

**UNION COUNTY
DISTRICT SCHOOL BOARD**

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2011



BOARD MEMBERS AND SUPERINTENDENT

Union County District School Board members and the Superintendent of Schools who served during the 2010-11 fiscal year are listed below:

<u>Member</u>	<u>District No.</u>
Randall A. Parrish, Vice Chair to 11-15-10, Chair from 11-16-10	1
Alvin A. Griffis, Vice Chair from 11-16-10	2
Marsan H. Carr, Chair to 11-15-10	3
Curtis L. Clyatt from 11-16-10	3
Sandra R. Floyd to 2-11-11 (Deceased)	4
Rebekah G. Raulerson from 6-22-11 (1)	4
George W. Green, Jr., to 11-15-10	5
Terra Thomas Johnson from 11-16-10	5

Carlton Faulk, Superintendent

Note: (1) Board member Raulerson was appointed on June 22, 2011, to fill the remainder of Sandra R. Floyd's term.

The examination team leader was Jeremy A. Riggins, CPA, and the examination was supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Nancy M. Reeder, CPA, CISA, CFE, Audit Manager, by e-mail at nancyreeder@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.

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

LIST OF ABBREVIATIONS

For the Fiscal Year Ended June 30, 2011

ELL	English Language Learner
EP	Educational Plan
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
F.A.C.	Florida Administrative Code
F.S.	Florida Statutes
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Plan
OJT	On-the-Job Training
PK	Prekindergarten

Union County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2011

	PAGE NO.
EXECUTIVE SUMMARY	i
FULL-TIME EQUIVALENT (FTE) STUDENTS	
Independent Auditor’s Report.....	1
Schedule A – Populations, Samples, and Test Results.....	4
Schedule B – Effect of Proposed Adjustments on Weighted FTE.....	6
Schedule C – Proposed Adjustments by School.....	7
Schedule D – Findings and Proposed Adjustments.....	8
Schedule E – Recommendations and Regulatory Citations.....	11
Notes to Schedules.....	14
STUDENT TRANSPORTATION	
Independent Auditor’s Report.....	18
Schedule F – Populations, Samples, and Test Results.....	21
Schedule G – Findings and Proposed Adjustments.....	23
Schedule H – Recommendations and Regulatory Citations.....	26
Notes to Schedules.....	27
MANAGEMENT’S RESPONSE	
Exhibit A – Management’s Response.....	29

EXECUTIVE SUMMARY

Summary of Attestation Examination

Except for the material noncompliance mentioned below involving student transportation, the Union 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, 2011.

- Of the 114 students in our student transportation sample, 20 had exceptions involving their reported ridership classification or eligibility for State transportation funding.

Noncompliance related to reported FTE resulted in 4 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to .0000 but has a potential impact on the District's weighted FTE of a negative 1.2954. Noncompliance related to student transportation resulted in 6 findings and a proposed net adjustment of a negative 14 students.

Weighted adjustments to FTE are presented in our report for illustrative purposes only. The weighted adjustments to FTE do not take special program caps and allocation factors into account and are not intended to indicate the weighted FTE used to compute the dollar value of adjustments. That computation is the responsibility of the Department of Education (DOE). However, the gross dollar effect of our proposed adjustments to FTE may be estimated by multiplying the proposed net weighted adjustment to FTE by the base student allocation amount. For the Union County District School Board, the estimated gross dollar effect of our proposed adjustments to reported FTE is a negative \$4,694 (negative 1.2954 times \$3,623.76).

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

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

School District of Union County

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

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. For the fiscal year ended June 30, 2011, the District operated five schools serving prekindergarten through twelfth grade students, reported 2,204.08 unweighted FTE for those students, and received approximately \$10.7 million in State funding through FEFP.

Florida Education Finance Program (FEFP)

Full-Time Equivalent (FTE) Students

Florida school districts receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of programs and services appropriate to the student's educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors. To provide equalization of educational opportunity in Florida, the FEFP formula recognizes: (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per-student cost for equivalent educational programs due to sparsity and dispersion of student population. The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an unweighted FTE (full-time equivalent) student. For example, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE).

Student Transportation

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live two or more miles from school, be physically handicapped, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or is on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes. The District received approximately \$490,000 for student transportation as part of the State funding through FEFP.



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 UNION COUNTY DISTRICT SCHOOL BOARD FLORIDA EDUCATION FINANCE PROGRAM (FEFP) FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated November 4, 2011, that the Union 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, 2011. 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 Union 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, 2011.

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

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 determination and reporting of FTE. The findings, populations, samples, and exception totals that pertain to noncompliance are presented in SCHEDULES A and D.

