REPORT NO. 2014-011
SEPTEMBER 2013

HIGHLANDS COUNTY
DISTRICT SCHOOL BOARD

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2012

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

BOARD MEMBERS AND SUPERINTENDENT

Highlands County District School Board members and the Superintendent of Schools who served during the 2011-12 fiscal year are listed below:

Member	District No.
Ronnie Jackson	1
Donna Howerton, Chair to 11-21-11	2
J. Ned Hancock, Vice Chair to 11-21-11, Chair from 11-22-11	3
William Brantley II	4
Richard Tuck, Vice Chair from 11-22-11	5

Wallace P. Cox, Superintendent

The examination team leader was Gail S. Collier, CPA, and the examination was supervised by Aileen B. Peterson, CPA. 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.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2012

CELLA	Comprehensive English Language Learning Assessment
ELL	English Language Learner
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
FAC	Florida Administrative Code
FS	Florida Statutes
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Plan
OJT	On-the-Job Training

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation
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EXECUTIVE SUMMARY

SUMMARY OF ATTESTATION EXAMINATION

Except for the material noncompliance described below involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and ESE Support Levels 4 and 5, the Highlands County District School Board complied, in all material respects, with State requirements regarding the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) and the number of students transported for the fiscal year ended June 30, 2012.

- **Eleven of the 91 students in our ESOL sample and 24 of the 54 students in our ESE Support Levels 4 and 5 sample had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located.**

Noncompliance related to reported FTE resulted in 23 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative 2.5067 but has a potential impact on the District's weighted FTE of a negative 15.7520. Noncompliance related to student transportation resulted in 4 findings and a proposed net adjustment of a negative 11 students.

Weighted adjustments to FTE are presented in our report for illustrative purposes only. The weighted adjustments to 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 FTE may be estimated by multiplying the proposed net weighted adjustment to FTE by the base student allocation amount. For the Highlands County District School Board, the estimated gross dollar effect of our proposed adjustments to reported FTE is a negative $54,805 (negative 15.7520 times $3,479.22).

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 FTE and student transportation and the computation of their financial impact is the responsibility of the Department of Education.

SCHOOL DISTRICT OF HIGHLANDS COUNTY

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Highlands 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 Highlands 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, 2012, the District operated 21 schools serving prekindergarten through twelfth grade students, reported 11,964.21 unweighted FTE for those students, and received approximately $29.9 million in State funding through FEFP.

FLORIDA EDUCATION FINANCE PROGRAM (FEFP)

Full-Time Equivalent (FTE) Students

Florida school districts receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of programs and services appropriate to the student's 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. 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 unweighted FTE (full-time equivalent) student. For example, 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).

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 two 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. The District received approximately $2.4 million for student transportation as part of the State funding through FEFP.

AUDITOR GENERAL
STATE OF FLORIDA

DAVID W. MARTIN, CPA
AUDITOR GENERAL

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

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

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

INDEPENDENT AUDITOR'S REPORT
HIGHLANDS COUNTY DISTRICT SCHOOL BOARD
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated April 8, 2013, that the Highlands 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, 2012. 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 2011-12* 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 91 students in our ESOL sample[1] and 24 of the 54 students in our ESE Support Levels 4 and 5 sample[2] had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located.

In our opinion, except for the material noncompliance mentioned above involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and ESE Support Levels 4 and 5, the Highlands 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, 2012.

The results of our examination disclosed other noncompliance with the State requirements mentioned above. We considered this other noncompliance in forming our opinion regarding the District's compliance 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 SCHEDULES A, B, C, and D.

[1] *For ESOL, see SCHEDULE D, Finding Nos. 1, 2, 4, 5, 6, 8, 14, and 18.*

[2] *For ESE Support Levels 4 and 5, see SCHEDULE D, Finding Nos. 7, 9, 12, 15, 19, 20, 21, and 22.*

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.[3] However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and ESE Support Levels 4 and 5. Other noncompliance disclosed by our examination procedures is indicative of control deficiencies[3] and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULES A and 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.

