

**MADISON COUNTY
DISTRICT SCHOOL BOARD**

Florida Education Finance Program
Full-Time Equivalent Student Enrollment
and
Student Transportation

For the Fiscal Year Ended
June 30, 2015



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2014-15 fiscal year, K. Douglas Brown served as Superintendent and the following individuals served as Board members:

<u>Board Member</u>	<u>District No.</u>
Susie B. Williamson from 11-18-14	1
W. Fain Poppell, Chair to 11-17-14	1
Kenneth D. Hall, Chair from 11-18-14, Vice Chair to 11-17-14	2
VeEtta L. Hagan, Vice Chair from 11-18-14	3
Dr. Karen T. Pickles	4
Bart Alford	5

The 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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MADISON COUNTY DISTRICT SCHOOL BOARD
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SUMMARY

SUMMARY OF ATTESTATION EXAMINATION

Except for the material noncompliance described below involving teachers and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in Basic, Basic with Exceptional Student Education (ESE) Services, English for Speakers of Other Languages (ESOL), ESE Support Levels 4 and 5, Career Education 9-12, and student transportation, the Madison County District School Board (District) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment and student transportation as reported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2015. Specifically, we noted:

- Six of the 22 teachers in our test did not meet State requirements governing certification, School Board approval of out-of-field teacher assignments, notification to parents regarding teachers' out-of-field status, or the earning of required in-service training points in ESOL strategies. Three of the 22 teachers (14 percent) in our test taught at charter schools and 2 of the 6 teachers with exceptions (33 percent) taught at charter schools.
- Exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located. The table below shows the total number of students included in each of our tests, as well as the number and percentage of students who attended charter schools who were included in our tests. The table also shows the number of students with exceptions in each of our tests, as well as the number and percentage of students with exceptions who attended charter schools.

Program Tested	Number of Students			Number of Students		
	Included in Test	Included in Test who Attended Charter Schools	Percentage	With Exceptions	With Exceptions who Attended Charter Schools	Percentage
Basic	37	4	11%	8	0	0%
Basic with ESE Services	24	3	13%	6	0	0%
ESOL	3	0	0%	1	0	0%
ESE Support Levels 4 and 5	16	1	6%	14	1	7%
Career Education 9-12	30	0	0%	13	0	0%
Totals	<u>110</u>	<u>8</u>		<u>42</u>	<u>1</u>	

- Exceptions involving the reported ridership classification or eligibility for State transportation funding for 35 of the 228 students in our student transportation test.

Noncompliance related to the reported FTE student enrollment resulted in 14 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to negative 10.4548, all of which is applicable to District schools other than charter schools, but has a potential impact on the District's weighted FTE of negative 20.8967 (20.6507 is applicable to District schools other than charter schools and .2460 is applicable to charter schools). Noncompliance related to student transportation resulted in 8 findings and a proposed net adjustment of negative 83 students.

The weighted adjustments to the FTE student enrollment are presented in our report for illustrative purposes only. The weighted adjustments to the 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 the FTE may be estimated by multiplying the proposed net weighted adjustment to the FTE student enrollment by the base student allocation amount. The base student allocation for the fiscal year ended June 30, 2015, was \$4,031.77 per FTE. For the District, the estimated gross dollar effect of our proposed adjustments to the reported FTE student enrollment is negative \$84,251 (negative 20.8967 times \$4,031.77), of which \$83,259 is applicable to District schools other than charter schools and \$992 is applicable to 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 the FTE student enrollment and student transportation and the computation of their financial impact is the responsibility of the Department of Education.

THE DISTRICT

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Madison County, Florida. Those services are provided primarily to prekindergarten through 12th-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 Madison 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. The District had 8 District schools other than charter schools, 1 charter school, and 2 virtual education cost centers serving prekindergarten through 12th-grade students. For the fiscal year ended June 30, 2015, State funding totaling \$11.6 million was provided through the FEFP to the District for the District-reported 2,537.90 unweighted FTE as recalibrated, which included 83.47 unweighted FTE as recalibrated for charter schools. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

FEFP

FTE Student Enrollment

Florida school districts receive State funding through the FEFP to serve prekindergarten through 12th-grade students (adult education is not funded by the FEFP). The 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 that 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 costs for equivalent educational programs due to sparsity and dispersion of student population.

The funding provided by the 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 student enrollment. For brick and mortar school students, one student would be reported as 1.0 FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week, which equates to 1.0 FTE). For virtual education students, one student would be reported as 1.0 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 reported as a fraction of an FTE. Half-credit completions will be included in determining an FTE student enrollment. 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 FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice (DJJ) for 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 student enrollment reported for the student by all school districts, including the Florida Virtual School 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 student enrollment reported for extended school year periods and the DJJ FTE student enrollment reported 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 2 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 \$581,604 for student transportation as part of the State funding through the 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 ON FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

We have examined the Madison County District School Board's (District's) compliance with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2015. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education (SBE) Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions 2014-15* 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 with State requirements 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 supporting management's assertion 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 disclosed material noncompliance with State requirements relating to the classification, assignment, and verification of FTE student enrollment as reported under the FEFP for teachers and students in our Basic, Basic with Exceptional Student Education (ESE) Services, English for Speakers of Other Languages (ESOL), ESE Support Levels 4 and 5, and Career Education 9-12 tests involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located.

In our opinion, except for the material noncompliance with State requirements mentioned above involving teachers and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in Basic, Basic with ESE Services, ESOL, ESE Support Levels 4 and 5, and Career Education 9-12, the Madison County District School Board complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP for the fiscal year ended June 30, 2015.

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 weaknesses¹ 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 that has a material effect on the District's compliance with State requirements; and abuse that has a material effect on the District's compliance with State requirements. 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. We performed our examination to express an opinion on the District's compliance with State requirements and not for the purpose of expressing an opinion on the District's related internal control over compliance with State requirements or on compliance and other matters; accordingly, we express no such opinions. Because of its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to teacher certification and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in Basic, Basic with ESE Services, ESOL, ESE Support Levels 4 and 5, and Career Education 9-12. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE D* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance with State requirements on the District's reported FTE student enrollment 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.

¹ 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 SBE, 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,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 8, 2016

SCHEDULE A

POPULATIONS, TEST SELECTION, AND TEST RESULTS FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

Reported FTE

The funding provided by the Florida Education Finance Program (FEFP) is based upon the numbers of individual students participating in particular educational programs. The FEFP funds ten specific programs that are grouped under the following four general program titles: Basic, English for Speakers of Other Languages (ESOL), Exceptional Student Education (ESE), and Career Education 9-12. The unweighted FTE represents the FTE prior to the application of the specific cost factor for each program. (See *SCHEDULE B* and NOTE A3., A4., and A5.) For the fiscal year ended June 30, 2015, the Madison County District School Board (District) reported to the Department of Education 2,537.90 unweighted FTE as recalibrated, which included 83.47 unweighted FTE as recalibrated for charter schools, at 8 District schools other than charter schools, 1 charter school, and 2 virtual education cost centers.

