

**FRANKLIN COUNTY DISTRICT
SCHOOL BOARD**

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

and

Student Transportation

For the Fiscal Year Ended

June 30, 2008



BOARD MEMBERS AND SUPERINTENDENT

Franklin County District School Board members and the Superintendent of Schools who served during the 2007-08 fiscal year are listed below:

	<i>District</i>
	<u>No.</u>
<i>Denise Butler</i>	<i>1</i>
<i>David Hinton</i>	<i>2</i>
<i>Teresa Martin, Vice-Chair</i>	<i>3</i>
<i>Jimmy Gander, Chairman</i>	<i>4</i>
<i>John Richards</i>	<i>5</i>

Jo Ann Gander, Superintendent

The examination team leader was Alice Pounds, CPA, and the examination 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 and other audit reports prepared by the Auditor General can be obtained on our Web site 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.

Franklin County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
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Franklin County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2008

ESE – Exceptional Student Education

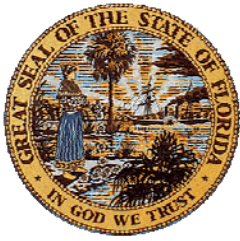
LEP – Limited English Proficient

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

We have examined management's assertion, included in its representation letter dated September 10, 2008, that the Franklin 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, 2008. 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

In our opinion, the Franklin 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, 2008.

The results of our examination disclosed instances of noncompliance with the State requirements mentioned above. 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 D. The impact of this noncompliance on the District's reported FTE is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

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 determination and reporting of FTE. The findings, populations, samples, and exception totals that pertain to 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.

Pursuant to Section 11.45(4), 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
December 5, 2008

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.

SCHEDULE A

Franklin 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, 2008

<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	5	100.00%	779	100.00%	913.5000	100.00%
Sample Size ⁴	3	60.00%	31	3.98%	27.0743	2.96%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	5.3020	-
2. Basic with ESE Services						
Population ³	5	100.00%	194	100.00%	210.7300	100.00%
Sample Size ⁴	3	60.00%	12	6.19%	10.5000	4.98%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.9800	-
3. ESOL						
Population ³	1	100.00%	1	100.00%	.1668	100.00%
Sample Size ⁴	1	100.00%	1	100.00%	.1668	100.00%
Students w/Exceptions	-	-	(1)	(100.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(.1668)	-
4. ESE Support Levels 4 and 5						
Population ³	5	100.00%	12	100.00%	14.5000	100.00%
Sample Size ⁴	3	60.00%	12	100.00%	10.0000	68.97%
Students w/Exceptions	-	-	(2)	(16.67%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(1.8400)	-
5. Career Education 9-12						
Population ³	1	100.00%	15	100.00%	54.1900	100.00%
Sample Size ⁴	1	100.00%	15	100.00%	5.1352	9.48%
Students w/Exceptions	-	-	(3)	(20.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(5.3103)	-

<u>All Programs</u>						
Population ³	3	100.00%	1,001	100.00%	1,193.0868	100.00%
Sample Size ⁴	3	100.00%	71	7.09%	52.8763	4.43%
Students w/Exceptions	-	-	(6)	(8.45%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(1.0351)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Franklin 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, 2008

Description¹	Number of Schools	% of Pop.	Number of Teachers (w/Exceptions)	% of Pop. (Sample)
<u>Teachers</u>				
Population ³	5	100.00%	32	100.00%
Sample Size ⁴	3	60.00%	13	40.63%
Teachers w/Exceptions	-	-	(3)	(23.08%)

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, 2008. 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

Franklin 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, 2008

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
102 Basic 4-8	.1668	1.000	.1668
103 Basic 9-12	5.1352	1.066	5.4741
130 ESOL	(.1668)	1.200	(.2002)
111 Grades K-3 with ESE Services	.9800	1.048	1.0270
254 ESE Support Level 4	(.9800)	3.625	(3.5525)
255 ESE Support Level 5	(.8600)	5.062	(4.3533)
300 Career Education 9-12	<u>(5.3103)</u>	1.119	<u>(5.9422)</u>
Total	<u>(1.0351)</u>		<u>(7.3803)</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

