

**HAMILTON COUNTY  
DISTRICT SCHOOL BOARD**

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

**and**

**Student Transportation**

For the Fiscal Year Ended  
June 30, 2009



## BOARD MEMBERS AND SUPERINTENDENT

Hamilton County District School Board members and the Superintendent of Schools who served during the 2008-09 fiscal year are listed below:

	<u>District No.</u>
<i>Damon Deas, Vice Chair from 11-18-08</i>	1
<i>Lynn Roberson, Vice Chair to 11-17-08</i>	2
<i>Gary Godwin from 11-18-08</i>	2
<i>J. T. Simon to 11-17-08</i>	3
<i>Jeanie Daniels from 11-18-08</i>	3
<i>Joyce Shaw</i>	4
<i>Don J. Fenneman, Chair</i>	5
<i>Harry J. Pennington, Superintendent to 11-17-08</i>	
<i>Martha W. Butler, Superintendent from 11-18-09</i>	

The examination team leader was Ted Montgomery, and the examination was supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Joseph L. Williams, CPA, Audit Manager, via e-mail at [joewilliams@aud.state.fl.us](mailto:joewilliams@aud.state.fl.us) or by telephone at (850) 414-9941.

This report and other reports prepared by the Auditor General can be obtained on our Web site at [www.myflorida.com/audgen](http://www.myflorida.com/audgen); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Hamilton County District School Board  
Full-Time Equivalent (FTE) Students and Student Transportation  
**LIST OF ABBREVIATIONS**  
For the Fiscal Year Ended June 30, 2009

**IEP** – Individual Educational Plan

**ELL** – English Language Learner

**ESE** – Exceptional Student Education

**ESOL** – English for Speakers of Other Languages

**PK** – Prekindergarten

**OJT** – On-the-Job Training

**IDEA** – Individuals with Disabilities Education Act

Hamilton County District School Board  
Full-Time Equivalent (FTE) Students and Student Transportation  
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For the Fiscal Year Ended June 30, 2009

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## EXECUTIVE SUMMARY

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### Summary of Attestation Examination

The Hamilton 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, 2009.

Noncompliance related to FTE resulted in seven findings. The resulting audit adjustments to the District's reported, unweighted FTE totaled to a negative 1.1013, but have a potential impact on the District's weighted FTE of a negative 2.2460. Noncompliance related to student transportation resulted in two findings and a net audit adjustment of zero students.

Weighted FTE adjustments are presented in our report for illustrative purposes only. They 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 audit adjustments, which is the responsibility of the Department of Education (DOE). However, the gross dollar effect of our FTE audit adjustments may be estimated by multiplying the net weighted FTE audit adjustment by the base student allocation amount. For the Hamilton County District School Board, the estimated gross dollar effect of our FTE audit adjustments is a negative \$8,728 (negative 2.2460 times \$3,886.14).

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

The ultimate resolution of our FTE audit adjustments and the computation of their financial impact is the responsibility of DOE.

### School District of Hamilton County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Hamilton County. Those services are provided primarily to students attending kindergarten through high school, but also to adults seeking vocational-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 Hamilton County.

The governing body of the District is the District School Board, which 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, 2009, the District operated six schools, reported 1,850.52 unweighted FTE, and received approximately \$6.2 million in State funding for those FTE.

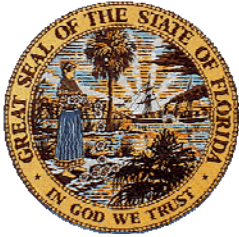
### Florida Education Finance Program (FEFP)

Florida school districts receive State funding through FEFP, which was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of an educational environment appropriate to his educational needs which is substantially equal to that 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 five hours of class a day or 25 hours per week, which 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 Vocational or Exceptional student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes. The District received approximately \$411,000 in State transportation funding.



DAVID W. MARTIN, 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 HAMILTON COUNTY DISTRICT SCHOOL BOARD FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated July 20, 2009, that the Hamilton 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, 2009. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

### **Compliance**

In our opinion, the Hamilton 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, 2009.

