

**LIBERTY COUNTY
DISTRICT SCHOOL BOARD**

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

For the Fiscal Year Ended
June 30, 2016



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2015-16 fiscal year, David H. Summers served as Superintendent and the following individuals served as Board members:

<u>Board Member</u>	<u>District No.</u>
Logan E. Kever	1
Tina Tharpe, Chair from 11-10-15	2
Darrel L. Hayes, Vice Chair	3
Kyle Peddie, Chair through 11-9-15	4
Roger W. Reddick	5

The team leader was John Ray Speaks, Jr., 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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LIBERTY COUNTY DISTRICT SCHOOL BOARD

LIST OF ABBREVIATIONS

CMW	Class Minutes, Weekly
DIT	Days In Term
DJJ	Department of Juvenile Justice
DOE	Department of Education
ELL	English Language Learner
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
FAC	Florida Administrative Code
FEFP	Florida Education Finance Program
FTE	Full-Time Equivalent
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Plan
PK	Prekindergarten
SBE	State Board of Education

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 ESE Services, ESOL, ESE Support Levels 4 and 5, and student transportation, the Liberty 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, 2016. Specifically, we noted:

- State requirements governing teacher certification, School Board approval of out-of-field teacher assignments, notification to parents regarding teachers' out-of-field status, the earning of college credits towards certification in the out-of-field subject areas, or the earning of required in-service training points in ESOL strategies were not met for 8 of the 19 teachers in our test.
- 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 3 of the 21 students in our Basic test, 6 of the 16 in our Basic with ESE Services test, 4 of the 5 in our ESOL test, and 6 of the 42 in our ESE Support Levels 4 and 5 test.
- Exceptions involving the reported ridership classification or eligibility for State transportation funding for 27 of the 173 students in our student transportation test in addition to 90 students identified in our general tests.

The District did not report any charter schools; therefore, all our tests relate to District schools other than charter schools and the District's virtual instruction program. Noncompliance related to the reported FTE student enrollment resulted in 21 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to negative 12.8280 but has a potential impact on the District's weighted FTE of negative 47.4835. Noncompliance related to student transportation resulted in 6 findings and a proposed net adjustment of negative 76 students.

The weighted adjustments to the FTE student enrollment are presented in our report for illustrative purposes only. The weighted adjustments to the FTE student enrollment 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 DOE. However, the gross dollar effect of our proposed adjustments to the FTE may be estimated by multiplying the proposed net weighted adjustments to the FTE student enrollment by the base student allocation amount. The base student allocation for the fiscal year ended June 30, 2016, was \$4,154.45 per FTE. For the District, the estimated gross dollar effect of our proposed adjustments to the reported FTE student enrollment is negative \$197,268 (negative 47.4835 times \$4,154.45).

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 DOE.

THE DISTRICT

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Liberty County, Florida. Those services are provided primarily to PK 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 SBE. The geographic boundaries of the District are those of Liberty 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 seven schools other than charter schools and one virtual education cost center serving PK through 12th-grade students. The District did not report any charter schools.

For the fiscal year ended June 30, 2016, State funding totaling \$8.5 million was provided through the FEFP to the District for the District-reported 1,378.68 unweighted FTE as recalibrated. 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 PK 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 on 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 courses per day at 50 minutes per course for the full 180-day school year (i.e., six courses 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.

All FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the DJJ for students beyond the 180-day school year. School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The DOE 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 DOE 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 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 \$307,578 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

Report on Full-Time Equivalent Student Enrollment

We have examined the Liberty County District School Board's (District's) compliance with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment reported under the Florida Education Finance Program for the fiscal year ended June 30, 2016. 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 2015-16* issued by the Department of Education.

Management's Responsibility for Compliance

District management is responsible for the District's compliance with the aforementioned State requirements, including the design, implementation, and maintenance of internal control to prevent, or detect and correct, noncompliance due to fraud or error.

Auditor's Responsibility

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 and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the classification, assignment, and verification of the full-time equivalent student enrollment reported by the District under the Florida Education Finance Program complied with State requirements in all material respects.

An examination involves performing procedures to obtain evidence about whether the District complied with State requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for

our opinion. Our examination does not provide a legal determination on the District's compliance with State requirements. The legal determination of the District's compliance with these requirements is the responsibility of the Department of Education.

An examination by its nature does not include a review of all records and actions of District management and staff and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency. Because of these limitations and the inherent limitations of internal control, an unavoidable risk exists that some material noncompliance may not be detected, even though the examination is properly planned and performed in accordance with attestation standards.

Opinion

Our examination disclosed material noncompliance with State requirements relating to the classification, assignment, and verification of full-time equivalent student enrollment as reported under the Florida Education Finance Program for teachers and students in our Basic, Basic with Exceptional Student Education Services, English for Speakers of Other Languages, and Exceptional Student Education Support Levels 4 and 5 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 described in the preceding paragraph 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 Services, English for Speakers of Other Languages, and Exceptional Student Education Support Levels 4 and 5, the Liberty County District School Board complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent student enrollment reported under the Florida Education Finance Program for the fiscal year ended June 30, 2016.

Other Reporting Required by Government Auditing Standards

In accordance with *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; accordingly, we express no such opinion. Because of its limited purpose, our

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.

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 Exceptional Student Education Services, English for Speakers of Other Languages, and Exceptional Student Education Support Levels 4 and 5. 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 full-time equivalent 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.

