



AUDITOR GENERAL
DAVID W. MARTIN, CPA



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

For the Fiscal Year Ended June 30, 2007

Okeechobee County District School Board members and the Superintendent of Schools who served during the 2006-07 fiscal year are shown in the following tabulation:

	<i>District</i>
	<u><i>No.</i></u>
<i>Joe Arnold (Chair)</i>	<i>1</i>
<i>Kelly Owens (Vice-Chair)</i>	<i>2</i>
<i>Linda Gay Carlton</i>	<i>3</i>
<i>India Riedel</i>	<i>4</i>
<i>David H. Williams</i>	<i>5</i>

Dr. Patricia G. Cooper, Superintendent

This examination was conducted by Richard J. Miller, Pamela R. Kelly, CPA, and was supervised by J. David Hughes, CPA. 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, as well as other audit reports prepared by the Auditor General, can be obtained on our Web site (<http://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.

Okeechobee County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2007

	PAGE NO.
FULL-TIME EQUIVALENT (FTE) STUDENTS	
Independent Auditor's Report.....	1
Schedule A - Populations, Samples, and Test Results	4
Schedule B - Effect of Audit Adjustments on Weighted FTE	6
Schedule C - Audit Adjustments by School	7
Schedule D - Findings and Audit Adjustments	10
Schedule E – Recommendations and Regulatory Citations.....	21
Schedule F – Summary of Management’s Response	24
Notes to Schedules.....	25
STUDENT TRANSPORTATION	
Independent Auditor's Report.....	29
Schedule A - Populations, Samples, and Test Results	32
Schedule B - Findings and Audit Adjustments.....	33
Schedule C – Recommendations and Regulatory Citations.....	37
Schedule D – Summary of Management’s Response	38
Notes to Schedules.....	39
MANAGEMENT'S RESPONSE.....	41

Okeechobee County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2007

IEP – Individual Educational Plan

ESE – Exceptional Student Education

LEP – Limited English Proficient

ELL – English Language Learner

FES – Fluent English Speaking

ESOL – English for Speakers of Other Languages

PK – Prekindergarten

OJT – On-the-Job Training

IDEA – Individuals with Disabilities Education Act



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



850/488-5534
Fax: 488-6975

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

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

We have examined management's assertion, included in its representation letter dated January 22, 2008, that the Okeechobee 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, 2007. 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 (AICPA) 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.

Compliance

Our examination procedures disclosed the following material noncompliance:

1. Teachers

Eight of the 73 teachers in our sample did not meet State requirements governing certification; School Board approval of out-of-field teacher assignments; or notification of parents regarding out-of-field teachers; or the earning of college credits or in-service points in ESOL.¹

2. Students

We noted exceptions involving 34 of the 162 students in our sample for ESOL², 7 of the 64 students in our sample for ESE Support Levels 4 and 5³; and 5 of the 10 students in our sample for Career Education 9-12 (OJT)⁴. These exceptions involved reporting errors or records that were not properly and accurately prepared or were missing and could not be located.

In our opinion, except for the material noncompliance mentioned above involving teachers, the reporting of, and preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), the Okeechobee 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, 2007.

The results of our examination disclosed other noncompliance with the aforementioned State requirements, in addition to the material noncompliance mentioned above. We considered this other noncompliance in forming our opinion regarding management's assertion and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE D. The impact of this noncompliance on the District's reported FTE students is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

¹ For teachers, see SCHEDULE D, finding Nos. 17, 18, 23, 28, and 29.

² For ESOL, see SCHEDULE D, finding Nos. 1, 2, 3, 4, 5, 6, 10, 13, 14, 20, 21, 25, and 26.

³ For ESE Support Levels 4 and 5, see SCHEDULE D, finding Nos. 7, 8, 15, 16, 19, 22, and 24.

⁴ For Career Education 9-12 (OJT), see SCHEDULE D, finding No. 11.

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.⁵ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to teacher compliance; the reporting of, and the preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT). Other noncompliance disclosed by our examination procedures is indicative of control deficiencies⁵, and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULE A and SCHEDULE D.

The District's written response to this examination has not been subjected to our examination procedures and, accordingly, we express no opinion on it.

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 Okeechobee 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,



David W. Martin, CPA
May 15, 2008

⁵A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the aforementioned State requirements such that there is more than a remote likelihood that noncompliance that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that material noncompliance will not be prevented or detected by the entity's internal control.