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

### **Internal Control Over Compliance**

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

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

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<sup>1</sup> 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  
February 25, 2010

**SCHEDULE A**

Hamilton 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, 2009

<u>Description<sup>1</sup></u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Students (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE<sup>2</sup></u>	<u>% of Pop. (Sample)</u>
<b>1. Basic</b>						
Population <sup>3</sup>	5	100.00%	1,484	100.00%	1,483.6200	100.00%
Sample Size <sup>4</sup>	3	60.00%	35	2.36%	30.8336	2.08%
Students w/Exceptions	-	-	(1)	(2.86%)	-	-
Net Audit Adjustments <sup>5</sup>	-	-	-	-	1.2613	-
<b>2. Basic with ESE Services</b>						
Population <sup>3</sup>	6	100.00%	236	100.00%	228.1400	100.00%
Sample Size <sup>4</sup>	4	66.67%	16	6.78%	12.4488	5.46%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments <sup>5</sup>	-	-	-	-	.4275	-
<b>3. ESOL</b>						
Population <sup>3</sup>	2	100.00%	52	100.00%	39.3200	100.00%
Sample Size <sup>4</sup>	2	100.00%	30	57.69%	22.1165	56.25%
Students w/Exceptions	-	-	(2)	(6.67%)	-	-
Net Audit Adjustments <sup>5</sup>	-	-	-	-	(2.0881)	-
<b>4. ESE Support Levels 4 and 5</b>						
Population <sup>3</sup>	4	100.00%	38	100.00%	31.5000	100.00%
Sample Size <sup>4</sup>	3	75.00%	28	73.68%	23.4824	74.55%
Students w/Exceptions	-	-	(2)	(7.14%)	-	-
Net Audit Adjustments <sup>5</sup>	-	-	-	-	(.4275)	-
<b>5. Career Education 9-12</b>						
Population <sup>3</sup>	2	100.00%	30	100.00%	67.9400	100.00%
Sample Size <sup>4</sup>	1	50.00%	24	80.00%	6.5891	9.70%
Students w/Exceptions	-	-	(3)	(12.50%)	-	-
Net Audit Adjustments <sup>5</sup>	-	-	-	-	(.2745)	-
-----						
<b>All Programs</b>						
Population <sup>3</sup>	6	100.00%	1,840	100.00%	1,850.5200	100.00%
Sample Size <sup>4</sup>	4	66.67%	133	7.23%	95.4704	5.16%
Students w/Exceptions	-	-	(8)	(6.02%)	-	-
Net Audit Adjustments <sup>5</sup>	-	-	-	-	(1.1013)	-

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE A (Continued)**

Hamilton 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, 2009

<u>Description</u> <sup>1</sup>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>
<u>Teachers</u>				
Population <sup>3</sup>	6	100.00%	64	100.00%
Sample Size <sup>4</sup>	4	66.67%	28	43.75%
Teachers w/Exceptions	-	-	(2)	(7.14%)

<sup>1</sup> See NOTE A6.

<sup>2</sup> Unweighted full-time equivalent (FTE) students represents FTE prior to the application of the applicable cost factor for each program. (See SCHEDULE B and NOTE A4.)

<sup>3</sup> The population shown for the number of schools is the total number of schools in the District which offered the courses in the program specified (i.e., Basic, ESOL, ESE, and Career Education). The population shown for the number of students is the total number of students in each program at the schools in our sample. Our Career Education population and sample reflects only those students who participated in OJT. The population shown for full-time equivalent (FTE) students is the total FTE for all of the District's schools (sample schools plus nonsample schools) as reported for each survey conducted for the fiscal year ended June 30, 2009. The population shown for teachers is the total number of teachers at schools in our sample who taught courses in ESE Support Levels 4 and 5 or Career Education or taught courses to ELL students. (See NOTE A5.)

<sup>4</sup> See NOTE B.

<sup>5</sup> Our audit adjustments present the net effects of noncompliance disclosed by our examination procedures, including those related to our tests of teacher certification. Our audit adjustments generally reclassify reported FTE to Basic education, except for noncompliance involving a student's enrollment or attendance, in which case the reported FTE is taken to zero.