Schools and Students

As part of our examination procedures, we tested the FTE student enrollment reported to the Department of Education for schools and students for the fiscal year ended June 30, 2015. (See NOTE B.) The population of schools (11) consisted of the total number of brick and mortar schools in the District that offered courses, including charter schools, as well as the designated District virtual education cost centers in the District that offered virtual instruction in the FEFP-funded programs. The population of students (1,238) consisted of the total number of students in each program at the schools and cost centers in our tests. Our Career Education 9-12 student test data includes only those students who participated in on-the-job training.

We noted the following material noncompliance: exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for 8 of the 37 students in our Basic test,² 6 of the 24 students in our Basic with ESE Services test,³ 1 of the 3 students in our ESOL test,⁴ 14 of the 16 students in our ESE Support Levels 4 and 5 test,⁵ and 13 of the 30 students in our Career Education 9-12 test.⁶ Four of the 37 students (11 percent) in our Basic test attended charter schools and none of the 8 students with exceptions attended charter schools. Three of the 24 students (13 percent) in our Basic with ESE Services test attended charter schools and none of the 6 students with exceptions attended charter schools. Similarly, 1 of the 16 students (6 percent) in our ESE Support Levels 4 and 5 test attended charter schools and 1 of the 14 students with exceptions (7 percent) attended charter schools. None of the students in our ESOL and Career Education 9-12 tests attended charter schools.

² For Basic, the material noncompliance is composed of Findings 3, 8, 11, 13, and 14 on *SCHEDULE D*.

³ For Basic with ESE services, the material noncompliance is composed of Findings 8 and 11 on *SCHEDULE D*.

⁴ For ESOL, the material noncompliance is composed of Finding 4 on *SCHEDULE D*.

⁵ For ESE Support Levels 4 and 5, the material noncompliance is composed of Findings 7 and 8 on *SCHEDULE D*.

⁶ For Career Education 9-12, the material noncompliance is composed of Findings 1 and 2 on *SCHEDULE D*.

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>Recalibrated 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	11	6	897	37	8	1,857.5100	25.8880	(.5891)
Basic with ESE Services	11	6	247	24	6	547.7100	15.3543	(3.7524)
ESOL	2	1	4	3	1	20.4200	1.7560	(.4383)
ESE Support Levels 4 and 5	3	2	16	16	14	7.4400	6.9445	(4.0023)
Career Education 9-12	4	1	<u>74</u>	<u>30</u>	<u>13</u>	<u>104.8200</u>	<u>8.1400</u>	<u>(1.6727)</u>
All Programs	11	6	<u>1,238</u>	<u>110</u>	<u>42</u>	<u>2,537.9000</u>	<u>58.0828</u>	<u>(10.4548)</u>

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (47, of which 41 are applicable to District schools other than charter schools and 6 are applicable to charter schools) 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 English Language Learner (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 selected 22 and found exceptions for 6 teachers.

We noted the following material noncompliance: 6 of the 22 teachers in our test did not meet State requirements governing certification, School Board approval of out-of-field teacher assignments, notification to parents regarding teachers' out-of-field status, or the earning of required in-service training points in ESOL strategies.⁷ Three of the 22 teachers (14 percent) in our test taught at charter schools and 2 of the 6 teachers with exceptions (33 percent) 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 test of teacher qualifications. Our proposed adjustments generally reclassify the 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 the FTE student enrollment and the computation of their financial impact is the responsibility of the Department of Education.

⁷ For teachers, the material noncompliance is composed of Findings 5, 6, 9, 10, and 12 on *SCHEDULE D.*

SCHEDULE B

EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

District Schools Other Than Charter Schools			
No. Program (1)	Proposed Net Adjustment (2)	Cost Factor	Weighted FTE (3)
101 Basic K-3	(.5617)	1.126	(.6325)
102 Basic 4-8	(.3814)	1.000	(.3814)
103 Basic 9-12	.3540	1.004	.3554
112 Grades 4-8 with Exceptional Student Education (ESE) Services	(1.2210)	1.000	(1.2210)
113 Grades 9-12 with ESE Services	(2.5914)	1.004	(2.6018)
130 English for Speakers with Other Languages (ESOL)	(.4383)	1.147	(.5027)
254 ESE Support Level 4	(3.9423)	3.548	(13.9873)
300 Career Education 9-12	(1.6727)	1.004	(1.6794)
Subtotal	(10.4548)		(20.6507)

Charter Schools			
No. Program (1)	Proposed Net Adjustment (2)	Cost Factor	Weighted FTE (3)
113 Grades 9-12 with ESE Services	.0600	1.004	.0602
255 ESE Support Level 5	(.0600)	5.104	(.3062)
Subtotal	.0000		(.2460)

Total of Schools			
No. Program (1)	Proposed Net Adjustment (2)	Cost Factor	Weighted FTE (3)
101 Basic K-3	(.5617)	1.126	(.6325)
102 Basic 4-8	(.3814)	1.000	(.3814)
103 Basic 9-12	.3540	1.004	.3554
112 Grades 4-8 with ESE Services	(1.2210)	1.000	(1.2210)
113 Grades 9-12 with ESE Services	(2.5314)	1.004	(2.5416)
130 ESOL	(.4383)	1.147	(.5027)
254 ESE Support Level 4	(3.9423)	3.548	(13.9873)
255 ESE Support Level 5	(.0600)	5.104	(.3062)
300 Career Education 9-12	(1.6727)	1.004	(1.6794)
Total	(10.4548)		(20.8967)

- Notes: (1) See NOTE A7.
 (2) These proposed net adjustments are for unweighted FTE. (See *SCHEDULE C*.)
 (3) Weighted adjustments to the FTE are presented for illustrative purposes only. The weighted adjustments to the 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 A5.)

SCHEDULE C

PROPOSED ADJUSTMENTS BY SCHOOL FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

<u>No.</u> <u>Program</u>	<u>Proposed Adjustments (1)</u>			<u>Balance Forward</u>
	<u>#0011</u>	<u>#0101</u>	<u>#0121*</u>	
101 Basic K-3	(.5617)	.....	(.5617)
102 Basic 4-80000
103 Basic 9-120000
112 Grades 4-8 with Exceptional Student Education (ESE) Services0000
113 Grades 9-12 with ESE Services0600	.0600
130 English for Speakers of Other Languages	(.4383)	.....	(.4383)
254 ESE Support Level 40000
255 ESE Support Level 5	(.0600)	(.0600)
300 Career Education 9-12	<u>(1.5839)</u>	<u>.....</u>	<u>.....</u>	<u>(1.5839)</u>
Total	<u>(1.5839)</u>	<u>(1.0000)</u>	<u>.0000</u>	<u>(2.5839)</u>

Note: (1) These proposed net adjustments are for unweighted FTE. (See NOTE A5.)