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

Respectfully submitted,



David W. Martin, CPA
September 17, 2013

SCHEDULE A

Highlands 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, 2012

REPORTED FTE

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. FEFP funds ten specific programs that are grouped under the following four general program titles: Basic, ESOL, ESE, and Career Education 9-12. Unweighted FTE represents 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 11,964.21 unweighted FTE at 21 schools to the Department of Education for the fiscal year ended June 30, 2012.

SCHOOLS AND STUDENTS

As part of our examination procedures, we sampled schools and students for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2012. (See NOTE B.) The population of schools (21) consisted of the total number of schools in the District that offered courses in FEFP-funded programs. The population of students (5,996) consisted of the total number of students in each program at the schools in our samples. Our Career Education 9-12 data includes only those students who participated in OJT. Our populations and samples of schools and students are summarized as follows:

	Number of Schools		Number of Students		Students with	Unweighted FTE		Proposed
Programs	Population	Sample	Population	Sample	Exceptions	Population	Sample	Adjustments
Basic	19	8	4,595	86	1	9,320.9200	74.9525	7.4967
Basic with ESE Services	21	8	952	48	3	1,857.1600	42.2840	1.9200
ESOL	17	7	288	91	11	488.3700	77.1507	(7.2367)
ESE Support Levels 4 and 5	17	7	57	54	24	54.3200	28.4808	(4.0800)
Career Education 9-12	3	2	104	64	5	243.4400	13.1397	(.6067)
All Programs	21	8	5,996	343	44	11,964.2100	236.0077	(2.5067)

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Highlands 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, 2012

TEACHERS

We also sampled teachers as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (247) consisted of the total number of teachers at schools in our sample who taught courses in ESE Support Levels 4 and 5 or Career Education 9-12 or taught courses to ELL students. From the population of teachers, we sampled 92 and found an exception for 1 of those teachers.

PROPOSED ADJUSTMENTS

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
For the Fiscal Year Ended June 30, 2012

No.	Program[1]	Proposed Net Adjustment[2]	Cost Factor	Weighted FTE[3]
101	Basic K-3	4.7367	1.102	5.2198
102	Basic 4-8	2.5000	1.000	2.5000
103	Basic 9-12	.2600	1.019	.2649
111	Grades K-3 with ESE Services	1.5000	1.102	1.6530
112	Grades 4-8 with ESE Services	.0000	1.000	.0000
113	Grades 9-12 with ESE Services	.4200	1.019	.4280
130	ESOL	(7.2367)	1.161	(8.4018)
254	ESE Support Level 4	(2.5000)	3.550	(8.8750)
255	ESE Support Level 5	(1.5800)	5.022	(7.9348)
300	Career Education 9-12	(.6067)	.999	(.6061)
Total		(2.5067)		(15.7520)

[1] *See NOTE A6.*

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

[3] *Weighted adjustments to FTE are presented for illustrative purposes only. The weighted adjustments to 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.)*

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
For the Fiscal Year Ended June 30, 2012

		Proposed Adjustments[1]		
No. Program	**#0015**	**#0051**	**#0081**	**Balance Forward**
101 Basic K-3	2.0000	1.2367	.5000	3.7367
102 Basic 4-8	1.5000	.5000	.5000	2.5000
103 Basic 9-12	.....	.....	.....	.0000
111 Grades K-3 with ESE Services	.....	.....	.5000	.5000
112 Grades 4-8 with ESE Services	(.5000)	.....	.....	(.5000)
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	(3.0000)	(1.7367)	(1.0000)	(5.7367)
254 ESE Support Level 4	.....	.....	(.5000)	(.5000)
255 ESE Support Level 5	.....	(.0200)	.....	(.0200)
300 Career Education 9-12	.....	.....	.....	.0000
Total	.0000	(.0200)	.0000	(.0200)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
For the Fiscal Year Ended June 30, 2012

		Proposed Adjustments[1]				
No.	**Brought Forward**	**#0221**	**#0231**	**#0291**	**#9006**	**Total**
101	3.7367	.....	.....	1.0000	.....	4.7367
102	2.5000	.....	.....	.....	.....	2.5000
103	.0000	.....	.5000	.....	(.2400)	.2600
111	.5000	.....	.....	1.0000	.....	1.5000
112	(.5000)	.....	.....	.4302	.0698	.0000
113	.0000	.0000	.5000	.....	(.0800)	.4200
130	(5.7367)	.....	(.5000)	(1.0000)	.....	(7.2367)
254	(.5000)	.....	(1.0000)	(1.0000)	.....	(2.5000)
255	(.0200)	(.5000)	.5000	(.4302)	(1.1298)	(1.5800)
300	.0000	(.2763)	(.3304)	.....	.....	(.6067)
Total	(.0200)	(.7763)	(.3304)	.0000	(1.3800)	(2.5067)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

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 2011-12* issued by the Department of Education. Except for the material noncompliance involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and ESE Support Levels 4 and 5, the Highlands 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, 2012. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 18.