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE B**

Hamilton County District School Board  
 Florida Education Finance Program (FEFP)  
 Full-Time Equivalent (FTE) Students  
**EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE**  
*(For Illustrative Purposes Only)*  
 For the Fiscal Year Ended June 30, 2009

<b><u>No. Program</u></b> <sup>1</sup>	<b><u>Net Audit Adjustment</u></b> <sup>2</sup>	<b><u>Cost Factor</u></b>	<b><u>Weighted FTE</u></b> <sup>3</sup>
101 Basic K-3	1.6796	1.066	1.7905
102 Basic 4-8	(.0915)	1.000	(.0915)
103 Basic 9-12	(.3268)	1.052	(.3438)
111 Grades K-3 with ESE Services	.4275	1.066	.4557
130 ESOL	(2.0881)	1.119	(2.3366)
254 ESE Support Level 4	(.5000)	3.570	(1.7850)
255 ESE Support Level 5	.0725	4.970	.3603
300 Career Education 9-12	(.2745)	1.077	(.2956)
Total	<u>(1.1013)</u>		<u>(2.2460)</u>

<sup>1</sup> See NOTE A6.

<sup>2</sup> These adjustments are for unweighted FTE. (See SCHEDULE C.)

<sup>3</sup> Weighted FTE adjustments are presented for illustrative purposes only; they do not take special program caps or allocation factors into consideration and are not intended to indicate the FTE used to compute the dollar value of audit adjustments. That computation is the responsibility of the Department of Education. (See NOTE A4.)

***The accompanying notes are an integral part of this schedule.***

**SCHEDULE C**

Hamilton County District School Board  
 Florida Education Finance Program (FEFP)  
 Full-Time Equivalent (FTE) Students  
**AUDIT ADJUSTMENTS BY SCHOOL**  
 For the Fiscal Year Ended June 30, 2009

<b><u>No. Program</u></b>	<b><u>Audit Adjustments<sup>1</sup></u></b>			<b><u>Balance Forward</u></b>
	<b><u>#0031</u></b>	<b><u>#0032</u></b>	<b><u>#0041</u></b>	
101 Basic K-3	.....	.....	1.6796	1.6796
102 Basic 4-8	.....	(.0915)	.....	(.0915)
103 Basic 9-12	.....	(.3268)	.....	(.3268)
111 Grades K-3 with ESE Services	.4275	.....	.....	.4275
130 ESOL	.....	(.4085)	(1.6796)	(2.0881)
254 ESE Support Level 4	.....	.....	.....	.0000
255 ESE Support Level 5	(.4275)	.....	.....	(.4275)
300 Career Education 9-12	.....	(.2745)	.....	(.2745)
Total	<u>.0000</u>	<u>(1.1013)</u>	<u>.0000</u>	<u>(1.1013)</u>

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<sup>1</sup> These adjustments are for unweighted FTE. (See NOTE A4.)

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE C (Continued)**

Hamilton County District School Board  
 Florida Education Finance Program (FEFP)  
 Full-Time Equivalent (FTE) Students  
**AUDIT ADJUSTMENTS BY SCHOOL**  
 For the Fiscal Year Ended June 30, 2009

<b>Program No.</b>	<b>Brought Forward</b>	<b><u>Audit Adjustments</u><sup>1</sup></b>	
		<b><u>#0091</u></b>	<b><u>Total</u></b>
101 Basic K-3	1.6796	.....	1.6796
102 Basic 4-8	(.0915)	.....	(.0915)
103 Basic 9-12	(.3268)	.....	(.3268)
111 Grades K-3 with ESE Services	.4275	.....	.4275
130 ESOL	(2.0881)	.....	(2.0881)
254 ESE Support Level 4	.0000	(.5000)	(.5000)
255 ESE Support Level 5	(.4275)	.5000	.0725
300 Career Education 9-12	(.2745)	.....	(.2745)
Total	<u>(1.1013)</u>	<u>.0000</u>	<u>(1.1013)</u>

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<sup>1</sup> These adjustments are for unweighted FTE. (See NOTE A4.)

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE D**

Hamilton County District School Board  
 Florida Education Finance Program (FEFP)  
 Full-Time Equivalent (FTE) Students  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2009

**Overview**

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. The Hamilton 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, 2009. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 12.