*Charter School

<u>No.</u>	<u>Brought Forward</u>	<u>Proposed Adjustments (1)</u>			<u>Total</u>
		<u>#0900</u>	<u>#7001</u>	<u>#7023</u>	
101	(.5617)	.....	.....	.....	(.5617)
102	.0000	.7444	(1.1258)	.....	(.3814)
103	.0000	.5062	.1000	(.2522)	.3540
112	.0000	(.9708)	(.2502)	.....	(1.2210)
113	.0600	(2.4914)	(.1000)	.....	(2.5314)
130	(.4383)	.....	.....	.....	(.4383)
254	.0000	(3.9423)	.....	.....	(3.9423)
255	(.0600)	.....	.....	.....	(.0600)
300	<u>(1.5839)</u>	<u>(.0888)</u>	<u>.....</u>	<u>.....</u>	<u>(1.6727)</u>
Total	<u>(2.5839)</u>	<u>(6.2427)</u>	<u>(1.3760)</u>	<u>(.2522)</u>	<u>(10.4548)</u>

Note: (1) These proposed net adjustments are for unweighted FTE. (See NOTE A5.)

SCHEDULE D

FINDINGS AND PROPOSED ADJUSTMENTS FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

Overview

Management is responsible for determining that the FTE student enrollment as reported under the Florida Education Finance Program (FEFP) is 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 (SBE) Rules, Chapter 6A-1, Florida Administrative Code (FAC); and the *FTE General Instructions 2014-15* issued by the Department of Education. Except for the material noncompliance involving teachers and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in Basic, Basic with Exceptional Student Education (ESE) Services, English for Speakers of Other Languages (ESOL), ESE Support Levels 4 and 5, and Career Education 9-12, the Madison County District School Board (District) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP for the fiscal year ended June 30, 2015. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action as presented in *SCHEDULE E*.

Proposed Net Adjustments (Unweighted FTE)

Findings

Our examination included the July and October 2014 reporting survey periods and the February and June 2015 reporting survey periods (See NOTE A6.). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2014 reporting survey period or the February 2015 reporting survey period or both. Accordingly, our Findings do not mention specific reporting survey periods unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Madison County High School (#0011)

1. [Ref. 1102] More work hours were reported for six Career Education 9-12 students who participated in on-the-job training (OJT) than were supported by the students' timecards. We propose the following adjustment:

300 Career Education 9-12	(.3780)	(.3780)
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2. [Ref. 1103] Documentation was not available to support the reporting of seven Career Education 9-12 students who participated in the OJT Program. The timecards for six of the students were not available at the time of our examination and could not be subsequently located and the other student was not employed during the week of the reporting survey period and was not otherwise documented as being engaged in a job search. We propose the following adjustment:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Madison County High School (#0011) (Continued)

300 Career Education 9-12	(1.2059)	(1.2059)
		(1.5839)

Lee Elementary School (#0101)

3. [Ref. 10102] One Basic prekindergarten student was incorrectly reported in Program No. 101 (Basic K-3). The student was not an Individual Disabilities Education Act student and the student’s parents were not enrolled in a Teenage Parent Program. Consequently, the student was not eligible to be reported for FEFP funding. We propose the following adjustment:

101 Basic K-3	(1.0000)	(1.0000)
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4. [Ref. 10103] The file for one English Language Learner (ELL) student did not contain adequate documentation to support the student’s continued placement in the ESOL Program. The 2nd-grade student scored English proficient on all parts of the Comprehensive English Language Learner Assessment test and an ELL Committee did not document at least two of the criteria necessary to support the student’s continued ESOL placement as prescribed by SBE Rule 6A-6.0902(2)(a)3., FAC. We propose the following adjustment:

101 Basic K-3	.4383	
130 ESOL	(.4383)	.0000
		(1.0000)

James Madison Preparatory High School (#0121) Charter School

5. [Ref. 12170] One teacher did not hold a valid teaching certificate during the 2014-15 school year and was not otherwise qualified to teach. Since the student involved is cited in Finding 7 (Ref. 12102), we present this disclosure Finding with no proposed adjustment.

.0000

6. [Ref. 12171] One teacher held a temporary certificate in English but District personnel records did not demonstrate that the teacher had completed the General Knowledge requirements within 1 calendar year from the date of employment under the temporary certificate. Since the student involved is cited in Finding 7 (Ref. 12102), we present this disclosure Finding with no proposed adjustment:

.0000

Findings

James Madison Preparatory High School (#0121) Charter School (Continued)

7. [Ref. 12102] The *Physician's Statement* authorizing Hospital and Homebound Program services for one ESE student expired prior to the reporting survey period; consequently, the student's reporting in the Hospital and Homebound Program was not adequately supported. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.0600	
255 ESE Support Level 5	<u>(.0600)</u>	<u>.0000</u>
		<u>.0000</u>

Twin Oaks Academy (#0900)

8. [Ref. 90001/02/03] The FTE was incorrectly calculated resulting from the use of the incorrect number of Class Minutes Weekly (CMW) and an incorrect number of days in term (DIT) for 72 students (3 students were in our Basic test, 4 students were in our Basic with ESE Services test, and 13 students were in our ESE Support Levels 4 and 5 test) in the July 2014 and June 2015 reporting survey periods (Ref. 90001). The School's calendar reflected only 34 DIT in the July 2014 reporting survey period and 27 DIT in the June 2015 reporting survey period. Using these DITs, the students should have been reported at a maximum of 1,500 CMW, or .1889 and .1500 FTE, respectively, as specified in the *FTE General Instructions 2014-15*. However, the students were reported for .3444 and .1554 FTE in the respective reporting survey periods.

Additionally, for 2 of the 72 students we noted that School records did not demonstrate that the *Matrix of Services* form had been reviewed and updated when the student's new *Individual Education Plan* was prepared (1 student [Ref. 90002]) and the *Matrix of Services* form was not updated prior to the reporting survey period to document the change in services resulting from the student's enrollment at a Department of Juvenile Justice facility from the previous school and the related services that were provided at that school (1 student [Ref. 90003]). Consequently, the student was incorrectly reported in Program No. 254 (ESE Support Level 4), in accordance with the services provided at the student's previous school.

