

**LEVY COUNTY
DISTRICT SCHOOL BOARD**

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2013



STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

BOARD MEMBERS AND SUPERINTENDENT

Levy County District School Board members and the Superintendent of Schools who served during the 2012-13 fiscal year are listed below:

<u>Member</u>	<u>District No.</u>
Cameron A. Asbell, Vice Chair to 11-19-12, Chair from 11-20-12	1
Elizabeth J. Davis to 11-19-12	2
Christopher A. Cowart from 11-20-12	2
Robert E. Philpot, Vice Chair from 11-20-12	3
Paige S. Brookins, Chair to 11-19-12	4
Rick H. Turner	5

Robert O. Hastings, Superintendent

The examination team leader was Jennifer Taylor, CPA, and the examination was supervised by Aileen B. Peterson, CPA, CPM. Please address inquiries regarding this report to J. David Hughes, CPA, Audit Manager, by e-mail at davidhughes@aud.state.fl.us or by telephone at (850) 412-2971.

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Levy 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, 2013

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

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

SUMMARY OF ATTESTATION EXAMINATION

Except for the material noncompliance described below involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and ESE Support Levels 4 and 5, the Levy 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, 2013:

- Six of the 41 students in our ESOL sample and 10 of the 35 students in our ESE Support Levels 4 and 5 sample had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located.

Noncompliance related to reported FTE resulted in 21 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative 1.3126 but has a potential impact on the District's weighted FTE of a negative 1.2304. Noncompliance related to student transportation resulted in 7 findings and a proposed net adjustment of a negative 15 students.

Weighted adjustments to FTE are presented in our report for illustrative purposes only. The weighted adjustments to FTE do not take special program caps and allocation factors into account and are not intended to indicate the weighted FTE used to compute the dollar value of adjustments. That computation is the responsibility of the Department of Education. However, the gross dollar effect of our proposed adjustments to FTE may be estimated by multiplying the proposed net weighted adjustment to FTE by the base student allocation amount. For the Levy County District School Board, the estimated gross dollar effect of our proposed adjustments to reported FTE is a negative \$4,408 (negative 1.2304 times \$3,582.98).

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

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

SCHOOL DISTRICT OF LEVY COUNTY

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Levy 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 Levy 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, 2013, the District operated 15 schools and reported 2 virtual education cost centers serving prekindergarten through twelfth grade students, reported 5,583.34 unweighted FTE for those students, and received approximately \$20.6 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 brick and mortar school students, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE). For virtual education students, one student would be reported as one FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

Student Transportation

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live two or more miles from school, be physically handicapped, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes. The District received approximately \$1.5 million 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: 850-412-2722
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 LEVY COUNTY DISTRICT SCHOOL BOARD FLORIDA EDUCATION FINANCE PROGRAM (FEFP) FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined the Levy County District School Board's compliance with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2013. 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 2012-13* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Our examination procedures disclosed the following material noncompliance: 6 of the 41 students in our ESOL sample¹ and 10 of the 35 students in our ESE Support Levels 4 and 5 sample² had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located.

In our opinion, except for the material noncompliance mentioned above involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and ESE Support Levels 4 and 5, the Levy 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, 2013.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the District's compliance with State requirements and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.³ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and ESE Support Levels 4 and 5. Our examination disclosed certain other findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in SCHEDULE A and EXHIBIT A, respectively. The impact of this noncompliance on the District's reported FTE is presented in SCHEDULES A, B, C, and D.

¹For ESOL, see SCHEDULE D, Finding Nos. 1, 5, 8, 13, 14, and 17.

²For ESE Support Levels 4 and 5, see SCHEDULE D, Finding Nos. 2, 6, 9, 10, 12, 15, 18, and 19.

³ A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.

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

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

Respectfully submitted,



David W. Martin, CPA
Tallahassee, Florida
May 14, 2014

SCHEDULE A

Levy 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, 2013

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 (OJT). 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 5,583.34 unweighted FTE at 15 schools and 2 virtual education cost centers to the Department of Education for the fiscal year ended June 30, 2013.

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, 2013. (See NOTE B.) The population of schools (17) consisted of the total number of brick and mortar schools in the District that offered courses as well as the designated District virtual education cost centers in the District that offered virtual instruction in FEFP funded programs. The population of students (4,694) consisted of the total number of students in each program at the schools and virtual education cost centers 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	17	12	3,341	106	1	3,804.8100	90.8505	1.2229
Basic with ESE Services	16	11	1,094	73	4	1,461.5300	58.9360	1.4715
ESOL	9	6	133	41	6	122.1200	32.1967	(3.9665)
ESE Support Levels 4 and 5	11	7	36	35	10	19.5100	16.4467	.3180
Career Education 9-12	6	5	<u>90</u>	<u>66</u>	<u>2</u>	<u>175.3700</u>	<u>26.4871</u>	<u>(.3585)</u>
All Programs	17	12	<u>4,694</u>	<u>321</u>	<u>23</u>	<u>5,583.3400</u>	<u>224.9170</u>	<u>(1.3126)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Levy 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, 2013

TEACHERS

We also sampled teachers as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (150) consisted of the total number of teachers at schools in our sample who taught courses in ESE Support Levels 4 and 5 or taught courses to ELL students and of the total number of teachers reported under virtual education cost centers in our sample who taught courses in Basic, Basic with Exceptional Services, ESE Support Levels 4 and 5, or taught courses to ELL students. From the population of teachers, we sampled 67 and found exceptions for 2 of those teachers.

