

**HOLMES COUNTY
DISTRICT SCHOOL BOARD**

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

For the Fiscal Year Ended
June 30, 2014



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

Holmes County District School Board members and the Superintendent of Schools who served during the 2013-14 fiscal year are listed below:

<u>Member</u>	<u>District No.</u>
H. Russell "Rusty" Williams, Chair	1
Debbie Kolmetz	2
Jason Motley, Vice Chair	3
Shirley Owens	4
Sidney M. Johnson	5
Eddie Dixon, Superintendent	

The team leader was John Ray Speaks, Jr., and the examination was supervised by Aileen B. Peterson, CPA, CPM.

Please address inquiries regarding this report to J. David Hughes, CPA, Audit Manager, by e-mail at davidhughes@aud.state.fl.us or by telephone at (850) 412-2971.

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HOLMES COUNTY DISTRICT SCHOOL BOARD
LIST OF ABBREVIATIONS

ELL	English Language Learner
ESOL	English for Speakers of Other Languages
ESE	Exceptional Student Education
FAC	Florida Administrative Code
FEFP	Florida Education Finance Program
FLVS	Florida Virtual School
FS	Florida Statutes
FTE	Full-Time Equivalent
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Plan
OJT	On-the-Job Training
PK	Prekindergarten

HOLMES COUNTY DISTRICT SCHOOL BOARD
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SUMMARY

SUMMARY OF ATTESTATION EXAMINATION

Except for the material noncompliance described below involving teachers and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in Basic with ESE Services and ESE Support Levels 4 and 5, the Holmes 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 and students transported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2014:

- Of the 12 teachers in our test, 4 did not meet State requirements governing certification, School Board approval of out-of-field teacher assignments, or notification to parents regarding teachers' out-of-field status. The District did not report any charter schools; therefore, none of the 12 teachers included in our test taught at charter schools.
- Two of the 18 students in our Basic with ESE Services test and 1 of the 2 students in our ESE Support Levels 4 and 5 test had exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located. The District did not report any charter schools; therefore, none of the exceptions noted included students who attended charter schools.

Noncompliance related to the reported FTE resulted in eight findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative 3.8419 (negative 3.8419 is all applicable to District schools other than charter schools) but has a potential impact on the District's weighted FTE of a negative 3.8499 (negative 3.8499 is all applicable to District schools other than charter schools). Noncompliance related to student transportation resulted in seven findings and a proposed net adjustment of a negative 15 students.

The weighted adjustments to the FTE are presented in our report for illustrative purposes only. The weighted adjustments to the FTE do not take special program caps and allocation factors into account and are not intended to indicate the weighted FTE used to compute the dollar value of adjustments. That computation is the responsibility of the Department of Education. However, the gross dollar effect of our proposed adjustments to the FTE may be estimated by multiplying the proposed net weighted adjustment to the FTE by the base student allocation amount. For the Holmes County District School Board, the estimated gross dollar effect of our proposed adjustments to the reported FTE is a negative \$14,446 (negative 3.8499 times \$3,752.30), of which all is applicable to District schools other than charter schools.

We have not presented an estimate of the potential dollar effect of our proposed adjustments to student transportation because there is no equivalent method for making such an estimate.

The ultimate resolution of our proposed adjustments to the FTE and student transportation and the computation of their financial impact is the responsibility of the Department of Education.

SCHOOL DISTRICT OF HOLMES COUNTY

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Holmes County. Those services are provided primarily to prekindergarten through twelfth-grade students and 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 Holmes County.

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. For the fiscal year ended June 30, 2014, State funding through the FEFP was provided to the District for eight District schools other than charter schools and one virtual education cost center serving prekindergarten through twelfth-grade students. The District reported 3,217.09 unweighted FTE as recalibrated for those students and received approximately \$16.2 million in State funding through the FEFP.

FLORIDA EDUCATION FINANCE PROGRAM (FEFP)

Full-Time Equivalent (FTE) Students

Florida school districts receive State funding through the FEFP to serve prekindergarten through twelfth-grade students (adult education is not funded by the FEFP). The FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system, including charter schools, the availability of programs and services appropriate to the student's educational needs that 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. The funding provided by the 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 unweighted FTE (full-time equivalent) student. For brick and mortar school students, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE). For virtual education students, one student would be reported as one FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

For the 2013-14 school year and beyond, all student FTE enrollment is capped at 1.0 FTE except for the FTE earned by the Department of Juvenile Justice (DJJ) students beyond the 180-day school year. School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The Department of Education combines all FTE enrollment reported for the student by all school districts, including the