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

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
April 10, 2012

SCHEDULE A

Union 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, 2011

Reported FTE

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. FEFP funds ten specific programs that are grouped under the following four general program titles: Basic, ESOL, ESE, and Career Education 9-12. Unweighted FTE represents FTE prior to the application of the specific cost factor for each program. (See SCHEDULE B and NOTES A3, A4, and A6.) The District reported 2,204.08 unweighted FTE at five schools to the Department of Education for the fiscal year ended June 30, 2011.

Schools and Students

As part of our examination procedures, we sampled schools and students for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2011. (See NOTE B.) The population of schools (five) consisted of the total number of schools in the District that offered courses in FEFP-funded programs. The population of students (2,432) consisted of the total number of students in each Program at the schools in our samples. Our Career Education 9-12 data includes only those students who participated in OJT. Our populations and samples of schools and students are summarized as follows:

<u>Programs</u>	<u>Number of Schools</u>		<u>Number of Students</u>		Students with <u>Exceptions</u>	<u>Unweighted FTE</u>		Proposed <u>Adjustments</u>
	<u>Population</u>	<u>Sample</u>	<u>Population</u>	<u>Sample</u>		<u>Population</u>	<u>Sample</u>	
Basic	5	4	1,936	39	0	1,696.6300	32.5860	8.3866
Basic with ESE Services	5	4	485	26	1	413.4000	19.0663	.5784
ESOL	0	0	0	0	0	.0000	.0000	.0000
ESE Support Levels 4 and 5	3	3	11	11	1	10.4700	9.4715	(.5000)
Career Education 9-12	3	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>83.5800</u>	<u>.0000</u>	<u>(8.4650)</u>
All Programs	5	4	<u>2,432</u>	<u>76</u>	<u>2</u>	<u>2,204.0800</u>	<u>61.1238</u>	<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Union 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, 2011

Teachers

We also sampled teachers as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (42) consisted of the total number of teachers at schools in our sample who taught courses in ESE Support Levels 4 and 5 or Career Education 9-12 (OJT) or taught courses to ELL students. From the population of teachers, we sampled 16 and found an exception for 1 of those teachers.

Proposed Adjustments

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Union County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
 For the Fiscal Year Ended June 30, 2011

<u>No. Program</u> ¹	<u>Proposed Net Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
102 Basic 4-8	(.0784)	1.000	(.0784)
103 Basic 9-12	8.4650	1.031	8.7274
112 Grades 4-8 with ESE Services	.5784	1.000	.5784
254 ESE Support Level 4	(.5000)	3.523	(1.7615)
300 Career Education 9-12	<u>(8.4650)</u>	1.035	<u>(8.7613)</u>
Total	<u>.0000</u>		<u>(1.2954)</u>

¹ See NOTE A6.

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Union County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2011

<u>No. Program</u>	<u>Proposed Adjustments¹</u>			<u>Total</u>
	<u>#0021</u>	<u>#0022</u>	<u>#0031</u>	
102 Basic 4-8	.....	.....	(.0784)	(.0784)
103 Basic 9-12	8.4650	.....	.....	8.4650
112 Grades 4-8 with ESE Services	.....	.5000	.0784	.5784
254 ESE Support Level 4	.....	(.5000)	.....	(.5000)
300 Career Education 9-12	<u>(8.4650)</u>	.....	.....	<u>(8.4650)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Union County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2011

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 Union 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, 2011. All noncompliance disclosed by our examination procedures is discussed below and requires management’s attention and action, as recommended on page 11.

Findings

**Proposed Net
 Adjustments
(Unweighted FTE)**

Our examination included the July and October 2010 surveys and the February and June 2011 surveys (see NOTE A5). Unless otherwise specifically stated, the Findings and proposed adjustments presented herein are for the October 2010 survey or the February 2011 survey or both. Accordingly, our Findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Union County High School (#0021)

1. [Ref. 2170] One teacher was not properly certified and was not approved by the School Board to teach out of field. We also noted that the parents of the students were not notified of the teacher’s out-of-field status. The teacher held a District-issued certificate in Carpentry from Osceola County; however, the teacher was providing instruction in Union County requiring a District-issued certificate from Union County and was not otherwise certified to teach Industrial Arts. We propose the following adjustment:

103 Basic 9-12	8.3800	
300 Career Education 9-12	<u>(8.3800)</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Union County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2011

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings

Union County High School (#0021) (Continued)