PROPOSED ADJUSTMENTS

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Levy 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, 2013

<u>No. Program</u> ¹	<u>Proposed Net Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	(.6080)	1.117	(.6791)
102 Basic 4-8	.4069	1.000	.4069
103 Basic 9-12	1.4240	1.020	1.4525
111 Grades K-3 with ESE Services	1.7054	1.117	1.9049
112 Grades 4-8 with ESE Services	.0000	1.000	.0000
113 Grades 9-12 with ESE Services	(.2339)	1.020	(.2386)
130 ESOL	(3.9665)	1.167	(4.6289)
254 ESE Support Level 4	.4566	3.524	1.6091
255 ESE Support Level 5	(.1386)	5.044	(.6991)
300 Career Education 9-12	(.3585)	.999	(.3581)
Total	<u>(1.3126)</u>		<u>(1.2304)</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

Levy 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, 2013

<u>No. Program</u>	<u>Proposed Adjustments¹</u>			<u>Balance Forward</u>
	<u>#0021</u>	<u>#0023</u>	<u>#0051</u>	
101 Basic K-3				.0000
102 Basic 4-8				.0000
103 Basic 9-12	.2451		.8504	1.0955
111 Grades K-3 with ESE Services				.0000
112 Grades 4-8 with ESE Services		(.5000)		(.5000)
113 Grades 9-12 with ESE Services	(.3434)		(.0504)	(.3938)
130 ESOL	(.2451)		(.8504)	(1.0955)
254 ESE Support Level 4				.0000
255 ESE Support Level 5				.0000
300 Career Education 9-12		(.3334)		(.3334)
Total	(.3434)	(.8334)	(.0504)	(1.2272)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Levy 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, 2013

<u>No.</u>	<u>Brought Forward</u>	<u>Proposed Adjustments¹</u>				<u>Balance Forward</u>
		<u>#0060</u>	<u>#0091</u>	<u>#0092</u>	<u>#0241</u>	
101	.0000	(.4800)			(.1280)	(.6080)
102	.0000				.0234	.0234
103	1.0955		.4085			1.5040
111	.0000	.4800		(.0150)	1.2404	1.7054
112	(.5000)					(.5000)
113	(.3938)		.0765			(.3173)
130	(1.0955)		(.4085)		(2.0790)	(3.5830)
254	.0000				.9566	.9566
255	.0000		(.1419)		(.0134)	(.1553)
300	<u>(.3334)</u>	<u>.....</u>	<u>(.0251)</u>	<u>.....</u>	<u>.....</u>	<u>(.3585)</u>
Total	<u>(1.2272)</u>	<u>.0000</u>	<u>(.0905)</u>	<u>(.0150)</u>	<u>.0000</u>	<u>(1.3327)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Levy 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, 2013

<u>No. Program</u>	<u>Brought Forward</u>	<u>Proposed Adjustments¹</u>		<u>Total</u>
		<u>#1011</u>	<u>#7004</u>	
101 Basic K-3	(.6080)			(.6080)
102 Basic 4-8	.0234	.3835		.4069
103 Basic 9-12	1.5040		(.0800)	1.4240
111 Grades K-3 with ESE Services	1.7054			1.7054
112 Grades 4-8 with ESE Services	(.5000)	.5000		.0000
113 Grades 9-12 with ESE Services	(.3173)		.0834	(.2339)
130 ESOL	(3.5830)	(.3835)		(3.9665)
254 ESE Support Level 4	.9566	(.5000)		.4566
255 ESE Support Level 5	(.1553)	.0167		(.1386)
300 Career Education 9-12	<u>(.3585)</u>	<u>.....</u>	<u>.....</u>	<u>(.3585)</u>
Total	<u>(1.3327)</u>	<u>.0167</u>	<u>.0034</u>	<u>(1.3126)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Levy 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, 2013

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 2012-13* issued by the Department of Education. Except for the material noncompliance involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and ESE Support Levels 4 and 5, the Levy 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, 2013. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 19.