Purpose of this Report

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 American Institute of Certified Public Accountants require us to indicate that the purpose of this report is to provide an opinion on the District's compliance with State requirements. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 6, 2017

SCHEDULE A

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

Reported FTE Student Enrollment

The funding provided by the FEFP is based on 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, ESOL, 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, 2016, the Liberty County District School Board (District) reported to the DOE 1,378.68 unweighted FTE as recalibrated at seven District schools and one virtual education cost center. The District did not report any charter schools.

Schools and Students

As part of our examination procedures, we tested the FTE student enrollment reported to the DOE for schools and students for the fiscal year ended June 30, 2016. (See NOTE B.) The population of schools (8) consisted of the total number of brick and mortar schools in the District that offered courses, as well as the virtual education cost center in the District that offered virtual instruction in the FEFP-funded programs. The population of students (814) consisted of the total number of students in each program at the schools and cost center in our tests.

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 3 of the 21 students in our Basic test,² 6 of the 16 students in our Basic with ESE Services test,³ 4 of the 5 students in our ESOL test,⁴ and 6 of the 42 students in our ESE Support Levels 4 and 5 test.⁵

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	8	5	538	21	3	1,044.5100	14.2811	11.1389
Basic with ESE Services	7	4	180	16	6	226.5500	10.5011	(8.8945)
ESOL	2	1	14	5	4	7.9900	3.3368	(3.8203)
ESE Support Levels 4 and 5	6	3	82	42	6	50.7900	24.0615	(12.0737)
Career Education 9-12	3	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>48.8400</u>	<u>.0000</u>	<u>.8216</u>
All Programs	8	5	<u>814</u>	<u>84</u>	<u>19</u>	<u>1,378.6800</u>	<u>52.1805</u>	<u>(12.8280)</u>

² For Basic, the material noncompliance is composed of Findings 10 and 11 on *SCHEDULE D*.

³ For Basic with ESE Services, the material noncompliance is composed of Findings 3 ,5, 10, and 15 on *SCHEDULE D*.

⁴ For ESOL, the material noncompliance is disclosed in Finding 6 on *SCHEDULE D*.

⁵ For ESE Support Levels 4 and 5, the material noncompliance is composed of Findings 4, 16, 17, 18, and 19 on *SCHEDULE D*.

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (42) consisted of the total number of teachers at schools in our test who taught courses in ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students, and the total number of teachers reported under the virtual education cost center 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.

We noted the following material noncompliance: State requirements governing teacher certification, School Board approval of out-of-field teacher assignments, notification to parents regarding teachers' out-of-field status, the earning of college credits towards certification in the out-of-field subject areas, or the earning of required in-service training points in ESOL strategies were not met for 8 of the 19 teachers in our test.⁶

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 DOE.

⁶ For teachers, the material noncompliance is composed of Findings 2, 7, 8, 9, 12, 13, 14, and 21 on *SCHEDULE D*.

SCHEDULE B

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

<u>No. Program (1)</u>	<u>Proposed Net Adjustment (2)</u>	<u>Cost Factor</u>	<u>Weighted FTE (3)</u>
101 Basic K-3	3.1943	1.115	3.5616
102 Basic 4-8	5.5591	1.000	5.5591
103 Basic 9-12	2.3855	1.005	2.3974
111 Grades K-3 with ESE Services	(10.1053)	1.115	(11.2674)
112 Grades 4-8 with ESE Services	.2115	1.000	.2115
113 Grades 9-12 with ESE Services	.9993	1.005	1.0043
130 ESOL	(3.8203)	1.180	(4.5080)
254 ESE Support Level 4	(11.0735)	3.613	(40.0086)
255 ESE Support Level 5	(1.0002)	5.258	(5.2591)
300 Career Education 9-12	<u>.8216</u>	1.005	<u>.8257</u>
Total	<u>(12.8280)</u>		<u>(47.4835)</u>

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 DOE. (See NOTE A5.)

SCHEDULE C

PROPOSED ADJUSTMENTS BY SCHOOL FULL-TIME EQUIVALENT STUDENT ENROLLMENT

<u>No.</u> <u>Program</u>	<u>Proposed Adjustments (1)</u>			<u>Balance Forward</u>
	<u>#0031</u>	<u>#0051</u>	<u>#0053</u>	
101 Basic K-3	3.1943	.....	.....	3.1943
102 Basic 4-8	1.1814	1.1999	3.1778	5.5591
103 Basic 9-12	.....	.5238	1.8617	2.3855
111 Grades K-3 with ESE Services	.4446	.....	.....	.4446
112 Grades 4-8 with ESE Services	(.1884)	.3999	.....	.2115
113 Grades 9-12 with ESE Services	.....	1.0179	(.0186)	.9993
130 ESOL	(3.8203)	.....	.....	(3.8203)
254 ESE Support Level 4	(1.0000)	.....	(5.0860)	(6.0860)
255 ESE Support Level 5	.....	.....	.....	.0000
300 Career Education 9-12	<u>.....</u>	<u>.8216</u>	<u>.....</u>	<u>.8216</u>
Total	<u>(.1884)</u>	<u>3.9631</u>	<u>(.0651)</u>	<u>3.7096</u>

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

Proposed Adjustments (1)