**Findings**

**Net Audit  
 Adjustments  
 (Unweighted FTE)**

*Our examination included the July and October 2008 surveys and the February and June 2009 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2008 survey or the February 2009 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.*

**Central Hamilton Elementary School (#0031)**

1. [Ref. 3101] One ESE student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustment:

111 Grades K-3 with ESE Services	.4275	
255 ESE Support Level 5	(.4275)	<u>.0000</u>
		<u>.0000</u>

**Hamilton County High School (#0032)**

2. [Ref. 3201] Two students had withdrawn from school prior to the reporting surveys; consequently, they should not have been reported with the surveys' results. We made the following audit adjustment:

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE D (Continued)**

Hamilton County District School Board  
 Florida Education Finance Program (FEFP)  
 Full-Time Equivalent (FTE) Students  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2009

<u>Findings</u>	<u>Net Audit Adjustments (Unweighted FTE)</u>	
<b><u>Hamilton County High School (#0032)</u></b> (Continued)		
102 Basic 4-8	(.0915)	
103 Basic 9-12	(.3268)	
130 ESOL	(.4085)	
300 Career Education 9-12	(.1732)	(1.0000)
3. [Ref. 3202] <u>The timecards for three Career Education OJT students were missing and could not be located. We made the following audit adjustment:</u>		
300 Career Education 9-12	(.1013)	(.1013)
		(1.1013)
<b><u>North Hamilton Elementary School (#0041)</u></b>		
4. [Ref. 4101] <u>One ELL student's reported ESOL schedule included an elementary physical education course that was not fundable in ESOL. We made the following audit adjustment:</u>		
101 Basic K-3	.0300	
130 ESOL	(.0300)	.0000
5. [Ref. 4170] <u>One teacher in the October survey was not properly certified and was not approved by the School Board to teach ELL students out-of-field until after that survey. We made the following audit adjustment:</u>		
101 Basic K-3	1.5830	
130 ESOL	(1.5830)	.0000
6. [Ref. 4171] <u>One teacher taught Primary Language Arts to a class that included an ELL student, but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out-of-field. We made the following audit adjustment:</u>		

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE D (Continued)**

Hamilton County District School Board  
 Florida Education Finance Program (FEFP)  
 Full-Time Equivalent (FTE) Students  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2009

<b><u>Findings</u></b>		<b><u>Net Audit Adjustments (Unweighted FTE)</u></b>
<b><u>North Hamilton Elementary School (#0041)</u></b> (Continued)		
101 Basic K-3	.0666	
130 ESOL	(.0666)	<u>.0000</u>
		<u>.0000</u>
<b><u>Greenwood School (#0091)</u></b>		
7. [Ref. 9101] <u>One ESE student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustment:</u>		
254 ESE Support Level 4	(.5000)	
255 ESE Support Level 5	<u>.5000</u>	<u>.0000</u>
		<u>.0000</u>
		<u>(1.1013)</u>

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE E**

Hamilton 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, 2009

**Recommendations**

**We recommend** that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only ESOL-eligible courses are reported in ESOL; (2) only students who are in membership during the week of survey are included with that survey’s results; (3) students are reported in the proper funding categories and have adequate documentation to support that reporting, particularly with regard to students in ESE Support Levels 4 and 5 and OJT; and (4) teachers are either properly certified or, if out-of-field, are timely approved by the School Board to teach 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 FTE and FEFP.

**Regulatory Citations**

Reporting

- Section 1011.60, F.S. .... Minimum Requirements of the Florida Education Finance Program
- Section 1011.61, F.S. .... Definitions
- Section 1011.62, F.S. .... Funds for Operation of Schools
- Rule 6A-1.0451, F.A.C. .... FEFP Student Membership Surveys
- Rule 6A-1.04513, F.A.C. .... Maintaining Auditable FTE Records
- FTE General Instructions 2008-2009

Attendance

- Section 1003.23, F.S. .... Attendance Records and Reports
- Rules 6A-1.044(3) and (6)(c), F.A.C. .... Pupil Attendance Records
- Rule 6A-1.04513, F.A.C. .... Maintaining Auditable FTE Records
- FTE General Instructions 2008-2009
- Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE E (Continued)**