Findings

**Proposed Net
Adjustments
(Unweighted FTE)**

Our examination included the July and October 2012 surveys and the February and June 2013 surveys (see NOTE A5). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2012 survey or the February 2013 survey or both. Accordingly, our Findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Bronson Middle/High School (#0021)

1. [Ref. 2101] We noted the following exceptions for one ELL student as follows:
 - a. The ELL Student Plan was not reviewed and updated for the 2012-13 school year.
 - b. The student's file did not contain documentation to support that the English language proficiency of the student was assessed and that an ELL Committee was convened prior to the student's ESOL anniversary date to consider the student's extended ESOL placement for a sixth year.

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Levy 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, 2013

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings**Bronson Middle/High School (#0021)** (Continued)

We propose the following adjustment:

103 Basic 9-12	.2451	
130 ESOL	(.2451)	.0000

2. [Ref. 2102] The number of instructional minutes reported in the course schedule of one ESE student who was in our ESE Support Levels 4 and 5 sample and was provided both on-campus instruction and Hospital and Homebound Program instruction was overstated for the on-campus portion. The student was scheduled to attend school for two days per week; however, during the October 2012 reporting survey period, the student did not attend school at all and, during the February 2013 reporting survey period, the student only attended school one day. We propose the following adjustment:

113 Grades 9-12 with ESE Services	(.3434)	(.3434)
		(.3434)

Hilltop Alternative School (#0023)

3. [Ref. 2301] One ESE student was absent from school during the 11-day window of the February 2013 reporting survey period and should not have been included with that survey's results. We propose the following adjustment:

112 Grades 4-8 with ESE Services	(.5000)	(.5000)
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4. [Ref. 2302] One Career Education 9-12 (OJT) student was incorrectly reported in OJT. The student had been dismissed from the OJT Program prior to the February 2013 reporting survey period. We propose the following adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Levy 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, 2013

<u>Findings</u>	Proposed Net Adjustments (Unweighted FTE)
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Hilltop Alternative School (#0023) (Continued)

300 Career Education 9-12	(.3334)	(.3334)
		(.8334)

Chiefland Middle High School (#0051)

5. [Ref. 5101] The English language proficiency of one ELL student was prematurely assessed prior to the student's extended ESOL placement for a fifth year. Assessments were conducted in April 2012; however, the student was due for reassessment within 30 school days of the student's ESOL anniversary date (October 7, 2012). Consequently, the student's ESOL placement was not adequately supported. We propose the following adjustment:

103 Basic 9-12	.8504	
130 ESOL	(.8504)	.0000

6. [Ref. 5102] The number of instructional minutes reported in the course schedule of one ESE student who was in our ESE Support Levels 4 and 5 sample and was provided both on-campus instruction and Hospital and Homebound Program instruction was overstated for the on-campus portion. The student was scheduled to attend school for three courses for five days per week (755 instructional minutes or .2518 FTE). However, during the February 2013 reporting survey period, the student only attended school for four days (604 instructional minutes or .2014 FTE). We propose the following adjustment:

113 Grades 9-12 with ESE Services	(.0504)	(.0504)
		(.0504)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Levy 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, 2013

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings**Whispering Winds Charter School (#0060)**

7. [Ref. 6001] The course schedule for one ESE student incorrectly included a portion of the student's instructional time in Program No. 101 (Basic K-3). The course schedules of ESE students should be reported entirely in ESE. We propose the following adjustment:

101 Basic K-3	(.4800)	
111 Grades K-3 with ESE Services	<u>.4800</u>	<u>.0000</u>
		<u>.0000</u>

Williston High School (#0091)

8. [Ref. 9101] We noted the following exceptions for one ELL student as follows:
- a. The student's file did not contain documentation to support that the English language proficiency of the student was assessed and that an ELL Committee was convened prior to the student's ESOL anniversary date to consider the ELL student's extended ESOL placement for a fifth year.
 - b. The ELL Student Plan was incomplete as the course schedule supporting the courses that would employ ESOL strategies did not identify those courses.

We propose the following adjustment:

103 Basic 9-12	.4085	
130 ESOL	<u>(.4085)</u>	<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Levy 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, 2013

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings**Williston High School (#0091)** (Continued)

9. [Ref. 9102] The number of instructional minutes reported in the course schedule of one ESE student who was in our ESE Support Levels 4 and 5 sample and was provided both on-campus instruction and Hospital and Homebound Program instruction was overstated for the on-campus portion. The student was scheduled to attend school for one course for five days per week; however, during the October 2012 reporting survey period, the student only attended school for one day. We also noted that the course schedule was incorrectly reported in Program No. 255 (ESE Support Level 5) and should have been reported in Program No. 113 (Grades 9-12 with ESE Services) for the on-campus instruction. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.0163	
255 ESE Support Level 5	<u>(.0817)</u>	(.0654)

