

**HAMILTON COUNTY
DISTRICT SCHOOL BOARD**

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2014



BOARD MEMBERS AND SUPERINTENDENT

Hamilton County District School Board members and the Superintendent of Schools who served during the 2013-14 fiscal year are listed below:

Member	District No.
Damon Deas, Chair	1
Gary Godwin, Vice Chair	2
Jeanie Daniels	3
Johnny Bullard	4
Sammy McCoy	5

Thomas P. Moffses, Jr., 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.

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

Hamilton 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, 2014

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
OJT	On-the-Job Training
PK	Prekindergarten

Hamilton 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, 2014

	PAGE NO.
EXECUTIVE SUMMARY	i
FULL-TIME EQUIVALENT (FTE) STUDENTS	
INDEPENDENT AUDITOR’S REPORT	1
SCHEDULE A – POPULATIONS, TEST SELECTION, AND TEST RESULTS.....	5
SCHEDULE B – EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE.....	7
SCHEDULE C – PROPOSED ADJUSTMENTS BY SCHOOL.....	8
SCHEDULE D – FINDINGS AND PROPOSED ADJUSTMENTS.....	10
SCHEDULE E – RECOMMENDATIONS AND REGULATORY CITATIONS.....	18
NOTES TO SCHEDULES.....	22
STUDENT TRANSPORTATION	
INDEPENDENT AUDITOR’S REPORT.....	26
SCHEDULE F – POPULATIONS, TEST SELECTION, AND TEST RESULTS.....	29
SCHEDULE G – FINDINGS AND PROPOSED ADJUSTMENTS.....	31
SCHEDULE H – RECOMMENDATIONS AND REGULATORY CITATIONS.....	36
NOTES TO SCHEDULES.....	37
MANAGEMENT’S RESPONSE	
EXHIBIT A – MANAGEMENT’S RESPONSE.....	39

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 Basic with ESE Services, ESOL, ESE Support Levels 4 and 5, and student transportation, the Hamilton County District School Board complied, in all material respects, with State requirements regarding the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) and the number of students transported for the fiscal year ended June 30, 2014:

- Three of the 14 students in our Basic with ESE Services test, 19 of the 23 students in our ESOL test, and 12 of the 17 students in our ESE Support Levels 4 and 5 test had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located. The District did not report any charter schools; therefore, none of the exceptions noted included students who attended charter schools.
- Of the 195 students in our student transportation test, 66 had exceptions involving their reported ridership classification or eligibility for State transportation funding.

Noncompliance related to reported FTE resulted in 16 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled a negative 2.2996 but has a potential impact on the District's weighted FTE of a negative 6.8461 (negative 6.8461 is all applicable to District schools other than charter schools). Noncompliance related to student transportation resulted in 5 findings and a proposed net adjustment of a negative 990 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 Hamilton County District School Board, the estimated gross dollar effect of our proposed adjustments to reported FTE is a negative \$25,689 (negative 6.8461 times \$3,752.30), of which all is applicable to District schools other than charter schools.

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 HAMILTON COUNTY

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Hamilton County. Those services are provided primarily to 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 Hamilton 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, 2014, State funding through FEFP was provided to the District for six District schools other than charters and three virtual education cost centers serving prekindergarten through twelfth grade students. The District reported 1,627.57 unweighted FTE for those students and received approximately \$4.8 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, including charter schools, 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.

For the 2013-14 school year and beyond, all student FTE enrollments is capped at 1.0 FTE except for FTE reported by the Department of Juvenile Justice (DJJ) students beyond the 180-day school year. School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The Department of Education combines all FTE enrollment reported for the student by all school districts, including the Florida Virtual School (FLVS) Part-Time Program, using a common student identifier. The Department of Education then recalibrates all reported FTE student enrollment for each student to 1.0 FTE, if the total reported FTE for the student exceeds 1.0 FTE. The FTE reported for extended school year periods and DJJ FTE enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

Student Transportation

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live two or more miles from school, be physically handicapped, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes. Additionally, Section 1002.33(20)(c), Florida Statutes, provides that the governing board of the charter school may provide transportation through an agreement or contract with the district school board, a private provider, or parents. The charter school and the sponsor shall cooperate in making arrangements that ensure that transportation is not a barrier to equal access for all students residing within a reasonable distance of the charter school as determined in its charter. The District received approximately \$344,825 for student transportation as part of the State funding through FEFP.



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

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

We have examined the Hamilton 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, 2014. 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 2013-14* 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: 3 of the 14 students in the Basic with ESE Services test¹, 19 of the 23 students in our ESOL test², and 12 of the 17 students in our ESE Support Levels 4 and 5 test³ had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located. The District did not report any charter schools; therefore, none of the exceptions noted included students who attended charter schools.

