

**OKEECHOBEE COUNTY
DISTRICT SCHOOL BOARD**

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2010



BOARD MEMBERS AND SUPERINTENDENT

Okeechobee County District School Board members and the Superintendent of Schools who served during the 2009-10 fiscal year are listed below:

	<u>District No.</u>
<i>Joe Arnold</i>	1
<i>Kelly A. Owens, Chair</i>	2
<i>Gay Carlton</i>	3
<i>India C. Riedel, Vice Chair</i>	4
<i>David H. Williams</i>	5

Dr. Patricia G. Cooper, Superintendent

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

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9175; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Okeechobee County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2010

ELL – English Language Learner

ESE – Exceptional Student Education

ESOL – English for Speakers of Other Languages

FES – Fluent English Speaker

IDEA – Individuals with Disabilities Education Act

IEP – Individual Educational Plan

OJT – On-the-Job Training

PK – Prekindergarten

SLD – Specific Learning Disability

Okeechobee County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
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EXECUTIVE SUMMARY

Summary of Attestation Examination

Except for the material noncompliance mentioned below involving students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), the Okeechobee 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, 2010.

- Eleven of the 107 students in our ESOL sample, 15 of the 29 students in our ESE Support Levels 4 and 5 sample, and 5 of the 10 students in our Career Education 9-12 (OJT) sample had exceptions involving reporting errors or records that were not properly and accurately prepared or were missing and could not be located.

Noncompliance related to FTE resulted in 20 findings. The resulting audit adjustments to the District's reported, unweighted FTE totaled to a negative 2.6800 FTE but have a potential impact on the District's weighted FTE of a negative 21.8752 weighted FTE. Noncompliance related to student transportation resulted in five findings and a net audit adjustment of a positive one student.

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 Okeechobee County District School Board, the estimated gross dollar effect of our FTE audit adjustments is a negative \$79,421 (negative 21.8752 times \$3,630.62).

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 and student transportation audit adjustments and the computation of their financial impact is the responsibility of DOE.

School District of Okeechobee County

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

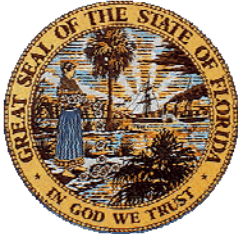
The governing body of the District is the District School Board, which is composed of five elected members. The executive officer of the Board is the appointed Superintendent of Schools. For the fiscal year ended June 30, 2010, the District operated 15 schools serving prekindergarten through twelfth grade students, reported 6,908.64 unweighted FTE for those students, and received approximately \$25 million in State funding for those FTE.

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 an educational environment appropriate to the student's 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 5 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 Career Education 9-12 or ESE student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes. The District received approximately \$1.65 million in State transportation funding.



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

We have examined management's assertion, included in its representation letter dated August 12, 2010, that the Okeechobee 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, 2010. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Compliance

Our examination procedures disclosed the following material noncompliance: 11 of the 107 students in our ESOL sample,¹ 15 of the 29 students in our ESE Support Levels 4 and 5 sample,² and 5 of the 10 students in our Career Education 9-12 (OJT) sample³ had exceptions involving reporting errors or records that were not properly and 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 and accurately prepared or were missing and could not be located for students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), the Okeechobee 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, 2010.

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 SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

¹ For ESOL, see SCHEDULE D, Finding Nos. 2, 4, 5, 14, 15, 16, and 18.

² For ESE Support Levels 4 and 5, see SCHEDULE D, Finding Nos. 6, 7, 8, 9, 10, 11, 12, and 19.

³ For Career Education 9-12 (OJT), see SCHEDULE D, Finding No. 13.

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.⁴ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the reporting of, and preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT). Other noncompliance disclosed by our examination procedures is indicative of control deficiencies⁴ and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULE A and SCHEDULE D.

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

Pursuant to Section 11.45(4)(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
January 12, 2011

⁴ A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the aforementioned State requirements such that there is more than a remote likelihood that noncompliance that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more-than-remote likelihood that material noncompliance will not be prevented or detected by the entity's internal control.