2. [Ref. 2171] During our tests of teacher certification, we noted that, because of a data error, one teacher was incorrectly reported as teaching course No. 8500140 (Career Discovery). We determined that the actual course being taught was course No. 1700380 (Career Research and Decision Making) that is not a Career Education course and not eligible to be reported in Program No. 300 (Career Education 9-12). We propose the following adjustment:

103 Basic 9-12	.0850	
300 Career Education 9-12	<u>(.0850)</u>	<u>.0000</u>
		<u>.0000</u>

Lake Butler Middle School (#0022)

3. [Ref. 2201] One ESE student was not reported in accordance with the student’s Matrix of Services form for the October 2010 survey. We propose the following adjustment:

112 Grades 4-8 with ESE Services	.5000	
254 ESE Support Level 4	<u>(.5000)</u>	<u>.0000</u>
		<u>.0000</u>

Lake Butler Elementary School (#0031)

4. [Ref. 3101] The course schedule for one ESE student incorrectly included a portion of the student’s instructional time in Program No. 102 (Basic 4-8). The course schedules for ESE students should be reported entirely in ESE. We propose the following adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Union County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2011

<u>Findings</u>	Proposed Net Adjustments (Unweighted FTE)
<u>Lake Butler Elementary School (#0031)</u> (Continued)	
102 Basic 4-8	(.0784)
112 Grades 4-8 with ESE Services	<u>.0784</u>
	<u>.0000</u>
	<u>.0000</u>
Proposed Net Adjustment	<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Union 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, 2011

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) ESE students are reported in accordance with their *Matrix of Services* forms; (2) ESE student schedules are reported entirely in ESE programs; (3) teachers are appropriately certified by the District in which they teach; and (4) courses are accurately assigned and reported in the correct funding categories.

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. Florida Education Finance Program Student Membership Surveys
- Rule 6A-1.04513, F.A.C. Maintaining Auditable FTE Records
- FTE General Instructions 2010-11*

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 2010-11*
- Comprehensive Management Information System: Automated Student Attendance Recordkeeping System*

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Union 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, 2011

Regulatory Citations (Continued)

English for Speakers of Other Languages (ESOL) (Continued)

- 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

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 2010-11*

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
- Matrix of Services Handbook (2004 Revised Edition)*

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Union 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, 2011

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.

Union County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2011

NOTE A – SUMMARY

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

1. School District of Union County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Union County, Florida. Those services are provided primarily to prekindergarten through twelfth grade students and to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Union County.

For the fiscal year ended June 30, 2011, the District operated five schools serving prekindergarten through twelfth grade students, reported 2,204.08 unweighted FTE, and received approximately \$10.7 million in State funding through FEFP. The primary sources of funding for the District are funds from FEFP, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of programs and services appropriate to the student's educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors. To provide equalization of educational opportunity in Florida, the FEFP formula recognizes: (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per-student cost for equivalent educational programs due to sparsity and dispersion of student population.

Union County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2011

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

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

4. Calculation of FEFP Funds

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

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys that are conducted under the direction of district and school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2010-11 school year were conducted during and for the following weeks: survey one was performed for July 12 through 16, 2010; survey two was performed for October 11 through 15, 2010; survey three was performed for February 7 through 11, 2011; and survey four was performed for June 13 through 17, 2011.

Union County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2011

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 judgmental methods for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2011. 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:

Union County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2011

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Union County High School	1 and 2
2. Lake Butler Middle School	3
3. Lake Butler Elementary School	4
4. Union Juvenile Residential Facility	NA



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 UNION COUNTY DISTRICT SCHOOL BOARD FLORIDA EDUCATION FINANCE PROGRAM (FEFP) STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated November 4, 2011, that the Union 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, 2011. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Compliance

Our examination procedures disclosed material noncompliance with the District's reported student ridership data as follows: 20 of the 114 students in our sample had exceptions involving their reported ridership classification or eligibility for State transportation funding. (See SCHEDULE G, Finding Nos. 3 through 6.)

In our opinion, except for the material noncompliance mentioned above involving their reported ridership classification or eligibility for State transportation funding, the Union 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, 2011.

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 G. The impact of this noncompliance on the District's reported number of transported students is presented in SCHEDULES F and G.

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.¹ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to their reported ridership classification or eligibility for State transportation funding. Other noncompliance disclosed by our examination procedures is indicative of control deficiencies¹ and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULES F and G.

¹ *A control deficiency* in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the aforementioned State requirements such that there is more than a remote likelihood that noncompliance that is more than inconsequential will not be prevented or detected by the entity's internal control. *A material weakness* is a significant deficiency, or combination of significant deficiencies, that results in a more-than-remote likelihood that material noncompliance will not be prevented or detected by the entity's internal control.