Accordingly, we propose the following adjustments:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Twin Oaks Academy (#0900) (Continued)

<u>Ref. 90001</u>		
102 Basic 4-8	(.5043)	
103 Basic 9-12	(.2384)	
112 Grades 4-8 with ESE Services	(.9708)	
113 Grades 9-12 with ESE Services	(2.8692)	
254 ESE Support Level 4	(1.5712)	
300 Career Education 9-12	<u>(.0888)</u>	(6.2427)
 <u>Ref. 90002</u>		
113 Grades 9-12 with ESE Services	.1889	
254 ESE Support Level 4	<u>(.1889)</u>	.0000
 <u>Ref. 90003</u>		
113 Grades 9-12 with ESE Services	.1889	
254 ESE Support Level 4	<u>(.1889)</u>	.0000

9. [Ref. 90070] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Physical Education, Social Science, and ESE, but taught courses that required certification in Math and General Science. We also noted that the letter notifying parents of the teacher's out-of-field status indicated the specific courses that were taught out of field rather than the teacher's out-of-field certification areas and the letter did not identify all of the out-of-field courses taught by the teacher. We propose the following adjustment:

102 Basic 4-8	.2160	
103 Basic 9-12	.2160	
254 ESE Support Level 4	<u>(.4320)</u>	.0000

10. [Ref. 90071/72] Two teachers were not properly certified and were either not approved by the School Board to teach out of field (Ref. 90072) or not approved to teach out of field by the School Board until October 14, 2014, which was after the July 2014 reporting survey period (Ref. 90071). The teachers were out of field in Reading, English, and History (Ref. 90071) or Math and History (Ref. 90072). We also noted that the letter notifying parents of one teacher's out-of-field status (Ref. 90072) indicated the specific courses that were taught out of field rather than the teacher's out-of-field certification areas and the letter did not identify the specific reading and history courses taught by the teacher. We propose the following adjustments:

<u>Ref. 90071</u>		
102 Basic 4-8	.8951	
103 Basic 9-12	.3858	
254 ESE Support Level 4	<u>(1.2809)</u>	.0000

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Twin Oaks Academy (#0900) (Continued)

<u>Ref. 90072</u>		
102 Basic 4-8	.1376	
103 Basic 9-12	.1428	
254 ESE Support Level 4	<u>(.2804)</u>	<u>.0000</u>
		<u>(6.2427)</u>

Madison Virtual Instruction Program (#7001) - (Provider Operated)

11. [Ref. 700101] Four virtual education students (two students were in our Basic test and two students were in our Basic with ESE Services test) did not meet the eligibility requirements specified in Section 1002.455, Florida Statutes; consequently, the students were not eligible for enrollment in a Virtual Instruction Program. We propose the following adjustment:

102 Basic 4-8	(1.1258)	
112 Grades 4-8 with ESE Services	<u>(.2502)</u>	(1.3760)

12. [Ref. 700170] One virtual education teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in English but taught a course requiring certification in ESE. We also noted that the parents of the ESE student were not notified of the teacher's out-of-field status. We propose the following adjustment:

103 Basic 9-12	.1000	
113 Grades 9-12 with ESE Services	<u>(.1000)</u>	<u>.0000</u>
		<u>(1.3760)</u>

Madison Virtual Instruction Program (#7023) - (District Operated)

13. [Ref. 702301] One Basic virtual education student did not meet the eligibility requirements specified in Section 1002.455, Florida Statutes; consequently, the student was not eligible for enrollment in a Virtual Instruction Program. We propose the following adjustment:

103 Basic 9-12	<u>(.1348)</u>	(.1348)
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**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Madison Virtual Instruction Program (#7023) - (District Operated) (Continued)

14. [Ref. 702302] The FTE for one Basic virtual education student was incorrectly reported. The student was reported for two semesters of a course; however, the student's academic history reflected that the student had already been funded for the course in the October 2014 and February 2015 reporting survey periods. Consequently, the virtual education course was not eligible for FEFP funding in the June 2015 reporting survey period. We propose the following adjustment:

103 Basic 9-12	<u>(.1174)</u>	<u>(.1174)</u>
		<u>(.2522)</u>
Proposed Net Adjustment		<u>(10.4548)</u>

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

RECOMMENDATIONS

We recommend that Madison County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) students are reported in the proper funding category for the correct amount of FTE and adequate documentation is retained to support that reporting for both regular education and virtual education students; (2) only virtual education students who have met the eligibility criteria for placement in a Virtual Instruction Program are enrolled in virtual education courses; (3) students in Career Education 9-12 who participated in on-the-job training are reported in accordance with timecards that are accurately completed, signed, and maintained in readily accessible files; (4) students assessed as English language proficient are placed or retained in English for Speakers of Other Languages (ESOL) based on the placement recommendations of English Language Learner Committees that have considered and documented the criteria specified in State Board of Education (SBE) Rule 6A-6.0902(2)(a)3., Florida Administrative Code; (5) evidence is maintained to support that the *Matrix of Services* forms have been reviewed and updated when the students' *Individual Education Plans (IEPs)* are prepared and reflect the *IEP* services in effect during the reporting survey period; (6) *Physicians' Statements* supporting students' placements in the Hospital and Homebound Program are timely prepared or updated and cover the time period the student is in the Hospital and Homebound Program; (7) FTE is correctly reported for Department of Juvenile Justice students in the summer reporting survey periods, in accordance with the number of days in term and reported for no more than 1,500 Class Minutes Weekly (25 hours); (8) only prekindergarten students who are children of students enrolled in the Teenage Parent Program or are students identified as Individual with Disabilities Education Act students are reported for Florida Education Finance Program (FEFP) funding; (9) teachers have a valid Florida teaching certificate; (10) teachers are properly certified or, if teaching out of field, are timely approved by the District or Charter School Board to teach out of field; (11) teachers with temporary teaching certificates demonstrate mastery of General Knowledge within 1 calendar year of the date of employment under the temporary certificate; and (12) parents are timely notified of teachers' out-of-field certification 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 relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP.

REGULATORY CITATIONS

Reporting

Section 1007.271(21), Florida Statutes, *Dual Enrollment Programs*

Section 1011.60, Florida Statutes, *Minimum Requirements of the Florida Education Finance Program*

Section 1011.61, Florida Statutes, *Definitions*

Section 1011.62, Florida Statutes, *Funds for Operation of Schools*

SBE Rule 6A-1.0451, Florida Administrative Code, *Florida Education Finance Program Student Membership Surveys*

SBE Rule 6A-1.045111, Florida Administrative Code, *Hourly Equivalent to 180-Day School Year*

SBE Rule 6A-1.04513, Florida Administrative Code, *Maintaining Auditable FTE Records*

FTE General Instructions 2014-15

Attendance

Section 1003.23, Florida Statutes, *Attendance Records and Reports*

SBE Rule 6A-1.044(3) and (6)(c), Florida Administrative Code, *Pupil Attendance Records*

SBE Rule 6A-1.04513, Florida Administrative Code, *Maintaining Auditable FTE Records*

FTE General Instructions 2014-15

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook

ESOL

Section 1003.56, Florida Statutes, *English Language Instruction for Limited English Proficient Students*

Section 1011.62(1)(g), Florida Statutes, *Education for Speakers of Other Languages*

SBE Rule 6A-6.0901, Florida Administrative Code, *Definitions Which Apply to Programs for English Language Learners*