SCHEDULE A

Okeechobee 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, 2010

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Students (w/Exceptions)</u>	<u>% of Population (Sample)</u>	<u>Number of Unweighted FTE²</u>	<u>% of Population (Sample)</u>
1. Basic						
Population ³	15	100.00%	2,918	100.00%	4,568.3800	100.00%
Sample Size ⁴	6	40.00%	63	2.16%	49.4567	1.08%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	14.2507	-
2. Basic with ESE Services						
Population ³	14	100.00%	844	100.00%	1,601.1100	100.00%
Sample Size ⁴	6	42.86%	41	4.86%	35.7774	2.23%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.5000	-
3. ESOL						
Population ³	11	100.00%	447	100.00%	489.6500	100.00%
Sample Size ⁴	5	45.45%	107	23.94%	89.5638	18.29%
Students w/Exceptions	-	-	(11)	(10.28%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(12.0573)	-
4. ESE Support Levels 4 and 5						
Population ³	9	100.00%	33	100.00%	25.6500	100.00%
Sample Size ⁴	4	44.44%	29	87.88%	16.5684	64.59%
Students w/Exceptions	-	-	(15)	(51.72%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(4.8134)	-
5. Career Education 9-12						
Population ³	6	100.00%	11	100.00%	223.8500	100.00%
Sample Size ⁴	1	16.67%	10	90.91%	1.3600	0.61%
Students w/Exceptions	-	-	(5)	(50.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(.5600)	-

All Programs						
Population ³	15	100.00%	4,253	100.00%	6,908.6400	100.00%
Sample Size ⁴	6	40.00%	250	5.88%	192.7263	2.79%
Students w/Exceptions	-	-	(31)	(12.40%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(2.6800)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Okeechobee 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, 2010

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Population</u>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Population (Sample)</u>
<u>Teachers</u>				
Population ³	15	100.00%	193	100.00%
Sample Size ⁴	6	40.00%	66	34.20%
Teachers w/Exceptions	-	-	(1)	(1.52%)

¹ See NOTE A6.

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

³ The population shown for the number of schools is the total number of schools in the District which offered the courses in the program specified (i.e., Basic, ESOL, ESE, and Career Education 9-12). 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 9-12 population and sample data for students reflect 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, 2010. 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 9-12 or taught courses to ELL students. (See NOTE A5.)

⁴ See NOTE B.

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

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Okeechobee 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, 2010

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	10.1977	1.074	10.9523
102 Basic 4-8	.7912	1.000	.7912
103 Basic 9-12	3.2618	1.033	3.3694
113 Grades 9-12 with ESE Services	.5000	1.033	.5165
130 ESOL	(12.0573)	1.124	(13.5524)
255 ESE Support Level 5	(4.8134)	4.854	(23.3642)
300 Career Education 9-12	<u>(.5600)</u>	1.050	<u>(.5880)</u>
Total	<u>(2.6800)</u>		<u>(21.8752)</u>

¹ See NOTE A6.

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Okeechobee 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, 2010

<u>No. Program</u>	<u>District- Wide</u>	<u>Audit Adjustments¹</u>		<u>Balance Forward</u>
		<u>#0031</u>	<u>#0101</u>	
101 Basic K-3	.....	1.6736	.....	1.6736
102 Basic 4-8	.0500	.....	.....	.0500
103 Basic 9-12	.....	.....	3.2618	3.2618
113 Grades 9-12 with ESE Services	.....	.....	.5000	.5000
130 ESOL	(.0500)	(1.6736)	(1.0684)	(2.7920)
255 ESE Support Level 5	.....	.....	(4.4434)	(4.4434)
300 Career Education 9-12	.....	.....	(.5600)	(.5600)
Total	<u>.0000</u>	<u>.0000</u>	<u>(2.3100)</u>	<u>(2.3100)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okeechobee 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, 2010

Program No.	Brought Forward	Audit Adjustments¹			Total
		#0112	#0161	#0181	
101	1.6736	1.5000	4.1594	2.8647	10.1977
102	.0500	.....	.6474	.0938	.7912
103	3.2618	.....	.....	.....	3.2618
113	.5000	.....	.....	.....	.5000
130	(2.7920)	(1.5000)	(4.8068)	(2.9585)	(12.0573)
255	(4.4434)	.....	.....	(.3700)	(4.8134)
300	(.5600)	.....	.....	.....	(.5600)
Total	<u>(2.3100)</u>	<u>.0000</u>	<u>.0000</u>	<u>(.3700)</u>	<u>(2.6800)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Okeechobee 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, 2010

Overview

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. Except for material noncompliance involving reporting errors or records that were not properly and accurately prepared or were missing and could not be located for students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), the Okeechobee 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, 2010. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 17.