<u>No. Program</u>	<u>Brought Forward</u>	<u>#0081</u>	<u>Total</u>
101 Basic K-3	3.1943	.....	3.1943
102 Basic 4-8	5.5591	.....	5.5591
103 Basic 9-12	2.3855	.....	2.3855
111 Grades K-3 with ESE Services	.4446	(10.5499)	(10.1053)
112 Grades 4-8 with ESE Services	.2115	.....	.2115
113 Grades 9-12 with ESE Services	.9993	.....	.9993
130 ESOL	(3.8203)	.....	(3.8203)
254 ESE Support Level 4	(6.0860)	(4.9875)	(11.0735)
255 ESE Support Level 5	.0000	(1.0002)	(1.0002)
300 Career Education 9-12	<u>.8216</u>	.....	<u>.8216</u>
Total	<u>3.7096</u>	<u>(16.5376)</u>	<u>(12.8280)</u>

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

SCHEDULE D

FINDINGS AND PROPOSED ADJUSTMENTS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

Overview

Management is responsible for determining that the FTE student enrollment as reported under the FEFP is in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; SBE Rules, Chapter 6A-1, FAC; and the *FTE General Instructions 2015-16* issued by the DOE. 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 ESE Services, ESOL, and ESE Support Levels 4 and 5, the Liberty 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, 2016. 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 2015 reporting survey periods and the February and June 2016 reporting survey periods (See NOTE A6.). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2015 reporting survey period, the February 2016 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.

W. R. Tolar K-8 School (#0031)

1. [Ref. 3107] The number of CMW in several students' course schedules was incorrectly reported. The School's bell schedules supported varying numbers of CMW of instruction (1,690, 1,800, or 1,825), depending on the students' grade levels which met the minimum reporting of CMW. However, the students were reported for CMW ranging from 1,505 to 2,005 CMW. Student course schedules, which are necessary for the recalibration process to work appropriately, should reflect the number of CMW according to the School's bell schedules. Since most of the students were reported at only one school for the entire school year and their reported FTE was recalibrated to 1.0, this incorrect reporting does not affect their ultimate funding level. As such, we present this disclosure finding with no proposed adjustments.

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**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

W. R. Tolar K-8 School (#0031) (Continued)

2. [Ref. 3174] 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 student were not notified of the teacher’s out-of-field status. Since the student in our test is cited in Finding 6 (Ref. 3106), we present this disclosure finding with no proposed adjustment.

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3. [Ref. 3101] One ESE student withdrew from this School on October 7, 2015, which was prior to the October 2015 reporting survey period. On October 12, 2015, the School was notified by another school that the student was enrolled at that school, which was in a different district; consequently, the student should not have been included in this School’s October 2015 reporting survey period results. We propose the following adjustment:

112 Grades 4-8 with ESE Services	(.1884)	(.1884)
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4. [Ref. 3102] School records did not demonstrate that the *Matrix of Services* form for one ESE student had been reviewed and updated when the student’s new IEP was prepared. We propose the following adjustment:

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

5. [Ref. 3103] The file for one ESE student did not contain an IEP covering the February 2016 reporting survey period. We propose the following adjustment:

101 Basic K-3	.5554	
111 Grades K-3 with ESE Services	(.5554)	.0000

6. [Ref. 3104/06] The *ELL Student Plans (Plans)* were incomplete for four ELL students as the *Plans* did not identify the specific courses that were to employ ESOL strategies. We propose the following adjustment:

<u>Ref. 3104</u>		
101 Basic K-3	2.0865	
130 ESOL	(2.0865)	.0000

<u>Ref. 3106</u>		
101 Basic K-3	.5524	
130 ESOL	(.5524)	.0000

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

W. R. Tolar K-8 School (#0031) (Continued)

7. [Ref. 3172] 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 propose the following adjustment:

102 Basic 4-8	.2806	
130 ESOL	<u>(.2806)</u>	.0000

8. [Ref. 3173] The parents of an ELL student taught by one out-of-field teacher were not notified of the teacher’s out-of-field status in ESOL. We propose the following adjustment:

102 Basic 4-8	.3836	
130 ESOL	<u>(.3836)</u>	.0000

9. [Ref. 3175] One teacher taught Language Arts to a class that included an ELL student but had earned none of the 60 in-service training points in ESOL strategies required by SBE Rule 6A-1.0503(4)(b)2., FAC, and the teacher’s in-service training timeline. We propose the following adjustment:

102 Basic 4-8	.5172	
130 ESOL	<u>(.5172)</u>	.0000
		<u>(.1884)</u>

Liberty Wilderness Crossroads (#0051)

10. [Ref. 5101] Our examination of the students’ course schedules and the FTE reported for 39 students (2 students were in our Basic test and 3 students were in our Basic with ESE Services test) at Liberty Wilderness Crossroads, a DJJ facility, disclosed issues that resulted in the underreporting of FTE for this School for the July 2015 reporting survey period. Our inquiries with District management and the School’s administrators disclosed the following:

- a. The School’s instructional calendar, which was maintained in the District’s automated attendance software system (Focus) and used to report the School’s FTE, incorrectly included the term length of instructional days as 15 days for the July 2015 reporting survey period (or approximately .0833 FTE per student). However, the calendar that had been approved by the District and provided by the School supported a 33-day term in the July 2015 reporting survey period (or approximately .1833 FTE per student).

Findings

Liberty Wilderness Crossroads (#0051)

- b. One course (No. 2109310, World History) in the schedules for 7 of these students was erroneously reported under a different school (#0053 - Apalachicola Forest Youth Academy), which was operated at the same location with the same Principal but should have been reported at this facility. (See Finding 11 [Ref.5301]).