Franklin 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, 2008

No. Program	<u>Audit Adjustments¹</u>			Total
	<u>#0021</u>	<u>#0091</u>	<u>#0101</u>	
102 Basic 4-8	.1668	.....	.....	.1668
103 Basic 9-12	.....	5.1352	.....	5.1352
130 ESOL	(.1668)	.....	.....	(.1668)
111 Grades K-3 with ESE Services	.....	.....	.9800	.9800
254 ESE Support Level 4	.....	.....	(.9800)	(.9800)
255 ESE Support Level 5	(.4000)	(.4600)	.....	(.8600)
300 Career Education 9-12	.....	<u>(5.3103)</u>	.....	<u>(5.3103)</u>
Total	<u>(.4000)</u>	<u>(.6351)</u>	<u>.0000</u>	<u>(1.0351)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Franklin 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, 2008

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. The Franklin 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, 2008. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 10.

Findings

**Net Audit
 Adjustments
(Unweighted FTE)**

Our examination included the July and October 2007 surveys and the February and June 2008 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2007 survey or the February 2008 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Chapman Elementary School (#0021)

1. [Ref. 2101] The LEP Student Plan for one student was not reviewed and updated for the 2007-08 school year. We made the following audit adjustment:

102 Basic 4-8	.1668	
130 ESOL	<u>(.1668)</u>	.0000

2. [Ref. 2102] One student in Hospital and Homebound was reported for more homebound instruction than was provided. The student was reported for 1,500 Class Minutes Weekly, or .5000 FTE, but was only provided 300 Class Minutes Weekly or .1000 FTE. We made the following audit adjustment:

255 ESE Support Level 5	<u>(.4000)</u>	<u>(.4000)</u>
		<u>(.4000)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Franklin 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, 2008

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Carrabelle School (#0091)

3. [Ref. 9103] The course schedules for 15 Career Education students in OJT were reported using an incorrect priority order. The students' off-campus work hours were funded prior to the students' on campus instruction. No audit adjustment was considered necessary.

.0000

4. [Ref. 9101] We noted the following exceptions for three Career Education students in OJT:

- a. The timecard for one student was missing and could not be located.
- b. The timecard for one student indicated that the student did not work during the reporting survey week.
- c. The timecard for one student supported less time worked than was reported.

We made the following audit adjustment:

300 Career Education 9-12	(.4502)	(.4502)
---------------------------	---------	---------

5. [Ref. 9102] The schedule for one Hospital and Homebound student in program No. 255 (ESE Support Level 5) was incorrectly reported. The student was reported for 1,500 minutes (.5000 FTE) of homebound instruction but was actually provided 120 minutes (.0400 FTE) of homebound instruction and 825 minutes (.2751 FTE) of on-campus instruction. We made the following audit adjustment:

103 Basic 9-12	.2751	
255 ESE Support Level 5	(.4600)	(.1849)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Franklin 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, 2008

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Carrabelle School (#0091) (Continued)

6. [Ref. 9171/72] Two teachers were not properly certified and were not approved by the School Board to teach out-of-field. The teachers held certification in Varying Exceptionalities and Art, respectively, but taught courses which required certification in Carpentry and Commercial Art, respectively. 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. 9171</u>		
103 Basic 9-12	.1834	
300 Career Education 9-12	<u>(.1834)</u>	.0000
<u>Ref. 9172</u>		
103 Basic 9-12	4.6767	
300 Career Education 9-12	<u>(4.6767)</u>	.0000
		<u>(.6351)</u>

H. G. Brown Elementary School (#0101)

7. [Ref. 10171] One teacher was not properly certified and was not approved by the School Board to teach out-of-field. The teacher held certification in Elementary Education, but taught a course which required certification in Pre-school Education. 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:

111 Grades K-3 with ESE Services	.9800	
254 ESE Support Level 4	<u>(.9800)</u>	.0000
		.0000
		<u>(1.0351)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Franklin 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, 2008

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) FTE is correctly calculated for all reported students, particularly those who are in the Hospital and Homebound program; (2) students in OJT are reported in accordance with priority guidelines and their supporting timecards; (3) *LEP Student Plans* are appropriately reviewed and updated; (4) teachers are properly certified or, if out-of-field, are approved by the School Board to teach out-of-field; and (5) the parents of students taught by out-of-field teachers are properly notified of the teachers' out-of-field status.