Findings

**Net Audit
 Adjustments
 (Unweighted FTE)**

Our examination included the July and October 2009 surveys and the February and June 2010 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2009 survey or the February 2010 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

District-Wide

Ineligible Courses Reported in ESOL

1. [Ref. 149] Our examination procedures included an automated test that compared the course numbers reported in ESOL by the District to the courses that were designated for that program by the Department of Education. The results of this test disclosed that one of the District's schools incorrectly reported one Career Education 9-12 course in ESOL that was ineligible for such reporting. We made the following audit adjustment:

102 Basic 4-8	.0500	
130 ESOL	(.0500)	<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee 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, 2010

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Central Elementary School (#0031)

2. [Ref. 3101] The English language proficiency of one student, who began a fourth year in ESOL in November 2009, was prematurely assessed in April 2009. Assessments to support ESOL placements for a fourth, fifth, or sixth year should be conducted just prior to the anniversary date of a student’s initial ESOL placement. In this case, the student’s anniversary date was in November 2009. We made the following audit adjustment:

101 Basic K-3	.5000	
130 ESOL	<u>(.5000)</u>	.0000

3. [Ref. 3170] One teacher in the October 2009 survey was appropriately approved by the School Board to teach ELL students out of field; however, the parents of the students taught by this teacher were not notified of the teacher’s out-of-field status until February 5, 2010. We made the following audit adjustment:

101 Basic K-3	1.1736	
130 ESOL	<u>(1.1736)</u>	.0000
		<u>.0000</u>

Okeechobee High School (#0101)

4. [Ref. 10101] The English language proficiency of two students, who began their fifth year in ESOL in November 2009 and January 2010, respectively, was prematurely assessed in April 2009. Assessments to support ESOL placements for a fourth, fifth, or sixth year should be conducted just prior to the anniversary date of a student’s initial ESOL placement. In this case, the students’ anniversary dates were in November 2009 and January 2010, respectively. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee 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, 2010

Findings	Net Audit Adjustments (Unweighted FTE)	
Okeechobee High School (#0101) (Continued)		
103 Basic 9-12	.8284	
130 ESOL	(.8284)	.0000
5. [Ref. 10102] <u>One ELL student was beyond the maximum six-year period allowed for State funding of ESOL. We made the following audit adjustment:</u>		
103 Basic 9-12	.2400	
130 ESOL	(.2400)	.0000
6. [Ref. 10103] <u>The homebound instructors' contact logs for two students who were reported for instructional time in the Hospital and Homebound program indicated that no homebound instruction was provided during the reporting survey. We made the following audit adjustment:</u>		
255 ESE Support Level 5	(.1600)	(.1600)
7. [Ref. 10104] <u>The homebound instructors' contact logs for five students in the Hospital and Homebound program indicated that the students were provided less instructional time than was reported by the District. We made the following audit adjustment:</u>		
255 ESE Support Level 5	(.5100)	(.5100)
8. [Ref. 10105] <u>Two students were reported incorrectly in program No. 255 (ESE Support Level 5) for instruction in the Hospital and Homebound program. The students were provided only on-campus instruction during the reporting surveys and should have been reported in program No. 103 (Basic 9-12). We made the following audit adjustment:</u>		
103 Basic 9-12	1.8534	
255 ESE Support Level 5	(1.8534)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee 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, 2010

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Okeechobee High School (#0101) (Continued)

9. [Ref. 10106] One student in the Hospital and Homebound program was reported incorrectly for .5000 FTE in the October 2009 and February 2010 surveys. The homebound instructor's contact log for the October 2009 survey indicated that only one hour of instruction (or .0200 FTE) was provided to the student. We also noted that the student was dismissed from the Hospital and Homebound program in November 2009 and should have been reported in program Nos. 103 (Basic 9-12) and 300 (Career Education 9-12) in the February 2010 survey. We made the following audit adjustment:

103 Basic 9-12	.4200	
255 ESE Support Level 5	(.9800)	
300 Career Education 9-12	<u>.0800</u>	(.4800)

10. [Ref. 10107] The reported course schedule for one ESE student in the Hospital and Hospital Homebound program incorrectly included an on-campus course the student did not attend. We made the following audit adjustment:

103 Basic 9-12	(.0800)	(.0800)
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11. [Ref. 10108] One student was reported incorrectly for .5000 FTE in the Hospital and Homebound program. The homebound instructor's contact log indicated that only three hours of instruction (or .0600 FTE) were provided to the student. We made the following audit adjustment:

255 ESE Support Level 5	(.4400)	(.4400)
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The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee 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, 2010

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Okeechobee High School (#0101) (Continued)

12. [Ref. 10109] One ESE student was incorrectly reported in program No. 255 (ESE Support Level 5) for instruction in the Hospital and Homebound program. We noted that the student's Physician's Statement indicated the student would return to school on February 8, 2010, and the homebound instructor's log indicated that homebound instruction was not provided to the student during the February 2010 survey. We made the following audit adjustment:

113 Grades 9-12 with ESE Services	.5000	
255 ESE Support Level 5	<u>(.5000)</u>	.0000

13. [Ref. 10110] We noted the following exceptions involving five Career Education 9-12 (OJT) students: (a) the timecards for the October 2009 survey for four students were not signed by the students' supervisors and the timecards for the February 2010 survey for three of these four students were missing and could not be located, and (b) the timecard for one student in the February 2010 survey was missing and could not be located. We made the following audit adjustment:

300 Career Education 9-12	<u>(.6400)</u>	<u>(.6400)</u>
		<u>(2.3100)</u>

South Elementary School (#0112)

14. [Ref. 11201] The ELL Student Plan for one student was not reviewed and updated for the 2009-10 school year; consequently, the student's ESOL reporting was not adequately supported. We made the following audit adjustment:

101 Basic K-3	.5000	
130 ESOL	<u>(.5000)</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee 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, 2010

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

South Elementary School (#0112) (Continued)

15. [Ref. 11202] The ELL Committee for one student who was FES and a Competent English Reader and Writer did not consider at least two of the five ESOL placement criteria specified in State Board of Education Rule 6A-6.0902(2)(a)3., Florida Administrative Code, prior to recommending the student's continued placement in ESOL. We made the following audit adjustment:

101 Basic K-3	1.0000	
130 ESOL	(1.0000)	.0000
		.0000

North Elementary School (#0161)

16. [Ref. 16101] We noted the following exceptions involving four students in ESOL: (a) the ELL Student Plans for two students were not reviewed and updated for the 2009-10 school year; (b) the ELL Student Plan for one student was not dated; and (c) one student's ESOL placement was continued for a sixth year beginning in January 2010, based on a premature assessment conducted in April 2009. Assessments to support ESOL placements for a fourth, fifth, or sixth year should be conducted just prior to the anniversary date of a student's initial ESOL placement. We made the following audit adjustment:

101 Basic K-3	1.8546	
102 Basic 4-8	.5000	
130 ESOL	(2.3546)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee 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, 2010

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

North Elementary School (#0161) (Continued)

17. [Ref. 16102] The School incorrectly used course No. 5010050 (Elementary Reading) to report one Art course, one Computer Lab course, and one Media Arts course and identified those individual courses by use of the following Section codes: E for Art, L for Computer Lab, and M for Media Arts. The Computer Lab course and the Media Arts course should have been reported using course No. 5002000 (Introduction to Computers) and the Art course should have been reported using course No. 5001000 (Elementary Art). The courses were taught to classes that included ELL students who were reported in ESOL using course No. 5010050 (Elementary Reading) and the aforementioned Section codes; however, Art is not eligible for ESOL funding and the ELL students who were reported in program No. 130 (ESOL) using the Art Section code should have been reported in program Nos. 101 (Basic K-3) or 102 (Basic 4-8) instead. We made the following audit adjustment:

101 Basic K-3	2.3048	
102 Basic 4-8	.1474	
130 ESOL	<u>(2.4522)</u>	<u>.0000</u>
		<u>.0000</u>

Seminole Elementary School (#0181)

18. [Ref. 18102] The ELL Committee for one former ELL student did not consider at least two of the five criteria specified in State Board of Education Rule 6A-6.0902(2)(a)3., Florida Administrative Code, prior to recommending the student's reclassification into ESOL. We made the following audit adjustment:

101 Basic K-3	.5000	
130 ESOL	<u>(.5000)</u>	<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okeechobee 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, 2010

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Seminole Elementary School (#0181) (Continued)

19. [Ref. 18103] Two students in the Hospital and Homebound program were reported for more homebound instruction than was provided. We made the following audit adjustment:

255 ESE Support Level 5	(.3700)	(.3700)
-------------------------	---------	---------

20. [Ref. 18104] The School incorrectly used course No. 5010050 (Elementary Reading) to report one Art course, one Computer Lab course, and one Media Arts course and identified those individual courses by use of the following Section codes: E for Art, L for Computer Lab, and M for Media Arts. The Computer Lab course and the Media Arts course should have been reported using course No. 5002000 (Introduction to Computers) and the Art course should have been reported using course No. 5001000 (Elementary Art). The courses were taught to classes that included ELL students who were reported in ESOL using course No. 5010050 (Elementary Reading) and the aforementioned Section codes; however, Art is not eligible for ESOL funding and the ELL students who were reported in program No. 130 (ESOL) using the Art Section code should have been reported in program Nos. 101 (Basic K-3) or 102 (Basic 4-8) instead. We made the following audit adjustment:

101 Basic K-3	2.3647	
102 Basic 4-8	.0938	
130 ESOL	(<u>2.4585</u>)	.0000
		(<u>.3700</u>)
		(<u>2.6800</u>)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Okeechobee 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, 2010

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) students are reported in the proper funding categories and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE; (2) ELL Committees consider at least two of the five ESOL placement criteria specified in Rule 6A-6.0902(2)(a)3., Florida Administrative Code, when making ESOL placement recommendations; (3) timecards for students in Career Education 9-12 (OJT) are properly completed and maintained in readily accessible files; (4) parents are appropriately notified when their children are assigned to out-of-field teachers; and (5) courses are reported using the appropriate course numbers and only ESOL-eligible courses are reported in ESOL.

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 2009-10

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Okeechobee 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, 2010

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-6.0903, F.A.C.Requirement for Classification, Reclassification, and Post Reclassification 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 2009-10

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Okeechobee 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, 2010

Regulatory Citations (Continued)

Teacher Certification

- Section 1012.42(2), F.S. Teacher Teaching Out-of-Field; Notification Requirements
- Section 1012.55, F.S. Positions for Which Certificates Required
- Rule 6A-1.0502, F.A.C. Non-certificated Instructional Personnel
- Rule 6A-1.0503, F.A.C. Definition of Qualified Instructional Personnel
- Rule 6A-4.001, F.A.C. Instructional Personnel Certification
- 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.

Okeechobee County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

NOTE A - SUMMARY

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

1. School District of Okeechobee County

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

For the fiscal year ended June 30, 2010, the District operated 15 schools serving prekindergarten through twelfth grade students, reported 6,908.64 unweighted FTE for those students, and received approximately \$25 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 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 an educational environment appropriate to the student's 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.

Okeechobee County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

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 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 2009-10 school year were conducted during and for the following weeks: survey one was performed for July 13 through 17, 2009; survey two was performed for October 12 through 16, 2009; survey three was performed for February 8 through 12, 2010; and survey four was performed for June 14 through 18, 2010.

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2010

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

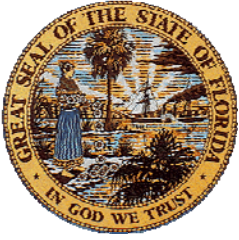
NOTE B - SAMPLING

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, 2010. 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:

Okeechobee County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2010

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
District-Wide – Ineligible Courses Reported in ESOL	1
1. Central Elementary School	2 and 3
2. Okeechobee High School	4 through 13
3. South Elementary School	14 and 15
4. North Elementary School	16 and 17
5. Seminole Elementary School	18 through 20
6. Okeechobee Juvenile Justice Center	NA



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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 OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated August 12, 2010, that the Okeechobee 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, 2010. 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 Okeechobee 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, 2010.

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.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 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.