10. [Ref. 9103] The Medical Information and Certification – Hospital/Homebound form containing the physician's statement of medical need (dated November 5, 2012) that supports one ESE student's reporting in the Hospital and Homebound Program authorized services for three months, effectively expiring on February 5, 2013, which is prior to the February 2013 reporting survey period. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.0602	
255 ESE Support Level 5	<u>(.0602)</u>	.0000

11. [Ref. 9104] One Career Education 9-12 (OJT) student was reported for more work hours (12.25 hours or .2451 FTE) than was supported by the student's timecard (11 hours or .2200 FTE). We propose the following adjustment:

300 Career Education 9-12	<u>(.0251)</u>	<u>(.0251)</u>
		<u>(.0905)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Levy 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, 2013

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings**Joyce M. Bullock Elementary School (#0092)**

12. [Ref. 9201] The number of instructional minutes reported in the course schedules of two ESE students who were in our ESE Support Levels 4 and 5 sample and were provided both on-campus instruction and Hospital and Homebound Program instruction was overstated for the on-campus portion. One student was scheduled for Language Therapy for 30 minutes per week and one student was scheduled for Occupational Therapy for 15 minutes per week; however, no therapy services were provided for either student during the survey week. We propose the following adjustment:

111 Grades K-3 with ESE Services	(.0150)	(.0150)
		(.0150)

Chiefland Elementary School (#0241)

13. [Ref. 24101] The course schedules for three ESE students (two students were in our Basic with ESE Services sample and one student was in our ESOL sample) incorrectly included a portion of the students' instructional time in Program No. 101 (Basic K-3) or Program No. 130 (ESOL). The course schedules of ESE students should be reported entirely in ESE. We propose the following adjustment:

101 Basic K-3	(.4532)	
111 Grades K-3 with ESE Services	2.2404	
130 ESOL	(1.7872)	.0000

14. [Ref. 24102] The English language proficiency of one ELL student was not assessed within 30 school days prior to the student's fifth year ESOL anniversary date. We propose the following adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Levy 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, 2013

<u>Findings</u>	Proposed Net Adjustments (Unweighted FTE)
------------------------	--

Chiefland Elementary School (#0241) (Continued)

101 Basic K-3	.2918	
130 ESOL	(.2918)	.0000

15. [Ref. 24103] Two ESE students were not reported in accordance with their Matrix of Services forms. We propose the following adjustment:

111 Grades K-3 with ESE Services	(1.0000)	
254 ESE Support Level 4	1.0000	.0000

16. [Ref. 24170] The parental notification letter used to notify the parents of one teacher's out-of-field status was inadequate. The letter did not specifically state that the teacher was "out of field," instead it provided that the teacher would "be supervised." We also noted that the letter was dated "School Year 2012-2013;" consequently, we were unable to determine if it was sent to the parents prior to the October 2012 or February 2013 reporting survey periods. We propose the following adjustment:

101 Basic K-3	.0334	
102 Basic 4-8	.0234	
254 ESE Support Level 4	(.0434)	
255 ESE Support Level 5	(.0134)	.0000

.0000

Bronson Elementary School (#1011)

17. [Ref. 101101] An ELL Committee was not convened timely (i.e., prior to the October 2012 reporting survey period) to consider one student's extended ESOL placement for a fifth year. We propose the following adjustment:

102 Basic 4-8	.3835	
130 ESOL	(.3835)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Levy 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, 2013

Findings

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Bronson Elementary School (#1011) (Continued)

18. [Ref. 101102] One ESE student was not reported in accordance with his *Matrix of Services* form. We propose the following adjustment:

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

19. [Ref. 101103] The number of Hospital and Homebound Program instructional minutes for one ESE student was understated. The student was reported for 130 instructional minutes (.0433 FTE) but was provided 180 instructional minutes (.0600 FTE). We propose the following adjustment:

255 ESE Support Level 5	.0167	.0167
		.0167

Levy Virtual Franchise (#7004)

20. [Ref. 700401] The number of instructional minutes in the course schedule for one virtual education student was underreported. The student successfully completed one semester course earning the half credit (.0834 FTE) but was only reported for .0800 FTE. We also noted that the student had a valid IEP establishing the student's ESE status but was incorrectly reported in Program No. 103 (Basic 9-12) and should have been reported in Program No. 113 (Grades 9-12 with ESE Services). We propose the following adjustment:

103 Basic 9-12	(.0800)	
113 Grades 9-12 with ESE Services	.0834	.0034
		.0034

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Levy 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, 2013

<u>Findings</u>	Proposed Net Adjustments (Unweighted FTE)
<u>Levy Virtual Instruction Program (#7023)</u>	
21. [Ref. 702370] <u>One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Elementary Education but taught a course that required certification in Art. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We present this disclosure finding with no proposed adjustment.</u>	
	<u>.0000</u>
	<u>.0000</u>
Proposed Net Adjustment	<u>(1.3126)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Levy 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, 2013