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
- 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 2007-2008

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 2007-2008
- Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Franklin 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, 2008

Regulatory Citations (Continued)

English for Speakers of Other Languages (ESOL)

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

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

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 2007-2008

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Franklin 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, 2008

Regulatory Citations (Continued)

Teacher Certification

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

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

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

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

Rule 6A-1.0502, F.A.C.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.

Franklin County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

NOTE A - SUMMARY

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

1. School District of Franklin County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Franklin 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 Franklin County. For the fiscal year ended June 30, 2008, the District operated five schools, reported 1,193.0868 unweighted FTE, and received approximately \$554,000 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 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.

Franklin County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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 2007-2008 school year were conducted during and for the following weeks: survey one was performed for July 9-13, 2007; survey two was performed for October 8-12, 2007; survey three was performed for February 4-8, 2008; and survey four was performed for June 9-13, 2008.

Franklin County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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: (1) Basic; (2) ESOL; (3) ESE; 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:

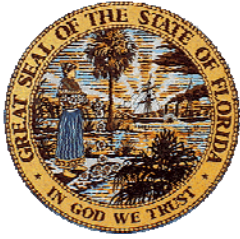
- Chapter 1000, F.S.K-20 General Provisions
- Chapter 1001, F.S.K-20 Governance
- Chapter 1002, F.S.Student and Parental Rights and Educational Choices
- Chapter 1003, F.S.Public K-12 Education
- Chapter 1006, F.S.Support for Learning
- Chapter 1007, F.S.Articulation and Access
- Chapter 1010, F.S.Financial 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

Franklin County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2008

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, 2008. 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:

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Chapman Elementary School	1 and 2
2. Carrabelle School	3 through 6
3. H. G. Brown Elementary School	7



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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111 West Madison Street
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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 FRANKLIN COUNTY DISTRICT SCHOOL BOARD STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated September 10, 2008, that the Franklin 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, 2008. 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

Our examination procedures disclosed material noncompliance with the District's reported student ridership data as follows: 37 of the 102 students in our sample had exceptions involving their reported ridership categories or eligibility for State transportation funding. (See SCHEDULE G, finding Nos. 2, 3, 4, 5, 6, 8, and 9.)

In our opinion, except for the material noncompliance mentioned above involving the classification and reporting of transported students, the Franklin 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, 2008.

The results of our examination disclosed other noncompliance with the State requirements mentioned above. (See SCHEDULE G, finding Nos. 1 and 7.) 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 G. The impact of this noncompliance on the District's reported number of transported students is presented in SCHEDULE F and SCHEDULE G.

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 However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the classification and reporting of transported students. Other noncompliance disclosed by our examination procedures is indicative of control deficiencies¹, and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULE F and SCHEDULE G.

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.*

Pursuant to Section 11.45(4), 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
December 5, 2008

SCHEDULE F

Franklin County District School Board
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2008

<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	52	100.00%	930	100.00%
Sample ²	-	-	102	10.97%
<u>Sample Students</u>				
With Exceptions ³	-	-	37	(36.27%)
Net Audit Adjustments	-	-	(26)	(25.49%)
<u>Non-Sample Students</u>				
With Exceptions	-	-	10	1.08%
Net Audit Adjustments	-	-	(10)	1.08%
<u>Sample and Non-Sample Students</u>				
Net Audit Adjustments	-	-	(36)	3.87%

¹ The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2008. The District reported 930 students in the following ridership categories: 29 in IDEA (K-12), Weighted; 14 in IDEA (PK), Weighted; 17 in IDEA (PK), Unweighted; and 870 in Two Miles or More. The District also reported operating a total of 52 vehicles (37 buses and 15 passenger cars). (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. Students cited only for incorrect reporting of days-in-term, if any, are not included.