Findings	**Proposed Net Adjustments (Unweighted FTE)**

Our examination included the July and October 2011 surveys and the February and June 2012 surveys (see NOTE A5). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2011 survey or the February 2012 survey or both. Accordingly, our Findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Memorial Elementary School (#0015)

1. [Ref. 1501] The files for two ELL students did not contain documentation to support the students' continued ESOL placements. The students scored English proficient on all parts of the CELLA exam. We noted that ELL Committees convened and recommended the students' continued ESOL placements; however, the ELL Committees did not document at least two of the five ESOL placement criteria specified by State Board of Education Rule 6A-6.0902(2)(a)3., FAC, to support these placements. We propose the following adjustment:

101 Basic K-3	2.0000	
130 ESOL	(2.0000)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Memorial Elementary School (#0015) (Continued)		
2. [Ref. 1502] One ELL student was beyond the maximum six-year period allowed for State funding of ESOL. We propose the following adjustment:		
102 Basic 4-8	1.0000	
130 ESOL	(1.0000)	.0000
3. [Ref. 1503] The file for one ESE student did not contain an IEP that covered the October 2011 survey. We noted that an IEP was written on November 9, 2010, that expired on October 8, 2011 (before the reporting survey), and a subsequent IEP was written on December 7, 2011 (after the reporting survey). We propose the following adjustment:		
102 Basic 4-8	.5000	
112 Grades 4-8 with ESE Services	(.5000)	.0000
		.0000
Woodlawn Elementary School (#0051)		
4. [Ref. 5101] An ELL Committee was not convened to consider one ELL student's extended ESOL placement for a fourth year. We also noted that the student's English language proficiency was not assessed within the 30 days prior to the student's fourth-year ESOL anniversary date. We propose the following adjustment:		
101 Basic K-3	.5000	
130 ESOL	(.5000)	.0000
5. [Ref. 5102] The file for one ELL student did not contain an *ELL Student Plan* that covered the February 2012 reporting survey. We propose the following adjustment:		
101 Basic K-3	.5000	
130 ESOL	(.5000)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Woodlawn Elementary School (#0051) (Continued)		
6. [Ref. 5103] The English language proficiency of two ELL students was not assessed when the students returned to the District after an extended absence (three and four years, respectively). We propose the following adjustment:		
101 Basic K-3	.2367	
102 Basic 4-8	.5000	
130 ESOL	(.7367)	.0000
7. [Ref. 5104] The file for one ESE student in the Hospital and Homebound Program did not contain contact logs to support the student's reported time in occupational therapy. We propose the following adjustment:		
255 ESE Support Level 5	(.0200)	(.0200)
		(.0200)
Fred Wild Elementary School (#0081)		
8. [Ref. 8101] The English language proficiency of two students was not assessed within the 30 school days prior to the students' fourth-and sixth-year ESOL anniversary dates. We also noted that an ELL Committee was not convened to consider one student's extended ESOL placement. We propose the following adjustment:		
101 Basic K-3	.5000	
102 Basic 4-8	.5000	
130 ESOL	(1.0000)	.0000
9. [Ref. 8102] The file for one ESE student did not contain a *Matrix of Services* form that covered the October 2011 survey. We propose the following adjustment:		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Fred Wild Elementary School (#0081) (Continued)		
111 Grades K-3 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000
		.0000
Sebring High School (#0221)		
10. [Ref. 22101] The timecard for one Career Education 9-12 (OJT) student indicated that the student did not work during the reporting survey. We propose the following adjustment:		
300 Career Education 9-12	(.0596)	(.0596)
11. [Ref. 22102] Two Career Education 9-12 (OJT) students were reported for more work hours than were supported by the students' timecards. We propose the following adjustment:		
300 Career Education 9-12	(.2167)	(.2167)
12. [Ref. 22103] There was no evidence that the *Matrix of Services* form for one ESE student had been reviewed and updated when the student's new IEP was prepared in September 2011. We propose the following adjustment:		
113 Grades 9-12 with ESE Services	.5000	
255 ESE Support Level 5	(.5000)	.0000
13. [Ref. 22104] One ESE student was absent from school during the 11-day window of the reporting survey and should not have been included with the survey's results. We propose the following adjustment:		