Florida Virtual School (FLVS) Part-Time Program, using a common student identifier. The Department of Education then recalibrates all reported FTE student enrollment for each student to 1.0 FTE, if the total reported FTE for the student exceeds 1.0 FTE. The FTE reported for extended school year periods and DJJ FTE enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

Student Transportation

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live 2 or more miles from school, be physically handicapped, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes. Additionally, Section 1002.33(20)(c), Florida Statutes, provides that the governing board of the charter school may provide transportation through an agreement or contract with the district school board, a private provider, or parents. The charter school and the sponsor shall cooperate in making arrangements that ensure that transportation is not a barrier to equal access for all students residing within a reasonable distance of the charter school as determined in its charter. The District received \$608,561 for student transportation as part of the State funding through the FEFP.



Sherrill F. Norman, CPA
Auditor General

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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 ON THE NUMBER OF FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined the Holmes County District School Board's compliance 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, 2014. 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 2013-14* 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.

Our examination procedures disclosed the following material noncompliance:

Teachers

Of the 12 teachers in our test, 4 did not meet State requirements governing certification, School Board approval of out-of-field teacher assignments, or notification to parents regarding teachers' out-of-field

status.¹ The District did not report any charter schools; therefore, none of the 12 teachers included in our test taught at charter schools.

Students

Two of the 18 students in our Basic with ESE Services test² and 1 of the 2 students in our ESE Support Levels 4 and 5 test³ had exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located. The District did not report any charter schools; therefore, none of the exceptions noted included students who attended charter schools.

In our opinion, except for the material noncompliance mentioned above involving teachers and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in Basic with ESE Services and ESE Support Levels 4 and 5, the Holmes 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, 2014.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the District's compliance with State requirements and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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.⁴ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to teacher certification and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in Basic with ESE Services and ESE Support Levels 4 and 5. Our examination disclosed certain other findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in SCHEDULE A and EXHIBIT A, respectively. The impact of this noncompliance on the District's reported FTE is presented in SCHEDULES A, B, C, and D.

¹ For teachers, see SCHEDULE D, Findings 3, 5, and 6.

² For Basic with ESE Services, see SCHEDULE D, Findings 4 and 7.

³ For ESE Support Levels 4 and 5, see SCHEDULE D, Finding 2.

⁴ A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
September 10, 2015

SCHEDULE A

POPULATIONS, TEST SELECTION, AND TEST RESULTS FULL-TIME EQUIVALENT (FTE) STUDENTS

Reported FTE

The funding provided by the FEFP is based upon the numbers of individual students participating in particular educational programs. The FEFP funds ten specific programs that are grouped under the following four general program titles: Basic, ESOL, ESE, and Career Education 9-12 (OJT). Unweighted FTE represents the FTE prior to the application of the specific cost factor for each program. (See SCHEDULE B and NOTES A3, A4, and A6.) The District reported 3,217.09 unweighted FTE as recalibrated for those students at eight District schools other than charter schools and one virtual education cost center to the Department of Education for the fiscal year ended June 30, 2014.

Schools and Students

As part of our examination procedures, we tested the FTE reported to the Department of Education for schools and students for the fiscal year ended June 30, 2014. (See NOTE B.) The population of schools (9) consisted of the total number of brick and mortar schools in the District that offered courses, as well as the designated District virtual education cost center in the District that offered virtual instruction in the FEFP-funded programs. The population of students (1,418) consisted of the total number of students in each program at the schools and cost center in our tests. Our populations and tests of schools and students are summarized as follows:

<u>Programs</u>	<u>Number of Schools</u>		<u>Number of Students at Schools Tested</u>		<u>Students with Exceptions</u>	<u>Recalibrated Unweighted FTE</u>		<u>Proposed Adjustments</u>
	<u>Population</u>	<u>Test</u>	<u>Population</u>	<u>Test</u>		<u>Population</u>	<u>Test</u>	
Basic	5	5	1,213	43	3	2,663.3100	33.7843	8.2608
Basic with ESE Services	5	5	203	18	2	466.7000	12.8972	(1.3089)
ESE Support Levels 4 and 5	2	0	2	2	1	4.4000	1.0834	.0066
Career Education 9-12	2	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>82.6800</u>	<u>.0000</u>	<u>(10.8004)</u>
All Programs	9	5	<u>1,418</u>	<u>63</u>	<u>6</u>	<u>3,217.0900</u>	<u>47.7649</u>	<u>(3.8419)</u>

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (25 of which all are applicable to District schools other than charter schools) consisted of the total number of teachers at schools in our test who taught courses in ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students, and of the total number of teachers reported under the virtual education cost center in our test who taught courses in Basic, Basic with ESE Services, ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students. From the population of teachers, we selected 12 and found exceptions for 4. The District did not report any charter schools; therefore, none of the 25 teachers included in our test taught at charter schools.