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 Basic with ESE Services, ESOL, and ESE Support Levels 4 and 5, the Hamilton County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2014.

¹ For Basic with ESE Services, see SCHEDULE D, Finding Nos. 11, 12, and 13.

²For ESOL, see SCHEDULE D, Finding Nos. 2, 3, 7, 8, 9, and 10.

³For ESE Support Levels 4 and 5, see SCHEDULE D, Finding Nos. 4, 14, and 15.

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.⁴ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in Basic with ESE Services, 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.

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

⁴ A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A significant deficiency is a 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
March 24, 2015

SCHEDULE A

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, TEST SELECTION, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2014

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 1,627.57 unweighted FTE at 6 District schools other than charter schools and 3 virtual education cost centers to the Department of Education for the fiscal year ended June 30, 2014.

SCHOOLS AND STUDENTS

As part of our examination procedures, we tested schools and students for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2014. (See NOTE B.) The population of schools (9) 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 (1,308) consisted of the total number of students in each program at the schools and virtual education cost centers in our tests. Our Career Education 9-12 data includes only those students who participated in OJT. Our populations and tests of schools and students are summarized as follows:

<u>Programs</u>	<u>Number of Schools</u>		<u>Number of Students at Schools Tested</u>		<u>Students with Exceptions</u>	<u>Unweighted FTE</u>		<u>Proposed Adjustments</u>
	<u>Population</u>	<u>Test</u>	<u>Population</u>	<u>Test</u>		<u>Population</u>	<u>Test</u>	
Basic	8	5	1,046	31	3	1,283.3500	22.3610	8.8787
Basic with ESE Services	7	5	141	14	3	220.9700	7.2156	.2717
ESOL	3	2	99	23	19	65.8600	12.8589	(10.1922)
ESE Support Levels 4 and 5	2	2	20	17	12	18.7100	15.7000	(1.2578)
Career Education 9-12	1	1	<u>2</u>	<u>2</u>	<u>0</u>	<u>38.6800</u>	<u>.1339</u>	<u>.0000</u>
All Programs	9	6	<u>1,308</u>	<u>87</u>	<u>37</u>	<u>1,627.5700</u>	<u>58.2694</u>	<u>(2.2996)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Hamilton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
POPULATIONS, TEST SELECTION, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2014

TEACHERS

We also tested teachers as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (68) consisted of the total number of teachers at schools in our test who taught courses in ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students, and of the total number of teachers reported under virtual education cost centers in our test who taught courses in Basic, Basic with ESE Services, ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students. From the population of teachers, we tested 35 and found exceptions for 2 of those teachers. The District did not report any charter schools; therefore, none of the 68 teachers tested taught at charter schools.

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

Hamilton 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, 2014

<u>No. Program</u> ¹	<u>Proposed Net Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	7.4268	1.125	8.3552
102 Basic 4-8	1.1663	1.000	1.1663
103 Basic 9-12	.2856	1.011	.2887
111 Grades K-3 with ESE Services	.7090	1.125	.7976
112 Grades 4-8 with ESE Services	(.5087)	1.000	(.5087)
113 Grades 9-12 with ESE Services	.0714	1.011	.0722
130 ESOL	(10.1922)	1.145	(11.6701)
254 ESE Support Level 4	(.6882)	3.558	(2.4486)
255 ESE Support Level 5	(.5696)	5.089	(2.8987)
Total	(2.2996)		(6.8461)*

** The District did not report any charter schools and there were no proposed adjustments for Charter Schools. Thus, there was no effect on the District's weighted FTE.*

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

Hamilton 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, 2014

<u>No. Program</u>	<u>Proposed Adjustments¹</u>			<u>Balance Forward</u>
	<u>#0032</u>	<u>#0041</u>	<u>#0091</u>	
101 Basic K-3	.....	7.4268	.....	7.4268
102 Basic 4-8	.2856	1.3811	.....	1.6667
103 Basic 9-12	.2856	.....	.....	.2856
111 Grades K-3 with ESE Services	.....	.2317	.4773	.7090
112 Grades 4-8 with ESE Services	.....	(.5087)	.....	(.5087)
113 Grades 9-12 with ESE Services	.0714	.....	.....	.0714
130 ESOL	(.6426)	(9.5496)	.....	(10.1922)
254 ESE Support Level 4	(.4390)	.....	(.2492)	(.6882)
255 ESE Support Level 5	.....	.....	(.5696)	(.5696)
Total	<u>(.4390)</u>	<u>(1.0187)</u>	<u>(.3415)</u>	<u>(1.7992)</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)