SBE Rule 6A-6.0902, Florida Administrative Code, *Requirements for Identification, Eligibility, and Programmatic Assessments of English Language Learners*

SBE Rule 6A-6.09021, Florida Administrative Code, *Annual English Language Proficiency Assessment for English Language Learners (ELLs)*

SBE Rule 6A-6.09022, Florida Administrative Code, *Extension of Services in English for Speakers of Other Languages (ESOL) Program*

SBE Rule 6A-6.0903, Florida Administrative Code, *Requirements for Exiting English Language Learners from the English for Speakers of Other Languages Program*

SBE Rule 6A-6.09031, Florida Administrative Code, *Post Reclassification of English Language Learners (ELLs)*

SBE Rule 6A-6.0904, Florida Administrative Code, *Equal Access to Appropriate Instruction for English Language Learners*

Career Education On-The-Job Attendance

SBE Rule 6A-1.044(6)(c), Florida Administrative Code, *Pupil Attendance Records*

Career Education On-The-Job Funding Hours

SBE Rule 6A-6.055(3), Florida Administrative Code, *Definitions of Terms Used in Vocational Education and Adult Programs*

FTE General Instructions 2014-15

Exceptional Education

Section 1003.57, Florida Statutes, *Exceptional Students Instruction*

Section 1011.62, Florida Statutes, *Funds for Operation of Schools*
Section 1011.62(1)(e), Florida Statutes, *Funding Model for Exceptional Student Education Programs*
SBE Rule 6A-6.03028, Florida Administrative Code, *Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities*
SBE Rule 6A-6.03029, Florida Administrative Code, *Development of Individualized Family Support Plans for Children with Disabilities Ages Birth Through Five Years*
SBE Rule 6A-6.0312, Florida Administrative Code, *Course Modifications for Exceptional Students*
SBE Rule 6A-6.0331, Florida Administrative Code, *General Education Intervention Procedures, Evaluation, Determination of Eligibility, Reevaluation and the Provision of Exceptional Student Education Services*
SBE Rule 6A-6.0334, Florida Administrative Code, *Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students*
SBE Rule 6A-6.03411, Florida Administrative Code, *Definitions, ESE Policies and Procedures, and ESE Administrators*
SBE Rule 6A-6.0361, Florida Administrative Code, *Contractual Agreement with Nonpublic Schools and Residential Facilities*
Matrix of Services Handbook (2012 Revised Edition)

Teacher Certification

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

Virtual Education

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

Charter Schools

Section 1002.33, Florida Statutes, *Charter Schools*

NOTES TO SCHEDULES

<p style="text-align: center;">NOTE A – SUMMARY FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT</p>

A summary discussion of the significant features of the Madison County District School Board (District), the Florida Education Finance Program (FEFP), the FTE, and related areas follows:

1. The District

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Madison County, Florida. Those services are provided primarily to prekindergarten through 12th-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 (SBE). The geographic boundaries of the District are those of Madison 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. The District had 8 schools other than charter schools, 1 charter school, and 2 virtual education cost centers serving prekindergarten through 12th-grade students. For the fiscal year ended June 30, 2015, State funding totaling \$11.6 million was provided through the FEFP to the District for the District-reported 2,537.90 unweighted FTE as recalibrated, which included 83.47 unweighted FTE as recalibrated for charter schools. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

2. FEFP

Florida school districts receive State funding through the FEFP to serve prekindergarten through 12th-grade students (adult education is not funded by the FEFP). The 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 that 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.

3. FTE Student Enrollment

The funding provided by the 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 student enrollment. For example, for prekindergarten through 3rd grade, 1.0 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 4 through 12, 1.0 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 1.0 FTE if the student was enrolled in six

classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week, which equates to 1.0 FTE). For virtual education students, one student would be reported as 1.0 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 reported as a fraction of an FTE. Half-credit completions will be included in determining an FTE student enrollment. 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 FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice (DJJ) for 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 the FTE student enrollment reported for the student by all school districts, including the Florida Virtual School Part-Time Program, using a common student identifier. The Department of Education then recalibrates all the 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 student enrollment reported for extended school year periods and the DJJ FTE student enrollment reported beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

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 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 Reporting Survey Periods

The FTE is determined and reported during the school year by means of four FTE membership survey periods that are conducted under the direction of district and school management. Each survey period is a testing of the FTE membership for a period of 1 week. The survey periods for the 2014-15 school year were conducted during and for the following weeks: survey period one was performed for July 7 through 11, 2014; survey period two was performed for October 13 through 17, 2014; survey period three was performed for February 9 through 13, 2015; and survey period four was performed for June 15 through 19, 2015.

7. Educational Programs

The 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: (1) Basic, (2) English for Speakers of Other Languages, (3) Exceptional Student Education, and (4) Career Education 9-12.

8. Statutes and Rules

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

Chapter 1000, Florida Statutes, *K-20 General Provisions*

Chapter 1001, Florida Statutes, *K-20 Governance*

Chapter 1002, Florida Statutes, *Student and Parental Rights and Educational Choices*

Chapter 1003, Florida Statutes, *Public K-12 Education*

Chapter 1006, Florida Statutes, *Support for Learning*

Chapter 1007, Florida Statutes, *Articulation and Access*

Chapter 1010, Florida Statutes, *Financial Matters*

Chapter 1011, Florida Statutes, *Planning and Budgeting*

Chapter 1012, Florida Statutes, *Personnel*

SBE Rules, Chapter 6A-1, Florida Administrative Code, *Finance and Administration*

SBE Rules, Chapter 6A-4, Florida Administrative Code, *Certification*

SBE Rules, Chapter 6A-6, Florida Administrative Code, *Special Programs I*

NOTE B – TESTING FTE STUDENT ENROLLMENT
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Our examination procedures for testing provided for the selection of schools, students, and teachers using judgmental methods for testing the FTE student enrollment as reported under the FEFP to the Department of Education for the fiscal year ended June 30, 2015. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP. The following schools were selected for testing:

<u>School</u>	<u>Findings</u>
1. Madison County High School	1 and 2
2. Lee Elementary School	3 and 4
3. James Madison Preparatory High School*	5 through 7
4. Twin Oaks Academy	8 through 10
5. Madison Virtual Instruction Program (Provider Operated)	11 and 12
6. Madison Virtual Instruction Program (District Operated)	13 and 14

* Charter School



Sherrill F. Norman, CPA
Auditor General

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

INDEPENDENT AUDITOR'S REPORT ON STUDENT TRANSPORTATION

We have examined the Madison County District School Board's (District's) compliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2015. These requirements are found primarily in Chapter 1006, Part I, E. and Section 1011.68, Florida Statutes; State Board of Education (SBE) Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions 2014-15* 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 with State requirements 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 supporting management's assertion 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 disclosed material noncompliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the FEFP involving the students' reported ridership classification or eligibility for State transportation funding.