Proposed Adjustments

Our proposed adjustments present the net effects of noncompliance disclosed by our examination procedures, including those related to our test of teacher qualifications. Our proposed adjustments generally reclassify the 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. (See SCHEDULES B, C, and D.)

The ultimate resolution of our proposed adjustments to the FTE and the computation of their financial impact is the responsibility of the Department of Education.

SCHEDULE B

EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE FULL-TIME EQUIVALENT (FTE) STUDENTS

<u>No. Program¹</u>	<u>Proposed Net Adjustment²</u>	<u>Cost Factor</u>	<u>Weighted FTE³</u>
102 Basic 4-8	(.5424)	1.000	(.5424)
103 Basic 9-12	8.8032	1.011	8.9000
112 Grades 4-8 with ESE Services	(.1250)	1.000	(.1250)
113 Grades 9-12 with ESE Services	(1.1839)	1.011	(1.1969)
255 ESE Support Level 5	.0066	5.089	.0336
300 Career Education 9-12	<u>(10.8004)</u>	1.011	<u>(10.9192)</u>
Total	<u>(3.8419)</u>		<u>(3.8499)*</u>

*The District did not report any charter schools and there were no proposed adjustments for charter schools. Thus, there was no effect on the District's weighted FTE.

¹ See NOTE A6.

² These proposed net adjustments are for unweighted FTE. (See SCHEDULE C.)

³ Weighted adjustments to the FTE are presented for illustrative purposes only. The weighted adjustments to the FTE 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 adjustments. That computation is the responsibility of the Department of Education. (See NOTE A4.)

SCHEDULE C

PROPOSED ADJUSTMENTS BY SCHOOL FULL-TIME EQUIVALENT (FTE) STUDENTS

<u>No.</u> <u>Program</u>	<u>District-Wide</u>	<u>Proposed Adjustments</u> ¹		<u>Balance Forward</u>
		<u>#0012</u>	<u>#0061</u>	
102 Basic 4-8	(.5424)	.....	.....	(.5424)
103 Basic 9-12	(2.8476)	.....	10.8004	7.9528
112 Grades 4-8 with ESE Services	(.1250)	.....	.....	(.1250)
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
255 ESE Support Level 5	.....	.0066	.....	.0066
300 Career Education 9-12	.....	.....	(10.8004)	(10.8004)
Total	<u>(3.5150)</u>	<u>.0066</u>	<u>.0000</u>	<u>(3.5084)</u>

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

<u>No. Program</u>	<u>Brought Forward</u>	<u>Proposed Adjustments¹</u>		<u>Total</u>
		<u>#0471</u>	<u>#7023</u>	
102 Basic 4-8	(.5424)	.....	.....	(.5424)
103 Basic 9-12	7.9528	.5004	.3500	8.8032
112 Grades 4-8 with ESE Services	(.1250)	.....	.....	(.1250)
113 Grades 9-12 with ESE Services	.0000	(.5004)	(.6835)	(1.1839)
255 ESE Support Level 5	.0066	.....	.....	.0066
300 Career Education 9-12	<u>(10.8004)</u>	.....	.....	<u>(10.8004)</u>
Total	<u>(3.5084)</u>	<u>.0000</u>	<u>(.3335)</u>	<u>(3.8419)</u>

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

SCHEDULE D

FINDINGS AND PROPOSED ADJUSTMENTS FULL-TIME EQUIVALENT (FTE) STUDENTS

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 2013-14* issued by the Department of Education. Except for the material noncompliance involving teachers and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in Basic with ESE Services and ESE Support Levels 4 and 5, the Holmes County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of FTE students under the FEFP for the fiscal year ended June 30, 2014. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 12.

Findings

Our examination included the July and October 2013 reporting survey periods and the February and June 2014 reporting survey periods (see NOTE A5). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2013 reporting survey period or the February 2014 reporting survey period or both. Accordingly, our Findings do not mention specific reporting survey periods unless necessary for a complete understanding of the instances of noncompliance being disclosed.