SCHEDULE A

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2007

<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>
1. Basic						
Population ³	15	100.00%	4,130	100.00%	5,024.5800	100.00%
Sample Size ⁴	8	53.33%	83	2.01%	69.2339	1.38%
Students w/Exceptions	-	-	(2)	(2.41%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	37.3248	-
2. Basic with ESE Services						
Population ³	14	100.00%	1,254	100.00%	1,566.0700	100.00%
Sample Size ⁴	8	57.14%	67	5.34%	55.7660	3.56%
Students w/Exceptions	-	-	(3)	(4.48%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	2.3080	-
3. ESOL						
Population ³	12	100.00%	248	100.00%	309.8300	100.00%
Sample Size ⁴	8	66.67%	162	65.32%	130.3051	42.06%
Students w/Exceptions	-	-	(34)	(20.99%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(26.5210)	-
4. ESE Support Levels 4 and 5						
Population ³	10	100.00%	78	100.00%	55.2900	100.00%
Sample Size ⁴	7	70.00%	64	82.05%	39.0768	70.68%
Students w/Exceptions	-	-	(7)	(10.94%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(4.5900)	-
5. Career Education 9-12						
Population ³	7	100.00%	13	100.00%	280.8500	100.00%
Sample Size ⁴	1	14.29%	10	76.92%	3.7017	1.32%
Students w/Exceptions	-	-	(5)	(50.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(11.5535)	-

All Programs						
Population ³	15	100.00%	5,723	100.00%	7,236.6200	100.00%
Sample Size ⁴	8	53.33%	386	6.74%	298.0835	4.12%
Students w/Exceptions	-	-	(51)	(13.21%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(3.0317)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2007

<u>Description</u> ¹	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>
<u>Teachers</u>				
Population ³	15	100.00%	182	100.00%
Sample Size ⁴	8	53.33%	73	40.11%
Teachers w/Exceptions	-	-	(8)	(10.96%)

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 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, 2007. 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 present the net effects of noncompliance disclosed by our examination procedures, including those related to our tests of teacher certification. Our audit adjustments generally reclassify reported FTE to Basic education, except for noncompliance involving a student's enrollment or attendance, in which case the reported FTE is taken to zero.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
 For the Fiscal Year Ended June 30, 2007

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	19.0000	1.035	19.6650
102 Basic 4-8	3.8838	1.000	3.8838
103 Basic 9-12	14.4410	1.088	15.7118
111 Grades K-3 with ESE Services	2.0000	1.035	2.0700
112 Grades 4-8 with ESE Services	(.0576)	1.000	(.0576)
113 Grades 9-12 with ESE Services	.3656	1.088	.3978
130 ESOL	(26.5210)	1.275	(33.8143)
254 ESE Support Level 4	(4.0000)	3.734	(14.9360)
255 ESE Support Level 5	(.5900)	5.201	(3.0686)
300 Career Education 9-12	<u>(11.5535)</u>	1.159	<u>(13.3905)</u>
Total	<u>(3.0317)</u>		<u>(23.5386)</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

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2007

<u>No. Program</u>	<u>Audit Adjustments¹</u>			<u>Balance Forward</u>
	<u>#0031</u>	<u>#0101</u>	<u>#0112</u>	
101 Basic K-3	10.0000	.....	1.5000	11.5000
102 Basic 4-8	1.0000	.....	.....	1.0000
103 Basic 9-12	.....	2.8348	.....	2.8348
111 Grades K-3 with ESE Services	.....	.....	(.5000)	(.5000)
112 Grades 4-8 with ESE Services	.....	.....	.....	.0000
113 Grades 9-12 with ESE Services	.....	1.0000	.....	1.0000
130 ESOL	(11.5000)	(2.3348)	(1.0000)	(14.8348)
254 ESE Support Level 4	.....	(1.0000)	.....	(1.0000)
255 ESE Support Level 5	.....	(.5000)	.....	(.5000)
300 Career Education 9-12	.....	.....	.....	.0000
Total	<u>(.5000)</u>	<u>.0000</u>	<u>.0000</u>	<u>(.5000)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2007

Program No.	Brought Forward	Audit Adjustments ¹				Balance Forward
		#0113	#0121	#0161	#0201	
101	11.5000	.....	.....	7.5000	.....	19.0000
102	1.0000	.....	.9234	1.5000	.4135	3.8369
103	2.8348	5.7505	.....	.....	.....	8.5853
111	(.5000)	1.5000	.....	1.0000	.....	2.0000
112	.0000	.....	(.5000)	.....	.5000	.0000
113	1.0000	(.5000)	.....	.....	.....	.5000
130	(14.8348)	(1.6680)	(.4234)	(9.0000)	(.4135)	(26.3397)
254	(1.0000)	(1.5000)	.....	(1.0000)	(.5000)	(4.0000)
255	(.5000)	.....	(.0900)	.....	.....	(.5900)
300	<u>.0000</u>	<u>(5.2751)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(5.2751)</u>
Total	<u>(.5000)</u>	<u>(1.6926)</u>	<u>(.0900)</u>	<u>.0000</u>	<u>.0000</u>	<u>(2.2826)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2007

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>	
		<u>#8101</u>	<u>Total</u>
101 Basic K-3	19.0000	.....	19.0000
102 Basic 4-8	3.8369	.0469	3.8838
103 Basic 9-12	8.5853	5.8557	14.4410
111 Grades K-3 with ESE Services	2.0000	.....	2.0000
112 Grades 4-8 with ESE Services	.0000	(.0576)	(.0576)
113 Grades 9-12 with ESE Services	.5000	(.1344)	.3656
130 ESOL	(26.3397)	(.1813)	(26.5210)
254 ESE Support Level 4	(4.0000)	.....	(4.0000)
255 ESE Support Level 5	(.5900)	.....	(.5900)
300 Career Education 9-12	<u>(5.2751)</u>	<u>(6.2784)</u>	<u>(11.5535)</u>
Total	<u>(2.2826)</u>	<u>(.7491)</u>	<u>(3.0317)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

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 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 Career Education OJT, the Okeechobee 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, 2007. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 21.