Hamilton 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, 2014

<u>No.</u> <u>Program</u>	<u>Proposed Adjustments</u> ¹		
	<u>Brought Forward</u>	<u>#7023</u>	<u>Total</u>
101 Basic K-3	7.4268	.....	7.4268
102 Basic 4-8	1.6667	(.5004)	1.1663
103 Basic 9-12	.2856	.....	.2856
111 Grades K-3 with ESE Services	.7090	.....	.7090
112 Grades 4-8 with ESE Services	(.5087)	.....	(.5087)
113 Grades 9-12 with ESE Services	.0714	.....	.0714
130 ESOL	(10.1922)	.....	(10.1922)
254 ESE Support Level 4	(.6882)	.....	(.6882)
255 ESE Support Level 5	<u>(.5696)</u>	<u>.....</u>	<u>(.5696)</u>
Total	<u>(1.7992)</u>	<u>(.5004)</u>	<u>(2.2996)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

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 2013-14* 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 Basic with ESE Services, ESOL, and ESE Support Levels 4 and 5, the Hamilton County District School Board complied, in all material respects, with State requirements governing the determination and reporting of FTE for the fiscal year ended June 30, 2014. All noncompliance disclosed by our examination procedures is discussed below and requires management’s attention and action, as recommended on page 18.

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings

Our examination included the July and October 2013 surveys and the February and June 2014 surveys (see NOTE A5). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2013 survey or the February 2014 survey or both. Accordingly, our Findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Hamilton County High School (#0032)

1. [Ref. 3271] One teacher taught a class that included an ELL student but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that: (a) the parents of the ELL student were not notified of the teacher's out-of-field status, and (b) the teacher had earned none of the 180 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. Since the student has been cited in Finding No. 3 (Ref. 3202), we present this disclosure Finding with no proposed adjustment.

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The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings

Hamilton County High School (#0032) (Continued)

2. [Ref. 3201] The course schedule for one student in our ESOL test incorrectly included a portion of the student's instructional time in Program No. 130 (ESOL). We determined that the student was an ESE student and the course schedules of ESE students should be reported entirely in ESE. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.0714	
130 ESOL	(.0714)	.0000

3. [Ref. 3202] ELL Committees were not convened and English language assessments were not completed timely (i.e., within 30 school days prior to the students' ESOL anniversary dates) to consider two ELL students' extended ESOL placements for a fourth, fifth, or sixth year. We also noted the following exceptions: (a) the ELL Student Plan for one of the students was not reviewed and updated until October 24, 2013, which was after the October 2013 reporting survey period and (b) the file for the remaining student did not contain evidence that the student's parents were notified of the student's ESOL placement. We propose the following adjustment:

102 Basic 4-8	.2856	
103 Basic 9-12	.1428	
130 ESOL	(.4284)	.0000

4. [Ref. 3203] Our examination of the School's automated student attendance management system disclosed that procedures were not in place to ensure the complete and accurate reporting of attendance. School staff utilized Skyward, the District's Web-based system for student scheduling and attendance record keeping. The School provided us Recorded Attendance Reports produced from Skyward that were utilized by School staff to verify that teachers were taking period-by-period attendance; however, (Finding Continues on Next Page)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings

Hamilton County High School (#0032) (Continued)

there was no evidence to support several teachers having taken period-by-period attendance on a daily basis, contrary to State Board of Education Rule 6A-1.044(3), FAC. The Recorded Attendance Reports for the October 2013 and February 2014 reporting survey periods identified a number of teachers who did not submit attendance for every period throughout each of the 11-day survey windows. Because student attendance records default to "present" when attendance is not taken, the teachers' failure to submit attendance could erroneously result in students who are not in attendance being reported for FEFP funding. Our examination of the tested students disclosed that the teachers for one ESE student were not listed on the Recorded Attendance Reports as having taken attendance and we were not otherwise able to verify the student's attendance at school during the February 2014 reporting survey period. We propose the following adjustment:

254 ESE Support Level 4	(.4390)	(.4390)
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5. [Ref. 3270] One teacher taught Primary Language Arts to a class that included an ELL student but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents of the ELL student were not notified of the teacher's out-of-field status. We propose the following adjustment:

103 Basic 9-12	.1428	
130 ESOL	(.1428)	.0000
		(.4390)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings

North Hamilton Elementary School (#0041)

6. [Ref. 4101] The course schedule for one student in our Basic test was incorrectly reported. The student was an ESE student and the course schedules of ESE students should be reported entirely in ESE. We propose the following adjustment:

101 Basic K-3	(.2417)	
111 Grades K-3 with ESE Services	<u>.2417</u>	.0000

7. [Ref. 4102] One ELL student was beyond the maximum six-year period allowed for State funding of ESOL. We propose the following adjustment:

102 Basic 4-8	.3529	
130 ESOL	<u>(.3529)</u>	.0000

8. [Ref. 4103] The file for one ELL student enrolled in the ESOL Program did not contain an *ELL Student Plan* that was valid during the February 2014 reporting survey period or evidence that the student's parents were notified of the student's ESOL placement. We propose the following adjustment:

102 Basic 4-8	.4179	
130 ESOL	<u>(.4179)</u>	.0000

9. [Ref. 4104] The *ELL Student Plans* for 12 students enrolled in the ESOL Program were not dated appropriately (i.e., only the school year was indicated); consequently, we were unable to determine if the *ELL Student Plans* had been prepared on a timely basis (i.e., prior to the October 2013 and February 2014 reporting survey periods). We also noted that the *ELL Student Plans* either did not identify any of the courses that would employ ESOL strategies (7 of the 12 students) or supported fewer instructional minutes in ESOL than were reported in the students' schedules (5 of the 12 students). Additionally, we noted that 5 of the 12 students had one or more of the following exceptions:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings

North Hamilton Elementary School (#0041) (Continued)

- a. The file did not contain documentation to support that an ELL Committee had convened to determine the student’s extended ESOL placement beyond the initial three-year base period.
- b. The file did not contain documentation to support that an English language assessment was completed to support the student’s extended ESOL placement.
- c. The file did not contain evidence that the student’s parents were notified of the student’s ESOL placement.

We propose the following adjustment:

101 Basic K-3	6.4599	
102 Basic 4-8	.6912	
130 ESOL	<u>(7.1511)</u>	.0000

10. [Ref. 4105] The ELL Student Plans for two students enrolled in the ESOL Program did not identify all of the courses that were to employ ESOL strategies. In addition, the file for one of these students did not contain evidence to support that the student's parents had been notified of their child's ESOL placement. We propose the following adjustment:

101 Basic K-3	1.2086	
130 ESOL	<u>(1.2086)</u>	.0000

11. [Ref. 4106] The attendance of one part-time ESE PK student was not adequately documented. The student attended school only to receive Language Therapy but the therapist contact log that could be used to support the student's attendance during the February 2014 reporting survey period was missing and could not be located. We propose the following adjustment:

111 Grades K-3 with ESE Services	<u>(.0100)</u>	(.0100)
----------------------------------	----------------	---------

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings

North Hamilton Elementary School (#0041) (Continued)

12. [Ref. 4107] Our examination of the School's automated student attendance management system disclosed that procedures were not in place to ensure the complete and accurate reporting of attendance. School staff utilized Skyward, the District's Web-based system for student scheduling and attendance record keeping. The School provided us with the Recorded Attendance Reports produced from Skyward that were utilized by School staff to verify that teachers were taking daily attendance. However, there was no evidence to support several teachers having taken attendance on a daily basis, contrary to State Board of Education Rule 6A-1.044(3), FAC. The Recorded Attendance Reports for the October 2013 and February 2014 reporting survey periods identified a number of teachers who did not submit attendance throughout each of the 11-day survey windows. Because student attendance records default to "present" when attendance is not taken, the teachers' failure to submit attendance could erroneously result in students who are not in attendance being reported for FEFP funding. Our examination of the tested students disclosed that the teachers for two students (one student was in our Basic test and one student was in our Basic with ESE Services' test) were not listed on the Recorded Attendance Reports as having taken attendance and we were not otherwise able to verify the students' attendance at school during the October 2013 reporting survey period. We propose the following adjustment:

102 Basic 4-8	(.0809)	
112 Grades 4-8 with ESE Services	(.5087)	
130 ESOL	(.4191)	(1.0087)
		(1.0187)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings

Greenwood School (#0091)

13. [Ref. 9101] The attendance of one part-time ESE PK student was not adequately supported. The student attended school only to receive Speech Therapy but the therapist did not provide services to the student during the 11-day survey window as evidenced by the therapist's contact log. We propose the following adjustment:

111 Grades K-3 with ESE Services	(.0100)	(.0100)
----------------------------------	---------	---------

14. [Ref. 9102] The Matrix of Services form that covered the October 2013 reporting survey period for one ESE student was missing and could not be located. We propose the following adjustment:

111 Grades K-3 with ESE Services	.4873	
255 ESE Support Level 5	(.4873)	.0000

15. [Ref. 9103] A numerical value known as FTE is assigned to each student according to the student's hours and days of attendance in particular educational programs. For students in grades 4 through 12, 1.0000 FTE (or .5000 FTE per survey for the October 2013 and February 2014 surveys) is defined as one student in membership in a program or group of programs for 25 hours per week for 180 days or 900 total hours. The District's calendar supported only 175 days of instruction for the 2013-14 school year. Most of the District's schools made up for this shortened year by extending their instructional time in each school day. However, this School's bell schedule supported only 25 hours per week of instruction with no extension of their instructional time, which resulted in only providing 875 total hours. Consequently, the FTE for the 12 ESE students in grades 4 through 12 (10 students were in our ESE Support Levels 4 and 5 test) was overreported by approximately 25 hours annually. We propose the following adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