In our opinion, except for the material noncompliance with State requirements mentioned above involving the students' reported ridership classification or eligibility for State transportation funding, the Madison County District School Board complied, in all material respects, with State requirements relating to the

classification, assignment, and verification of student transportation as reported under the FEFP for the fiscal year ended June 30, 2015.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*,⁸ we are required to report all deficiencies considered to be significant deficiencies or material weaknesses⁸ 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 that has a material effect on the District's compliance with State requirements; and abuse that has a material effect on the District's compliance with State requirements. 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. We performed our examination to express an opinion on the District's compliance with State requirements and not for the purpose of expressing an opinion on the District's related internal control over compliance with State requirements or on compliance and other matters, accordingly, we express no such opinions. Because of its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the students' reported ridership classification or eligibility for State transportation funding. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE G* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance on the District's reported student transportation 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.

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 SBE, 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,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 8, 2016

⁸ 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.

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS STUDENT TRANSPORTATION

Any student who is transported by the Madison County District School Board (District) must meet one or more of the following conditions in order to be eligible for State transportation funding: live 2 or more miles from school, be physically handicapped, be a Career Education 9-12 or an Exceptional Student Education 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 student transportation as reported to the Department of Education for the fiscal year ended June 30, 2015. (See NOTE B.) The population of vehicles (74) consisted of the total number of vehicles (buses, vans, or passenger cars) reported by the District for each reporting survey period. For example, a vehicle that transported students during the July and October 2014 and February and June 2015 reporting survey periods would be counted in the population as four vehicles. Similarly, the population of students (3,021) consisted of the total number of students reported by the District as having been transported for each reporting survey period. (See NOTE A2.) The District reported students in the following ridership categories:

<u>Ridership Category</u>	<u>Number of Students Transported</u>
Teenage Parents and Infants	3
Individuals with Disabilities Education Act – Prekindergarten through Grade 12, Weighted	20
All Other Florida Education Finance Program Eligible Students	<u>2,998</u>
Total	<u>3,021</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 in our error-rate determination.

We noted the following material noncompliance: exceptions involving their reported ridership classification or eligibility for State transportation funding for 35 of 228 students in our student transportation test.⁹

⁹ For student transportation, the material noncompliance is composed of Findings 3, 6, 7, and 8 on *SCHEDULE G*.

Our examination results are summarized below:

<u>Description</u>	<u>Buses</u>	<u>Students</u>	
	<u>Proposed Net Adjustment</u>	<u>With Exceptions</u>	<u>Proposed Net Adjustment</u>
We noted that the reported number of buses in operation was overstated.	(5)	-	-
Our tests included 228 of the 3,021 students reported as being transported by the District.		35	(35)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 49 students.	-	<u>49</u>	<u>(48)</u>
Total	<u>(5)</u>	<u>84</u>	<u>(83)</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.

SCHEDULE G

FINDINGS AND PROPOSED ADJUSTMENTS STUDENT TRANSPORTATION

Overview

Management is responsible for determining that student transportation as reported under the Florida Education Finance Program (FEFP) is 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 2014-15* issued by the Department of Education. Except for the material noncompliance involving the students' reported ridership classification or eligibility for State transportation funding, the Madison County District School Board (District) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of student transportation as reported under the FEFP for the fiscal year ended June 30, 2015. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action as presented in *SCHEDULE H*.

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 period. Our detailed tests involved verification of the specific ridership categories reported for students in our tests from the July and October 2014 reporting survey periods and the February and June 2015 reporting survey periods. Adjusted students who were in more than one reporting survey period are accounted for by reporting survey period. For example, a student included in our tests twice (i.e., once for the October 2014 reporting survey period and once for the February 2015 reporting survey period) will be presented in our Findings as two test students.

1. [Ref. 55] The District's reported number of buses in operation was overstated by three buses in the October 2014 reporting survey period and two buses in the February 2015 reporting survey period because vans were reported as buses. We propose the following adjustments:

October 2014 Survey

Number of Buses in Operation (3)

February 2015 Survey

Number of Buses in Operation (2)

(5)

0

Findings

2. [Ref. 51] Our general tests of reported ridership disclosed that 27 prekindergarten (PK) students were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students were not classified as Individuals with Disabilities Education Act (IDEA) students and their parents were not enrolled in a Teenage Parent Program; therefore, the students were not eligible for State transportation funding. We propose the following adjustments:

October 2014 Survey

90 Days in Term

All Other FEFP Eligible Students	(3)	
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February 2015 Survey

90 Days in Term

All Other FEFP Eligible Students	<u>(24)</u>	(27)
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3. [Ref. 52] Our general tests of reported ridership disclosed that 47 students (26 students were in our test) were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students were not scheduled for extended school year (ESY) services or enrolled in Exceptional Student Education Programs, and were not enrolled in a non-residential Department of Juvenile Justice Program; therefore, the students were not eligible for State transportation funding. We propose the following adjustment:

June 2015 Survey

10 Days in Term

All Other FEFP Eligible Students	<u>(47)</u>	(47)
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4. [Ref. 53] Our general tests of reported ridership disclosed that one student reported in the IDEA - PK through Grade 12, Weighted ridership category was transported by a District-owned van; consequently, the student was not eligible to be reported in a weighted ridership category. However, we determined that the student was otherwise eligible for reporting in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

October 2014 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(1)	
All Other FEFP Eligible Students	<u>1</u>	0

**Students
Transported
Proposed Net
Adjustments**

Findings

5. [Ref. 54] Our general test of reported ridership disclosed that one student was reported for an incorrect number of days in term (DIT). The student was reported for 12 DIT rather than 10 DIT, in accordance with the school’s instructional calendar. We propose the following adjustment:

June 2015 Survey

12 Days in Term

IDEA - PK through Grade 12, Weighted (1)

10 Days in Term

IDEA - PK through Grade 12, Weighted 1 0

6. [Ref. 56] Three students in our test were not listed on the bus driver’s report (one student) or were not marked as riding the bus during the reporting survey period (two students). We propose the following adjustment:

October 2014 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted (1)

All Other FEFP Eligible Students (2) (3)

7. [Ref. 57] The *Individual Education Plans* for four students in our test did not indicate the need for ESY services. Consequently, the students were not eligible for State transportation funding. We propose the following adjustment:

June 2015 Survey

10 Days in Term

All Other FEFP Eligible Students (4) (4)

8. [Ref. 58] Two students in our test were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students lived less than 2 miles from school and were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2014 Survey

90 Days in Term

All Other FEFP Eligible Students (1)

February 2015 Survey

90 Days in Term

All Other FEFP Eligible Students (1) (2)

Proposed Net Adjustment (83)

SCHEDULE H

RECOMMENDATIONS AND REGULATORY CITATIONS STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that Madison County District School Board (District) 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) only prekindergarten (PK) students who are classified as Individuals with Disabilities Education Act (IDEA) students or whose parents are enrolled in the Teenage Parent Program are reported for State transportation funding; (3) only Exceptional Student Education students whose *Individual Education Plans* authorize extended school year services or students attending non-residential Department of Juvenile Justice Programs are reported for State transportation funding in the summer reporting survey periods; (4) the distance from home to assigned school is verified prior to students being reported in the All Other Florida Education Finance Program (FEFP) Eligible Students ridership category; (5) only students who are in membership and are documented as having been transported at least 1-day during a reporting survey period are reported for State transportation funding; and (6) students transported by vehicles other than buses are not reported in the IDEA - PK through Grade 12, Weighted 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 relating to the classification, assignment, and verification of student transportation as reported under the FEFP.