Findings

**Net Audit
 Adjustments
 (Unweighted FTE)**

Our examination included the July and October 2006 surveys and the February and June 2007 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2006 survey or the February 2007 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Central Elementary School (#0031)

1. [Ref. 3101] One LEP student had withdrawn from school prior to the reporting survey and should not have been included with that survey's results. We made the following audit adjustment:

130 ESOL	(.5000)	(.5000)
----------	---------	---------

2. [Ref. 3102] The LEP Student Plans for 11 students in ESOL were not reviewed and updated for the 2006-07 school year; consequently, the students' ESOL-reporting was not adequately supported. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

Findings

**Net Audit
 Adjustments
 (Unweighted FTE)**

Central Elementary School (#0031) (Continued)

101 Basic K-3	9.5000	
102 Basic 4-8	1.0000	
130 ESOL	(10.5000)	.0000

3. [Ref. 3103] The LEP Student Plan for one student was incomplete. The Plan did not document the student's instructional schedule. We made the following audit adjustment:

101 Basic K-3	.5000	
130 ESOL	(.5000)	.0000
		(.5000)

Okeechobee High School (#0101)

4. [Ref. 10101] The file documentation for one student in ESOL indicated that the student was FES and ineligible for ESOL-placement. We noted that the student was placed in ESOL based on the recommendation of an LEP Committee. However, this LEP Committee did not consider at least two of the five ESOL-placement criteria specified in Rule 6A-6.0902(2)(a)3., Florida Administrative Code, and included only one of the required three District representatives. We made the following audit adjustment:

103 Basic 9-12	.6672	
130 ESOL	(.6672)	.0000

5. [Ref. 10102] The English language assessment for one student was missing and could not be located; consequently, we could not determine the student's eligibility for ESOL. We noted that the student was placed in ESOL based on the recommendation of an LEP Committee. However, this LEP Committee did not consider at least two of the five ESOL-placement criteria specified in Rule 6A-6.0902(2)(a)3., Florida Administrative Code, and included only two of the required three District representatives. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

<u>Findings</u>	Net Audit Adjustments (Unweighted FTE)	
Okeechobee High School (#0101) (Continued)		
103 Basic 9-12	.7506	
130 ESOL	(.7506)	.0000
<p>6. [Ref. 10103] <u>The English language proficiency of two students in ESOL was not documented. We noted that the students' files did not contain an English language assessment test or evidence that such test had been given to the students. We also noted that one of the student's files did not contain evidence that the student's parents had been notified of the student's ESOL-placement. We made the following audit adjustment:</u></p>		
103 Basic 9-12	.9170	
130 ESOL	(.9170)	.0000
<p>7. [Ref. 10104] <u>The <i>Matrix of Services</i> form for one ESE student was not reviewed and updated when the student's IEP was revised. We noted that the spaces on this <i>Matrix</i> form for <i>Review Date</i> and <i>Reviewer's Initials</i> were blank. We made the following audit adjustment:</u></p>		
113 Grades 9-12 with ESE Services	1.0000	
254 ESE Support Level 4	(1.0000)	.0000
<p>8. [Ref. 10105] <u>One ESE student was reported incorrectly for homebound instruction. The student was provided only on-campus instruction and should have been reported in program No. 103 (Basic 9-12). We made the following audit adjustment:</u></p>		
103 Basic 9-12	.5000	
255 ESE Support Level 5	(.5000)	.0000
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

Findings

**Net Audit
 Adjustments
 (Unweighted FTE)**

South Elementary School (#0112)

9. [Ref. 11201] The file for one ESE student did not contain evidence that the student's ESE and General Education teachers had participated in the development of the student's IEP. We made the following audit adjustment:

101 Basic K-3	.5000	
111 Grades K-3 with ESE Services	<u>(.5000)</u>	.0000

10. [Ref. 11202] The letter used to notify the parents of one LEP student of their child's ESOL-placement was undated, and we could not otherwise determine whether the notification was timely. We made the following audit adjustment:

101 Basic K-3	1.0000	
130 ESOL	<u>(1.0000)</u>	<u>.0000</u>
		<u>.0000</u>

New Endeavor High School (#0113)

11. [Ref. 11301] The timecards for five Career Education students in OJT were missing and could not be located. We made the following audit adjustment:

300 Career Education 9-12	<u>(1.6926)</u>	(1.6926)
---------------------------	-----------------	----------

12. [Ref. 11302] The file for one ESE student did not contain evidence that the student's General Education teacher had participated in the development of the student's IEP. We made the following audit adjustment:

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

New Endeavor High School (#0113) (Continued)

13. [Ref. 11303] The file for one LEP student did not contain documentation that the student's parents had been notified of the student's ESOL-placement. We also noted that the student's LEP Student Plan was missing and could not be located. We made the following audit adjustment:

103 Basic 9-12	.4170	
130 ESOL	(.4170)	.0000

14. [Ref. 11304] The LEP Student Plan for one student was not reviewed and updated for the 2006-07 school year; consequently, the student's ESOL-reporting was not adequately supported. We made the following audit adjustment:

103 Basic 9-12	.4170	
130 ESOL	(.4170)	.0000

15. [Ref. 11306] The Matrix of Services form for one ESE student was not reviewed and updated when the student's IEP was revised. We noted that the spaces on this Matrix form for Review Date and Reviewer's Initials were blank. We made the following audit adjustment:

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

16. [Ref. 11307] The Matrix of Services form for one ESE student was not correctly added. The Matrix form showed a total of 18 points for program No. 254 (ESE Support Level 4), but should have showed only 13 points for program No. 111 (Grades K-3 with ESE Services). Management subsequently provided us with another Matrix form that supported program No. 254; however, this Matrix form was dated the same as the original, and we could not determine the validity of one over the other. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

<u>Findings</u>	<u>Net Audit Adjustments (Unweighted FTE)</u>
<u>New Endeavor High School (#0113)</u> (Continued)	
111 Grades K-3 with ESE Services	.5000
254 ESE Support Level 4	(.5000)
	.0000
<p>17. [Ref. 11370] <u>One teacher was not properly certified and was not approved by the School Board to teach out-of-field. The teacher held certification in Technology Education, but taught courses that required certification as a Teacher Coordinator of Work Experience. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:</u></p>	
103 Basic 9-12	3.5825
300 Career Education 9-12	(3.5825)
	.0000
<p>18. [Ref. 11371] <u>One teacher taught Science and Social Studies to classes that included LEP students, but had earned only 18 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 adjustment:</u></p>	
103 Basic 9-12	.8340
130 ESOL	(.8340)
	.0000
	(1.6926)

Yearling Middle School (#0121)

19. [Ref. 12101/02] We noted the following exceptions involving one ESE student in the October and February surveys:
- a. In the October survey, the student was reported in program No. 255 (ESE Support Level 5) for services in the Hospital and Homebound program; however, the reported amount of homebound instructional time did not agree with the time documented by the homebound instructor's contact log (Ref. 12101).

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Yearling Middle School (#0121) (Continued)

- b. In the February survey, the student was reported in program No. 112 (Grades 4-8 with ESE Services), but did not have an IEP that covered that survey. (Ref. 12102).

We made the following audit adjustments:

<u>Ref. 12101</u>		
255 ESE Support Level 5	(.0900)	(.0900)

<u>Ref. 12102</u>		
102 Basic 4-8	.5000	
112 Grades 4-8 with ESE Services	(.5000)	.0000

- 20. [Ref. 12103] The file for one LEP student did not contain documentation justifying the student's continued ESOL-placement for a fourth year. We made the following audit adjustment:

102 Basic 4-8	.4234	
130 ESOL	(.4234)	.0000
		(.0900)

North Elementary School (#0161)

- 21. [Ref. 16101] The LEP Student Plans for ten students were not reviewed and updated for the 2006-07 school year; consequently, the students' ESOL-reporting was not adequately supported. We made the following audit adjustment:

101 Basic K-3	7.5000	
102 Basic 4-8	1.0000	
130 ESOL	(8.5000)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

North Elementary School (#0161) (Continued)

22. [Ref. 16102] One ESE student was reported incorrectly in program No. 254 (ESE Support Level 4) due to an isolated data entry error. The student should have been reported in program No. 111 (Grades K-3 with ESE Services). We made the following audit adjustment:

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

23. [Ref. 16170] One teacher in the October survey 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 until January 16, 2007, after the October survey. We also noted that the parents of the LEP student concerned were not notified of the teacher's out-of-field status until January 2007 (via the School's newsletter). We made the following audit adjustment:

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

Osceola Middle School (#0201)

24. [Ref. 20101] One ESE student was reported incorrectly in program No. 254 (ESE Support Level 4) due to an isolated data entry error. The student should have been reported in program No. 112 (Grades 4-8 with ESE Services). We made the following audit adjustment:

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Osceola Middle School (#0201) (Continued)

25. [Ref. 20102] The file documentation for one student in ESOL indicated that the student was FES and ineligible for ESOL-placement. We noted that the student was placed in ESOL based on the recommendation of an LEP/ELL Committee. However, this LEP/ELL Committee did not consider at least two of the five ESOL-placement criteria specified in Rule 6A-6.0902(2)(a)3., Florida Administrative Code, and included only one of the required three District representatives. We made the following audit adjustment:

102 Basic 4-8	.4135	
130 ESOL	(.4135)	.0000
		.0000

Okeechobee Juvenile Justice Level 6 (#8101)

26. [Ref. 810101] The files for two LEP students were missing and could not be located; consequently, we could not determine whether the students' ESOL-reporting was valid. We made the following audit adjustment:

102 Basic 4-8	.1685	
130 ESOL	(.1685)	.0000

27. [Ref. 810102] The reported number of instructional minutes and FTE for 39 students in the June survey (two of whom were in our Basic sample, one in our Basic with ESE Services sample, and one in our ESOL sample) was overstated. The students were reported for 1,650 instructional minutes for 35 days-in-term or .2136 FTE; however, per the FTE General Instructions, the maximum instructional minutes per week should have been 1,500 instructional minutes or .1944 FTE. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

Findings

**Net Audit
 Adjustments
 (Unweighted FTE)**

Okeechobee Juvenile Justice Level 6 (#8101) (Continued)

102 Basic 4-8	(.1216)	
103 Basic 9-12	(.2848)	
112 Grades 4-8 with ESE Services	(.0576)	
113 Grades 9-12 with ESE Services	(.1344)	
130 ESOL	(.0128)	
300 Career Education 9-12	(.1379)	(.7491)

28. [Ref. 810170/71/72/73] Four teachers were not properly certified and were not approved by the School Board to teach out-of-field. The first teacher (Ref. 810170) held a District-issued Vocational Certificate in Agriculture Production, but taught a course that required certification as a Teacher Coordinator of Work Experience. The second teacher (Ref. 810171) held certification in Middle Grades English, but taught courses that required certification as a Teacher Coordinator of Work Experience. The third teacher (Ref. 810172) held a District-issued Vocational Certificate in Culinary Arts, but taught a course that required certification in Retailing. The fourth teacher (Ref. 810173) held certification in English, but taught courses that required certification in Agriculture and Teacher Coordinator of Work Experience. We also noted that the parents of the students concerned were not notified of the teachers' out-of-field status. We made the following audit adjustments:

<u>Ref. 810170</u>		
103 Basic 9-12	3.5028	
300 Career Education 9-12	(3.5028)	.0000
<u>Ref. 810171</u>		
103 Basic 9-12	.8617	
300 Career Education 9-12	(.8617)	.0000
<u>Ref. 810172</u>		
103 Basic 9-12	.4584	
300 Career Education 9-12	(.4584)	.0000
<u>Ref. 810173</u>		
103 Basic 9-12	1.0842	
300 Career Education 9-12	(1.0842)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

Findings

**Net Audit
 Adjustments
(Unweighted FTE)**

Okeechobee Juvenile Justice Level 6 (#8101) (Continued)

29. [Ref. 810174] One teacher did not hold a Florida teaching certificate, and was not otherwise qualified to teach. We made the following audit adjustment:

103 Basic 9-12	.2334	
300 Career Education 9-12	(.2334)	.0000
		(.7491)
		<u>(3.0317)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Okeechobee County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2007

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only eligible students who were in attendance and membership for a particular survey are reported for FEFP funding; (2) 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; (3) FTE is accurately calculated and reported in accordance with the *FTE General Instructions*; (4) *LEP Student Plans* and *Matrix of Services* forms are properly reviewed and updated; (5) LEP Committees are composed of appropriate District representatives and comply with Rule 6A-6.0902(2)(a)3., Florida Administrative Code, when making ESOL-placement recommendations; (6) timecards for students in OJT programs are properly completed and retained in readily accessible files and the course schedules for such students are accurately reported; (7) teachers are either properly certified or, if out-of-field, are approved by the School Board to teach out-of-field; (8) out-of-field teachers earn in-service training points in ESOL strategies according to their in-service training timelines; and (9) parents are appropriately notified when their children are assigned to out-of-field teachers.

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 FTE and 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 2006-2007

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Okeechobee County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2007

Regulatory Citations (Continued)

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 2006-2007
- Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

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

Career Education On-the-Job Attendance

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

Exceptional Education

- Section 1003.57, F.S. Exceptional Students Instruction
- Section 1011.62, F.S. Funds for Operation of Schools
- Section 1011.62(1)(e), F.S. Funding Model for Exceptional Student Education Programs
- Rule 6A-6.03028, F.A.C. Development of Individual Educational Plans for Students with Disabilities
- 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 Modifications for Exceptional Students
- Rule 6A-6.0331, F.A.C. Identification and Determination of Eligibility of Exceptional Students for Specially Designed Instruction
- Rule 6A-6.0334, F.A.C. Temporary Assignment of Transferring Exceptional Students
- Rule 6A-6.03411, F.A.C. Policies and Procedures for the Provision of Specially Designed Instruction and Related Services for Exceptional Students

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Okeechobee County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2007

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 2006-2007

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
Rule 6A-6.0907, F.A.C.Inservice Requirements for Personnel of Limited English Proficient Students

The accompanying notes are an integral part of this schedule.