<u>Findings</u>	Proposed Net Adjustments (Unweighted FTE)
<u>Greenwood School (#0091)</u> (Continued)	
254 ESE Support Level 4	(.2492)
255 ESE Support Level 5	(.0823)
	(.3315)
	(.3415)
<u>Hamilton Virtual Instruction Program (#7023)</u>	
16. [Ref. 702301] <u>One Basic virtual education student was not eligible for enrollment in a Virtual Instruction Program because the student was home schooled in the prior school year. We propose the following adjustment:</u>	
102 Basic 4-8	(.5004)
	(.5004)
Proposed Net Adjustment	<u>(2.2996)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Hamilton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2014

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) students are reported in accordance with the school's bell schedule that is reflective of the actual instructional day and that the school calendar is consistent with the days of instruction that were provided to support that the 900 hours of instruction or its equivalent is provided to support the funding of a full FTE; (2) the District develop written procedures for the complete and proper attendance record keeping and maintaining of sufficient documentation to support that attendance is accurately kept and monitored for compliance with those written procedures, especially with regards to ensuring that all teachers take daily or period-by-period attendance as prescribed by Rule 6A-1.044(3), FAC; (3) students' files contain proper documentation to support each student's placement in the ESOL Program; (4) students' English language proficiencies are assessed and ELL Committees are convened timely to the students' extended ESOL placements based on their individual ESOL anniversary dates; (5) *ELL Student Plans* are dated properly to determine their timeliness of preparation (i.e., prior to the reporting survey period); (6) parents are timely notified of their child's ESOL placement; (7) students are not reported for ESOL funding beyond six years; (8) *Matrix of Services* forms are timely and properly completed; (9) schedules for ESE students are reported entirely in their respective ESE Programs; (10) teachers that provide therapy services to ESE students complete and retain contact documentation to support that those services were provided and are accurately reported; (11) only virtual education students who have met the eligibility criteria for placement in a virtual education program are reported for FEFP-funding; (12) teachers are properly certified or, if out of field, are approved to teach out of field by the School Board; (13) out-of-field teachers earn appropriate college credit or in-service training points as required by rule and their in-service training timeline; and (14) 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.

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2014

REGULATORY CITATIONS

Reporting

- Section 1007.271(21), FSDual Enrollment Programs
- Section 1011.60, FSMinimum Requirements of the Florida Education Finance Program
- Section 1011.61, FSDefinitions
- Section 1011.62, FSFunds for Operation of Schools
- Rule 6A-1.0451, FACFlorida Education Finance Program Student Membership Surveys
- Rule 6A-1.04513, FACMaintaining Auditable FTE Records
- FTE General Instructions 2013-14*

Attendance

- Section 1003.23, FSAttendance Records and Reports
- Rules 6A-1.044(3) and (6)(c), FACPupil Attendance Records
- Rule 6A-1.04513, FACMaintaining Auditable FTE Records
- FTE General Instructions 2013-14*
- Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook*

English for Speakers of Other Languages (ESOL)

- Section 1003.56, FSEnglish Language Instruction for Limited English Proficient Students
- Section 1011.62(1)(g), FSEducation for Speakers of Other Languages
- Rule 6A-6.0901, FACDefinitions Which Apply to Programs for English Language Learners
- Rule 6A-6.0902, FACRequirements for Identification, Eligibility, and Programmatic Assessments of English Language Learners
- Rule 6A-6.09021, FACAnnual English Language Proficiency Assessment for English Language Learners (ELLs)
- Rule 6A-6.09022, FACExtension of Services in English for Speakers of Other Languages (ESOL) Program
- Rule 6A-6.0903, FACRequirements for Exiting English Language Learners from the English for Speakers of Other Languages Program
- Rule 6A-6.09031, FACPost Reclassification of English Language Learners (ELLs)
- Rule 6A-6.0904, FACEqual Access to Appropriate Instruction for English Language Learners

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Hamilton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2014

REGULATORY CITATIONS (Continued)

Career Education On-the-Job Attendance

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

Career Education On-the-Job Funding Hours

Rule 6A-6.055(3), FAC Definitions of Terms Used in Vocational Education and Adult Programs
FTE General Instructions 2013-14

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 Individualized 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, Evaluation, Determination of Eligibility, Reevaluation and the Provision of Exceptional Student 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
- Rule 6A-6.0361, FAC Contractual Agreement with Nonpublic Schools and Residential Facilities
Matrix of Services Handbook (2012 Revised Edition)

Teacher Certification

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Hamilton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2014

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.