District-Wide - FTE Reporting

1. [Ref. 102] Our review of student schedules disclosed that 50 students (2 students were in our Basic test) received instruction through a virtual learning lab where the instruction was provided directly by the Florida Virtual School (FLVS) during the October 2013 reporting survey period. The students were reported for FEFP funding for virtual instruction during this period by both the District and the FLVS in the June 2014 reporting survey period upon successful completion of the courses by the students. The District was not eligible to report these students for FEFP funding until a contract between the District and the FLVS had been executed. The contract was executed in December 2013, which was after the October 2013 reporting survey period. Because of the District's error in reporting first-term courses for these students, we propose the following adjustment:

**Proposed Net
Adjustments
(Unweighted FTE)**

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

District-Wide - FTE Reporting (Continued)

102 Basic 4-8	(.5424)	
103 Basic 9-12	(2.8476)	
112 Grades 4-8 with ESE Services	<u>(.1250)</u>	<u>(3.5150)</u>
		<u>(3.5150)</u>

Bonifay Middle School (#0012)

2. [Ref. 1201] One ESE student in the Hospital and Homebound Program was provided 270 minutes (or .0900 FTE) of instruction during the reporting survey week but was only reported for 250 minutes (or .0834 FTE) of such instruction. We propose the following adjustment:

255 ESE Support Level 5	<u>.0066</u>	<u>.0066</u>
		<u>.0066</u>

Ponce De Leon High School (#0061)

3. [Ref. 6171] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher held certification in Middle Grades Integrated Curriculum but taught courses that required certification in Building Construction and Agriculture. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

103 Basic 9-12	10.8004	
300 Career Education 9-12	<u>(10.8004)</u>	<u>.0000</u>
		<u>.0000</u>

Graduation Assistance Program (#0471)

4. [Ref. 47102] The file for one ESE student did not contain an IEP covering the February 2014 reporting survey period. We propose the following adjustment:

103 Basic 9-12	.5004	
113 Grades 9-12 with ESE Services	<u>(.5004)</u>	<u>.0000</u>
		<u>.0000</u>

Findings

Holmes Edgenuity (#7023)

5. [Ref. 702372] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher held certification in Biology, General Science, Middle Grades Integrated Curriculum, and Physical Education but taught a course that required District-issued certification in Any Health Occupation. We also noted that the parents of the students were not notified of the teacher's out-of-field status. Since the students were reported in Basic Programs, we present this disclosure Finding with no proposed adjustment.

.0000

6. [Ref. 702371/73] The parents of the students taught by two teachers teaching out of field were not notified of the teachers' out-of-field status in English (Ref. 702371) or Math and Science (Ref. 702373). Since the students for one teacher (Ref. 702371) were reported in Basic Programs, no adjustment is proposed for this teacher. However, we propose the following adjustment for the remaining teacher (Ref. 702373):

103 Basic 9-12	.6002	
113 Grades 9-12 with ESE Services	<u>(.6002)</u>	.0000

7. [Ref. 702301] The course schedule for one ESE student was incorrectly reported. The student's schedule included a course in Integrated Science 1 (Course Number 2002400) that was reported by both Holmes Edgenuity and the Graduation Assistance Program. We determined that the student was in attendance at the Graduation Assistance Program; consequently, the course should not have been reported for FEFP-funding by Holmes Edgenuity. We propose the following adjustment:

113 Grades 9-12 with ESE Services	<u>(.0833)</u>	(.0833)
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8. [Ref. 702302] One student was not eligible for enrollment in a District Virtual Instruction Program. The student was not enrolled in the District during the prior year. We propose the following adjustment:

103 Basic 9-12	<u>(.2502)</u>	<u>(.2502)</u>
		<u>(.3335)</u>

Proposed Net Adjustment

(3.8419)

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT (FTE) STUDENTS

RECOMMENDATIONS

We recommend that District management exercise more care and take corrective action, as appropriate, to ensure that: (1) students' instructional schedules and the associated FTE are accurately reported; (2) reported FTE for students in the Hospital and Homebound Program is based on the homebound instructors' contact logs and time authorized on the students' IEPs; (3) IEPs are timely prepared or reviewed; (4) students meet the eligibility criteria prior to enrollment in a District Virtual Instruction Program; (5) teachers are properly certified or, if teaching out of field, are timely approved by the School Board to teach out of field; and (6) parents are timely notified when their children are assigned to teachers teaching out of field.

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 the determination and reporting of the number of FTE students under the FEFP.