SCHEDULE F

Okeechobee County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2007

Management agreed with our findings and recommendations.

A copy of management's response may be bound beginning on page 41 of this report.

The accompanying notes are an integral part of this schedule.

Okeechobee County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

NOTE A - SUMMARY

A summary discussion of the significant features of the District, FEFP, FTE, and related areas follows:

1. School District of Okeechobee County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Okeechobee 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 Okeechobee County. For the fiscal year ended June 30, 2007, the District operated 15 schools, reported 7,236.62 unweighted FTE students, and received approximately \$26 million in State funding 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 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.

Okeechobee County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

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. 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 FTE 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 2006-2007 school year were conducted during and for the following weeks: survey one was performed for July 10-14, 2006; survey two was performed for October 9-13, 2006; survey three was performed for February 5-9, 2007; and survey four was performed for June 11-15, 2007.

Okeechobee County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

NOTE A - SUMMARY (Continued)

6. Educational Programs

FEFP funds ten specific programs under which instruction may be provided as authorized by the Florida Legislature. The general program titles under which these specific programs fall are as follows: (1) Basic; (2) English for Speakers of Other Languages (ESOL); (3) Exceptional; and (4) 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, 2007. 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 FEFP. The following schools were in our sample:

Okeechobee County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Central Elementary School	1 through 3
2. Okeechobee High School	4 through 8
3. South Elementary School	9 and 10
4. New Endeavor High School	11 through 18
5. Yearling Middle School	19 through 20
6. North Elementary School	21 through 23
7. Osceola Middle School	24 and 25
8. Okeechobee Juvenile Justice Level 6	26 through 29



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



850/488-5534
Fax: 488-6975

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

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

We have examined management's assertion, included in its representation letter dated January 22, 2008, that the Okeechobee 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, 2007. 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 (AICPA) 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.

Compliance

In our opinion the Okeechobee 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, 2007.

The results of our examination disclosed noncompliance with State requirements. We considered this noncompliance in forming our opinion regarding management's assertion and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE B. The impact of this noncompliance on the District's reported number of transported students is presented in SCHEDULE A and SCHEDULE B.

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.¹ The noncompliance mentioned above, while indicative of certain control deficiencies¹, is not considered indicative of material weaknesses in the District's internal controls related to the classification and reporting of transported students. The findings, populations, samples, and exception totals that pertain to noncompliance are presented in SCHEDULE A and SCHEDULE B.

The District's written response to this examination has not been subjected to our examination procedures, and accordingly, we express no opinion on it.

¹*A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the aforementioned State requirements such that there is more than a remote likelihood that noncompliance that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that material noncompliance will not be prevented or detected by the entity's internal control.*

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 Okeechobee 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,



David W. Martin, CPA
May 15, 2008

SCHEDULE A

Okeechobee County District School Board
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2007

<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	120	100.00%	7,530	100.00%
Sample ²	-	-	267	3.55%
<u>General Test Results</u>				
Net Audit Adjustments	-	-	0	0.00%
<u>Detailed Test Results</u>				
Sample Students w/ Exceptions ³	-	-	12	(4.49%)
Net Audit Adjustments	-	-	0	(0.00%)
<u>Combined Test Results</u>				
Net Audit Adjustments	-	-	0	0.00%

¹ The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2007. The District reported 7,530 students in the following ridership categories: 131 in IDEA (K-12), Weighted; 60 in IDEA (PK), Weighted; 7 in IDEA (PK), Unweighted; 38 in Teenage Parents and Infants; 315 in Hazardous Walking; 6,805 in Two Miles or More; 34 in Center to Center (IDEA), Unweighted; and 140 in Center to Center (Vocational). The District also reported operating a total of 120 buses. (IDEA stands for Individuals with Disabilities Education Act.)

² See NOTE B.

³ Students with exceptions are sample students with exceptions affecting their ridership classification or eligibility for State transportation funding. Students cited only for incorrect reporting of days-in-term in finding No. 4 are not included.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Okeechobee County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

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 Okeechobee 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, 2007. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 37.

**Students
Transported
Net Audit
Adjustments**

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 detailed tests involved verification of the specific ridership categories reported for students sampled from the July, October, February, and June surveys. Adjusted students who were in more than one survey are accounted for by survey. For example, a student sampled twice (i.e., once for the October survey and once for the February survey) will be presented in our findings as two sample students.