Hamilton 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, 2009

**Regulatory Citations** (Continued)

English for Speakers of Other Languages (ESOL)

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

Career Education On-the-Job Attendance

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

Exceptional Education

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

Career Education On-the-Job Funding Hours

- Rule 6A-6.055(3), F.A.C. ....Definitions of Terms Used in Vocational Education and Adult Programs
- FTE General Instructions 2008-2009

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE E (Continued)**

Hamilton 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, 2009

**Regulatory Citations** (Continued)

Teacher Certification

- Section 1003.56, F.S. .... English Language Instruction for Limited English Proficient Students
- Section 1011.62(1)(g), F.S. .... Education for Speakers of Other Languages
- Section 1012.42(2), F.S. .... Teacher Teaching Out-of-Field; Notification Requirements
- Section 1012.55, F.S. .... Positions for Which Certificates Required
- Rule 6A-1.0502, F.A.C. .... Non-certificated Instructional Personnel
- Rule 6A-1.0503, F.A.C. .... Definition of Qualified Instructional Personnel
- Rule 6A-4.001, F.A.C. .... Instructional Personnel Certification
- Rule 6A-6.0907, F.A.C. .... Inservice Requirements for Personnel of Limited English Proficient Students

*The accompanying notes are an integral part of this schedule.*

Hamilton County District School Board  
Florida Education Finance Program (FEFP)  
Full-Time Equivalent (FTE) Students  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2009

**NOTE A - SUMMARY**

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

**1. School District of Hamilton County**

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Hamilton County, Florida. Those services are provided primarily to students attending kindergarten through high school, but also to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Hamilton County. For the fiscal year ended June 30, 2009, the District operated six schools, reported 1,850.52 unweighted FTE, and received approximately \$6.2 million in State funding for those FTE. The primary sources of funding for the District are funds from FEFP, local ad valorem taxes, and Federal grants and donations.

**2. Florida Education Finance Program (FEFP)**

Florida school districts receive State funding through FEFP, which was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of an educational environment appropriate to his educational needs which is substantially equal to that 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.

Hamilton County District School Board  
Florida Education Finance Program (FEFP)  
Full-Time Equivalent (FTE) Students  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2009

**NOTE A - SUMMARY** (Continued)

**3. Full-Time Equivalent (FTE) Students**

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an FTE. For example, for kindergarten through third grade, one FTE is defined as one student in membership in a program or a group of programs for 20 hours per week for 180 days; for grade levels four through twelve, one FTE is defined as one student in membership in a program or a group of programs for 25 hours per week for 180 days.

**4. Calculation of FEFP Funds**

The amount of State and local FEFP funds is calculated by the Department of Education by multiplying the number of unweighted FTE in each educational program by the specific cost factor of each program to obtain weighted FTEs. Weighted FTEs are multiplied by the base student allocation amount and that product is multiplied by the appropriate cost differential factor. Various adjustments are then added to this product to obtain the total State and local FEFP dollars. All cost factors, the base student allocation amount, cost differential factors, and various adjustment figures are established by the Florida Legislature.

**5. FTE Surveys**

FTE is determined and reported during the school year by means of four FTE membership surveys, which are conducted under the direction of district and school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2008-2009 school year were conducted during and for the following weeks: survey one was performed for July 14 through 18, 2008; survey two was performed for October 13 through 17, 2008; survey three was performed for February 9 through 13, 2009; and survey four was performed for June 8 through 12, 2009.

Hamilton County District School Board  
 Florida Education Finance Program (FEFP)  
 Full-Time Equivalent (FTE) Students  
**NOTES TO SCHEDULES**  
 For the Fiscal Year Ended June 30, 2009

**NOTE A - SUMMARY** (Continued)

**6. Educational Programs**

FEFP funds ten specific programs under which instruction may be provided as authorized by the Florida Legislature. The general program titles under which these specific programs fall are as follows: (1) Basic, (2) ESOL, (3) ESE, and (4) Career Education 9-12.

