

**TAYLOR 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 SUPERINTENDENTS

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

	<i>District</i>
	<u>No.</u>
<i>Mark A. Southerland, Sr., Vice-Chair</i>	<i>1</i>
<i>Brenda H. Carlton, Chair</i>	<i>2</i>
<i>Darrell Whiddon</i>	<i>3</i>
<i>Danny Lundy</i>	<i>4</i>
<i>Kenneth R. Dennis</i>	<i>5</i>

Paul Dyal, Superintendent from 11-18-08
Oscar M. Howard, Jr., Superintendent to 11-17-08

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.

Taylor County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
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Taylor County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation

LIST OF ABBREVIATIONS

For the Fiscal Year Ended June 30, 2008

IEP – Individual Educational Plan

ESE – Exceptional Student Education

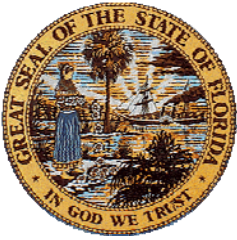
LEP – Limited English Proficient

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

We have examined management's assertion, included in its representation letter dated January 5, 2009, that the Taylor 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

Our examination procedures disclosed the following material noncompliance: 11 of the 42 students in our sample for ESE Support Levels 4 and 5 had exceptions involving reporting errors or *Matrix of Services* forms that were not reviewed and updated. (See SCHEDULE D, finding Nos. 1, 2, 4, 6, 8, and 9.)

In our opinion, except for the material noncompliance mentioned above involving students in ESE Support Levels 4 and 5, the Taylor 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 other noncompliance with the State requirements mentioned above. We considered of 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 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 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 reporting of, and the preparation and maintenance of supporting documentation for, students in ESE Support Levels 4 and 5. 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 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.

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
February 27, 2009

SCHEDULE A

Taylor 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	7	100.00%	1,918	100.00%	2,339.2400	100.00%
Sample Size ⁴	5	71.43%	41	2.14%	35.3970	1.51%
Students w/Exceptions	-	-	(2)	(4.88%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.6532	-
2. Basic with ESE Services						
Population ³	7	100.00%	553	100.00%	632.7400	100.00%
Sample Size ⁴	5	71.43%	35	6.33%	28.6198	4.52%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.8468	-
3. ESOL						
Population ³	0	0.00%	0	0.00%	.0000	0.00%
Sample Size ⁴	0	0.00%	0	0.00%	.0000	0.00%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.0000	-
4. ESE Support Levels 4 and 5						
Population ³	7	100.00%	47	100.00%	36.6200	100.00%
Sample Size ⁴	5	71.43%	42	89.36%	28.4267	77.63%
Students w/Exceptions	-	-	(11)	(26.19%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(3.0833)	-
5. Career Education 9-12						
Population ³	2	100.00%	42	100.00%	47.7000	100.00%
Sample Size ⁴	1	50.00%	24	57.14%	6.5856	13.81%
Students w/Exceptions	-	-	(2)	(8.33%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(1.5897)	-

All Programs						
Population ³	7	100.00%	2,560	100.00%	3,056.3000	100.00%
Sample Size ⁴	5	71.43%	142	5.55%	99.0291	3.24%
Students w/Exceptions	-	-	(15)	(10.56%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(3.1730)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Taylor 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>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	7	100.00%	62	100.00%
Sample Size ⁴	5	71.43%	29	46.77%
Teachers w/Exceptions	-	-	(1)	(3.45%)

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 population and sample reflects only those students who participated in OJT. The population shown for full-time equivalent (FTE) students is the total FTE for all of the District's schools (sample schools plus nonsample schools) as reported for each survey conducted for the fiscal year ended June 30, 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

Taylor 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
103 Basic 9-12	.6532	1.066	.6963
111 Grades K-3 with ESE Services	1.0000	1.048	1.0480
113 Grades 9-12 with ESE Services	(.1532)	1.066	(.1633)
254 ESE Support Level 4	(.6600)	3.625	(2.3925)
255 ESE Support Level 5	(2.4233)	5.062	(12.2667)
300 Career Education 9-12	<u>(1.5897)</u>	1.119	<u>(1.7789)</u>
Total	<u>(3.1730)</u>		<u>(14.8571)</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