REGULATORY CITATIONS

Reporting

- Section 1007.271(21), FS Dual Enrollment Programs
- Section 1011.60, FS Minimum Requirements of the Florida Education Finance Program
- Section 1011.61, FS Definitions
- Section 1011.62, FS Funds for Operation of Schools
- Rule 6A-1.0451, FAC Florida Education Finance Program Student Membership Surveys
- Rule 6A-1.04513, FAC Maintaining Auditable FTE Records

FTE General Instructions 2013-14

Attendance

- Section 1003.23, FS Attendance Records and Reports
- Rules 6A-1.044(3) and (6)(c), FAC Pupil Attendance Records
- Rule 6A-1.04513, FAC Maintaining Auditable FTE Records

FTE General Instructions 2013-14

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook

English for Speakers of Other Languages (ESOL)

Section 1003.56, FS	English Language Instruction for Limited English Proficient Students
Section 1011.62(1)(g), FS	Education for Speakers of Other Languages
Rule 6A-6.0901, FAC	Definitions Which Apply to Programs for English Language Learners
Rule 6A-6.0902, FAC	Requirements for Identification, Eligibility, and Programmatic Assessments of English Language Learners
Rule 6A-6.09021, FAC	Annual English Language Proficiency Assessment for English Language Learners (ELLs)
Rule 6A-6.09022, FAC	Extension of Services in English for Speakers of Other Languages (ESOL) Program
Rule 6A-6.0903, FAC	Requirements for Exiting English Language Learners from the English for Speakers of Other Languages Program
Rule 6A-6.09031, FAC	Post Reclassification of English Language Learners (ELLs)
Rule 6A-6.0904, FAC	Equal Access to Appropriate Instruction for English Language Learners

Career Education On-the-Job Attendance

Rule 6A-1.044(6)(c), FAC	Pupil Attendance Records
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Career Education On-the-Job Funding Hours

Rule 6A-6.055(3), FAC	Definitions of Terms Used in Vocational Education and Adult Programs
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FTE General Instructions 2013-14

Exceptional Education

Section 1003.57, FS	Exceptional Students Instruction
Section 1011.62, FS	Funds for Operation of Schools
Section 1011.62(1)(e), FS	Funding Model for Exceptional Student Education Programs
Rule 6A-6.03028, FAC	Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities
Rule 6A-6.03029, FAC	Development of Individualized Family Support Plans for Children with Disabilities Ages Birth Through Five Years
Rule 6A-6.0312, FAC	Course Modifications for Exceptional Students
Rule 6A-6.0331, FAC	General Education Intervention Procedures, Evaluation, Determination of Eligibility, Reevaluation and the Provision of Exceptional Student Education Services
Rule 6A-6.0334, FAC	Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students
Rule 6A-6.03411, FAC	Definitions, ESE Policies and Procedures, and ESE Administrators

Rule 6A-6.0361, FAC Contractual Agreement with Nonpublic Schools and Residential Facilities

Matrix of Services Handbook (2012 Revised Edition)

Teacher Certification

Section 1012.42(2), FS Teacher Teaching Out-of-Field; Notification Requirements
Section 1012.55, FS Positions for Which Certificates Required
Rule 6A-1.0502, FAC Non-certificated Instructional Personnel
Rule 6A-1.0503, FAC Definition of Qualified Instructional Personnel
Rule 6A-4.001, FAC Instructional Personnel Certification
Rule 6A-6.0907, FAC Inservice Requirements for Personnel of Limited English Proficient Students

Virtual Education

Section 1002.321, FS Digital Learning
Section 1002.37, FS The Florida Virtual School
Section 1002.45, FS Virtual Instruction Programs
Section 1002.455, FS Student Eligibility for K-12 Virtual Instruction
Section 1003.498, FS School District Virtual Course Offerings

Charter Schools

Section 1002.33, FS Charter Schools

NOTES TO SCHEDULES

<p>NOTE A – SUMMARY FULL-TIME EQUIVALENT (FTE) STUDENTS</p>

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

1. School District of Holmes County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Holmes County, Florida. Those services are provided primarily to prekindergarten through twelfth-grade students and 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 Holmes County.

For the fiscal year ended June 30, 2014, State funding through the FEFP was provided to the District for eight District schools other than charter schools and one virtual education cost center serving prekindergarten through twelfth-grade students. The District reported 3,217.09 unweighted FTE as recalibrated for those students and received approximately \$16.2 million in State funding through the FEFP. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through the FEFP to serve prekindergarten through twelfth-grade students (adult education is not funded by the FEFP). The FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system, including charter schools, the availability of programs and services appropriate to the student's educational needs that 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.

3. Full-Time Equivalent (FTE) Students

The funding provided by the 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 prekindergarten 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 4 through 12, 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. For brick and mortar school students, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE). For virtual education students, one student would be reported as one FTE if the student has successfully completed six courses or credits

or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

4. Recalibration of FTE to 1.0

For the 2013-14 school year and beyond, all student FTE enrollment is capped at 1.0 FTE except for the FTE earned by the Department of Juvenile Justice (DJJ) students beyond the 180-day school year. School districts report all the FTE student enrollment regardless of the 1.0 FTE cap. The Department of Education combines all the FTE enrollment reported for the student by all school districts, including the Florida Virtual School (FLVS) Part-Time Program, using a common student identifier. The Department of Education then recalibrates all the reported FTE student enrollment for each student to 1.0 FTE, if the total reported FTE for the student exceeds 1.0 FTE. The FTE reported for extended school year periods and DJJ FTE enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

5. 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.