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
January 12, 2011

SCHEDULE F

Okeechobee County District School Board
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2010

<u>Description</u>	<u>Number of Vehicles</u>	<u>% of Population</u>	<u>No. of Students Transported</u>	<u>% of Population (Sample)</u>
Population ¹	105	100.00%	7,822	100.00%
Sample ²	-	-	248	3.17%
<u>Sample Students</u>				
With Exceptions ³	-	-	3	(1.2%)
Net Audit Adjustments	-	-	0	(0.00%)
<u>Non-Sample Students</u>				
With Exceptions ³	-	-	7	NM
Net Audit Adjustments	-	-	1	NM
<u>Sample and Non-Sample Students</u>				
Net Audit Adjustments	-	-	1	NM

NM – Not meaningful

¹ The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2010. The District reported 7,822 students in the following ridership categories: 141 in IDEA (K-12), Weighted; 56 in IDEA (PK), Weighted; 54 in IDEA (PK), Unweighted; 32 in Teenage Parents and Infants; 716 in Hazardous Walking; 6,809 in Two Miles or More; 7 in Center to Center (IDEA), Unweighted; and 7 in Center to Center (Vocational and Dual Enrollment). The District also reported operating a total of 105 buses. (IDEA stands for Individuals with Disabilities Education Act.)

² See NOTE B.

³ Students with exceptions are students with exceptions affecting their ridership classification. Students cited only for incorrect reporting of days-in-term in Finding No. 1 are not included.

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Okeechobee County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2010

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 Okeechobee 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, 2010. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 31.

**Students
 Transported
 Net Audit
Adjustments**

Findings

Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey. Our detailed tests involved verification of the specific ridership categories reported for students sampled from the October 2009 survey, and the February and June 2010 surveys. (The District did not provide student transportation services during the school term covered by the July 2009 survey.) 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 2009 survey and once for the February 2010 survey) will be presented in our findings as two sample students.

1. [Ref. 52] Two PK students were reported incorrectly for 90 days-in-term. One student was transported one day per week and should have been reported for an 18-day term and the other student was transported two days per week and should have been reported for a 36-day term. We made the following audit adjustment:

<u>February 2010 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (PK), Unweighted	(2)	
<u>36 Days-in-Term</u>		
IDEA (PK), Unweighted	1	
<u>18 Days-in-Term</u>		
IDEA (PK), Unweighted	1	0

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Okeechobee County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2010

**Students
 Transported
 Net Audit
 Adjustments**

Findings

2. [Ref. 51] One student was reported incorrectly in IDEA (K-12), Weighted. The student did not meet at least one of the five eligibility criteria specified for classification in an IDEA-weighted ridership category. However, we noted that the student lived more than two miles from school and was eligible to be reported in Two Miles or More. We made the following audit adjustment:

October 2009 Survey

90 Days-in-Term

IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	
Two Miles or More (<i>Sample Student</i>)	<u>1</u>	0

3. [Ref. 53] The reporting of one ESE/SLD student in IDEA (K-12), Weighted was not adequately supported. The student's IEP indicated that the student needed an aide while being transported to school (one of the five eligibility criteria specified for classification in an IDEA-weighted ridership category) but did not explain why the student's SLD exceptionality justified that aide. We noted that the student lived more than two miles from school and was eligible to be reported in Two Miles or More. We made the following audit adjustment:

October 2009 Survey

90 Days-in-Term

IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	
Two Miles or More (<i>Sample Student</i>)	<u>1</u>	0

4. [Ref. 54] One student was reported incorrectly in Hazardous Walking. We noted that the student lived more than two miles from school and was eligible to be reported in Two Miles or More. We made the following audit adjustment:

February 2010 Survey

90 Days-in-Term

Hazardous Walking (<i>Sample Student</i>)	(1)	
Two Miles or More (<i>Sample Student</i>)	<u>1</u>	0

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Okeechobee County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2010

**Students
 Transported
 Net Audit
 Adjustments**

Findings

5. [Ref. 55] We noted the following exceptions involving seven non-sample Gifted students: one was reported incorrectly in Hazardous Walking, five were reported incorrectly in Two Miles or More, and one was eligible to be reported for State transportation funding but was not reported for such funding. All seven of these students should have been reported in Center to Center (IDEA). We made the following audit adjustment:

October 2009 Survey

18 Days-in-Term

Hazardous Walking (<i>Non-Sample Student</i>)	(1)	
Two Miles or More (<i>Non-Sample Students</i>)	(5)	
Center to Center (IDEA), Unweighted (<i>Non-Sample Students</i>)	<u>7</u>	<u>1</u>

Net Audit Adjustments 1

Summary

Sample Students w/Exceptions	<u>3</u>	--
Sample Students - Net Audit Adjustments	--	0
Non-Sample Students w/Exceptions	<u>7</u>	--
Non-Sample Students - Net Audit Adjustments	--	<u>1</u>

Net Audit Adjustments 1

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Okeechobee County District School Board
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2010

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of days-in-term is accurately reported; (2) transported students are reported in the appropriate ridership categories; and (3) only ESE students who are properly classified and documented as disabled are reported in IDEA ridership categories and their need for weighted transportation services, if any, is clearly justified on their IEPs based on their ESE classifications.