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

Pursuant to Section 11.45(4)(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
April 10, 2012

SCHEDULE F

Union County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2011

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

As part of our examination procedures, we sampled students for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2011. (See NOTE B.) The population of vehicles (39) consisted of the total of the numbers of vehicles reported by the District for each survey. For example, a vehicle that transported students during the October 2010 and February 2011 surveys would be counted in the population as two vehicles. Similarly, the population of students (2,359) consisted of the total numbers of students reported by the District as having been transported for each survey. (See NOTE A2.) The District reported students in the following ridership categories:

<u>Ridership Category</u>	<u>Number of Students Transported</u>
IDEA (K-12), Weighted	51
IDEA (PK), Weighted	2
IDEA (PK), Unweighted	6
Teenage Parents and Infants	1
Two Miles or More	<u>2,299</u>
Total	<u>2,359</u>

Students with exceptions are students with exceptions affecting their ridership category. Students cited only for incorrect reporting of days in term, if any, are not included. (See Finding No. 2)

The accompanying notes are an integral part of this schedule.

SCHEDULE F (Continued)

Union County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2011

Our examination results are summarized below:

<u>Description</u>	<u>Buses</u>	<u>Students</u>	
	Proposed Net <u>Adjustment</u>	With Exceptions	Proposed Net <u>Adjustment</u>
We noted that the reported number of buses in operation was overstated.	(1)		
We sampled 114 of the 2,359 students reported as being transported by the District.	-	<u>20</u>	<u>(14)</u>
Totals	<u>(1)</u>	<u>20</u>	<u>(14)</u>

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Union County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2011

Overview

Management is responsible for determining and reporting the number of students transported in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. Except for the material noncompliance involving their reported ridership classification or eligibility for State transportation funding, the Union 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, 2011. All noncompliance disclosed by our examination procedures is discussed below and requires management’s attention and action, as recommended on page 26.

**Students
 Transported
 Proposed Net
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 2010 survey and the February 2011 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 2010 survey and once for the February 2011 survey) will be presented in our Findings as two sample students.

1. [Ref. 51] The reported number of buses in operation in the October 2010 survey was overstated by one bus. We propose the following adjustment:

October 2010 Survey

Number of Buses in Operation (1)

—

2. [Ref. 52] The number of days in term was reported incorrectly for one student in the Two Miles or More ridership category in the October 2010 survey. The student was reported for 9 days in term but actually was transported for the full 90-day term. We propose the following adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Union County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2011

**Students
 Transported
 Proposed Net
 Adjustments**

Findings

October 2010 Survey

90 Days-in-Term

Two Miles or More

1

9 Days-in-Term

Two Miles or More

(1)

0

3. [Ref. 53] The IEPs for six students in our sample (four in the IDEA [K-12], Weighted ridership category and two in the IDEA [PK], Weighted ridership category) did not indicate that the students met at least one of the five criteria for IDEA-weighted classification. We noted that all of the above students were eligible for other ridership categories, as follows: four in the Two Miles or More ridership category and two in the IDEA (PK), Unweighted ridership category. We propose the following adjustments:

October 2010 Survey

90 Days-in-Term

IDEA (K-12), Weighted

(1)

IDEA (PK), Weighted

(2)

IDEA (PK), Unweighted

2

Two Miles or More

1

February 2011 Survey

90 Days-in-Term

IDEA (K-12), Weighted

(3)

Two Miles or More

3

0

4. [Ref. 54] Six PK students in our sample (five in the October 2010 survey and one in the February 2011 survey) should not have been reported for State transportation funding as the students were enrolled in a School Readiness Program that was not eligible for State transportation funding. We also noted that two of the five students in the October 2010 survey were not shown on the supporting bus driver's report as having been transported. We propose the following adjustments:

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Union County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2011

<u>Findings</u>	<u>Students Transported</u>	<u>Proposed Net Adjustments</u>
<u>October 2010 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (PK), Unweighted	(5)	
<u>February 2011 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (PK), Unweighted	(1)	(6)
5. [Ref. 55] <u>Two students in our sample reported in the Two Miles or More ridership category during the October 2010 survey were not shown on the supporting bus drivers' reports as having been transported. Consequently, these two students were not eligible for State transportation funding. We propose the following adjustment:</u>		
<u>October 2010 Survey</u>		
<u>90 Days-in-Term</u>		
Two Miles or More	(2)	(2)
6. [Ref. 56] <u>Six students in our sample (three in the October 2010 survey and three in the February 2011 survey) were reported incorrectly in the Two Miles or More ridership category. All the students lived less than two miles from school and were not otherwise eligible for State transportation funding. We propose the following adjustment:</u>		
<u>October 2010 Survey</u>		
<u>90 Days-in-Term</u>		
Two Miles or More	(3)	
<u>February 2011 Survey</u>		
<u>90 Days-in-Term</u>		
Two Miles or More	(3)	(6)
Proposed Net Adjustment		(14)