6. FTE Reporting Survey Periods

The FTE is determined and reported during the school year by means of four FTE membership survey periods that are conducted under the direction of district and school management. Each survey period is a testing of the FTE membership for a period of 1 week. The survey periods for the 2013-14 school year were conducted during and for the following weeks: survey period one was performed for July 8 through 12, 2013; survey period two was performed for October 14 through 18, 2013; survey period three was performed for February 10 through 14, 2014; and survey period four was performed for June 16 through 20, 2014.

7. Educational Programs

The 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.

8. Statutes and Rules

The following statutes and rules are of significance to the administration of Florida public education:

Chapter 1000, FS	.....	K-20 General Provisions
Chapter 1001, FS	.....	K-20 Governance
Chapter 1002, FS	.....	Student and Parental Rights and Educational Choices
Chapter 1003, FS	.....	Public K-12 Education
Chapter 1006, FS	.....	Support for Learning
Chapter 1007, FS	.....	Articulation and Access
Chapter 1010, FS	.....	Financial Matters
Chapter 1011, FS	.....	Planning and Budgeting
Chapter 1012, FS	.....	Personnel
Chapter 6A-1, FAC	.....	Finance and Administration
Chapter 6A-4, FAC	.....	Certification
Chapter 6A-6, FAC	Special Programs I

<p style="text-align: center;">NOTE B – TESTING FULL-TIME EQUIVALENT (FTE) STUDENTS</p>
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Our examination procedures for testing provided for the selection schools, students, and teachers using judgmental methods for testing the FTE reported to the Department of Education for the fiscal year ended June 30, 2014. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing the determination and reporting of the number of FTE students under the FEFP. The following schools were selected for testing:

<u>School</u>	<u>Findings</u>
District-Wide - FTE Reporting	1
1. Bonifay Middle School	2
2. Poplar Springs High School	NA
3. Ponce De Leon High School	3
4. Graduation Assistance Program	4
5. Holmes Edgenuity	5 through 8



Sherrill F. Norman, 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 ON STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated April 17, 2015, that the Holmes County District School Board complied with State requirements governing the determination and reporting of students transported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2014. 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 2013-14* 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.

In our opinion, management's assertion that the Holmes County District School Board complied with State requirements governing the determination and reporting of students transported under the FEFP for the fiscal year ended June 30, 2014, is fairly stated, in all material respects.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the District's compliance with State requirements and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also

required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in SCHEDULE G and EXHIBIT A, respectively. 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 deficiencies,² is not considered indicative of material weaknesses in the District's internal controls related to their reported ridership classification or eligibility for State transportation funding. The impact of this noncompliance on the District's determination and reporting of students transported under the FEFP is presented in SCHEDULES F and 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.

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
September 10, 2015

¹ A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.

² 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.

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS STUDENT TRANSPORTATION

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live 2 or more miles from school, be physically handicapped, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes. (See NOTE A1.)

As part of our examination procedures, we tested the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2014. (See NOTE B.) The population of vehicles (108) consisted of the total of the numbers of vehicles (buses, vans, or passenger cars) reported by the District for each reporting survey period. For example, a vehicle that transported students during the July and October 2013 and February and June 2014 reporting survey periods would be counted in the population as four vehicles. Similarly, the population of students (3,325) consisted of the total numbers of students reported by the District as having been transported for each reporting survey period. (See NOTE A2.) The District reported students in the following ridership categories:

<u>Ridership Category</u>	<u>Number of Students Transported</u>
IDEA – PK through Grade 12, Weighted	18
All Other FEFP Eligible Students	<u>3,307</u>
Total	<u>3,325</u>

Students with exceptions are students with exceptions affecting their ridership category. Students cited only for incorrect reporting of days in term, if any, are not included in our error rate determination.

Our examination results are summarized below:

<u>Description</u>	<u>Buses</u>	<u>Students</u>	
	<u>Proposed Net Adjustment</u>	<u>With Exceptions</u>	<u>Proposed Net Adjustment</u>
We noted that the reported number of buses in operation was overstated.	(16)		
Our tests included 190 of the 3,325 students reported as being transported by the District.		12	(8)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 9 students.	-	<u>9</u>	<u>(7)</u>
Total	<u>(16)</u>	<u>21</u>	<u>(15)</u>

Our proposed net adjustment presents the net effect of noncompliance disclosed by our examination procedures. (See SCHEDULE G.)