We propose the following adjustment:

102 Basic 4-8	1.1999	
103 Basic 9-12	.5238	
112 Grades 4-8 with ESE Services	.3999	
113 Grades 9-12 with ESE Services	1.0179	
300 Career Education 9-12	<u>.8216</u>	<u>3.9631</u>
		<u>3.9631</u>

Apalachicola Forest Youth Academy (#0053)

11. [Ref. 5301] One course (No. 2109310, World History) was incorrectly reported in the July 2015 reporting survey period under this School's number for seven students (one student was in our Basic test) (See Finding 10 [Ref. 5101]). The two schools are located in the same building and are managed by the same Principal; however, they operate two separate DJJ-related programs. We propose the following adjustment:

103 Basic 9-12	(.0465)	
113 Grades 9-12 with ESE Services	<u>(.0186)</u>	(.0651)

12. [Ref. 5371] One teacher taught 14 courses (12 courses in the July 2015 reporting survey period and 2 courses in the February 2016 reporting survey period) that included ESE students but was not properly certified to teach these courses. For 12 of the courses, the teacher was not approved by the School Board to teach out of field until September 8, 2015, which was after the July 2015 reporting survey period. We also noted that the parents of the students were not notified of the teacher's out-of-field status for 7 of the courses until October 1, 2015, which was after the July 2015 reporting survey period, and were not notified at all for the remaining 7 courses. We propose the following adjustment:

102 Basic 4-8	.5599	
103 Basic 9-12	.3629	
254 ESE Support Level 4	<u>(.9228)</u>	.0000

Findings

Apalachicola Forest Youth Academy (#0053) (Continued)

13. [Ref. 5372] One teacher was approved by the School Board to teach out-of-field in English and Reading; however, the teacher had earned none of the six college credits or the equivalent toward the appropriate certification required by SBE Rule 6A-1.0503(4)(b)1., FAC, and the teachers’ training timeline. We also noted that the parents of the students were not notified of the teacher’s out-of-field status until October 1, 2015, which was after the July 2015 reporting survey period. We propose the following adjustment:

102 Basic 4-8	2.3179	
103 Basic 9-12	1.5453	
254 ESE Support Level 4	<u>(3.8632)</u>	.0000

14. [Ref. 5373] 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 but taught a course that required certification in Any Vocational Field or Coverage. We propose the following adjustment:

102 Basic 4-8	.3000	
254 ESE Support Level 4	<u>(.3000)</u>	.0000
		<u>(.0651)</u>

Liberty Early Learning Center (#0081)

15. [Ref. 8102] Our review of the School’s attendance record-keeping procedures disclosed that adequate procedures were not always in place to ensure the complete and accurate reporting of the students’ attendance for 37 ESE PK students (1 student was in our Basic with ESE Services test). We noted that the students’ attendance was not recorded daily in the District’s automated attendance software system (Focus) and contrary to page 13 of the DOE’s *Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook (Handbook)*, the School’s Principal did not certify the completeness and accuracy of the attendance records. In response to our inquiries, we were provided Excel spreadsheets to support the students’ attendance for the October 2015 and February 2016 reporting survey periods. Contrary to SBE Rule 6A-1.044(3), FAC, and the *Handbook* (pages 6-10), the Excel spreadsheets did not include information as to when attendance was taken and by whom attendance was recorded, changed, or deleted. However, the School administrators (*Finding Continues on Next Page*)

Findings

Liberty Early Learning Center (#0081) (Continued)

retained other manual records such as logs whereby the students were signed in and out daily by their parents. As such, we were able to validate all but 6 of the students' attendance eligibility. We also noted that the IEP for 1 of the 6 students in the February 2016 reporting survey period was not available at the time of our examination and could not be subsequently located to support the student's reported instructional time as scheduled by the student's IEP. We propose the following adjustment:

111 Grades K-3 with ESE Services	<u>(3.2776)</u>	(3.2776)
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16. [Ref. 8103] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We propose the following adjustment:

254 ESE Support Level 4	(1.0000)	
255 ESE Support Level 5	<u>1.0000</u>	.0000

17. [Ref. 8104] School records did not demonstrate that the *Matrix of Services* (*Matrix*) forms for two ESE students had been reviewed and updated when the students' new IEPs were prepared, and the names of the preparers were not identified on the *Matrix* forms. We also noted that the two students were reported for more instructional time than was scheduled by the students' IEPs and one of these students received only 30 of the 60 minutes scheduled for Language Therapy. We propose the following adjustment:

111 Grades K-3 with ESE Services	0.9675	
254 ESE Support Level 4	(1.0000)	
255 ESE Support Level 5	<u>(1.0000)</u>	(1.0325)

18. [Ref. 8105] The IEP for one ESE student covering the October 2015 reporting survey period and a *Matrix of Services* form covering the 2015-16 school year were not available at the time of our examination and could not be subsequently located. We also noted that the student's IEP dated January 29, 2016, was not signed by the School and District administrators; consequently, we were unable to determine whether the required participants were involved in the development of the student's IEP. We propose the following adjustment:

254 ESE Support Level 4	<u>(1.0000)</u>	(1.0000)
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Findings

Liberty Early Learning Center (#0081) (Continued)

19. [Ref. 8106] One ESE student was only scheduled to attend school part-time (875 CMW or .3646 FTE per survey); however, the student was reported for 1,950 CMW in each reporting survey periods. We also noted that the *Matrix of Services* form covering the October 2015 and February 2016 reporting survey periods was not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

