

**CHARLOTTE COUNTY
DISTRICT SCHOOL BOARD**

**Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students**

Restoration of Audit Adjustments

For the Fiscal Year Ended
June 30, 2006



GOVERNING BODY AND SUPERINTENDENT

The governing body of the District is the District School Board, which is composed of seven elected members. The executive officer of the Board is the appointed Superintendent of Schools. The Board members and Superintendent of Schools who served during the fiscal year ended June 30, 2006, were:

Lee Swift

Alleen Miller

Andrea D. Messina, Vice Chair from 11-22-05

Sue Sifrit, Vice Chair to 11-21-05,

Chair from 11-22-05

Barbara Y. Rendell, Chair to 11-21-05

Dr. David E. Gayler, Superintendent

Please address inquiries regarding this report to Joseph L. Williams, CPA, Audit Manager, via e-mail at joewilliams@aud.state.fl.us or by telephone at (850) 414-9941.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Charlotte County District School Board
Full-Time Equivalent (FTE) Students
Restoration of Audit Adjustments
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For the Fiscal Year Ended June 30, 2006

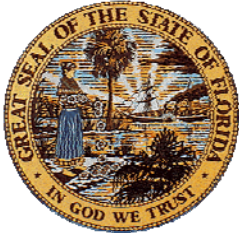
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EXECUTIVE SUMMARY

Summary

Pursuant to State Board of Education Rule 6A-1.0453(5), Florida Administrative Code, the Charlotte County District School Board requested an informal conference with the Department of Education (DOE) to discuss several findings presented in report No. 2008-003. The informal conference was held on January 13, 2010. The resulting informal conference panel’s memorandum of January 27, 2010, recommended the restoration of certain specified audit adjustments. The panel’s recommendations were accepted by the Commissioner of Education, as evidenced by letter dated February 2, 2010.

The net FTE audit adjustment restored pursuant to the panel’s recommendations totaled to a positive 41.8815 unweighted FTE, but has a net impact on weighted FTE of a positive 46.5629 FTE. The financial effect of the restored net audit adjustment is subject to the determination of the Department of Education.



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



PHONE: 850-488-5534
FAX: 850-488-6975

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

INDEPENDENT AUDITOR'S REPORT AGREED-UPON PROCEDURES FOR RESTORATION OF AUDIT ADJUSTMENTS FULL-TIME EQUIVALENT (FTE) STUDENTS

We have previously examined management's assertion, included in its representation letter dated January 5, 2007, that the Charlotte County District School Board complied 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, and have presented the results of our examination in report No. 2008-003, issued July 18, 2007. This agreed-upon procedures report on the restoration of audit adjustments should be read in conjunction with report No. 2008-003.

Pursuant to State Board of Education Rule 6A-1.0453(5), Florida Administrative Code, the Charlotte County District School Board requested an informal conference with the Department of Education (DOE) to discuss Finding No. 34 for the Crossroads Wilderness Institute and the associated audit adjustment, as presented in report No. 2008-003. The informal conference was held on January 13, 2010. The resulting informal conference panel's memorandum of January 27, 2010, recommended the restoration of the audit adjustment for Finding No. 34 subject to a review of the relevant attendance records by the Auditor General. The panel's recommendations were accepted by the Commissioner of Education, as evidenced by letter dated February 2, 2010.

In conjunction with the panel's recommendations and the Commissioner's acceptance, we performed certain agreed-upon procedures, specified in SCHEDULE B herein, to determine and report the audit adjustment to be restored for Finding No. 34 net of the effect of the audit adjustments for Finding Nos. 35 and 36 which became effective as a result of the restoration. We performed the agreed-upon procedures, and have issued this report, solely to assist DOE with this restoration. DOE is responsible for the sufficiency of the agreed-upon procedures and the computation of the restoration's financial impact. Consequently, we make no representation regarding the

sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

We performed the agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We did not conduct an examination, the objective of which would be the expression of an opinion on the restoration of audit adjustments contained herein. Accordingly, we do not express such an opinion. Had we performed additional procedures pursuant to such an examination, other matters might have come to our attention that we would have reported.

Pursuant to Section 11.45(4)(c), Florida Statutes, this report is a public record and its distribution is not limited. Attestation standards established by the AICPA require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and applicable District management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
March 10, 2010

SCHEDULE A

Charlotte County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students

EFFECT OF RESTORED AUDIT ADJUSTMENTS ON WEIGHTED FTE

(For Illustrative Purposes Only)

For the Fiscal Year Ended June 30, 2006

<u>No. Program</u>	<u>Net Audit Adjustment¹</u>	<u>Cost Factor</u>	<u>Weighted FTE²</u>
102 Basic 4-8	.9153	1.000	.9153
103 Basic 9-12	22.5438	1.113	25.0912
112 Grade 4-8 with ESE Services	1.2632	1.000	1.2632
113 Grade 9-12 with ESE Services	14.7221	1.113	16.3857
130 English for Speakers of Other Languages (ESOL)	.0000	1.318	.0000
300 Career Education 9-12	<u>2.4371</u>	1.193	<u>2.9075</u>
Total	<u>41.8815</u>		<u>46.5629</u>

¹ These adjustments are for *unweighted* FTE. (See SCHEDULE B.)