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Franklin County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2008

Overview

Management is responsible for determining and reporting the number of students transported in compliance with State requirements. These requirements are found primarily in Chapter 1006 Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. Except for material noncompliance involving the classification and reporting of transported students, the Franklin 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, 2008. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 26.

Findings

**Students
 Transported
 Net Audit
 Adjustments**

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.

1. [Ref. 51] The number of buses was overstated by one bus in the July survey, two buses in the October survey, three buses in the February survey and five buses in the June survey. We also noted that the number of days-in-term was incorrectly reported for three students at Gretchen Everhart School in the July survey. The school was in session for 8 days-in-term, but 12 days-in-term was reported. We made the following audit adjustment:

July 2007 Survey

8 Days-in-Term

IDEA (K-12), Weighted 3

12 Days-in-Term

IDEA (K-12), Weighted (3) 0

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Franklin County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2008

<u>Findings</u>			<u>Students Transported Net Audit Adjustments</u>
<u>July 2007 Survey</u>			
Buses in Operation	(1)	--	--
<u>October 2007 Survey</u>			
Buses in Operation	(2)	--	--
<u>February 2008 Survey</u>			
Buses in Operation	(3)	--	--
<u>June 2008 Survey</u>			
Buses in Operation	(5)	--	--

2. [Ref. 52] Eleven students were reported incorrectly in Two Miles or More. The students lived less than two miles from school and were not eligible for State transportation funding. We made the following audit adjustment:

<u>October 2007 Survey</u>			
<u>90 Days-in-Term</u>			
Two Miles or More		(11)	(11)

3. [Ref. 53] Three students were not enrolled in school during the surveys concerned and should not have been reported with the survey's results. We made the following audit adjustments:

<u>July 2007 Survey</u>			
<u>12 Days-in-Term</u>			
IDEA (K-12), Weighted		(1)	
<u>February 2008 Survey</u>			
<u>90 Days-in-Term</u>			
Two Miles or More		(2)	(3)

4. [Ref. 54] Five ESE students were reported incorrectly in IDEA-weighted ridership categories. The students were transported by private passenger vehicle and should have been reported in an IDEA-unweighted ridership category. We made the following audit adjustments:

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Franklin County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2008

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustments</u>
<u>July 2007 Survey</u>		
<u>8 Days-in-Term</u>		
IDEA (K-12), Weighted	(1)	
IDEA (K-12), Unweighted	1	
<u>12 Days-in-Term</u>		
IDEA (K-12), Weighted	(1)	
IDEA (K-12), Unweighted	1	
<u>October 2007 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted	(1)	
IDEA (K-12), Unweighted	1	
<u>February 2008 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted	(2)	
IDEA (K-12), Unweighted	<u>2</u>	0
<p>5. <u>[Ref. 55] Six ESE students were reported incorrectly in an IDEA-weighted ridership category (two in IDEA (K-12) and four in IDEA (PK)). The IEPs for these students did not indicate that they met at least one of the five criteria required for IDEA-weighted classification. We noted, however, that four of the students were eligible for IDEA-unweighted ridership categories. We made the following audit adjustments:</u></p>		
<u>October 2007 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted	(2)	
IDEA (PK), Weighted	(2)	
IDEA (PK), Unweighted	2	
<u>February 2008 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (PK), Weighted	(2)	
IDEA (PK), Unweighted	<u>2</u>	(2)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Franklin County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2008

**Students
 Transported
 Net Audit
 Adjustments**

Findings

6. [Ref. 56] Seventeen Pre-K students were reported incorrectly in an IDEA-unweighted ridership category. The students were not IDEA-students and were not eligible for State transportation funding. We made the following audit adjustment:

October 2007 Survey

90 Days-in-Term

IDEA (PK), Unweighted	(7)	
IDEA (PK), Unweighted (<i>Non-sample Students</i>)	(10)	(17)

7. [Ref. 57] The number of days-in-term in the June survey was incorrectly reported as 90 days-in-term for one student and 12 days-in-term for eight students. The schools were in session for 8 days-in-term. We made the following audit adjustment:

June 2008 Survey

8 Days-in-Term

IDEA (K-12), Weighted (<i>Non-sample Students</i>)	8	
Two Miles or More (<i>Non-sample Student</i>)	1	

12 Days-in-Term

IDEA (K-12), Weighted (<i>Non-sample Students</i>)	(8)	
--	-----	--

90 Days-in-Term

Two Miles or More (<i>Non-sample Student</i>)	(1)	0
---	-----	---

8. [Ref. 58] A bus driver's report for the one bus operated during the June survey was not prepared and maintained to support the June reporting of three transported students. We also noted that the IEP for one of these students did not indicate that the student met at least one of the five criteria required for IDEA-weighted classification.

We made the following audit adjustment:

June 2008 Survey

8 Days-in-Term

IDEA (K-12), Weighted	(3)	(3)
-----------------------	-----	-----

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Franklin County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2008

<u>Findings</u>	Students Transported Net Audit Adjustments
9. [Ref. 59] <u>Two ESE students were reported incorrectly in IDEA-weighted ridership categories. The students were transported by private passenger vehicle and were not eligible for reporting in an IDEA weighted ridership category. We made the following audit adjustment:</u>	
<u>June 2008 Survey</u>	
<u>8 Days-in-Term</u>	
IDEA (K-12), Weighted	(2)
IDEA (K-12), Unweighted	<u>2</u>
	<u>0</u>
Net Audit Adjustments	<u>(36)</u>
 <u>Summary</u>	
Sample Students w/Exceptions	<u>37</u>
Sample Students - Net Audit Adjustments	-- (26)
Non-Sample Students w/Exceptions	<u>10</u>
Non-Sample Students - Net Audit Adjustments	-- (10)
Net Audit Adjustments	<u>(36)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Franklin County District School Board
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2008

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) transported students are reported in the correct ridership category for the correct number of days-in-term; (2) only students who were enrolled in school and transported during a survey period are included with that survey's results; (3) the distance from home to school, for students classified in Two Miles or More, is verified prior to those students being reported; and (4) ESE students who receive special transportation services have their need for such services 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.

Franklin County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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 Franklin County

For the fiscal year ended June 30, 2008, the District received approximately \$211,000 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 2007	4	5
October 2007	20	437
February 2008	23	479
June 2008	<u>5</u>	<u>2</u>
Total	<u>52</u>	<u>930</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

Franklin County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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, 2008. 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.

EXHIBIT – A
MANAGEMENT’S RESPONSE

Franklin County Schools



Nina M. Marks
Superintendent

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Apalachicola, Florida 32320
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Striving for Excellence

Board Meets First Thursday
After First Monday on Each Month

January 5, 2009

Mr. David Martin, CPA
Auditor General
Room 476A, Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

Presented herewith is my response to the findings presented in your report on the examination of the full-time equivalent (FTE) students and student transportation, as reported by the Franklin County District School Board for the fiscal year ended June 30, 2008.

Findings 1-7, Full-Time Equivalent (FTE) Students:

Ms. Alice Pounds of your staff, met with my staff and went over these findings in detail. The findings were distributed to appropriate staff for follow-up and resolution. We determined the findings to be correct, and can offer no rebuttal to them. It is readily apparent that these deficiencies occurred due to an absence of, or breakdown in applicable procedures and staff training.

We have reviewed your five (5) recommendations for correcting the cited deficiencies. We will evaluate related procedures and staff training needs, develop and implement improved procedures where needed, and train staff in areas of weakness. We hope to make these corrections before the next FTE reporting dates.

Findings 1-9, Student Transportation:

We agree with these findings. Again, the deficiencies occurred due to inadequate procedures and training. Your 4 recommendations are duly noted. We will endeavor to enhance our procedures and staff training to prevent the recurrence of the deficiencies. We hope to have this done before the next student transportation reporting date.

Sincerely

Nina M. Marks
Superintendent

George Thompson
District 1

David Hinton
District 2

Teresa Ann Martin
District 3
Vice Chair

Jimmy Gander
District 4
Chair

Carlton Whaley
District 5