113 Grades 9-12 with ESE Services	(.5000)	(.5000)
		(.7763)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Avon Park High School (#0231)		
14. [Ref. 23101] An ELL Committee was not convened to consider one student's extended ESOL placement for a fifth year. We also noted that the student's English language proficiency was not assessed within the 30 school days prior to the student's ESOL anniversary date. We propose the following adjustment:		
103 Basic 9-12	.5000	
130 ESOL	(.5000)	.0000
15. [Ref. 23102] One ESE student was not reported in accordance with the student's *Matrix of Services* form in the October 2011 survey, and the *Matrix of Services* form had expired prior to the February 2012 survey. We propose the following adjustment:		
113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	(1.0000)	
255 ESE Support Level 5	.5000	.0000
16. [Ref. 23103] The timecards for two Career Education 9-12 (OJT) students were missing and could not be located. We propose the following adjustment:		
300 Career Education 9-12	(.3304)	(.3304)
		(.3304)
Sun 'n Lake Elementary School (#0291)		
17. [Ref. 29171] One teacher's Florida teaching certificate expired in June 2011 and was not renewed until February 24, 2012. Consequently, the teacher did not hold a valid teaching certificate during the reporting surveys. Since the student involved was adjusted in Finding No. 20, we propose no adjustment here.		
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Sun 'n Lake Elementary School (#0291) (Continued)		
18. [Ref. 29101] The file for one ELL student did not contain sufficient documentation to support the student's continued ESOL placement. The student scored English proficient on all parts of the CELLA exam. We noted that an ELL Committee convened and recommended the student's continued ESOL placement; however, the ELL Committee did not document at least two of the five ESOL placement criteria specified by State Board of Education Rule 6A-6.0902(2)(a)3., FAC, to support this placement. We propose the following adjustment:		
101 Basic K-3	1.0000	
130 ESOL	(1.0000)	.0000
19. [Ref. 29102] The entire course schedule for one ESE student was reported incorrectly in Program No. 255 (ESE Support Level 5) based on the student's placement in the Hospital and Homebound Program. The student's on-campus instruction should have been reported in Program No. 112 (Grades 4-8 with ESE Services). We propose the following adjustment:		
112 Grades 4-8 with ESE Services	.4302	
255 ESE Support Level 5	(.4302)	.0000
20. [Ref. 29103] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We propose the following audit adjustment:		
111 Grades K-3 with ESE Services	1.0000	
254 ESE Support Level 4	(1.0000)	.0000
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Highlands County Hospital and Homebound Program (#9006)		
21. [Ref. 900601] We noted the following exceptions involving 18 ESE students in the Hospital and Homebound Program (1 student was in our Basic with ESE Services sample and 17 students were in our ESE Support Levels 4 and 5 sample):		
a. The homebound instructors' contact logs for two students were missing and could not be located.		
b. The homebound instructors' contact logs for three students indicated that the students did not receive homebound instruction during the reporting surveys.		
c. Thirteen students were reported for more homebound instruction than was provided.		
We propose the following adjustment:		
113 Grades 9-12 with ESE Services	(.0800)	
255 ESE Support Level 5	(1.0600)	(1.1400)
22. [Ref. 900602] One student was reported incorrectly in Program No. 255 (ESE Support Level 5) based on the student's placement in the Hospital and Homebound Program; however, the student was provided only on-campus instruction and should have been reported in Program No. 112 (Grades 4-8 with ESE Services). We propose the following adjustment:		
112 Grades 4-8 with ESE Services	.0698	
255 ESE Support Level 5	(.0698)	.0000
23. [Ref. 900603] The file for one Basic student did not contain any contact logs to support the student's reported time in the Hospital and Homebound Program. We propose the following adjustment:		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Highlands County Hospital and Homebound Program (#9006) (Continued)		
103 Basic 9-12	(.2400)	(.2400)
		(1.3800)
Proposed Net Adjustment		(2.5067)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Highlands 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, 2012