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.

Okeechobee County District School Board
 Student Transportation
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2010

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 ESE student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes.

2. Transportation in Okeechobee County

For the fiscal year ended June 30, 2010, the District received approximately \$1.65 million 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 2009	0	0
October 2009	50	3,858
February 2010	50	3,908
June 2010	<u>5</u>	<u>56</u>
Total	<u>105</u>	<u>7,822</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

Okeechobee County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

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, 2010. 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**

Superintendent
Patricia G. Cooper,
Ed.D.



School District of Okeechobee County

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January 10, 2011

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

Attention: Joe Williams, Section 241

RE: Reply to the Report on the examination of full-time equivalent (FTE) students and student transportation, as reported by the Okeechobee County District School Board for the fiscal year ended June 30, 2010.

Dear Mr. Martin,

The following explanation is in response to the preliminary and tentative audit findings of full-time equivalent (FTE) students and student transportation and recommendations for the Okeechobee County School Board for the fiscal year ended June 30, 2010. We are in agreement with the findings and have implemented strategies for corrective action.

Full-Time Equivalent (FTE) Students

Recommendation 1 – Students are reported in the proper funding categories and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE. [Ref. 10102, 10103, 10104, 10105, 10106, 10107, 10108, 10109, 11201, 16101, 18103]

Management will require each school to retain accurate documentation, including the student assessment, to justify the placement of Limited English Proficient (LEP) students and verify they are within the maximum period allowed for funding in FEFP Program 130. Additionally, management will require each school to obtain and retain parental approval for placement.

Management will require each school to certify that each homebound student is correctly reported and an accurate log is maintained to provide supporting documentation.

Recommendation 2 – ELL Committees consider at least two of the five ESOL placement criteria specified in Rule 6A-6.0902(2)(a)3., Florida Administrative Code, when making ESOL placement recommendations. [Ref. 3101, 10101, 11202, 18102]

Management will review the exit criteria with guidance and administration at each school site.

EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

Recommendation 3 – Timecards for students in Career Education 9-12 (OJT) are properly completed and maintained in readily accessible files. [Ref. 10110]

Management will require secondary schools that provide On-The-Job Training to report the courses accurately, obtain completed and signed student timecards and to keep them in an accessible file.

Recommendation 4 – Parents are appropriately notified when their children are assigned to out-of-field teachers. [Ref. 3170]

Management will review with the School Principals the current method of providing school newsletters to all parents. The school newsletter provides names of out-of-field instructional personnel and courses being taught. The notification is sent prior to each FTE survey period. Also, will require Principals to include names of instructional personnel who are providing primary language arts to Limited English Proficient students and have not met their required in-service points be listed with the status of their points.

Recommendation 5 – Courses are reported using the appropriate course numbers and only ESOL-eligible courses are reported in ESOL. [Ref.149, 16102, 18104]

Management will review FTE documents making sure that only ESOL eligible courses are reported for ESOL weighted funding.

Transportation

Recommendation 1 – The number of days-in-term are accurately reported. [Ref. 52]

Management will require the Transportation department to verify and report accurate number of days-in-term for students in ridership.

Recommendation 2 – Transported students are reported in appropriate ridership categories. [Ref. 51, 54]

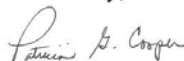
Management will require the Supervisor of Transportation to review and certify student ridership categories.

Recommendation 3 – Only ESE students who are properly classified and documented as disabled are reported in IDEA ridership categories and their need for weighted transportation services, if any, is clearly justified on their IEPs based on their ESE classifications. [Ref. 53, 55]

Management will require the Supervisor of Transportation to certify the eligibility of ESE students for IDEA ridership categories.

Okeechobee County District Schools would like to extend our appreciation for the timeliness, professionalism and assistance provided to us by Ms. Pamela Kelly. If additional information is required, please contact Mr. Ken Kenworthy, Assistant Superintendent, at (863) 462-5000 Ext. 261.

Sincerely,



Patricia G. Cooper, Ed.D.
Superintendent of Schools

cc: Mr. Joe Williams, Audit Manager

Okeechobee County Schools: Achieving Excellence!