Hamilton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2014

NOTE A – SUMMARY

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

1. School District of Hamilton County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Hamilton County, Florida. Those services are provided primarily to 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 Hamilton County.

For the fiscal year ended June 30, 2014, State funding through FEFP was provided to the District for 6 District schools other than charter schools and 3 virtual education cost centers serving prekindergarten through twelfth grade students. The District reported 1,627.57 unweighted FTE and received approximately \$4.8 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, including charter schools, 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.

Hamilton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2014

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. Recalibration of FTE to 1.0

For the 2013-14 school year and beyond, all student FTE enrollments is capped at 1.0 FTE except for FTE reported by the Department of Juvenile Justice (DJJ) students beyond the 180-day school year. School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The Department of Education combines all FTE enrollment reported for the student by all school districts, including the Florida Virtual School (FLVS) Part-Time Program, using a common student identifier. The Department of Education then recalibrates all reported FTE student enrollment for each student to 1.0 FTE, if the total reported FTE for the student exceeds 1.0 FTE. The FTE reported for extended school year periods and DJJ FTE enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

Hamilton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY (Continued)

5. 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.

6. 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 testing of FTE membership for a period of one week. The surveys for the 2013-14 school year were conducted during and for the following weeks: survey one was performed for July 8 through 12, 2013; survey two was performed for October 14 through 18, 2013; survey three was performed for February 10 through 14, 2014; and survey four was performed for June 16 through 20, 2014.

7. 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.

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY (Continued)

8. Statutes and Rules

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

- Chapter 1000, FSK-20 General Provisions
- Chapter 1001, FSK-20 Governance
- Chapter 1002, FSStudent and Parental Rights and Educational Choices
- Chapter 1003, FSPublic K-12 Education
- Chapter 1006, FSSupport for Learning
- Chapter 1007, FSArticulation and Access
- Chapter 1010, FSFinancial Matters
- Chapter 1011, FSPlanning and Budgeting
- Chapter 1012, FSPersonnel
- Chapter 6A-1, FACFinance and Administration
- Chapter 6A-4, FACCertification
- Chapter 6A-6, FACSpecial Programs I

NOTE B - TESTING

Our examination procedures provided for the selection of tests of schools, students, and teachers using judgmental methods for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2014. Our testing 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 selected for testing:

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Hamilton County High School	1 through 5
2. North Hamilton Elementary School	6 through 12
3. Greenwood School	13 through 15
4. Hamilton Virtual Provider - FLVS	NA
5. Hamilton Virtual Franchise	NA
6. Hamilton Virtual Instruction Program	16



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

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

We have examined the Hamilton County District School Board's compliance with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2014. 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 2013-14* 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 material noncompliance with the District's reported student ridership data as follows: 66 of the 195 students in our test had exceptions involving their reported ridership classification or eligibility for State transportation funding. (See SCHEDULE G, Finding No. 5.)

In our opinion, except for the material noncompliance mentioned above involving their reported ridership classification or eligibility for State transportation funding, the Hamilton County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of students transported under the FEFP for the fiscal year ended June 30, 2014.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies 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.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. 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 G and EXHIBIT A, respectively. 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
March 24, 2015

SCHEDULE F

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
POPULATIONS, TEST SELECTION, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2014

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 tested students for the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2014. (See NOTE B.) The population of vehicles (55) 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 2013 and February and June 2014 surveys would be counted in the population as four vehicles. Similarly, the population of students (1,863) 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 – PK through Grade 12, Weighted	21
All Other FEFP Transportation Eligible Students	<u>1,842</u>
Total	<u>1,863</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)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
POPULATIONS, TEST SELECTION, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2014

Our examination results are summarized below:

<u>Description</u>	<u>Buses</u> Proposed Net <u>Adjustment</u>	<u>Students</u> With <u>Exceptions</u>		Proposed Net <u>Adjustment</u>
We noted that the reported number of buses in operation was overstated.	(15)			
We tested 195 of the 1,863 students reported as being transported by the District.		66		(66)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 924 students.	-	<u>924</u>		<u>(924)</u>
Total	<u>(15)</u>	<u>990</u>		<u>(990)</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

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

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 2013-14* issued by the Department of Education. Except for the material noncompliance involving their reported ridership classification or eligibility for State transportation funding, the Hamilton County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported for the fiscal year ended June 30, 2014. All noncompliance disclosed by our examination procedures is discussed below and requires management’s attention and action, as recommended on page 36.