REGULATORY CITATIONS

Section 1002.33, Florida Statutes, *Charter Schools*

Chapter 1006, Part I, E., Florida Statutes, *Transportation of Public K-12 Students*

Section 1011.68, Florida Statutes, *Funds for Student Transportation*

State Board of Education Rules, Chapter 6A-3, Florida Administrative Code, *Transportation*

Student Transportation General Instructions 2014-15

NOTES TO SCHEDULES

NOTE A - SUMMARY STUDENT TRANSPORTATION
--

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 2 or more miles from school, be physically handicapped, be a Career Education 9-12 or an Exceptional Student Education 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 Madison County

For the fiscal year ended June 30, 2015, the District received \$581,604 for student transportation as part of the State funding through the Florida Education Finance Program (FEFP). The District's student transportation reported by survey period was as follows:

<u>Survey Period</u>	<u>Number of Vehicles</u>	<u>Number of Students</u>
October 2014	35	1,468
February 2015	34	1,488
June 2015	<u>5</u>	<u>65</u>
Total	<u>74</u>	<u>3,021</u>

3. Statutes and Rules

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

Section 1002.33, Florida Statutes, *Charter Schools*

Chapter 1006, Part I, E., Florida Statutes, *Transportation of Public K-12 Students*

Section 1011.68, Florida Statutes, *Funds for Student Transportation*

State Board of Education Rules, Chapter 6A-3, Florida Administrative Code, *Transportation*

NOTE B – TESTING STUDENT TRANSPORTATION
--

Our examination procedures for testing provided for the selection of students using judgmental methods for testing student transportation as reported to the Department of Education for the fiscal year ended June 30, 2015. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the FEFP.

MANAGEMENT'S RESPONSE

District School Board of Madison County

210 NE Duval Avenue · Madison Florida 32340

December 8, 2016

Ms. Sherrill F. Norman, CPA
State of Florida Auditor General
Claude Denson Pepper Bldg, Room 76A
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman:

Please accept the Madison County School District response to the Preliminary and Tentative Findings as follows:

SCHEDULE D

Madison County High School (#0011)

Finding #1: More work hours were reported for six Career Education 9-12 students who participated in the on-the-job training (OJT) than were supported by the students' timecards. **The District agrees with the finding.**

Explanation: Due to the renovation project and relocation of offices, several documents were misplaced during transition.

Corrective Action: We have created guidelines for OJT that all students must follow to prevent this from happening in the future.

Finding #2: Documentation was not available to support the reporting of seven Career Education 9-12 students who participated in the OJT Program. The timecards for six of the students were not available at the time of our examination and could not be subsequently located and the other student was not employed during the week of the reporting survey period and was not otherwise documented as being engaged in a job search. **The District agrees with the finding.**

Explanation: Due to the renovation project and relocation of offices, several documents were misplaced during transition. One of the businesses has now closed and we were unable to secure time cards.

Corrective Action: We have created guidelines for OJT that all students must follow to prevent this from happening in the future.

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Lee Elementary School (#0101)

Finding #3: One basic prekindergarten student was incorrectly reported in Program No. 101 (Basic K-3). The student was not an Individual Disabilities Education Act student and the students' parents were not enrolled in a Teenage Parent Program. Consequently, the student was not eligible to be reported for FEFP funding. **The District agrees with the finding.**

Explanation: We had a student marked as ESE PreK when the student should have been VPK.

Corrective Action: The principal will verify ESE PreK students with district level personnel before submitting FTE in the future.

Finding #4: The file for one English Language Learner (ELL) student did not contain adequate documentation to support the student's continued placement in the ESOL Program. The 2nd grade student scored English proficient on all parts of the Comprehensive English Language Learner Assessment test and an ELL Committee did not document at least two of the criteria necessary to support the student's continued ESOL placement as prescribed by SBE Rule 6A-6.0902(2)(a)3., FAC. **The District agrees with the finding.**

Explanation: We thought we were using the correct criteria for eligibility for ESOL students. It turns out the criteria for 3rd through 5th grade is different from K to 2nd.

Corrective Action: The correct eligibility criteria requirements have been obtained and will be used from this point forward.

James Madison Preparatory High School (#0121) Charter School

Finding #5: One teacher did not hold a valid teaching certificate during the 2014-15 school year and was not otherwise qualified to teach. Since the student involved is cited in finding 7 (Ref. 12102), we present this disclosure Finding with no proposed adjustment. **The District agrees with the finding.**

Explanation: During the 2014-2015 school year, James Madison Preparatory high School did not provide Madison County School District with teacher credentials.

Corrective Action: Each year, prior to school starting, charter schools will submit a list of current staff members, including certifications and teaching assignments for teachers to the district's charter school liaison for a compliance review.

Finding #6: One teacher held a temporary certificate in English, but District personnel records did not demonstrate that the teacher had completed the General Knowledge requirements within one (1) calendar year from the date of employment under the temporary certificate. Since the student involved

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is cited in Finding 7 (Ref. 12102) we present this disclosure Finding with no proposed adjustment. **The District agrees with the finding.**

Explanation: During the 2014-2015 school year, James Madison Preparatory High School did not provide Madison County School District with teacher credentials.

Corrective Action: Each year, prior to school starting, charter schools will submit a list of current staff members, including certifications and teaching assignments for teachers to the district's charter school liaison for a compliance review.

Finding #7: The *Physician's Statement* authorizing Hospital and Homebound Program services for one ESE student expired prior to the reporting period; consequently, the student's reporting in the Hospital and Homebound Program was not adequately supported. **The District agrees with the finding.**

Explanation: Physician's Statement is an "Estimated Duration" of the Qualifying Condition, which was through 09/30/2014. The Physician's statement on 10/01/2014 stated that the student may begin to transition back into school as the student feels comfortable due to an open wound on the student's spine. The parent provided the 10/01/2014 Physician's statement on 10/06/2014. The Staffing Specialist talked with the student, mom, and teacher on 10/14/2014 and 10/16/2014 to discuss transition back into school and dismissal from Hospital/Homebound. The IEP team met on 10/24/2014 and made an educational decision that, due to the student's current educational needs to stay on track for graduation and inability to transition fully due to medical needs, that Hospital/Homebound services were still needed during the transition period the physician recommended.