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only students who are in membership and in attendance at least 1 of the 11 days of a survey window are reported for FEFP funding; (2) students' English language proficiencies are assessed and ELL Committees are convened timely to support the students' extended ESOL placements based on their individual ESOL anniversary dates; (3) *ELL Student Plans* are completed, dated, and are timely reviewed and updated; (4) the course schedules of ESE students are reported entirely in ESE Programs; (5) schedules for students concurrently enrolled in on-campus instruction and in the Hospital and Homebound Program are appropriately reflected for the actual instructional time received during the reporting survey week; (6) the *Medical Information and Certification – Hospital/Homebound* form containing the Physician's statement of medical need that supports the student's reporting in the Hospital and Homebound Program be current and have a duration date that includes the reporting survey periods; (7) ESE students are reported in accordance with their *Matrix of Services* forms; (8) students in Career Education 9-12 (OJT) are reported in accordance with timecards that are accurately completed, signed, and retained in readily-accessible files; (9) virtual education students are established as eligible and properly reported in accordance to the *FTE General Instructions 2012-13* and that the reporting does not exceed the maximum amount; (10) teachers are properly certified or, if out of field, are approved to teach out of field by the School Board; and (11) parents are appropriately notified of teachers' out-of-field status.

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, FS Minimum Requirements of the Florida Education Finance Program
 Section 1011.61, FS Definitions
 Section 1011.62, FS Funds for Operation of Schools
 Rule 6A-1.0451, FAC Florida Education Finance Program Student Membership Surveys
 Rule 6A-1.04513, FAC Maintaining Auditable FTE Records
FTE General Instructions 2012-13

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Levy 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, 2013

REGULATORY CITATIONS (Continued)

Attendance

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

FTE General Instructions 2012-13

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

English for Speakers of Other Languages (ESOL)

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

Career Education On-the-Job Attendance

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

Career Education On-the-Job Funding Hours

Rule 6A-6.055(3), FAC Definitions of Terms Used in Vocational Education and Adult Programs
FTE General Instructions 2012-13

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Levy 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, 2013

REGULATORY CITATIONS (Continued)Exceptional Education

Section 1003.57, FS	Exceptional Students Instruction
Section 1011.62, FS	Funds for Operation of Schools
Section 1011.62(1)(e), FS	Funding Model for Exceptional Student Education Programs
Rule 6A-6.03028, FAC	Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities
Rule 6A-6.03029, FAC	Development of Family Support Plans for Children with Disabilities Ages Birth Through Five Years
Rule 6A-6.0312, FAC	Course Modifications for Exceptional Students
Rule 6A-6.0331, FAC	General Education Intervention Procedures, Identification, Evaluation, Reevaluation and the Initial Provision of Exceptional Education Services
Rule 6A-6.0334, FAC	Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students
Rule 6A-6.03411, FAC	Definitions, ESE Policies and Procedures, and ESE Administrators
<i>Matrix of Services Handbook (2012 Revised Edition)</i>	

Teacher Certification

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Levy 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, 2013

REGULATORY CITATIONS (Continued)Virtual Education

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

Charter Schools

Section 1002.33, FS Charter Schools

The accompanying notes are an integral part of this schedule.

Levy County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2013

NOTE A – SUMMARY

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

1. School District of Levy County

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

For the fiscal year ended June 30, 2013, the District operated 15 schools and reported 2 virtual education cost centers serving prekindergarten through twelfth grade students, reported 5,583.34 unweighted FTE, and received approximately \$20.6 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.

Levy County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2013

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. For brick and mortar school students, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE). For virtual education students, one student would be reported as one FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

4. 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 2012-13 school year were conducted during and for the following weeks: survey one was performed for July 9 through 13, 2012; survey two was performed for October 8 through 12, 2012; survey three was performed for February 11 through 15, 2013; and survey four was performed for June 17 through 21, 2013.

Levy County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2013

NOTE A - SUMMARY (Continued)

6. Educational Programs

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

7. Statutes and Rules

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

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

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers using judgmental methods for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2013. 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:

Levy County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2013

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Bronson Middle/High School	1 and 2
2. Hilltop Alternative School	3 and 4
3. Cedar Key High School	NA
4. Chiefland Middle High School	5 and 6
5. Whispering Winds Charter School*	7
6. Nature Coast Middle School*	NA
7. Williston High School	8 through 11
8. Joyce M. Bullock Elementary School	12
9. Chiefland Elementary School	13 through 16
10. Bronson Elementary School	17 through 19
11. Levy Virtual Franchise	20
12. Levy Virtual Instruction Program	21

*Charter School



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



PHONE: 850-412-2722
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 LEVY COUNTY DISTRICT SCHOOL BOARD FLORIDA EDUCATION FINANCE PROGRAM (FEFP) STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated January 29, 2014, that the Levy 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, 2013. 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 2012-13* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, management's assertion that the Levy County District School Board complied with State requirements governing the determination and reporting of the number of students transported under the FEFP for the fiscal year ended June 30, 2013, is fairly stated, in all material respects.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the District's compliance with State requirements and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in SCHEDULE G and EXHIBIT A, respectively. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.¹ The noncompliance mentioned above, while indicative of certain control deficiencies,¹ is not considered indicative of material weaknesses in the District's internal controls related to their reported ridership classification or eligibility for State transportation funding. The impact of this noncompliance on the District's reported number of transported students is presented in SCHEDULES F and G.