Detailed Tests/Sample Students

1. [Ref. 51] The IEP for one ESE student in IDEA (K-12), Weighted in the June survey did not indicate that the student met at least one of the five criteria required for IDEA-weighted classification. However, the student lived more than two miles from school and was eligible to be reported in Two Miles or More. We made the following audit adjustment:

June 2007 Survey

18 Days-in-Term

IDEA (K-12), Weighted

Two Miles or More

(1)

1

0

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Okeechobee County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Students
 Transported
 Net Audit
 Adjustments**

Findings

Detailed Tests/Sample Students (Continued)

2. [Ref. 52] We noted that five students were reported incorrectly in Hazardous Walking in the October survey. The students lived more than two miles from school and should have been reported in Two Miles or More. We made the following audit adjustment:

October 2006 Survey

<u>90 Days-in-Term</u>		
Hazardous Walking	(5)	
Two Miles or More	<u>5</u>	0

3. [Ref. 53] The IEP for one ESE student in IDEA (PK), Weighted in the October survey did not indicate that the student met at least one of the five criteria required for IDEA-weighted classification. However, the student was eligible to be reported in IDEA (PK), Unweighted. We made the following adjustment:

October 2006 Survey

<u>90 Days-in-Term</u>		
IDEA (PK), Weighted	(1)	
IDEA (PK), Unweighted	<u>1</u>	0

4. [Ref. 54] We noted the following days-in-term exceptions for nine students in Center to Center (IDEA), Unweighted:

- a. Seven students in the October survey were reported for a 90-day term, but should have been reported for an 18-day term.
- b. One PK student in the February survey was reported for a 18-day term, but should have been reported for a 36-day term.
- c. One PK student also in February was reported for a 36-day term, but should have been reported for a 18-day term.

We made the following audit adjustments:

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Okeechobee County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

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

Detailed Tests/Sample Students (Continued)

October 2006 Survey

18 Days-in-Term

Center to Center (IDEA), Unweighted 7

90 Days-in-Term

Center to Center (IDEA), Unweighted (7)

February 2007 Survey

18 Days-in-Term

Center to Center (IDEA), Unweighted (1)

Center to Center (IDEA), Unweighted 1

36 Days-in-Term

Center to Center (IDEA), Unweighted (1)

Center to Center (IDEA), Unweighted 1 0

5. [Ref. 55] Four students in the February survey were reported incorrectly in Center to Center (Vocational). The students were in an ESE program and should have been reported in Center to Center (IDEA), Unweighted. We made the following audit adjustment:

February 2007 Survey

18 Days-in-Term

Center to Center (IDEA), Unweighted 4

Center to Center (Vocational) (4) 0

6. [Ref. 56] One student in the February survey was reported incorrectly in Teenage Parent and Infants. The student was not enrolled in a teenage parent-related program and was not eligible to be reported in that ridership category. However, the student lived more than two miles from school and was eligible to be reported in Two Miles or More. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Okeechobee County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

<u>Findings</u>	Students Transported Net Audit Adjustments
<u>Detailed Tests/Sample Students</u> (Continued)	
<u>February 2007 Survey</u>	
<u>90 Days-in-Term</u>	
Teenage Parent and Infants	(1)
Two Miles or More	<u>1</u> <u>0</u>
Net Audit Adjustments	<u>0</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Okeechobee County District School Board
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2007

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of days-in-term are accurately reported; (2) transported students are reported in appropriate ridership categories; (3) only ESE students who are properly classified and documented as disabled are reported in IDEA ridership categories; and (4) ESE students who received special transportation services have their needs for such services clearly specified on their IEPs.

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

Okeechobee County District School Board
Student Transportation
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2007

Management agreed with our findings and recommendations.

A copy of management's response may be bound beginning on page 41 of this report.

The accompanying notes are an integral part of this schedule.

Okeechobee County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

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 Okeechobee County

For the fiscal year ended June 30, 2007, the District received approximately \$1.7 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 2006	0	0
October 2006	54	3,709
February 2007	54	3,737
June 2007	<u>12</u>	<u>84</u>
Total	<u>120</u>	<u>7,530</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

Okeechobee County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

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, 2007. 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

Superintendent
Patricia G. Cooper,
Ed.D.



Okeechobee County School Board

863-462-5000
Suncom 761-5000

700 S.W. Second Avenue
Okeechobee, Florida 34974

Fax 863-462-5151

Chairperson
Joe Arnold
Vice Chairperson
Kelly Owens
Members
Gay Carlton
India Riedel
David Williams

May 23, 2008

Mr. David W. Martin, CPA
Auditor General
Room 412C, Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Attention: Joe Williams, Section 321

RE: Reply to the Report on the examination of full-time equivalent (FTE) students and student transportation, as reported by the Okeechobee County District School Board for the fiscal year ended June 30, 2007.

Dear Mr. Martin,

The following explanation is in response to the preliminary and tentative audit findings of full-time equivalent (FTE) students and student transportation and recommendations for the Okeechobee County School Board for the fiscal year ended June 30, 2007. We are in agreement with the findings and have implemented strategies for corrective action.

Full-Time Equivalent (FTE) Students

Recommendation 1 – Only eligible students who are in attendance and membership for a particular survey are reported for FEFP funding. [Ref. 3101]
Management will require each school to verify each PK-12 student meets the membership/enrollment and attendance criteria prior to reporting FTE.