111 Grades K-3 with ESE Services	.7292	
254 ESE Support Level 4	<u>(1.0000)</u>	(.2708)

20. [Ref. 8108] Our review of the School’s procedures for reporting the instructional course schedules of students receiving part-time ESE services disclosed that the schedules for 14 students (none were in our test) were incorrectly reported. Twelve of the students were reported for more instructional time than was scheduled by the students’ IEPs and the IEPs for 2 students were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

111 Grades K-3 with ESE Services	(9.9692)	
254 ESE Support Level 4	<u>(.9875)</u>	(10.9567)

21. [Ref. 8171] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher held certification in ESE but taught a course that also required the PK Disabilities Endorsement. We also noted that the parents of the students were not notified of the teacher’s out-of-field status. We propose the following adjustment:

111 Grades K-3 with ESE Services	1.0002	
255 ESE Support Level 5	<u>(1.0002)</u>	.0000
		<u>(16.5376)</u>

Proposed Net Adjustment **(12.8280)**

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

RECOMMENDATIONS

We recommend that Liberty County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) students' course schedules are reported in accordance with the schools' bell schedules; (2) only students who are in membership during the survey week and are documented as being in attendance at least 1 day of the reporting survey period are reported for FEFP funding; (3) attendance procedures are properly followed and records are maintained in compliance with Florida Statutes, SBE rules, and the DOE's *Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook*; (4) students are reported for the correct amount of FTE in line with the students' instructional schedules and at the correct school of instruction; (5) *ELL Student Plans* are timely prepared, include the students' course schedules that identify all of the courses that are to employ ESOL strategies, and are retained in the students' files; (6) IEPs are reviewed, signed by the required participants, updated annually and maintained in readily accessible files; (7) students are reported in the proper funding categories for the correct amount of FTE and have adequate documentation to support that reporting, particularly with regard to students in ESE Programs; (8) ESE students are reported in accordance with their *Matrix of Services* forms; (9) documentation is maintained to evidence that the *Matrix of Services* forms are reviewed or updated when students' IEPs are reviewed or updated to ensure that the *Matrix of Services* forms accurately reflect the IEP services in effect during the reporting survey period; (10) teachers are properly certified or, if out of field, are approved to teach out of field by the School Board; (11) out-of-field teachers earn the college credit or in-service training points required by SBE Rules 6A-1.0503(4)(b)1., 2., or 6A-6.0907, FAC, and in accordance with the teachers' in-service training timelines; and (12) 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 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, FAC, *Florida Education Finance Program Student Membership Surveys*

SBE Rule 6A-1.045111, FAC, *Hourly Equivalent to 180-Day School Year*

SBE Rule 6A-1.04513, FAC, *Maintaining Auditable FTE Records*
FTE General Instructions 2015-16

Attendance

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

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

SBE Rule 6A-1.04513, FAC, *Maintaining Auditable FTE Records*

FTE General Instructions 2015-16

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, FAC, *Definitions Which Apply to Programs for English Language Learners*

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

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

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

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

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

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

Career Education On-The-Job Attendance

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

Career Education On-The-Job Funding Hours

FTE General Instructions 2015-16

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, FAC, *Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities*

SBE Rule 6A-6.03029, FAC, *Development of Individualized Family Support Plans for Children with Disabilities Ages Birth Through Five Years*

SBE Rule 6A-6.0312, FAC, *Course Modifications for Exceptional Students*

SBE Rule 6A-6.0331, FAC, *General Education Intervention Procedures, Evaluation, Determination of Eligibility, Reevaluation and the Provision of Exceptional Student Education Services*

SBE Rule 6A-6.0334, FAC, *Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students*

SBE Rule 6A-6.03411, FAC, *Definitions, ESE Policies and Procedures, and ESE Administrators*

SBE Rule 6A-6.0361, FAC, *Contractual Agreements with Nonpublic Schools and Residential Facilities Matrix of Services Handbook (2015 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, FAC, *Non-certificated Instructional Personnel*

SBE Rule 6A-1.0503, FAC, *Definition of Qualified Instructional Personnel*

SBE Rule 6A-4.001, FAC, *Instructional Personnel Certification*

SBE Rule 6A-6.0907, FAC, *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

NOTE A – SUMMARY FULL-TIME EQUIVALENT STUDENT ENROLLMENT

A summary discussion of the significant features of the Liberty County District School Board (District), the FEFP, the FTE, and related areas is provided below.

1. The District

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Liberty County, Florida. Those services are provided primarily to PK 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 SBE. The geographic boundaries of the District are those of Liberty 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 seven schools and one virtual education cost center serving PK through 12th-grade students.

For the fiscal year ended June 30, 2016, State funding totaling \$8.5 million was provided through the FEFP to the District for the District-reported 1,378.68 unweighted FTE as recalibrated. 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 PK 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 on 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 PK 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 courses per day at

50 minutes per course for the full 180-day school year (i.e., six courses 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

All FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the DJJ for students beyond the 180-day school year. School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The DOE 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 DOE 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.

5. Calculation of FEFP Funds

The amount of State and local FEFP funds is calculated by the DOE 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 2015-16 school year were conducted during and for the following weeks: survey period one was performed for July 6 through 10, 2015; survey period two was performed for October 12 through 16, 2015; survey period three was performed for February 8 through 12, 2016; and survey period four was performed for June 13 through 17, 2016.