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only students who are in membership and in attendance at least 1 day during the 11-day survey window are reported with that survey's results; (2) students are reported in the proper funding categories for the correct amount of FTE and have adequate documentation to support that reporting; (3) students assessed English proficient are either exited from the ESOL Program or referred to an ELL Committee to determine the students' continued ESOL placement; (4) ELL Committees should also document at least 2 of the 5 criteria specified in State Board of Education Rule 6A-6.0902(2)(a)3., FAC, when recommending students' continued ESOL placements; (5) ELL students are not reported for more than the six-year period allowed for State funding of ESOL; (6) *ELL Student Plans* are timely reviewed and updated; (7) English language proficiency of students being considered for extension of their ESOL placements (beyond the initial three-year base period) is assessed within 30 school days prior to the individual student's ESOL anniversary date and ELL Committees are convened subsequent to these assessments but no later than the individual student's ESOL anniversary date; (8) a current language assessment is given; (9) IEPs and *Matrix of Services* forms are timely prepared; (10) *Matrix of Services* forms are initialed when reviewed to evidence that the *Matrix of Services* forms were reviewed and that the *Matrix of Services* forms still reflect the services provided; (11) ESE students in ESE Support Levels 4 and 5 are reported in accordance with the students' *Matrix of Services* forms; (12) schedules for students in the Hospital and Homebound Program are accurately reported, particularly the on-campus portion of students' schedules, and the homebound portions of the students' schedules are based on the homebound instructors' contact logs; (13) students in Career Education 9-12 (OJT) are reported in accordance with timecards that are accurately completed, signed, and retained in readily-accessible files; and (14) teachers are properly certified.

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.

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Highlands 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, 2012

REGULATORY CITATIONS

Reporting

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 2011-12

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 2011-12

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

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 Programmatic and Annual Assessments of English Language Learners

Rule 6A-6.0903, FAC ..... Requirement for Classification, Reclassification, and Post Reclassification of English Language Learners

Rule 6A-6.0904, FAC ..... Equal Access to Appropriate Instruction for English Language Learners

Rule 6A-6.09022, FAC ..... Extension of Services in English for Speakers of Other Languages (ESOL) Program

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Highlands 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, 2012

REGULATORY CITATIONS (Continued)

Career Education On-the-Job Attendance

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

Career Education On-the-Job Funding Hours

Rule 6A-6.055(3), FAC ..... Definitions of Terms Used in Vocational Education and Adult Programs

FTE General Instructions 2011-12

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 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, Identification, Evaluation, Reevaluation and the Initial Provision of Exceptional 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

Matrix of Services Handbook (2004 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

The accompanying notes are an integral part of this schedule.

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

NOTE A - SUMMARY

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

1. School District of Highlands County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Highlands 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 Highlands County.

For the fiscal year ended June 30, 2012, the District operated 21 schools serving prekindergarten through twelfth grade students, reported 11,964.21 unweighted FTE, and received approximately $29.9 million in State funding through FEFP. 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 to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of programs and services appropriate to the student's 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.

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

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 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 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 that 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 2011-12 school year were conducted during and for the following weeks: survey one was performed for July 11 through 15, 2011; survey two was performed for October 10 through 14, 2011; survey three was performed for February 13 through 17, 2012; and survey four was performed for June 11 through 15, 2012.

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

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, 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

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers using judgmental methods for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2012. 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:

Highlands County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

NOTE B - SAMPLING (Continued)

School Name/Description	Finding Number(s)
1. Memorial Elementary School	1 through 3
2. Lake Country Elementary School	NA
3. Woodlawn Elementary School	4 through 7
4. Fred Wild Elementary School	8 and 9
5. Sebring High School	10 through 13
6. Avon Park High School	14 through 16
7. Sun 'n Lake Elementary School	17 through 20
8. Highlands County Hospital and Homebound Program	21 through 23

DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL
STATE OF FLORIDA

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

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

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

INDEPENDENT AUDITOR'S REPORT
HIGHLANDS COUNTY DISTRICT SCHOOL BOARD
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated April 8, 2013, that the Highlands 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, 2012. 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 2011-2012* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the District's compliance with the aforementioned State requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. The legal determination of the District's compliance with these requirements is, however, ultimately the responsibility of the Department of Education.