Recommendation 2 – 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. [Ref. 10103, 10105, 12101, 12102, 12103, 16101, 16102, 201101, 810101]

Management will require each school to retain accurate documentation, including the student assessment, to justify the placement of Limited English Proficient (LEP) students and verify they are within the maximum period allowed for funding in FEFP Program 130. Additionally, management will require each school to obtain and retain parental approval for placement.

Management will require each school to certify each homebound student is correctly reported and an accurate log is maintained to provide supporting documentation.

Okeechobee County Schools: Achieving Excellence!

Recommendation 3 – FTE is accurately calculated and reported in accordance with the FTE General Instructions. [Ref. 810102]

Management will require District staff and the DJJ Principal to verify student minutes are accurately reported for all FTE periods, including the DJJ Summer FTE periods, and certify they will not exceed the maximum.

Recommendation 4 – LEP Student Plans and Matrix of Services forms are properly reviewed and updated [Ref. 3102, 3103, 10104, 11201, 11202, 11302, 11303, 11304, 11306, 11307, 16101]

Management will request the Director of Student Services verify that each school follows the District's LEP Plan and that each LEP Student Plan is reviewed and updated accordingly.

Management will request the Director of Exceptional Child Education verify that each school maintains accurate Matrix of Services forms and ensure they are reviewed and updated accordingly.

Recommendation 5 – LEP Committees are composed of appropriate District representatives and comply with Rule 6A-6.0902(2)(a)3., Florida Administrative Code, when making ESOL-placement recommendations. [Ref. 10101, 10102, 20102]

Management will request the Director of Student Services to verify that each school complies with the LEP Committee requirements and implement a process to certify each ESOL placement is accurate and documented.

Recommendation 6 – Timecards for students in OJT programs are properly completed and retained in readily accessible files and the course schedules for such students are accurately reported. [Ref. 11301]

Management will require secondary schools that provide On-The-Job Training to report the courses accurately, obtain completed and signed student timecards and to keep them in an accessible file.

Recommendation 7 – Teachers are either properly certified or, if out-of-field, are approved by the School Board to teach out-of-field. [Ref. 11370, 11371, 16170, 810170, 810171, 810172, 810173, 810174]

Management will request the Director of Human Resources and District support staff, along with each School Principal, to verify the certification of each instructional personnel and to accurately report all out-of-field teachers to the School Board for approval prior to the FTE survey period.

Management will request the Assistant Superintendent of Administrative Services to coordinate with the DJJ site Principal to provide verification of certification and out-of-field instructional personnel and require DJJ sites to submit proof of out-of-field approval by their individual Board of Directors to our District prior to each FTE survey period.

Recommendation 8 – Out-of field teachers earn in-service training points in ESOL strategies according to their in-service training timelines. [Ref. 11371, 16170]

Management will strengthen the process with the Director of Human Resources, District Staff and School Principals to ensure instructional personnel meet the proper timeline for earning required in-service training points in ESOL strategies.

Recommendation 9 – Parents are appropriately notified when their children are assigned to out-of-field teachers. [Ref. 11370, 16170]

Management will review with the School Principals to utilize the current method of providing school newsletters to all parents. The school newsletter provides names of out-of-field instructional personnel and courses being taught. The notification is sent prior to each FTE survey period. Also, will require Principals to include names of instructional personnel who are providing primary language arts to Limited English Proficient students and have not met their required in-service points be listed with the status of their points.

Management will request the Assistant Superintendent of Administrative Services to coordinate with the DJJ site Principal to provide notification to parents of students who are in their program and being taught by out-of-field instructional personnel. Also, require copies of the DJJ parental letters be submitted to our District Office for verification of the notification.

Transportation

Recommendation 1 – The number of days-in-term are accurately reported. [Ref. 54]

Management will require the Transportation department to verify and report accurate number of days-in-term for students in ridership.

Recommendation 2 – Transported students are reported in appropriate ridership categories. [Ref. 52, 55, 56]

Management will require the Supervisor of Transportation to review and certify student ridership categories.

Recommendation 3 – Only ESE students who are properly classified and documented as disabled are reported in IDEA ridership categories. [Ref. 51]

Management will require the Supervisor of Transportation to certify the eligibility of ESE students for IDEA ridership categories.

Recommendation 4 – ESE students who received special transportation services have their needs for such services clearly specified on their IEP's. [Ref. 53]

Management will require the Supervisor of Transportation to review and follow the services listed IEP for ESE students.

Okeechobee County District Schools would like to extend our appreciation for the timeliness, professionalism and assistance provided to us by Mr. Richard Miller and staff. If additional information is required, please contact Mr. Ken Kenworthy, Assistant Superintendent, at (863) 462-5000 Ext. 261.

Sincerely,


Patricia G. Cooper, Ed.D.
Superintendent of Schools

cc: Mr. Richard Miller, Auditor General

Okeechobee County Schools: Achieving Excellence!