Corrective Action: The student was dismissed once he was medically, physically, and educationally able to return to school on a full-time basis, which was October 24, 2014. IEP teams review estimated physician recommendations for durations, but can make service decisions based on all evaluation data.

Twin Oaks Academy (#0900)

Finding #8: The FTE was incorrectly calculated resulting from the use of the incorrect number of Class Minutes Weekly (CMW) and an incorrect number of days in term (DIT) for 72 students (3 students were in our Basic test, 4 students were in our Basic with ESE Services test, and 13 students were in our ESE Support Levels 4 and 5 test) in the July 2014 and June 2015 reporting survey periods. The School's calendar reflected only 34 DIT in the July 2014 reporting survey period and 27 DIT in the June 2015 reporting survey period. Using these DITs, the students should have been reported at a maximum of 1,500 CMW, or .1889 and .1150 FTE, respectively, as specified in the General Instructions 2014-15. However, the students were reported for .3444 and .1554 FTE in the respective reporting survey periods.

Additionally, for 2 of the 72 students we noted that School records did not demonstrate that the *Matrix of Services* form had been reviewed and updated when the student's new *Individual Education Plan* was

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prepared (1 student [Ref. 9002]) and the *Matrix of Services* form was not updated prior to the survey reporting period to document the change in services resulting from the student's enrollment at a Department of Juvenile Justice facility from the previous school and the related services that were provided at that school (1 student [Ref. 90003]). Consequently, the student was incorrectly reported in Program No. 254 (ESE Support Level 4), in accordance with the services provided at the student's previous school.

Explanation: For Student #1 – The review date of 04/25/14 was mistakenly left off the Matrix when the IEP Amendment was held. This Matrix and IEP was completed when DJJ educational services were under contract with a private vendor. **The District agrees with the finding.**

For Student #2 – The student enrolled on 06/20/14. The facility received transfer records with a current IEP and Matrix dated 06/02/14. A transfer staffing and IEP meeting was held on 07/18/14. During the Survey 1 period the student had a current IEP and Matrix (254) from Sarasota County. The IDEA requirement is that schools must implement comparable services until a new meeting or re-evaluation can occur.

Corrective Action: Student #1: The State has now added the section for Review dates on the new Matrix Forms to assist all districts with this data element error.

Madison Virtual Instruction Program (#7023) – District Operated

Finding #13: One Basic virtual education student did not meet the eligibility requirements specified in Section 1002.455, Florida Statutes; consequently, the student was not eligible for enrollment in a Virtual Instruction Program. **The District agrees with the finding.**

Explanation: In the developmental stage of our Madison County Virtual School, personnel erroneously scheduled students from Home School program into MCVS.

Corrective Action: Madison County Virtual School eligibility packets have been developed and implemented. Individual meetings with parents and student are conducted prior to enrollment into the program. Personnel new to the virtual program have received and continue to receive training and support from the FLDOE virtual program office. All personnel working with virtual school attend scheduled regional technical assistance meetings through DOE. At least one monthly check in with DOE is scheduled with MCVS office.

Finding #14: The FTE for one Basic virtual education student was incorrectly reported. The student was reported for two semesters of a course; however, the student's academic history reflected that the student had already been funded for the course in October 2014 and February 2015 reporting survey periods. Consequently, the virtual education course was not eligible for FEFP funding In the June 2015 reporting period. **The District agrees with the finding.**

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Explanation: In the developmental stage of our Madison County Virtual School, personnel erroneously scheduled this student which resulted in incorrect reporting for FTE.

Corrective Action: All personnel working with virtual school attend scheduled regional technical assistance meetings through DOE. Transcripts review protocol and registration procedures have been implemented to ensure that accurate information is reported for FTE purposes.

SCHEDULE G

Finding #1: The District's reported number of buses in operation was overstated by three buses in the October 2014 reporting survey period and two buses in the February 2015 reporting survey period because vans were reported as buses. **The District agrees with the finding.**

Explanation: This was an oversight as vans were incorrectly marked as buses.

Corrective Action: Supervisor will review and verify entries prior to submission.

Finding #2: Our general tests of reported ridership disclosed that 27 Prekindergarten (PK) students were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students were not classified as Individuals with Disabilities Education Act (IDEA) students and their parents were not enrolled in a Teenage Parent program; therefore, the students were not eligible for State transportation funding. **The District agrees with the finding.**

Explanation: There were entries erroneously made from other school sites.

Corrective Action: Prevention measures will be taken to prevent erroneous entries. Supervisor will review and verify entries prior to submission.

Finding #3: Our general tests of reported ridership disclosed that 47 students (26 students were in our test) were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students were not scheduled for extended school year (ESY) services or enrolled in Exceptional Student Education Programs, and were not enrolled in a non-residential Department of Juvenile Justice Program; therefore, the students were not eligible for State transportation funding. **The District agrees with the finding.**

Explanation: We were not aware only certain students were eligible.

Corrective Action: Supervisor will review and verify all students are properly categorized prior to submission.

Finding #5: Our general test of reported ridership disclosed that one student was reported for an incorrect number of days in term (DIT). The student was reported for 12 DIT rather than 10 DIT, in accordance with the school's instructional calendar. **The District agrees with the finding.**

Explanation: This was a typographical error.

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Corrective Action: Supervisor will review and verify entries for possible mistakes prior to submission.

Finding #6: Three students in our test were not listed on the bus driver's report (one student) or were not marked as riding the bus during the reporting survey period (two students). **The District agrees with the finding.**

Explanation: Not all drivers (substitutes) are aware of student names.

Corrective Action: A supervisor will review and verify entries prior to submission for omissions. Supervisor will review feasibility of software or other methods for tracking and logging all students/riders to avoid future errors.

Finding #7: The Individual Education Plans for four students in our survey did not indicate the need for ESY services. Consequently, the students were not eligible for State transportation funding. **The District agrees with the finding.**

Explanation: Students were counted mistakenly during summer school.

Corrective Action: Supervisor will review and verify entries prior to submission.

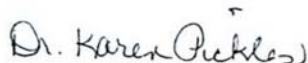
Finding #8: Two students in our test were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students lived less than two miles from the school and were not otherwise eligible for State transportation funding. **The District agrees with the finding.**

Explanation: One student count had an incorrect address in system; one student was marked incorrectly by the driver.

Corrective Action: Supervisor will review and verify address entries in system and log entries by drivers prior to submission.

I appreciate the work of the Auditor General's Office. The findings and suggestions provide the District with the opportunity to improve operations to ensure the delivery of a quality education to the students of Madison County.

Sincerely,



Karen Todd Pickles, Ph.D.
Superintendent of Schools

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