COMPLIANCE

In our opinion, the Highlands 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, 2012.

The results of our examination disclosed noncompliance with the State requirements mentioned above. We considered this noncompliance in forming our opinion regarding the District's compliance 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 SCHEDULES F and 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] The noncompliance mentioned above, while indicative of certain control deficiencies,[1] 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 findings, populations, samples, and exception totals that pertain to noncompliance are 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.

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

Respectfully submitted,



David W. Martin, CPA
September 17, 2013

SCHEDULE F

Highlands County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2012

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 two 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 sampled students for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2012. (See NOTE B.) The population of vehicles (240) consisted of the total of the numbers of vehicles reported by the District for each survey. For example, a vehicle that transported students during the July and October 2011 and February and June 2012 surveys would be counted in the population as four vehicles. Similarly, the population of students (11,782) consisted of the total numbers of students reported by the District as having been transported for each survey. (See NOTE A2.) The District reported students in the following ridership categories:

Ridership Category	Number of Students Transported
IDEA (K-12), Weighted	508
IDEA (PK), Weighted	152
Teenage Parents and Infants	66
Two Miles or More	11,056
Total	11,782

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.

The accompanying notes are an integral part of this schedule.

SCHEDULE F (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2012

Our examination results are summarized below:

	Students	
Description	With Exceptions	Proposed Net Adjustment
We sampled 245 of the 11,782 students reported as being transported by the District.	17	(11)
Total	17	(11)

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.

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Highlands County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

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 2011-2012* issued by the Department of Education. The Highlands 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, 2012. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 33.

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. Our detailed tests involved verification of the specific ridership categories reported for students sampled from the July and October 2011 surveys and the February and June 2012 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 2011 survey and once for the February 2012 survey) will be presented in our Findings as two sample students.

1. [Ref. 51] The number of days in term for 71 students was reported incorrectly in the July 2011 survey. The District reported 14 days in term; however, there were only 12 days in term. We propose the following adjustment:

July 2011 Survey		
14 Days in Term		
IDEA (K-12), Weighted	(2)	
Two Miles or More	(69)	
12 Days in Term		
IDEA (K-12), Weighted	2	
Two Miles or More	69	0

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Students Transported Proposed Net Adjustments**
2. [Ref. 52] The reported ridership of three students in our sample was not adequately supported. The students either were not listed on the bus drivers' reports or the bus drivers' reports indicated that the students were not transported during the 11-day survey window. We propose the following adjustment:		
July 2011 Survey		
8 Days in Term		
IDEA (K-12), Weighted	(1)	
February 2012 Survey		
90 Days in Term		
Two Miles or More	(2)	(3)
3. [Ref. 53] Eight students in our sample were incorrectly reported in the Two Miles or More ridership category. The students lived less than two miles from school. We propose the following adjustment:		
July 2011 Survey		
12 Days in Term		
Two Miles or More	(3)	
October 2011 Survey		
90 Days in Term		
Two Miles or More	(4)	
February 2012 Survey		
90 Days in Term		
Two Miles or More	(1)	(8)
4. [Ref. 54] Six students in our sample were incorrectly reported in the IDEA (K-12), Weighted ridership category, as follows:		
a. The IEPs for four students did not indicate that the students met at least one of the five criteria required for reporting in the IDEA (K-12), Weighted ridership category. We determined that the students were eligible for reporting in the Two Miles or More ridership category.		

