Survey</u>	
<u>9 Days-in-Term</u>	
IDEA (PK), Weighted	(1)
IDEA (PK), Unweighted	1
<u>June 2006 Survey</u>	
<u>20 Days-in-Term</u>	
IDEA (PK), Weighted	(2)
IDEA (PK), Unweighted	<u>2</u> 0
b. <u>February 2006 Survey</u>	
<u>90 Days-in-Term</u>	
IDEA (K-12), Weighted	(1)
Two Miles or More	<u>1</u> <u>0</u>
Net Audit Adjustments from Detailed Tests	<u>0</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Hamilton County District School Board
STUDENT TRANSPORTATION
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2006

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the distance from home to school is verified prior to reporting students in Two Miles or More; (2) the number of days-in-term is reported correctly for each survey; and (3) only ESE students who are properly documented as IDEA are reported for weighted or unweighted IDEA-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 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

Hamilton County District School Board
STUDENT TRANSPORTATION
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2006

Management agreed with our findings and recommendations.

A copy of management's response may be found beginning on page 28 of this report.

The accompanying notes are an integral part of this schedule.

Hamilton County District School Board
STUDENT TRANSPORTATION
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2006

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 Career Education 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 Hamilton County

For the fiscal year ended June 30, 2006, the District received approximately \$439,633 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 2005	2	9
October 2005	22	1,025
February 2006	22	1,023
June 2006	<u>2</u>	<u>26</u>
Total	<u>48</u>	<u>2,083</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

Hamilton County District School Board
STUDENT TRANSPORTATION
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2006

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, 2006. 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

Hamilton County School District

School Board Members

Damon Deas - District 1
Lynn Roberson - District 2
J. T. Simon - District 3

Harry J. Pennington, Superintendent

4280 SW County Road 152
Jasper, Florida 32052
Phone: (386) 792-1228 Fax: (386) 792-3681

School Board Members

Joyce Shaw - District 4
Don Fenneman - District 5
Donald Rudser - Attorney

March 2, 2007

Mr. William O. Monroe
Auditor General
Room 412C
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Re: Report on the examination of full-time equivalent (FTE) students and student transportation, as reported by the Hamilton County District School Board for the fiscal year ended June 30, 2006

Dear Mr. Monroe:

We have reviewed the findings, recommendations, and adjustments for the FTE students as outlined in Schedule D. We accept all findings, recommendations, and adjustments. We will work to ensure that:

1. data clerks receive in-service training via the MIS Coordinator so that on-campus scheduling information will be keyed prior to OJT courses;
2. teachers are approved by the Board to teach out of their fields and that the parents of said teachers are notified of the out-of-field status;
3. individuals serving as teachers are certificated (those without their certificates will be approved as substitutes, provided they possess a statement of eligibility and are working to obtain their certificates);
4. data clerks receive in-service training via the MIS Coordinator so that the maximum six-year period allowed for State funding of ESOL is not exceeded;
5. files for LEP students include documentation to justify placement in ESOL;
6. LEP students are reported in the appropriate categories;
7. teachers are properly certified in ESOL (this requirement will be documented in the individual Professional Development Plan);
8. teachers receive the required in-service points for ESOL certification; and

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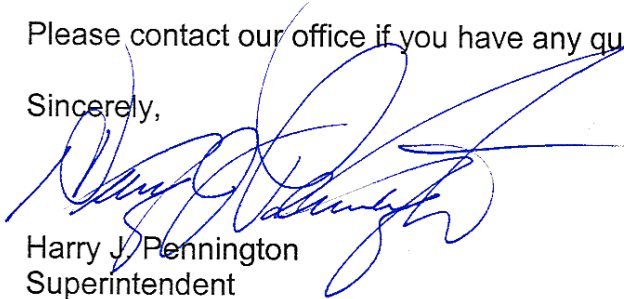
Mr. William O. Monroe
March 2, 2007
Page 2 of 2

9. the schedule for Panther Success Center continues as a 5-day/week program during the summer, rather than following the 4-day work week schedule.

We have also reviewed the findings recommendations, and adjustments for Student Transportation as outlined in Schedule B. We accept all findings, recommendations, and adjustments. We will work to ensure that employees involved with FEFP student transportation surveys are provided with in-service with an emphasis on error-free reporting. We will ensure that the appropriate staff members receive notice of special transportation needs as per a student's IEP.

Please contact our office if you have any questions concerning our responses.

Sincerely,



Harry J. Pennington
Superintendent

dlw