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) ESOL, (3) ESE, 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, FAC, *Finance and Administration*

SBE Rules, Chapter 6A-4, FAC, *Certification*

SBE Rules, Chapter 6A-6, FAC, *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 DOE for the fiscal year ended June 30, 2016. 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. W. R. Tolar K-8 School	1 through 9
2. Liberty Wilderness Crossroads	10
3. Apalachicola Forest Youth Academy	11 through 14
4. Liberty Early Learning Center	15 through 21
5. Liberty Virtual Instruction Program	NA



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

Report on Student Transportation

We have examined the Liberty 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 for the fiscal year ended June 30, 2016. 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 2015-16* issued by the Department of Education.

Management's Responsibility for Compliance

District management is responsible for the District's compliance with the aforementioned State requirements, including the design, implementation, and maintenance of internal control to prevent, or detect and correct, noncompliance due to fraud or error.

Auditor's Responsibility

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 and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the classification, assignment, and verification of student transportation reported by the District under the Florida Education Finance Program complied with State requirements in all material respects.

An examination involves performing procedures to obtain evidence about whether the District complied with State requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for

our opinion. Our examination does not provide a legal determination on the District's compliance with State requirements. The legal determination of the District's compliance with these requirements is, however, ultimately the responsibility of the Department of Education.

An examination by its nature does not include a review of all records and actions of District management and staff and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency. Because of these limitations and the inherent limitations of internal control, an unavoidable risk exists that some material noncompliance may not be detected, even though the examination is properly planned and performed in accordance with attestation standards.

Opinion

Our examination disclosed material noncompliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the Florida Education Finance Program involving the students' reported ridership classification or eligibility for State transportation funding.

In our opinion, except for the material noncompliance with State requirements described in the preceding paragraph involving the students' reported ridership classification or eligibility for State transportation funding, the Liberty 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 Florida Education Finance Program for the fiscal year ended June 30, 2016.

Other Reporting Required by *Government Auditing Standards*

In accordance with attestation standards established by *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses⁷ 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; accordingly, we express no such opinion. 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 students' reported ridership classification or eligibility for State transportation funding. Our examination disclosed certain findings that are required to be reported under *Government*

⁷ 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.

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 with State requirements 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.

Purpose of this Report

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 American Institute of Certified Public Accountants require us to indicate that the purpose of this report is to provide an opinion on the District's compliance with State requirements. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 6, 2017

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS STUDENT TRANSPORTATION

Any student who is transported by the Liberty 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 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(2), Florida Statutes. (See NOTE A1.)

As part of our examination procedures, we tested student transportation as reported to the DOE for the fiscal year ended June 30, 2016. (See NOTE B.) The population of vehicles (24) consisted of the total number of vehicles (buses, vans, or passenger cars) reported by the District for all reporting survey periods. For example, a vehicle that transported students during the July and October 2015 and February and June 2016 reporting survey periods would be counted in the population as four vehicles. Similarly, the population of students (1,175) consisted of the total number of students reported by the District as having been transported for all reporting survey periods. (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	7
IDEA – PK through Grade 12, Weighted	82
All Other FEFP Eligible Students	<u>1,086</u>
Total	<u>1,175</u>

Students with exceptions are students with exceptions affecting their ridership category. Students cited only for incorrect reporting of DIT, if any, are not included in our error-rate determination.

We noted the following material noncompliance: exceptions involving the reported ridership classification or eligibility for State transportation funding for 27 of 173 students in our student transportation test.⁸

⁸ For student transportation, the material noncompliance is composed of Findings 1, 2, 3, 4, 5 and 6 on *SCHEDULE G*.

Our examination results are summarized below:

<u>Description</u>	<u>Students</u>	
	<u>With Exceptions</u>	<u>Proposed Net Adjustment</u>
Our tests included 173 of the 1,175 students reported as being transported by the District.	27	(14)
In conjunction with our general tests of student transportation we identified certain issues related to 90 additional students.	<u>90</u>	<u>(62)</u>
Total	<u>117</u>	<u>(76)</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 DOE.

SCHEDULE G

FINDINGS AND PROPOSED ADJUSTMENTS STUDENT TRANSPORTATION

Overview

Management is responsible for determining that student transportation as reported under the FEFP is in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E. and Section 1011.68, Florida Statutes; SBE Rules, Chapter 6A-3, FAC; and the *Student Transportation General Instructions 2015-16* issued by the DOE. Except for the material noncompliance involving the students' reported ridership classification or eligibility for State transportation funding, the Liberty 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, 2016. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action as presented in *SCHEDULE H*.

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 period. Our detailed tests involved verification of the specific ridership categories reported for students in our tests from the July and October 2015 reporting survey periods and the February and June 2016 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 (e.g., once for the October 2015 reporting survey period and once for the February 2016 reporting survey period) will be presented in our Findings as two test students.

1. [Ref. 51] The number of DIT was incorrectly reported for 19 PK students who attended the Liberty Early Learning Center during the October 2015 reporting survey period. The students were reported for 90 DIT rather than the 85 DIT indicated in the School's instructional calendar. We also noted the following exceptions for 12 of the students (4 students were in our test):
 - a. The IEPs for 9 students reported in the IDEA - PK through Grade 12, Weighted ridership category did not document that the students met at least one of the five criteria required for reporting in a weighted ridership category. We determined that the students were otherwise eligible to be reported in the All Other FEFP Eligible Students ridership category.
 - b. The IEP for 1 student was not signed by those who participated in the development of the student's IEP; consequently, the student was not eligible for State transportation funding.