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Highlands County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Students Transported Proposed Net Adjustments**
b. The *Services Plan* for one private school student receiving only Speech Therapy services did not indicate that the student met at least one of the five criteria required for reporting in the IDEA (K-12), Weighted ridership category but simply authorized the student's transportation to the public school center once per week; consequently, this student should have been reported in the Center to Center IDEA, Unweighted ridership category for 18 days in term.		
c. The file for one student did not contain a valid IEP covering the reporting survey. We determined that that the student was eligible for reporting in the Two Miles or More ridership category.		
We propose the following adjustment:		
October 2011 Survey		
90 Days in Term		
IDEA (K-12), Weighted	(2)	
Two Miles or More	2	
February 2012 Survey		
90 Days in Term		
IDEA (K-12), Weighted	(2)	
Two Miles or More	1	
18 Days in Term		
Center to Center (IDEA), Unweighted	1	
June 2012 Survey		
8 Days in Term		
IDEA (K-12), Weighted	(2)	
Two Miles or More	2	0
Proposed Net Adjustment		(11)

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Highlands County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2012

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) transported students are reported for the correct number of days in term; (2) students are reported only if they were transported at least 1 day during the 11-day survey window as evidenced by supporting bus driver reports; (3) the distance from home to school for students classified in the Two Miles of More ridership category is verified prior to those students being reported; and (4) students reported in IDEA-Weighted ridership categories are appropriately documented as meeting one of the five criteria noted on the students' IEPs.

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

REGULATORY CITATIONS

Chapter 1006, Part I, E., FS .....Transportation of Public K-12 Students
Section 1011.68, FS .....Funds for Student Transportation
Chapter 6A-3, FAC .....Transportation
Student Transportation General Instructions 2011-2012

The accompanying notes are an integral part of this schedule.

Highlands County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

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 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 Highlands County

For the fiscal year ended June 30, 2012, the District received approximately $2.4 million for student transportation as part of the State funding through FEFP. The District's transportation reporting by survey was as follows:

Survey Period	Number of Vehicles	Number of Students
July 2011	20	148
October 2011	100	5,845
February 2012	100	5,627
June 2012	20	162
Total	240	11,782

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., FS ..... Transportation of Public K-12 Students
Section 1011.68, FS ..... Funds for Student Transportation
Chapter 6A-3, FAC ..... Transportation

Highlands County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

NOTE B – SAMPLING

Our examination procedures provided for the selection of samples of buses and 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, 2012. 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

The School Board of Highlands County

426 School Street • Sebring, FL 33870-4048
(863) 471-5555 • FAX (863) 471-5600 • TDD (863) 382-3693

Wally Cox
Superintendent

Andy Tuck
Chairperson

Ronnie Jackson
Vice Chairperson

Bill Brantley
Donna Howerton
Jan Shoop

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

Date: September 17, 2013

Subject: FTE Audit Response

Dear Mr. Martin:

We have reviewed the findings and recommendations to the preliminary and tentative audit findings of the FTE audit conducted by your office for the period ending June 30, 2012.

Finding 1 (Ref. 1501)
Finding 2 (Ref. 1502)
Finding 4 (Ref. 5101)
Finding 5 (Ref. 5102)
Finding 6 (Ref. 5103)
Finding 8 (Ref. 8101)
Finding 14 (Ref. 23101)
Finding 18 (Ref. 29101)

Findings Noted. We will review our procedures to insure adequate documentation for placement and reporting students in the ELL program during the survey week.

Finding 3 (Ref. 1503)
Finding 7 (Ref. 5104)
Finding 9 (Ref. 8102)
Finding 12 (Ref. 22103)
Finding 13 (Ref.22104)
Finding 15 (Ref. 23102)
Finding 19 (Ref. 29102)
Finding 20 (Ref. 29103)
Finding 21 (Ref. 900601)
Finding 22 (Ref. 900602)
Finding 23 (Ref. 900603)

Findings Noted. We will review our procedures to insure IEPs are reviewed and Matrix of Service forms are timely prepared prior to placement of ESE students during the survey week.

EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

Finding 10 (Ref. 22101)
Finding 11 (Ref. 22102)
Finding 16 (Ref. 23103)

Findings Noted. We will review our procedures to insure timecards are properly completed and reviewed for students placed in Career Educations courses during the survey week.

Transportation:
Finding 1 (Ref.51)
Finding 2 (Ref.52)
Finding 3 (Ref.53)
Finding 4 (Ref.54)

Findings Noted. We will review our procedures to insure students reported for transportation FTE are reported for the correct number of days in term, transported more the 2 miles, and reported in IDEA-Weighted ridership categories that are appropriately documented.

We wish to thank your office for the professionalism and courtesy shown by your staff during the audit. We are confident that the District will benefit from this review.

Sincerely,

Wally Cox
Superintendent of Schools