**7. Statutes and Rules**

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

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

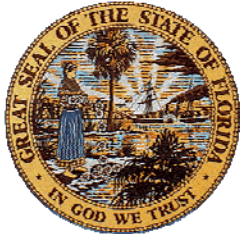
**NOTE B - SAMPLING**

Our examination procedures provided for the selection of samples of schools, students, and teachers, using statistical and judgmental methods, for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2009. 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:

Hamilton County District School Board  
Florida Education Finance Program (FEFP)  
Full-Time Equivalent (FTE) Students  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2009

**NOTE B - SAMPLING** (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Central Hamilton Elementary School	1
2. Hamilton County High School	2 and 3
3. North Hamilton Elementary School	4 through 6
4. Greenwood School	7



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 HAMILTON COUNTY DISTRICT SCHOOL BOARD STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated July 20, 2009, that the Hamilton 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, 2009. These requirements are found primarily in Chapter 1006, Part I, E. and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

### **Compliance**

In our opinion, the Hamilton 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, 2009.

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

### **Internal Control Over Compliance**

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

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

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<sup>1</sup>*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  
February 25, 2010

**SCHEDULE F**

Hamilton County District School Board  
 Student Transportation  
**POPULATIONS, SAMPLES, AND TEST RESULTS**  
 For the Fiscal Year Ended June 30, 2009

<b><u>Description</u></b>	<b><u>Number of Vehicles</u></b>	<b><u>% of Pop.</u></b>	<b><u>No. of Students Transported</u></b>	<b><u>% of Pop. (Sample)</u></b>
Population <sup>1</sup>	50	100.00%	1,889	100.00%
Sample <sup>2</sup>	-	-	128	6.78%
With Exceptions <sup>3</sup>	-	-	3	(2.34%)
Net Audit Adjustments	-	-	0	(0.00%)

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<sup>1</sup> The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2009. The District reported 1,889 students in the following ridership categories: 67 in IDEA (K-12), Weighted; 1 in IDEA (PK), Weighted; 6 in IDEA (PK), Unweighted; 1,815 in Two Miles or More. The District also reported operating a total of 50 buses. (IDEA stands for Individuals with Disabilities Education Act.)

<sup>2</sup> See NOTE B.

<sup>3</sup> Students with exceptions are students with exceptions affecting their ridership classification. Students cited only for incorrect reporting of days in term, if any, are not included.

***The accompanying notes are an integral part of this schedule.***

**SCHEDULE G**

Hamilton County District School Board  
 Student Transportation  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2009

**Overview**

Management is responsible for determining and reporting the number of students transported in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E. and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. The Hamilton 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, 2009. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 25.

**Students  
 Transported  
 Net Audit  
 Adjustments**

**Findings**

*Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey. Our detailed tests involved verification of the specific ridership categories reported for students sampled from the July and October 2008 surveys, and the February and June 2009 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 2008 survey and once for the February 2009 survey) will be presented in our findings as two sample students.*

1. [Ref. 51] Three students in IDEA (K-12), Weighted did not meet at least one of the five eligibility criteria required for IDEA-weighted classification. However, each of the students was eligible for IDEA-unweighted classification. We also noted that one of the students was in prekindergarten and should have been reported as such. We made the following audit adjustments:

**July 2008 Survey**

**4 Days-in-Term**

IDEA (K-12), Weighted	(1)
IDEA (PK), Unweighted	1

**October 2008 Survey**

**90 Days-in-Term**

IDEA (K-12), Weighted	(1)
IDEA (K-12), Unweighted	1

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE G (Continued)**

Hamilton County District School Board  
 Student Transportation  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2009

<b><u>Findings</u></b>	<b><u>Students Transported</u></b>	<b><u>Net Audit Adjustments</u></b>
<b><u>February 2009 Survey</u></b>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted	(1)	
IDEA (K-12), Unweighted	<u>1</u>	0
2. <u>[Ref. 52] The number of days in term for 45 students (11 in the July 2008 survey and 34 in the June 2009 survey) was reported incorrectly. The students in the July survey were reported for a 4-day term but should have been reported for a 14-day term. The students in the June 2009 survey were reported for an 8-day term but should have been reported for a 6-day term. We made the following audit adjustments:</u>		
<b><u>July 2008 Survey</u></b>		
<u>4 Days-in-Term</u>		
IDEA (K-12), Weighted	(11)	
<u>14 Days-in-Term</u>		
IDEA (K-12), Weighted	11	
<b><u>June 2009 Survey</u></b>		
<u>8 Days-in-Term</u>		
IDEA (K-12), Weighted	(9)	
IDEA (PK), Unweighted	(6)	
Two Miles or More	(19)	
<u>6 Days-in-Term</u>		
IDEA (K-12), Weighted	9	
IDEA (PK), Unweighted	6	
Two Miles or More	<u>19</u>	<u>0</u>
<b>Net Audit Adjustments</b>		<u>0</u>