**Students
Transported
Proposed Net
Adjustments**

Findings

- c. One student was not classified as an IDEA student and was not the child of a student enrolled in a Teenage Parent Program; consequently, the student was not eligible for State transportation funding.
- d. One student was not listed on the bus driver’s report as having been transported during the reporting survey period; consequently, the student was not eligible for State transportation funding

We propose the following adjustments:

October 2015 Survey

90 Days in Term

Teenage Parents and Infants	(2)	
IDEA - PK through Grade 12, Weighted	(17)	

85 Days in Term

Teenage Parents and Infants	2	
IDEA - PK through Grade 12, Weighted	5	
All Other FEFP Eligible Students	<u>9</u>	(3)

- 2. [Ref. 52] Our examination disclosed that five students (one student was in our test) were not enrolled in school during the October 2015 reporting survey period; consequently, the students were not eligible for State transportation funding. We propose the following adjustment:

October 2015 Survey

90 Days in Term

All Other FEFP Eligible Students	<u>(5)</u>	(5)
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- 3. [Ref. 53] Our examination disclosed that the reported ridership of four students (two students were in our test) was not adequately supported as follows:

- a. There was no documentation to support the reported ridership of three students. The students were not listed on the bus drivers’ reports (two students) or were listed but were not marked as having been transported during the reporting survey periods (one student).
- b. The IEP for one student in our test who was reported in the IDEA - PK through Grade 12, Weighted ridership category did not document that the student met at least one of the five criteria required for reporting in a weighted ridership category. However, we noted that the student was otherwise eligible for reporting in the All Other FEFP Eligible Students ridership category.

We propose the following adjustments:

**Students
Transported
Proposed Net
Adjustments**

Findings

a. October 2015 Survey

90 Days in Term

All Other FEFP Eligible Students (2)

February 2016 Survey

90 Days in Term

All Other FEFP Eligible Students (1) (3)

b. February 2016 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted (1)

All Other FEFP Eligible Students 1 0

4. [Ref. 54] Our examination disclosed the following involving 31 students (9 students were in our test) who were reported in the IDEA - PK through Grade 12, Weighted ridership category:

- a. The IEPs for 27 students did not document that the students met at least one of the five criteria required for reporting in a weighted ridership category.
- b. The IEPs for 2 students were not signed by those who participated in the development of the students' IEPs and, for one of these students, the IEP did not document that the student met at least one of the five criteria required for reporting in a weighted ridership category.
- c. The IEPs for 2 students were not available at the time of our examination and could not be subsequently located.

We determined that the 31 students were otherwise eligible to be reported in the All Other FEFP Eligible Students ridership category. We propose the following adjustments:

October 2015 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted (13)

All Other FEFP Eligible Students 13

February 2016 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted (18)

All Other FEFP Eligible Students 18 0

5. [Ref. 55] Three students in our test, who were enrolled in a summer reading camp program, were not IDEA students or their IEPs did not indicate a need for extended school year services. As a result, the students were not eligible for State transportation funding during the summer reporting survey periods. We propose the following adjustment:

<u>Findings</u>	Students Transported Proposed Net Adjustments
July 2015 Survey	
<u>12 Days in Term</u>	
All Other FEFP Eligible Students	(3) (3)
6. [Ref. 56] Our examination disclosed that 62 students (8 students were in our test) were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students lived less than 2 miles from their assigned schools and were not otherwise eligible for State transportation funding. We propose the following adjustments:	
October 2015 Survey	
<u>90 Days in Term</u>	
All Other FEFP Eligible Students	(47)
February 2016 Survey	
<u>90 Days in Term</u>	
All Other FEFP Eligible Students	(15) (62)
Proposed Net Adjustment	(76)

SCHEDULE H

RECOMMENDATIONS AND REGULATORY CITATIONS STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that Liberty County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) transported students are reported in the correct ridership category and documentation is maintained on file to support the reporting; (2) DIT are correctly reported based on the schools' instructional calendars; (3) IEPs are signed by all required participants who participated in IEPs development and maintained in readily-accessible files; (4) only those students who are documented as enrolled in school during the applicable reporting survey periods and recorded on bus drivers' reports as having been transported by the District at least 1 day during the reporting survey periods are reported for State transportation funding; (5) students reported in the IDEA – PK through Grade 12, Weighted ridership category are documented on the students' IEPs as having met one of the five criteria required for reporting in a weighted ridership category; (6) only PK students who are classified as IDEA students or whose parents are enrolled in a Teenage Parent Program are reported for State transportation funding; (7) the distance from home to the students' assigned schools is verified as being 2 miles or more prior to reporting students in the All Other FEFP Eligible Students ridership category; and (8) only ESE students whose IEPs authorize extended school year services or are students attending nonresidential DJJ programs are reported for State transportation funding in the summer reporting survey periods.

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*
SBE Rules, Chapter 6A-3, FAC, *Transportation*
Student Transportation General Instructions 2015-16

NOTES TO SCHEDULES

NOTE A - SUMMARY STUDENT TRANSPORTATION
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A summary discussion of the significant features of student transportation and related areas is provided below.

1. Student Eligibility

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(2), Florida Statutes.