The ultimate resolution of our proposed net adjustment and the computation of its financial impact is the responsibility of the Department of Education.

SCHEDULE G

FINDINGS AND PROPOSED ADJUSTMENTS STUDENT TRANSPORTATION

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 2013-14* issued by the Department of Education. The Holmes County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported under the FEFP for the fiscal year ended June 30, 2014. 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 Proposed Net 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 period. Our detailed tests involved verification of the specific ridership categories reported for students in our tests from the July and October 2013 reporting survey periods and the February and June 2014 reporting survey periods. Adjusted students who were in more than one reporting survey period are accounted for by reporting survey period. For example, a student included in our tests twice (i.e., once for the October 2013 reporting survey period and once for the February 2014 reporting survey period) will be presented in our Findings as two test students.

1. [Ref. 51] The number of days in term for 3,325 students was incorrectly reported for 90 days in term in both the October 2013 and February 2014 reporting survey periods but should have been reported for 87 and 88 days in term, respectively, in accordance with the District’s instructional calendar. We propose the following adjustments:

October 2013 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(8)
All Other FEFP Eligible Students	(1,564)

87 Days in Term

IDEA - PK through Grade 12, Weighted	8
All Other FEFP Eligible Students	1,564

**Students
Transported
Proposed Net
Adjustments**

Findings

February 2014 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(10)	
All Other FEFP Eligible Students	(1,743)	

88 Days in Term

IDEA - PK through Grade 12, Weighted	10	
All Other FEFP Eligible Students	<u>1,743</u>	0

2. [Ref. 52] The reported number of buses in operation was overstated by 16 buses. We noted that 11 of the reported buses (6 buses in the October 2013 reporting survey period and 5 buses in the February 2014 reporting survey period) were actually District-owned vans and should not have been included in the count of the number of buses in operation. The remaining 5 buses (2 buses in the October 2013 reporting survey period and 3 buses in the February 2014 reporting survey period) were reported in error due to data entry errors made when inputting the bus numbers. We were able to locate all the students reported on these buses on other bus driver reports. We propose the following adjustments:

October 2013 Survey

Number of Buses in Operation	(8)
------------------------------	-----

February 2014 Survey

Number of Buses in Operation	<u>(8)</u>
	<u>(16)</u>

3. [Ref. 53] Our general tests disclosed that three students were incorrectly reported in the IDEA - PK through Grade 12, Weighted ridership category. The students' IEPs did not indicate that the students met at least one of the five criteria required for the IDEA-Weighted classification. We determined that two of these students were eligible to be reported in the All Other FEFP Eligible Students ridership category. The remaining student was not transported during the reporting survey period and was not eligible for State transportation funding. We propose the following adjustment:

February 2014 Survey

88 Days in Term

IDEA - PK through Grade 12, Weighted	(3)	
All Other FEFP Eligible Students	<u>2</u>	(1)

Findings

4. [Ref. 54] Our general tests of reported ridership disclosed that five PK students were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students were not classified as students with disabilities under the IDEA and were not enrolled in the Teenage Parent Program and were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2013 Survey

87 Days in Term

All Other FEFP Eligible Students (2)

February 2014 Survey

88 Days in Term

All Other FEFP Eligible Students (3) (5)

5. [Ref. 56] Four students in our test were incorrectly reported in the IDEA – PK through Grade 12, Weighted ridership category. The students’ IEPs did not indicate that the students met at least one of the five criteria required for the IDEA-Weighted classification. We determined that the students were eligible to be reported in the All Other FEFP Eligible Students ridership category. We propose the following adjustments:

October 2013 Survey

87 Days in Term

IDEA - PK through Grade 12, Weighted (3)

All Other FEFP Eligible Students 3

February 2014 Survey

88 Days in Term

IDEA - PK through Grade 12, Weighted (1)

All Other FEFP Eligible Students 1 0

6. [Ref. 57] The bus drivers' reports indicated that two students (one student was in our test) either were not marked as riding the bus or were not listed on the bus driver’s report. We propose the following adjustments:

October 2013 Survey

87 Days in Term

All Other FEFP Eligible Students (1)

February 2014 Survey

88 Days in Term

All Other FEFP Eligible Students (1) (2)

**Students
Transported
Proposed Net
Adjustments**

Findings

7. [Ref. 58] Seven students in our test were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students lived less than 2 miles from their assigned schools and were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2013 Survey