² The restored 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.

SCHEDULE B

Charlotte County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RESTORATION OF AUDIT ADJUSTMENT
 For the Fiscal Year Ended June 30, 2006

Overview

Pursuant to State Board of Education Rule 6A-1.0453(5), Florida Administrative Code, the Charlotte County District School Board requested an informal conference with the Department of Education (DOE) to discuss Finding No. 34 for the Crossroads Wilderness Institute and the associated audit adjustment, as presented in report No. 2008-003. The informal conference was held on January 13, 2010. The resulting informal conference panel’s memorandum of January 27, 2010, recommended the restoration of the audit adjustment for Finding No. 34, subject to the review of attendance records by the Auditor General. The panel’s recommendation was accepted by the Commissioner of Education, as evidenced by letter dated February 2, 2010. In conjunction with the panel’s recommendation and the Commissioner’s acceptance, we performed certain agreed-upon procedures to determine and report the audit adjustments to be restored for Finding No. 34 net of the audit adjustments for Finding Nos. 35 and 36 which became effective as a result of the restoration (see further discussion below).

Description

**Net Audit
 Adjustments Restored
 (Unweighted FTE)**

Finding No. 34 (Ref. 28101) -- Crossroads Wilderness Institute

Finding: The Institute took student population counts twice daily for management control purposes but did not prepare and maintain documentation of each student’s classroom attendance for FEFP-related instruction. Consequently, none of the Institute’s reported FTE was adequately supported. We made the following audit adjustment:

102 Basic 4-8	(.7890)	
103 Basic 9-12	(21.0007)	
112 Grades 4-8 with ESE Services	(1.3895)	
113 Grades 9-12 with ESE Services	(16.0781)	
130 ESOL	(.1334)	
300 Career Education 9-12	<u>(2.9908)</u>	(42.3815)

Summary of Discussion: The District provided information regarding the use and availability of daily points cards as attendance records for all of the students at Crossroads Wilderness Institute for the fiscal year ended June 30, 2006. Additionally, participants were made aware that the audit adjustments for Finding Nos. 35 and 36 would become effective subsequent to the restoration of the audit adjustment for Finding No. 34. (There were no audit adjustments presented in report No. 2008-003 for Finding Nos. 35 and 36 because Finding No. 34 adjusted all of the Wilderness Institute’s FTE.)

SCHEDULE B (Continued)

Charlotte County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RESTORATION OF AUDIT ADJUSTMENT
 For the Fiscal Year Ended June 30, 2006

**Net Audit
 Adjustment Restored
 (Unweighted FTE)**

Description

Finding No. 34 (Ref. 28101) -- Crossroads Wilderness Institute (Continued)

Panel’s Recommendation: The Panel recommended the restoration of the FTE and funding for Finding No. 34 subject to the District providing attendance records with complete documentation for a sample of students selected by the Auditor General. (The Panel subsequently advised us that it considered the daily points cards mentioned above as constituting “attendance records with complete documentation.”)

Auditor’s Procedures: Pursuant to the Panel’s recommendation, we obtained and examined the attendance records provided by the District (i.e., the daily points cards) for the 12 students in our original sample. We examined those records and determined that the attendance of these 12 sample students was supported for at least one day within each reporting survey’s 11-day window. Accordingly, we have restored the audit adjustment for Finding No. 34, as presented below:

102 Basic 4-8	.7890	
103 Basic 9-12	21.0007	
112 Grades 4-8 with ESE Services	1.3895	
113 Grades 9-12 with ESE Services	16.0781	
130 ESOL	.1334	
300 Career Education 9-12	<u>2.9908</u>	42.3815

Additionally, we obtained and examined the supporting working papers for Finding Nos. 35 and 36 to determine the audit adjustments applicable to those findings. As a result of the restoration of the audit adjustment for Finding No. 34, the following combined audit adjustment for Finding Nos. 35 and 36 became effective, as shown below:

102 Basic 4-8	.1263	
103 Basic 9-12	1.5431	
112 Grades 4-8 with ESE Services	(.1263)	
113 Grades 9-12 with ESE Services	(1.3560)	
130 ESOL	(.1334)	
300 Career Education 9-12	<u>(.5537)</u>	<u>(.5000)</u>

Net Audit Adjustments Restored 41.8815

SCHEDULE B (Continued)

Charlotte County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RESTORATION OF AUDIT ADJUSTMENT
 For the Fiscal Year Ended June 30, 2006

<u>Description</u>	Net Audit Adjustment Restored (Unweighted FTE)
<u>Summary</u>	
Net Audit Adjustment Restored (From Prior Page)	<u>41.8815</u>
<u>Finding Nos. 34, 35, and 36 Combined</u>	
102 Basic 4-8	.9153
103 Basic 9-12	22.5438
112 Grades 4-8 with ESE Services	1.2632
113 Grades 9-12 with ESE Services	14.7221
130 ESOL	.0000
300 Career Education 9-12	<u>2.4371</u>
Net Audit Adjustment Restored	<u>41.8815</u>