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Union County District School Board
Florida Education Finance Program (FEFP)
Student Transportation

RECOMMENDATIONS AND REGULATORY CITATIONS

For the Fiscal Year Ended June 30, 2011

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses reported are only those that are in operation during the survey period concerned; (2) students are reported in the correct ridership categories; (3) only those students who ride a bus at least once during the survey periods are reported; (4) only eligible PK students enrolled in ESE Programs are reported for State transportation funding; (5) the distance from home to school is verified prior to students being reported; and (6) only eligible ESE students whose IEPs document one of the five criteria for IDEA-weighted classification are reported in IDEA-weighted ridership categories.

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 2010-11*

The accompanying notes are an integral part of this schedule.

Union County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2011

NOTE A – SUMMARY

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

1. Student Eligibility

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

2. Transportation in Union County

For the fiscal year ended June 30, 2011, the District received approximately \$490,000 for student transportation as part of the State funding through FEFP. The District’s transportation reporting by survey was as follows:

<u>Survey Period</u>	<u>Number of Vehicles</u>	<u>Number of Students</u>
July 2010	0	0
October 2010	20	1,164
February 2011	19	1,195
June 2011	<u>0</u>	<u>0</u>
Total	<u>39</u>	<u>2,359</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

Union County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2011

NOTE B – SAMPLING

Our examination procedures provided for the selection of samples of buses and students using judgmental methods for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2011. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing students transported.

EXHIBIT A
MANAGEMENT'S RESPONSE

THE SCHOOL BOARD OF UNION COUNTY

Carlton Faulk, Superintendent
55 SW 6th Street
Lake Butler, FL 32504
(386) 496-2045 FAX (386) 496-4819

Board Members: Allen Parrish, District 1 Alvin Griffis, District 2 Curtis Clyatt, District 3 Becky Raulerson, District 4 Terra Johnson, District 5

April 9, 2012

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

Dear Mr. Martin:

Please accept the statements below as our official responses to the preliminary and tentative audit findings dated March 15, 2012 for Union County District School Board FEFP FTE and Student Transportation for the fiscal year ending June 30, 2011.

FEFP FTE - Finding No. 1: Union County High School (#0021) – Proper Teacher Certification

District Response: This was the result of oversight and will be corrected. Procedures will be followed to prevent future similar occurrences.

FEFP FTE - Finding No. 2: Union County High School (#0021) - Incorrectly Reported Course

District Response: We concur with the action taken by the auditor.

FEFP FTE - Finding No. 3: Lake Butler Middle School (#0022) – Reporting of ESE Student in Accordance with Matrix of Services.

District Response: We concur with the action taken by the auditor.

FEFP FTE - Finding No. 4: Lake Butler Elementary School (#0031) – Portion of ESE student's Instructional Time Reported in Incorrect Program

District Response: Checks and balances have been put into place to prevent this error from reoccurring.

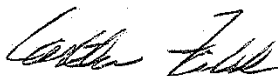
All schools fully accredited by the Southern Association of Colleges and Schools
Affirmative action/equal opportunity employer.

**EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE**

- Transportation - Finding No. 1:** Number of Busses Overstated by One
- District Response:** This was an error by staff and added procedures will guard against future errors.
- Transportation - Finding No. 2:** Incorrect number of days reported in the Two Miles or More ridership category on the October 2010 survey.
- Transportation - Finding No. 3:** IEP's did not indicate criteria for student's classification in the IDEA (PK) and (K-12) Weighted ridership category.
- Transportation - Finding No. 4:** PK students should not have been reported for State transportation funding as the students were enrolled in a School Readiness Program not eligible for State transportation funding.
- Transportation - Finding No. 5:** Students in the Two Miles or More ridership category in the October 2010 survey were not supported by driver's reports.
- Transportation - Finding No. 6:** Students reported incorrectly in the Two Miles or More ridership category when all lived less than two miles and were not eligible.
- District Response to Findings 2 - 6:** District staff has been made aware of the findings and training and procedures will guard against future errors. We concur with the Auditor's position on these findings.

It was a pleasure to work with Mr. Alex Riggins during the course of this audit. If you have any questions or need further assistance please contact me.

Sincerely,



Carlton Faulk
Superintendent
Union County District School Board

Pc: Renae P. Prevatt