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

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

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
Tallahassee, Florida
May 14, 2014

SCHEDULE F

Levy County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2013

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

As part of our examination procedures, we sampled students for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2013. (See NOTE B.) The population of vehicles (126) consisted of the total of the numbers of vehicles (buses, vans, or passenger cars) reported by the District for each survey. For example, a vehicle that transported students during the July and October 2012 and February and June 2013 surveys would be counted in the population as four vehicles. Similarly, the population of students (6,614) 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	212
IDEA (K-12), Unweighted	2
IDEA (PK), Weighted	7
IDEA (PK), Unweighted	11
Teenage Parents and Infants	7
Two Miles or More	<u>6,375</u>
Total	<u>6,614</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.

The accompanying notes are an integral part of this schedule.

SCHEDULE F (Continued)

Levy County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2013

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 166 of the 6,614 students reported as being transported by the District.		15	(10)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 135 students.	—	<u>135</u>	<u>(5)</u>
Total	<u>(1)</u>	<u>150</u>	<u>(15)</u>

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Levy County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2013

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 2012-13* issued by the Department of Education. The Levy 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, 2013. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 37.

Findings

**Students
 Transported
 Proposed Net
Adjustments**

Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey. Our detailed tests involved verification of the specific ridership categories reported for students sampled from the July and October 2012 surveys and the February and June 2013 surveys. Adjusted students who were in more than one survey are accounted for by survey. For example, a student sampled twice (i.e., once for the October 2012 survey and once for the February 2013 survey) will be presented in our Findings as two sample students.

1. [Ref. 51] Our general tests of the reported ridership disclosed that there were 58 students who were reported for transportation funding who did not have a matching demographic record in the State FTE database. We provided the relevant information to District transportation personnel allowing them to research and provide any documentation to support the eligibility of these students for transportation reporting. Transportation management could not validate 5 of these students; consequently, they were not eligible for State transportation funding. We propose the following adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Levy County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2013

<u>Findings</u>	<u>Students Transported Proposed Net Adjustments</u>	
<u>October 2012 Survey</u>		
<u>90 Days in Term</u>		
Two Miles or More	(5)	(5)
2. [Ref. 52] <u>Our general tests disclosed the following exceptions in the October 2012 and February 2013 reporting survey periods:</u>		
a. <u>The number of buses in operation was overstated by two buses in the October 2012 reporting survey period and was understated by one bus in the February 2013 reporting survey period.</u>		
b. <u>Forty-six students assigned to two buses in the February 2013 reporting survey period (Bus No. 35 [24 students] and Bus No. 211 [22 students]) were transported and eligible to be included with the ridership totals but were not reported for State transportation funding.</u>		
<u>We propose the following adjustments:</u>		
a. <u>October 2012 survey</u>		
Number of Buses in Operation	(2)	
<u>February 2013 Survey</u>		
Number of Buses in Operation	1	
	(1)	
b. <u>February 2013 Survey</u>		
<u>90 Days in Term</u>		
Two Miles or More	<u>46</u>	46

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

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

FINDINGS AND PROPOSED ADJUSTMENTS

For the Fiscal Year Ended June 30, 2013

**Students
 Transported
 Proposed Net
 Adjustments**

Findings

3. [Ref. 53] Our general tests disclosed that 14 students (7 students in both the October 2012 and February 2013 reporting survey periods) were incorrectly reported for State transportation funding. The students were reported by the District as being transported to Nature Coast Middle School by means of Levy County Transit (as documented by a contract between Levy County District School Board and Levy County Transit); however, the students were neither enrolled at Nature Coast Middle School nor documented as riding the Levy County Transit shuttle buses. We propose the following adjustments:

October 2012 Survey

90 Days in Term

Two Miles or More (7)

February 2013 Survey

90 Days in Term

Two Miles or More (7) (14)

4. [Ref. 54] Our general tests disclosed that 70 PK students were incorrectly reported in the Two Miles or More ridership category. We determined that 38 of the students should have been reported in the IDEA (PK), Unweighted ridership category and the remaining 32 students were not otherwise eligible to be reported for State transportation funding. We propose the following adjustments:

October 2012 Survey

90 Days in Term

IDEA (PK), Unweighted 19

Two Miles or More (36)

February 2013 Survey

90 Days in Term

IDEA (PK), Unweighted 19

Two Miles or More (34) (32)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Levy County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2013

**Students
 Transported
 Proposed Net
 Adjustments**

Findings

5. [Ref. 55] Seven students in our sample were not shown on the supporting bus drivers' reports as having been transported during the 11-day window of the October 2012 reporting survey period (two students) and the February 2013 reporting survey period (five students). We also noted the following exceptions for two of the seven students as follows: (a) one student was reported in the Two Miles or More ridership category but lived less than two miles from school, and (b) the IEP for one student reported in the IDEA (K-12), Weighted ridership category did not indicate that the student met at least one of the five criteria required for IDEA-Weighted classification. We noted that all seven students were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2012 Survey**90 Days in Term**

Two Miles or More	(2)
-------------------	-----

February 2013 Survey**90 Days in Term**

IDEA (K-12), Weighted	(2)
-----------------------	-----

Teenage Parents and Infants	(1)
-----------------------------	-----

Two Miles or More	(2)	(7)
-------------------	-----	-----

6. [Ref. 56] The IEPs for five students in our sample who were reported in IDEA-Weighted ridership categories did not indicate that the students met at least one of the five criteria required for the IDEA-Weighted classification. We determined that the five students were eligible to be reported in other ridership categories as follows: two students in the IDEA (PK), Unweighted ridership category, one student in the IDEA (K-12), Unweighted ridership category, and two students in the Two Miles or More ridership category. We propose the following adjustments:

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

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

FINDINGS AND PROPOSED ADJUSTMENTS

For the Fiscal Year Ended June 30, 2013

<u>Findings</u>	<u>Students Transported Proposed Net Adjustments</u>	
<u>October 2012 Survey</u>		
<u>90 Days in Term</u>		
IDEA (K-12), Weighted	(1)	
IDEA (K-12), Unweighted	1	
IDEA (PK), Weighted	(2)	
IDEA (PK), Unweighted	2	
<u>February 2013 Survey</u>		
<u>90 Days in Term</u>		
IDEA (K-12), Weighted	(2)	
Two Miles or More	<u>2</u>	0
7. [Ref. 57] <u>Three students in our sample were reported in the Two Miles or More ridership category but lived less than two miles from their assigned schools and were not otherwise eligible for State transportation funding. We propose the following adjustments:</u>		
<u>October 2012 Survey</u>		
<u>90 Days in Term</u>		
Two Miles or More	(1)	
<u>February 2013 Survey</u>		
<u>90 Days in Term</u>		
Two Miles or More	<u>(2)</u>	<u>(3)</u>
Proposed Net Adjustment		<u>(15)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE H

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

RECOMMENDATIONS AND REGULATORY CITATIONS

For the Fiscal Year Ended June 30, 2013

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses in operation is accurately reported; (2) transportation personnel review their database for completeness and accuracy to ensure that students are reported in ridership categories that are appropriate for the students' grade level and that all students have matching demographics to support that the students are properly enrolled and are eligible for State transportation funding; (3) only those students who are documented as enrolled in school during the survey week and are recorded on a bus driver's report as having been transported by the District at least once during the 11-day survey window are reported for State transportation funding; (4) transported students are reported in the correct ridership category and have documentation to support that reporting; (5) students reported in IDEA-Weighted classifications are appropriately documented as meeting one of the five criteria as noted on the students' IEPs; and (6) the distance from home to school is verified prior to students being reported in the Two Miles or More ridership category.

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

REGULATORY CITATIONS

Chapter 1006, Part I, E., FS Transportation of Public K-12 Students

Section 1011.68, FS Funds for Student Transportation

Chapter 6A-3, FAC Transportation

Student Transportation General Instructions 2012-13

The accompanying notes are an integral part of this schedule.

Levy County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2013

NOTE A – SUMMARY

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

1. Student Eligibility

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

2. Transportation in Levy County

For the fiscal year ended June 30, 2013, the District received approximately \$1.5 million 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 2012	0	0
October 2012	64	3,490
February 2013	61	3,119
June 2013	<u>1</u>	<u>5</u>
Total	<u>126</u>	<u>6,614</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., FS Transportation of Public K-12 Students
 Section 1011.68, FS Funds for Student Transportation
 Chapter 6A-3, FAC Transportation

Levy County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2013

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, 2013. 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**

Robert O. Hastings
Superintendent

480 Marshburn Drive
P.O. Drawer 129
Bronson, FL 32621-0129



Phone (352) 486-5231
Fax (352) 486-5237

May 14, 2014

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

Dear Mr. Martin,

RE: FTE Report and Responses for School Board of Levy County

District Level

1. Hilltop Alternative School (#0023)

Ref: 2301

Agree with finding and provide the following corrective action(s).