Charlotte County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
COMMISSIONER'S LETTER
For the Fiscal Year Ended June 30, 2006

FLORIDA DEPARTMENT OF EDUCATION



Dr. Eric J. Smith
Commissioner of Education

STATE BOARD OF EDUCATION

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- DR. AKSHAY DESAI
- ROBERTO MARTÍNEZ
- JOHN R. PADGET
- KATHLEEN SHANAHAN
- LINDA K. TAYLOR



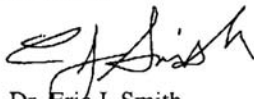
February 2, 2010

Dr. David E. Gayler, Superintendent
Charlotte County School District
1445 Education Way
Port Charlotte, FL 33948-1052

Dear Superintendent Gayler:

My staff and I have reviewed the recommended agreement, which was a result of the informal audit conference concluded on January 13, 2010. The conference concerned the Full-Time Equivalent (FTE) Students and Student Transportation Audit (Report No. 2008-003) for the year ending June 30, 2006, for the School District of Charlotte County. I accept the informal conference panel's recommendation and, by copy of this letter, am asking Deputy Commissioner Linda Champion to initiate appropriate action with regard to the FEFP adjustment for Charlotte County. I am pleased that the informal conference participants reached an agreement.

Sincerely,


Dr. Eric J. Smith

EJS:lj

cc: Linda Champion
Joe Williams
Frances Haithcock

Charlotte County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
INFORMAL CONFERENCE PANEL'S MEMORANDUM
For the Fiscal Year Ended June 30, 2006

FLORIDA DEPARTMENT OF EDUCATION



Dr. Eric J. Smith
Commissioner of Education

STATE BOARD OF EDUCATION

T. WILLARD FAIR, *Chairman*

Members

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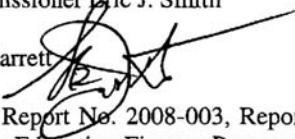
JOHN R. PADGET

KATHLEEN SHANAHAN

LINDA K. TAYLOR



MEMORANDUM

Date: January 27, 2010
To: Commissioner Eric J. Smith
From: Link Jarrett 
Subject: Audit Report No. 2008-003, Report on the School District of Charlotte County, Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students and Student Transportation for the Fiscal Year Ended June 30, 2006

On May 19, 2009, the Department of Education received a request from the Charlotte County School District for an informal conference to discuss Audit Report No. 2008-003 and related issues. The informal conference was held on January 13, 2010.

The Charlotte County School District was represented by Greg Griner, Chris MacNeil, John Weant, and Eric Hall. The Department of Education was represented by Karen Denbroeder, Lori Rodriguez, Lee Davis, and Becky Pruett. David Morris and I were on the informal conference panel. Joe Williams represented the Office of the Auditor General.

Charlotte County School District appealed one audit finding. The recommendation that resulted from the informal appeal conference is as follows:

- 1. Attendance documentation for Crossroads Wilderness Institute [Finding No. 34 (Ref. No. 28101)]

Summary of Finding: The Institute took student population counts twice daily for management control purposes, but did not prepare and maintain documentation of each student's classroom attendance for FEFP-related instruction. Consequently, none of the Institute's reported FTE was adequately supported.

LINCOLN JARRETT, JR.
OPERATIONS AND PROGRAM MANAGER

325 W. GAINES STREET • SUITE 1214 • TALLAHASSEE, FL 32399-0400 • (850) 245-0405 • www.fldoe.org
FAX (850) 245-9135

Charlotte County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
INFORMAL CONFERENCE PANEL'S MEMORANDUM (Continued)
For the Fiscal Year Ended June 30, 2006

Commissioner Eric J. Smith
January 27, 2010
Page 2

The district's original response to the audit finding was that the Institute's reported FTE was adequately supported given its various population control records and related 24-hour, lock-down operations. During the conference, the district provided information regarding the use and availability of daily points cards as attendance records for all Crossroads Wilderness Institute students for the audit year. A copy of one student's daily points card was distributed to conference attendees.

A copy of the September 2005 Quality Assurance Review Report for the Institute was provided by the Department of Education's Bureau of Exceptional Education and Student Services, Juvenile Justice Educational Enhancement Program, representative. The report indicated, "Attendance is recorded daily in teacher grade books and is submitted to the school district for MIS entry on a daily basis."

The representative from the Office of the Auditor General indicated that, if restoration of the FTE from Finding No. 34 is recommended by the panel, then FTE adjustments from Findings No. 35 (Ref. No. 28102) and 36 (Ref. Nos. 28171/72/73) will become effective.

Recommendation: If the district provides attendance records with complete documentation for a sample of students selected by the representative of the Office of the Auditor General, the panel will recommend restoration of the FTE and funding for Finding No. 34.

If you accept the recommendations, the Office of Funding and Financial Reporting and the Auditor General should be notified to take appropriate restoration action.

LJ/bp

cc: Martha Asbury
Linda Champion
David Gayler
Greg Griner
Martha Haynes
David Morris
Joe Williams