**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 tested from the July and October 2013 surveys and the February and June 2014 surveys. Adjusted students who were in more than one survey are accounted for by survey. For example, a student tested twice (i.e., once for the October 2013 survey and once for the February 2014 survey) will be presented in our Findings as two test students.

1. [Ref. 51] The number of days in term for 36 students (31 students in the July 2013 reporting survey period and 5 students in the June 2014 reporting survey period) was incorrectly reported as 21 days for the July 2013 reporting survey period and 8 days for the June 2014 reporting survey period; however, the District’s calendar supported 18 days and 9 days, respectively. We propose the following adjustments:

<u>July 2013 Survey</u>	
<u>21 Days in Term</u>	
All Other FEFP Eligible Students	(31)
<u>18 Days in Term</u>	
All Other FEFP Eligible Students	31

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

<u>Findings</u>	<u>Students Transported Proposed Net Adjustments</u>
<u>June 2014 Survey</u>	
<u>9 Days in Term</u>	
IDEA - PK through Grade 12, Weighted	1
All Other FEFP Eligible Students	4
<u>8 Days in Term</u>	
IDEA - PK through Grade 12, Weighted	(1)
All Other FEFP Eligible Students	(4)
	0
2. [Ref. 55] <u>The number of days in term for 1,811 students (842 students in the October 2013 reporting survey period and 969 students in the February 2014 reporting survey period) was incorrectly reported as 90 days for each survey; however, the District's calendar supported a total of 175 days during the 2013-14 school year (80 in the October 2013 reporting survey period and 95 in the February 2014 reporting survey period). We propose the following adjustments:</u>	
<u>October 2013 Survey</u>	
<u>90 Days in Term</u>	
IDEA – PK through Grade 12, Weighted	(8)
All Other FEFP Eligible Students	(834)
<u>80 Days in Term</u>	
IDEA - PK through Grade 12, Weighted	8
All Other FEFP Eligible Students	834
<u>February 2014 Survey</u>	
<u>90 Days in Term</u>	
IDEA – PK through Grade 12, Weighted	(12)
All Other FEFP Eligible Students	(957)
<u>95 Days in Term</u>	
IDEA - PK through Grade 12, Weighted	12
All Other FEFP Eligible Students	957
	0

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Students
 Transported
 Proposed Net
 Adjustments**

Findings

3. [Ref. 52] Twenty-nine PK students were incorrectly reported in the All Other FEFP Eligible Students ridership category. Additionally, these students were not IDEA students and were not enrolled in a Teenage Parent Program; consequently, they were not eligible for that ridership category and were not otherwise eligible for State transportation funding. We propose the following adjustments:

July 2013 Survey

18 Days in Term

All Other FEFP Eligible Students (16)

October 2013 Survey

80 Days in Term

All Other FEFP Eligible Students (7)

February 2014 Survey

95 Days in Term

All Other FEFP Eligible Students (6) (29)

4. [Ref. 53] We noted the following exceptions regarding the number of buses in operation and the student ridership totals reported in the July and October 2013 reporting survey periods and the February and June 2014 reporting survey periods as follows:

- a. The District incorrectly reported the number of buses in operation as 55 buses (2 buses in the July 2013 reporting survey period, 25 buses in the October 2013 reporting survey period, 21 buses in the February 2014 reporting survey period, and 7 buses in the June 2014 reporting survey period). We noted that 15 identified buses were reported in error as follows: 11 buses were not reported with the correct bus number identifier and 4 buses were transporting only courtesy riders. Consequently, these 15 buses should not have been reported. The District provided a finite list of 17 buses that ran
(Finding Continues On Next Page)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Hamilton County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2014

**Students
Transported
Proposed Net
Adjustments**

Findings

during the October 2013 and February 2014 reporting survey periods to which we traced back to the reported bus numbers identified and determined that only 40 buses in total should have been reported (2 buses in the July 2013 reporting survey period, 17 buses in both the October 2013 and February 2014 reporting survey periods, and 4 buses in the June 2014 reporting survey period).

- b. We also noted that many of the bus drivers' reports were missing and could not be located. Consequently, the number of students reported in the individual bus drivers' reports' ridership totals could not be validated. We noted a total of 34 bus drivers' reports that were missing (2 reports in the July 2013 reporting survey period, 19 reports in the October 2013 reporting survey period, 9 reports in the February 2014 reporting survey period, and 4 reports in the June 2014 reporting survey period.) From the reported student list for these 34 identified buses, we noted a total of 895 students (15 students in the July 2013 reporting survey period, 553 students in the October 2013 reporting survey period, 311 students in the February 2014 reporting survey period, and 16 students in the June 2014 reporting survey period) whose ridership could not be validated to support State transportation funding.