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE H**

Hamilton County District School Board  
Student Transportation  
**RECOMMENDATIONS AND REGULATORY CITATIONS**  
For the Fiscal Year Ended June 30, 2009

**Recommendations**

**We recommend** that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only eligible ESE students who meet at least one of the five eligibility criteria required for IDEA-weighted classification are reported in IDEA-weighted ridership categories; and (2) transported students are reported in the correct ridership categories for the correct number of days in term.

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

**Regulatory Citations**

- Chapter 1006, Part I, E., F.S. ....Transportation of Public K-12 Students
- Section 1011.68, F.S. ....Funds for Student Transportation
- Chapter 6A-3, F.A.C. ....Transportation
- Student Transportation General Instructions

*The accompanying notes are an integral part of this schedule.*

Hamilton County District School Board  
Student Transportation  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2009

**NOTE A - SUMMARY**

A summary discussion of the significant features of student transportation and related areas follows:

**1. Student Eligibility**

Any student who is transported by bus must meet one or more of the following conditions in order to be eligible for State transportation funding: live two or more miles from school, be physically handicapped, be a Career Education or Exceptional student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes.

**2. Transportation in Hamilton County**

For the fiscal year ended June 30, 2009, the District received approximately \$411,000 in State transportation funding. The District’s transportation reporting by survey was as follows:

<u>Survey Period</u>	<u>No. of Vehicles</u>	<u>No. of Students</u>
July 2008	2	11
October 2008	22	951
February 2009	22	893
June 2009	4	<u>34</u>
Total	<u>50</u>	<u>1,889</u>

**3. Statutes and Rules**

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

- Chapter 1006, Part I, E., F.S. .... Transportation of Public K-12 Students
- Section 1011.68, F.S. .... Funds for Student Transportation
- Chapter 6A-3, F.A.C. .... Transportation

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Hamilton County District School Board  
Student Transportation  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2009

**NOTE B - SAMPLING**

Our examination procedures provided for the selection of samples of buses and students, using statistical and judgmental methods, for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2009. 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

# Hamilton County School District

**School Board Members**  
Damon Deas - District 1  
Gary Godwin - District 2  
Jeanie Daniels - District 3

**Martha W. Butler, Superintendent**  
4280 SW County Road 152  
Jasper, Florida 32052  
Phone: (386) 792-1228 Fax: (386) 792-3681

**School Board Members**  
Joyce Shaw - District 4  
Don Fenneman - District 5

February 25, 2010

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

Re: Report on the examination of full-time equivalent (FTE) students and student transportation, as reported by the Hamilton County District School Board for the fiscal year ended June 30, 2009

Dear Mr. Martin:

We have reviewed the findings, recommendations, and adjustments for the FTE students as outlined in Schedule D. We accept all findings, recommendations, and adjustments. We will work to ensure that:

1. data clerks receive in-service training via the MIS Coordinator so that student records reflect accurate information;
2. teachers are approved by the Board to teach out of their fields and that the parents of said teachers are notified of the out-of-field status;
3. teachers are properly certified to teach ELL students; and
4. proper documentation is retained in student records;

We have also reviewed the findings recommendations, and adjustments for Student Transportation as outlined in Schedule G. We accept all findings, recommendations, and adjustments. We will work to ensure that employees involved with FEFP student transportation surveys are provided with in-service with an emphasis on error-free reporting.

Please contact our office if you have any questions concerning our responses.

Sincerely,



Martha Butler  
Superintendent

dlw

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Visit us at: [www.hamiltonfl.com](http://www.hamiltonfl.com)