87 Days in Term

All Other FEFP Eligible Students (2)

February 2014 Survey

88 Days in Term

All Other FEFP Eligible Students (5) (7)

Proposed Net Adjustment

(15)

SCHEDULE H

RECOMMENDATIONS AND REGULATORY CITATIONS STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that District management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses in operation is accurately reported; (2) transported students are reported in the correct ridership category for the correct number of days in term; (3) IEPs for students reported in the IDEA - PK through Grade 12, Weighted ridership category document at least one of the five criteria required for the IDEA-Weighted classification; (4) only those students who are recorded on bus drivers' reports as having been transported by the District at least once during the 11-day survey window are reported for State transportation funding; (5) the distance from home to school is verified prior to students being reported in the All Other FEFP Eligible Students ridership category or are otherwise eligible to be reported; and (6) only PK students who are classified as students with disabilities under the IDEA or who are enrolled in the Teenage Parent Program are reported for State transportation funding.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all State requirements governing the determination and reporting of students transported under the FEFP.

REGULATORY CITATIONS

- Section 1002.33, FS Charter Schools
 - Chapter 1006, Part I, E., FS Transportation of Public K-12 Students
 - Section 1011.68, FS Funds for Student Transportation
 - Chapter 6A-3, FAC Transportation
- Student Transportation General Instructions 2013-14*

NOTES TO SCHEDULES

NOTE A - SUMMARY STUDENT TRANSPORTATION
--

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 2 or more miles from school, be physically handicapped, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes.

2. Transportation in Holmes County

For the fiscal year ended June 30, 2014, the District received \$608,561 for student transportation as part of the State funding through the FEFP. The District's reporting of students transported by survey period was as follows:

<u>Survey Period</u>	<u>Number of Vehicles</u>	<u>Number of Students</u>
July 2013	0	0
October 2013	51	1,572
February 2014	57	1,753
June 2014	<u>0</u>	<u>0</u>
Total	<u>108</u>	<u>3,325</u>

3. Statutes and Rules

The following statutes and rules are of significance to the District's administration of student transportation:

Section 1002.33, FS Charter Schools
Chapter 1006, Part I, E., FS Transportation of Public K-12 Students
Section 1011.68, FS Funds for Student Transportation
Chapter 6A-3, FAC Transportation

NOTE B – TESTING STUDENT TRANSPORTATION
--

Our examination procedures for testing provided for the selection of students using judgmental methods for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2014. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing the determination and reporting of students transported under the FEFP.

MANAGEMENT'S RESPONSE



Holmes District School Board

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SUPERINTENDENT

Eddie Dixon

BOARD MEMBERS

Rusty Williams - Chair
Sid Johnson - Vice Chair
Debbie Kolmetz
Shirley Owens
Alan Justice

September 10, 2015

Ms. Sherrill F. Norman, CPA
Auditor General
Room 476A; Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Attn: J. David Hughes

Dear Ms. Norman:

After careful review of the findings and the State requirements governing the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) and student transportation, we accept the findings and proposed adjustments presented in this preliminary report.

In addition, the district will seriously consider the recommendations of this audit and take corrective action to bring the district into compliance with all State requirements governing the determination and reporting of the number of FTE students under the FEFP. Corrective actions to be implemented will include:

- Training and Workshops will be offered for data entry personnel to ensure accurate reporting and clean data with regard to student schedules, transportation, ESE records, and CAPE Industry Certifications.
- The district will update procedures for maintaining contact logs, transportation ridership verifications, teacher certification records, and all other forms of documentation needed for good decision making. In addition, school board minutes are being provided to appropriate personnel to ensure good communication among all departments of changes in policy or personnel so that accurate records are kept, new policies are implemented, state requirements are met, and decisions reflect the wishes of the school board. Finding [Ref. 51] resulted when the MIS department failed to update the instructional calendar for reporting purposes when the calendar was amended by the school board.
- Holmes MIS has established new protocol for the 2015-2016 year for recording and reporting courses taken in the Holmes Edgenuity Virtual School. These new data entry/reporting procedures will alleviate problems found by this audit with regard to the district's virtual program. Holmes District Schools have discontinued all contracts with FLVS therefore all course taken by Holmes students will be reported for FTE purposes by FLVS and will not be reported by Holmes for FTE. Holmes students will be encouraged to use the PAEC franchise for all FLVS courses.
- Data in the Student Information System is being reviewed and updated to reflect an accurate number of buses, student address verifications, and eligibility for ridership categories.

If additional information is needed, please advise.

Sincerely,

Eddie Dixon
Superintendent

The Holmes County School Board is an Equal Education/Employment Institution