Taylor 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	Audit Adjustments¹			Balance Forward
	#0041	#0051	#0121	
103 Basic 9-12	.....	.....	1.0000	1.0000
111 Grades K-3 with ESE Services	.....	1.0000	.....	1.0000
113 Grades 9-12 with ESE Services	.....	.....	(.5000)	(.5000)
254 ESE Support Level 4	.....	(1.0000)	(.1600)	(1.1600)
255 ESE Support Level 5	(.9498)	.....	.....	(.9498)
300 Career Education 9-12	.....	.....	(1.5000)	(1.5000)
Total	(.9498)	.0000	(1.1600)	(2.1098)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Taylor 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

Program No.	Brought Forward	Audit Adjustments¹		Total
		#0141	#0161	
103 Basic 9-12	1.0000	.....	(.3468)	.6532
111 Grades K-3 with ESE Services	1.0000	.....	.....	1.0000
113 Grades 9-12 with ESE Services	(.5000)	.....	.3468	(.1532)
254 ESE Support Level 4	(1.1600)	.....	.5000	(.6600)
255 ESE Support Level 5	(.9498)	(.6067)	(.8668)	(2.4233)
300 Career Education 9-12	<u>(1.5000)</u>	.....	<u>(.0897)</u>	<u>(1.5897)</u>
Total	<u>(2.1098)</u>	<u>(.6067)</u>	<u>(.4565)</u>	<u>(3.1730)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Taylor 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. Except for the material noncompliance involving students in ESE Support Levels 4 and 5, the Taylor 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 13.

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.

Taylor County Elementary School (#0041)

1. [Ref. 4101] Two ESE students in the Hospital and Homebound program were reported for more homebound instruction than was provided. We also noted that one of the aforementioned students was not in attendance during the February survey and should not have been reported with that survey's results. We made the following audit adjustment:

255 ESE Support Level 5	(.9498)	(.9498)
		(.9498)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Taylor 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

Child Development Center (#0051)

2. [Ref. 5101] The file for one ESE student did not contain the Matrix of Services form necessary to support the student's reporting in program No. 254 (ESE Support Level 4).

We made the following audit adjustment:

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

Technical Learning Center (#0121)

3. [Ref. 12101] Two students were not in attendance during the 11-day window of the reporting surveys and should not have been reported with the surveys' results. We made the following audit adjustment:

103 Basic 9-12	(.5000)	
113 Grades 9-12 with ESE Services	(.5000)	(1.0000)

4. [Ref. 12102] Two ESE students were reported for more instructional time than was provided. We made the following audit adjustment:

254 ESE Support Level 4	(.1600)	(.1600)
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5. [Ref. 12171] One teacher was not properly certified and was not approved by the School Board to teach out-of-field. The teacher held certification in Welding, but taught a course that required certification in Drafting. 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:

103 Basic 9-12	1.5000	
300 Career Education 9-12	(1.5000)	.0000
		(1.1600)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Taylor 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

Perry Primary School (#0141)

6. [Ref. 14101] Two ESE students in the Hospital and Homebound program were reported for more homebound instruction than was provided. We made the following audit adjustment:

255 ESE Support Level 5	(.6067)	(.6067)
		(.6067)

Taylor County High School (#0161)

7. [Ref. 16101] One Basic student was not in attendance during the 11-day window of the reporting survey and should not have been reported with the survey's results. We made the following audit adjustment:

103 Basic 9-12	(.3468)	(.3468)
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8. [Ref. 16102] Three ESE students were not reported in accordance with their Matrix of Services forms. We made the following audit adjustments:

113 Grades 9-12 with ESE Services	(.5000)	
254 ESE Support Level 4	.5000	
113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	
254 ESE Support Level 4	.5000	
255 ESE Support Level 5	(.5000)	.0000

9. [Ref. 16103] The amount of instructional time for one ESE student in the Hospital and Homebound program was over-reported by 30 minutes for both the October survey and the February survey. Additionally, two of the student's courses were on-campus and should have been reported in program No. 113 (Grades 9-12 with ESE Services) rather than in program No. 255 (ESE Support Level 5). We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Taylor 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

<u>Findings</u>	Net Audit Adjustments (Unweighted FTE)	
<u>Taylor County High School (#0161)</u> (Continued)		
113 Grades 9-12 with ESE Services	.3468	
255 ESE Support Level 5	(.3668)	(.0200)
<p>10. [Ref. 16104] <u>We noted the following exceptions involving two Career Education students in OJT: (a) the timecard for one student supported less time worked than was reported; and (b) the timecard for one student was missing and could not be located. We made the following audit adjustment:</u></p>		
300 Career Education 9-12	(.0897)	(.0897)
		(.4565)
		(3.1730)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Taylor 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) ESE students in Support Levels 4 and 5 are reported in accordance with their *Matrix of Services* forms; (2) FTE is correctly calculated for all reported students, particularly those who are in the Hospital and Homebound program; (3) only those students who were in attendance during an 11-day survey window are reported for funding; (4) students in OJT are reported according to their supporting timecards, and those timecards are retained in readily accessible files; (5) teachers are properly certified or approved by the School Board to teach out-of-field; and (6) 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
- 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)