We propose the following adjustments:

- a. **October 2013 Survey**
Number of Buses in Operation (8)
 - February 2014 Survey**
Number of Buses in Operation (4)
 - June 2014 Survey**
Number of Buses in Operation (3)
- (15)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

<u>Findings</u>	<u>Students Transported</u>	<u>Proposed Net Adjustments</u>
b. <u>July 2013 Survey</u>		
<u>18 Days in Term</u>		
All Other FEFP Eligible Students	(15)	
 <u>October 2013 Survey</u>		
<u>80 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(5)	
All Other FEFP Eligible Students	(548)	
 <u>February 2014 Survey</u>		
<u>95 Days in Term</u>		
All Other FEFP Eligible Students	(311)	
 <u>June 2014 Survey</u>		
<u>9 Days in Term</u>		
All Other FEFP Eligible Students	(16)	(895)
 5. [Ref. 54] <u>The reported ridership of 66 students in our test was not adequately supported. The students either were not listed on the bus drivers' reports (43 students) or the bus drivers' reports indicated they were not transported during the 11-day survey window (23 students). We propose the following adjustments:</u>		
 <u>October 2013 Survey</u>		
<u>80 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(3)	
All Other FEFP Eligible Students	(33)	
 <u>February 2014 Survey</u>		
<u>95 Days in Term</u>		
All Other FEFP Eligible Students	(30)	(66)
Proposed Net Adjustment		<u>(990)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE H

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

RECOMMENDATIONS AND REGULATORY CITATIONS

For the Fiscal Year Ended June 30, 2014

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses in operation and the number of days in term are accurately reported; (2) bus driver reports are maintained to support all reported ridership; (3) only PK students with disabilities or PK children of students enrolled in a Teenage Parent Program are reported for State transportation funding and proper documentation is maintained to support this reporting; and (4) only those students who are documented as enrolled in school during the reporting survey period 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.

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

- Section 1002.33, FS Charter Schools
- 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 2013-14*

The accompanying notes are an integral part of this schedule.

Hamilton County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2014

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 Hamilton County

For the fiscal year ended June 30, 2014, the District received approximately \$344,825 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 2013	2	31
October 2013	25	842
February 2014	21	969
June 2014	<u>7</u>	<u>21</u>
Total	<u>55</u>	<u>1,863</u>

3. Statutes and Rules

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

- Section 1002.33, FSCharter Schools
- Chapter 1006, Part I, E., FSTransportation of Public K-12 Students
- Section 1011.68, FSFunds for Student Transportation
- Chapter 6A-3, FACTransportation

Hamilton County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2014

NOTE B – TESTING

Our examination procedures provided for the selection of tests 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, 2014. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing students transported.

**EXHIBIT A
MANAGEMENT’S RESPONSE**



Hamilton County School District

5683 US Highway 129 South, Suite 1
Jasper, Florida 32052
Phone: 386.792.1228 – Fax: 386.792.3681

Thomas P. Moffses, Jr., Superintendent

School Board Members
Damon Deas – District 1
Gary Godwin – District 2
Jeanie Daniels – District 3
Johnny Bullard – District 4
Sammy McCoy – District 5

March 24, 2015

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

Dear Mr. Martin:

The management of the Hamilton County School District has reviewed the preliminary and tentative audit findings from the FTE audit for the fiscal year ending June 30, 2014 and has discussed the issues with the appropriate staff.

All areas of concern, as noted in the audit report, have been closely examined. The District has initiated corrective action to eliminate further exceptions in the future. Monitoring programs and procedures and providing additional staff training will be implemented immediately. Although there are two areas cited for 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 Basic with ESE Services, ESOL, ESE Support Levels 4 and 5, and student transportation, the “Hamilton County District School Board complied, in 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, 2014.”

The District believes that the students that are in the monitored programs have not suffered any programmatic curtailment or lapse in services due to any discrepancies in supporting documentation.

We plan to appeal Transportation finding #4 regarding ridership and the District’s incorrectly reporting the number of buses in operation and that many of the bus drivers’ reports were missing and could not be located. The District has taken corrective measures to solve these issues but the negative impact to the District for the proposed net adjustment represents a significant impact on the District financially and would result

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

Audit Response
Page 2
March 24, 2015

In an undue hardship on the District in the year that the funding would be adjusted coinciding with a reduction in the Hamilton County tax base from the largest tax payer shutting down significant operations negatively impacting the District and Hamilton County as a whole.

Hamilton County School District appreciated the thorough and professional manner in which this audit was conducted and the assistance provided by the auditor in correcting the deficiencies.

Sincerely,



Thomas P. Moffses, Jr.
Superintendent

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