The district will provide training to teachers and data entry personnel to ensure accurate recording and reporting of student attendance.

**2. Hilltop Alternative School (#0023)
Williston High School (#0091)**

Ref: 2302, 9104

Agree with findings and provide the following corrective action(s).

The Career Pathways and Literacy Coordinator will educate CDE instructors and Guidance counselors on proper placement of students into OJT. CDE instructors will monitor correct reporting of hours worked and initiate appropriate changes to student schedules when students are dismissed from OJT.



EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

3. **Chiefland Elementary School (#0241)**
Whispering Winds Charter School (#0060)
Levy Virtual Franchise (#7004)

Ref: 24101, 6001, 700401

Agree with findings and provide the following corrective action(s).

The district ESE Director and ESOL Coordinator will provide training annually to ESE Teachers and Guidance Counselors and regarding scheduling and program reporting. The MIS department will provide training to data entry personnel to ensure students are reported in the correct program.

4. **Joyce M. Bullock Elementary School (#0092)**
Chiefland High School (#0051)
Bronson Middle/High School (#0021)
Williston High School (#0091)
Bronson Elementary School (#0101)

Ref: 9201, 5102, 2102, 9103, 9102, 101103

Agree with findings and provide the following corrective action(s).

The district ESE Director will provide training annually to ESE Teachers and Guidance Counselors regarding appropriate Hospital Homebound scheduling. The ESE Director will emphasize review of Matrix of Services forms and ensure that what is reported is consistent with IEP and Matrix of Service forms. The physician's statement of medical need will be reviewed to ensure that it supports the need for Hospital Homebound, is current, and reporting is consistent with timeline indicated by the physician. The district ESE Office personnel has set up procedures to bi-annually review the IEP and Matrix of Services form to ensure compliance and proper reporting.

5. **Levy Virtual Instruction Program (#7023)**
Chiefland Elementary School (#0241)

Ref: 702370, 24170

Agree with findings and provide the following corrective action(s).

The District Office will provide training to School Based Administrators and Guidance counselors to ensure that teachers who are not properly certified to teach courses are approved by the School Board to teach out of field and that parents of those students are properly notified of the teachers' out of field status.

EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

6. **Bronson Middle/High School (#0021)**
Chiefland High School (#0051)
Williston High School (#0091)
Bronson Elementary School (#0101)
Chiefland Elementary School (#0241)

Ref: 2101, 5101, 9101, 101101, 24102

Agree with findings and provide the following corrective action(s).

ESOL coordinator will review each ESOL file to ensure that the Student Plans for each ELL student is updated annually and notification has been sent to parents concerning procedures and appropriate timelines are honored. ESOL coordinator will ensure appropriate assessment of ELL students prior to entry into their fourth, fifth, or sixth year of placement. ESOL coordinator will also ensure that ELL Committees are following the ESOL placement criteria specified by State Board Rule 6A-6.0902(2)(a)4, Florida Administrative Code.

7. **Bronson Elementary School (#0101)**
Chiefland Elementary School (#0241)

Ref: 101102, 24103

Agree with findings and provide the following corrective action(s).

The district ESE Director will provide training annually to ESE Teachers and Guidance Counselors emphasizing of Matrix of Services forms to ensure that what is reported is consistent with IEP and Matrix of Service forms. The district ESE Office personnel has set up procedures to bi-annually review the IEP and Matrix of Services form to ensure compliance and proper reporting.

8. **Transportation**

Ref: 51, 52, 53, 54, 55, 56, 57

Agree with findings and provide the following corrective action(s).

The Transportation Department will exercise more care and take corrective actions as appropriate to ensure that:

1. Ensure the numbers of buses in operation are accurately reported.
2. Transportation will review our database for completeness and accuracy to ensure that students are reported appropriately in ridership categories

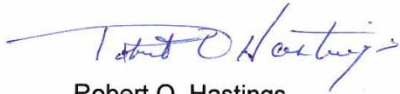
EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

for student's grade level and that all students having matching demographics to support that the students are properly enrolled and are eligible for state transportation funding.

3. Only those students that are documented as enrolled in school during the survey week and are recorded on a bus drivers reports having been transported by the district at least once during the 11 day survey window for state transportation funding.
4. The Transportation Department will coordinate with the ESE department to put in place procedures and routines to verify the eligibility of weighted ridership and that weighted classifications are appropriately documented as meeting one of the five criteria as noted on the students IEP's.
5. The Transportation Department will verify actual distances of students who are close to the 2.0 mile ridership eligibility to ensure correct reporting.

If you have any questions or concerns, please email me at Bob.Hastings@levy.k12.fl.us or call me at 352-486-5231.

Sincerely,



Robert O. Hastings
Superintendent
School Board of Levy County

RH/alh