Taylor 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)

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

Teacher Certification

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

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

Rule 6A-1.0502, F.A.C. Non-certificated Instructional Personnel

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

Rule 6A-4.001, F.A.C. Instructional Personnel Certification

The accompanying notes are an integral part of this schedule.

Taylor 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 Taylor County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Taylor 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 Taylor County. For the fiscal year ended June 30, 2008, the District operated seven schools, reported 3,056.30 unweighted FTE, and received approximately \$9.7 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 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.

Taylor 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.

Taylor 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 as follows: (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

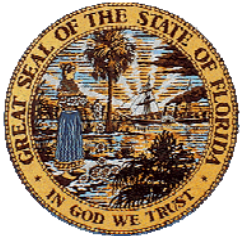
NOTE B - SAMPLING

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:

Taylor 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 (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Taylor County Elementary School	1
2. Child Development Center	2
3. Technical Learning Center	3 through 5
4. Perry Primary School	6
5. Taylor County High School	7 through 10



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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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 TAYLOR COUNTY DISTRICT SCHOOL BOARD STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated January 5, 2009, that the Taylor 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: 45 of the 129 students in our sample had exceptions involving their reported ridership categories or eligibility for State transportation funding. (See SCHEDULE G, finding Nos. 3, 4, and 5.)

In our opinion, except for the material noncompliance mentioned above involving the classification and reporting of transported students, the Taylor 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. 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 deficiencies¹ 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 noncompliance are presented in SCHEDULE F and SCHEDULE G.

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.*

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
February 27, 2009

SCHEDULE F

Taylor 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	98	100.00%	3,148	100.00%
Sample ²	-	-	129	4.10%
<u>Sample Students</u>				
With Exceptions	-	-	45	(34.88%)
Net Audit Adjustments	-	-	(40)	(31.01%)
<u>Non-Sample Students</u>				
With Exceptions	-	-	31	0.98%
Net Audit Adjustments	-	-	5	0.16%
<u>Sample and Non-Sample Students</u>				
Net Audit Adjustments	-	-	(35)	1.11%

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 3,148 students in the following ridership categories: 107 in IDEA (K-12), Weighted; 2 in IDEA (PK), Weighted; 8 in Teenage Parents and Infants; 3,031 in Two Miles or More. The District also reported operating a total of 98 buses. (IDEA stands for Individuals with Disabilities Education Act.)

² See NOTE B.

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Taylor 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 Taylor 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.

**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 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] Thirteen PK students, who were not IDEA-students, were incorrectly reported for State transportation funding. PK students are eligible for such funding only if they are IDEA. We made the following audit adjustments:

October 2007 Survey

90 Days-in-Term

Two Miles or More (Non-Sample Student) (1)

February 2008 Survey

90 Days-in-Term

Two Miles or More (Non-Sample Students) (12) (13)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

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

**Students
 Transported
 Net Audit
 Adjustments**

Findings

2. [Ref. 55] Eighteen students, who were eligible for Two Miles or More, were incorrectly reported in the non-fundable category, Less than Two Miles. We made the following audit adjustments:

October 2007 Survey

90 Days-in-Term

IDEA (K-12), Unweighted (<i>Non-Sample Student</i>)	1	
Two Miles or More (<i>Non-Sample Students</i>)	16	

February 2008 Survey

90 Days-in-Term

IDEA (K-12), Unweighted (<i>Non-Sample Student</i>)	1	18
---	---	----

3. [Ref. 52] Five students, who were not transported by bus at least one time during the 11-day survey window, were reported incorrectly for State transportation funding. We made the following audit adjustments:

October 2007 Survey

90 Days-in-Term

Two Miles or More	(4)	
-------------------	-----	--

February 2008 Survey

90 Days-in-Term

Two Miles or More	(1)	(5)
-------------------	-----	-----

4. [Ref. 53] Five ESE students were reported incorrectly in IDEA-weighted ridership categories. The IEPs for four of these students did not indicate that they met at least one of the five criteria required for IDEA-weighted classification. The IEP for the remaining student had expired. We noted that three of the students were eligible for IDEA-unweighted ridership categories and two students were eligible for Two Miles or More. We made the following audit adjustments:

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Taylor 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>October 2007 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted	(1)	
IDEA (PK), Weighted	(1)	
IDEA (PK), Unweighted	1	
Two Miles or More	1	
<u>February 2008 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted	(3)	
IDEA (K-12), Unweighted	2	
Two Miles or More	<u>1</u>	0
5. [Ref. 54] <u>Thirty-five students in Two Miles or More lived less than two miles from school and should not have been reported for State transportation funding. We made the following audit adjustments:</u>		
<u>October 2007 Survey</u>		
<u>90 Days-in-Term</u>		
Two Miles or More	(13)	
<u>February 2008 Survey</u>		
<u>90 Days-in-Term</u>		
Two Miles or More	<u>(22)</u>	<u>(35)</u>
Net Audit Adjustments		<u>(35)</u>
<hr/>		
<u>Summary</u>		
Sample Students w/Exceptions	<u>45</u>	--
Sample Students - Net Audit Adjustments	--	(40)
Non-Sample Students w/Exceptions	<u>31</u>	--
Non-Sample Students - Net Audit Adjustments	--	<u>5</u>
Net Audit Adjustments		<u>(35)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Taylor 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) only those students who were transported during a survey period are included with the survey’s results; (2) the distance from home to school, for students classified in the Two Miles or More category, is verified prior to those students being reported; (3) only ESE students whose need for special transportation services has been properly documented on their IEPs are reported in IDEA weighted ridership categories; (4) only eligible pre-kindergarten students are reported for transportation funding; and (5) survey information is reviewed for completeness and accuracy prior to reporting.

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.

Taylor 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 ESE 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 Taylor County

For the fiscal year ended June 30, 2008, the District received approximately \$727,000 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	0	0
October 2007	48	1,505
February 2008	48	1,630
June 2008	<u>2</u>	<u>13</u>
Total	<u>98</u>	<u>3,148</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

Taylor 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

April 1, 2009



Mr. David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Re: Response to FTE and FEFP Audit for fiscal year 2007-08

Dear Mr. Martin:

The School Board of Taylor County submits this letter in response to the draft copy of the Audit Report for the 2007-08 fiscal year. The district agrees with the general findings of the audit and includes comments of district considerations for improving future audits. No additional supporting documentation is being submitted.

The responses are grouped according to your Schedule H: Recommendations and Findings.

The corrective action in regards to the material noncompliance to the District’s classification and reporting of transported students are going to be addresses as follows:

The District is in the process of purchasing VersaTran, transportation software package that will interface with the student system and will be in place for the 2009-2010 school year.

The system automatically tracks the 2-mile radius and categorizes the students as eligible or ineligible for transportation.

The system will be programmed to categorize only pk students that are IDEA as eligible for funding.

MIS will run reports that enable transportation personnel to compare the students claimed for transportation against the attendance records.

IEPs will be reviewed to determine eligibility of students classified in the IDEA weighted category. ESE Department will ensure that special transportation is justified with the IEP. The Transportation Department will verify that each student has a current IEP that identifies this as a requirement.

The Transportation Department will review and implement internal controls to ensure compliance with requirements of the Florida Education Finance Program.

An Equal Opportunity – Equal Access Employer



Taylor County School District

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Superintendent
Paul Dyal

Board Members

Mark Heatherland
Residence Area One

Brenda H. Carlton
Residence Area Two

Darrell Whiddlen
Residence Area Three

Danny Landry
Residence Area Four

Kenneth R. Daniels
Residence Area Five

The corrective actions in regards to the material noncompliance in the reporting of exceptional student FTE in support levels 4 and 5 are going to be addressed as follows:

Students served in the Hospital/Homebound program will be reported for the amount of instruction provided by the homebound teacher only.

Students in ESE programs will be reported at the proper funding level in accordance with their matrix of services forms and will have adequate and timely documentation to support the reporting.

Principals will be instructed to check each reported FTE entry of student in the hospital/homebound program to verify reported time and attendance.

Principals will be instructed to check that ESE students reported at 254 and 255 funding levels have appropriate matrix of services forms and teachers have adequate documentation to support levels indicated before signing off on the FTE survey for their school site.

Respectfully submitted,

Paul Dyal
Superintendent of Schools