2. Transportation in Liberty County

For the fiscal year ended June 30, 2016, the District received \$307,578 for student transportation as part of the State funding through the 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>
July 2015	0	5
October 2015	11	617
February 2016	12	552
June 2016	<u>1</u>	<u>1</u>
Totals	<u>24</u>	<u>1,175</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*

SBE Rules, Chapter 6A-3, FAC, *Transportation*

NOTE B – TESTING STUDENT TRANSPORTATION
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Our examination procedures for testing provided for the selection of students using judgmental methods for testing student transportation as reported to the DOE for the fiscal year ended June 30, 2016. 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



LIBERTY COUNTY SCHOOL DISTRICT DAVID H. SUMMERS, SUPERINTENDENT

Post Office Box 429 • 12926 NW CR 12 • Bristol, Florida 32321-0429
Phone: (850) 643-2275 • Fax: (850) 643-2533 • www.lcsb.org

December 6, 2017

Ms. Sherrill F. Norman, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Ms Norman:

The Liberty County School Board is in receipt of the preliminary report on the examination of the District's compliance with State requirements governing the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) and student transportation for the fiscal year ended June 30, 2016.

Attached you will find the District's corrective actions to address deficiencies noted upon examination.

Should you require further documentation please do not hesitate to contact this office.

Respectfully,

David H. Summers
Superintendent
Liberty County School Board

District I
James E. Flowers

District II
Tina Tharpe

District III
Darrel L. Hayes

District IV
B. Kyle Peddie

District V
Roger W. Reddick

An Equal Opportunity Employer / Drug Free Workplace

W. R. Tolar School -0031	
Reference	Corrective Action
3101	The student was not withdrawn in a timely manner and was reported in error. Safeguards are now in place to strengthen procedures in this area.
3102	The Matrix of services was reviewed, however the signature noting review was not properly executed.
3103	Staffing specialist and contract service workers will ensure that all transfer IEPs and annual IEPs are conducted in a timely manner. A clerical error is acknowledged, however there was no interruption in service to the student.
3104/06	Plans did not adequately identify the strategies to be used in courses reported for program 130. These courses were not listed because it was assumed the ELL strategies would be used across all courses. Moving forward ESOL strategies will be clearly stated for each course. In addition, any student requiring services beyond three years from the student's DEUSS will be properly documented by the ELL Committee. In this case a meeting was held on 9/8/2015 and follow up notes indicated that the student would require continued reading intervention. Personnel in charge of ELL plans have been notified, as a result of this audit, to specifically list each course.
3107	Staggered release times result in varying CMD/CMW for students. A procedure is in place at the school and district level to strengthen the review process for CMD/CMW for students at all grade levels. This includes a review to ensure alignment of bell schedules and reported minutes. Increased training with school staff has taken place to ensure accurate reporting procedures are in place.
3172/3173/3174/3175	The procedure for ensuring that teachers are properly certified at the time of hiring has been revised. This includes alignment of certification to the area of employment, reporting teachers out of field to the school board in a timely and ongoing manner, accurate notification of parents, systematic review of certifications and ensuring that teachers complete required courses to work for any area for which they have not met in field status.
Liberty Wilderness Crossroads - 0051	
5101	The district agrees with the finding. DJJ and District staff will review the instructional calendar to ensure agreement with the approved calendar and the calendar maintained in the automated attendance software (Focus). The district will provide oversight in the review of schedules to ensure that

	courses are reported correctly for Liberty Wilderness and Apalachicola Forest Youth Academy.
Apalachicola Forest Youth Academy - 0053	
5301	The district agrees with the finding. One course was incorrectly reported in July 2015 reporting survey period.
5371/5372/5373	The district has established a strengthened reporting procedure to ensure that all teachers teaching out of field are submitted for School Board approval in a more timely manner, as well as ensuring that parents are notified of the teacher's out-of-field status in a more timely manner. This procedure also addresses a monitoring system to ensure that teachers are working toward certification if they are teaching out-of-field.
Liberty Early Learning Center - 0081	
8102/8103/8104/8105/8106/8108	<p>The district has established procedures for attendance record-keeping, to ensure that attendance is recorded daily in Focus, the district automated attendance software.</p> <p>Prior to this audit the district had reassigned IEP development to Liberty Early Learning teachers and district assigned staffing specialist to address weaknesses identified by the district during internal reviews. All staff subsequently participated in training for developing quality IEPs and the use of PEER, the automated system for IEPs. This procedure was not in place, nor had training taken place at the time the IEPs noted here were completed. As a result of this audit we have further defined protocols for IEP development and maintenance of records for Liberty Early Learning Center. Exceptional Education staff have reviewed protocols for completion of the Matrix of Services to ensure adherence to these guidelines. Further training has been provided for all staff (data entry, principal, teacher, staffing specialist) regarding the accurate reporting of instructional course schedule minutes and the direct correlation to the minutes reported on the IEP. An improved review process is in place to validate IEP minutes reported for correlation to minutes reported for instructional course schedules in FOCUS.</p>
8171	Addressed in Audit Finding 3172/73/74/75
Student Transportation	
51/52/53/54	<p>The instructional calendar and the number of days reported in FOCUS were not in agreement. A procedure is now in place to ensure that the number of days for each school is consistent across all schools, including Liberty Early Learning Center.</p> <p>Policies and procedures for special transportation reporting have been reviewed with ESE program staff and transportation staff to ensure that students meet at least one of the five criteria</p>

	required for eligibility for weighted ridership, accurate reporting of teenage parent eligibility, the requirement of accurate bus driver reports, accurate attendance reports, and proper documentation of the students IEP to determine that students meet requirements for State transportation funding.
55	The district will more carefully review student transportation records for summer to distinguish Summer Reading Camp students from students with disabilities to ensure proper reporting.
56	The district established a procedure during the past school year and now uses Google maps to determine students that are outside of the two-mile radius and only these students are coded for funding.