AUDITOR GENERAL

DAVID W. MARTIN, CPA

LIBERTY COUNTY DISTRICT SCHOOL BOARD

FLORIDA EDUCATION FINANCE PROGRAM (FEFP) FULL-TIME EQUIVALENT (FTE) STUDENTS

AND

STUDENT TRANSPORTATION

For the Fiscal Year Ended June 30, 2007

Liberty County District School Board members and the Superintendent of Schools who served during the 2006-07 fiscal year are shown in the following tabulation:

	District No.
James E. Flowers	*1*
Thomas W. Duggar	*2*
Darrel L. Hayes, Vice-Chair	*3*
Brandon Kyle Peddie, Chair	*4*
Roger W. Reddick	*5*

David H. Summers, Superintendent

This examination was conducted by J. David Hughes, CPA. Please address inquiries regarding this report to Joseph L. Williams, CPA, Audit Manager, via e-mail at joewilliams@aud.state.fl.us or by telephone at (850) 414-9941.

This report, as well as other audit reports prepared by the Auditor General, can be obtained on our Web site (http://www.myflorida.com/audgen); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Liberty County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation

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Liberty County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2007

IEP – Individual Educational Plan

ESE – Exceptional Student Education

ESOL – English for Speakers of Other Languages

PK – Prekindergarten

OJT – On-the-Job Training

IDEA – Individuals with Disabilities Education Act

DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL
STATE OF FLORIDA

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

850/488-5534/SC 278-5534
Fax: 488-6975/SC 278-6975

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

INDEPENDENT AUDITOR'S REPORT
LIBERTY COUNTY DISTRICT SCHOOL BOARD
FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated November 2, 2007, that the Liberty County District School Board complied with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2007. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Compliance

Our examination procedures disclosed the following material noncompliance:

1. **Teachers**

Five of the 16 teachers in our sample did not meet State requirements governing certification; School Board approval of out-of-field teacher assignments; or notification of parents regarding out-of-field teachers.[1]

2. **Students**

We noted exceptions involving 3 of the 18 students in our sample for Basic with ESE Services[2]; 13 of the 51 students in our sample for ESE Support Levels 4 and 5[3]; and 8 of the 16 students in our sample for Career Education 9-12 (OJT)[4]. These exceptions involved reporting errors or records that were not properly and accurately prepared or were missing and could not be located.

3. **FTE Calculations for July 2006 and June 2007 Surveys**

The FTE calculations for students enrolled in the Apalachicola Forest Youth Academy (#0053) during the July and June surveys (44 and 48 students, respectively) were based on a 35-day term rather than on a 32-day term and a 31-day term, respectively.[5]

In our opinion, except for the material noncompliance mentioned above involving teachers, the reporting of, and preparation and maintenance of supporting documentation for, students in Basic with ESE Services, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), and the FTE calculations for the July 2006 and June 2007 surveys, the Liberty County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2007.

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[1] *For teachers, see SCHEDULE D, finding Nos. 3, 7, and 13.*

[2] *For Basic with ESE Services, see SCHEDULE D, finding Nos. 6, 11, and 12.*

[3] *For ESE Support Levels 4 and 5, see SCHEDULE D, finding Nos. 1, 4, 5, 9, 10, 11, 12, 14, and 15.*

[4] *For Career Education 9-12 (OJT), see SCHEDULE D, finding No. 2.*

[5] *For FTE calculations for the July 2006 and June 2007 surveys, see SCHEDULE D, finding No. 8.*

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

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.[6] 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 compliance; the reporting of, and the preparation and maintenance of supporting documentation for, students in Basic with ESE Services, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT); and the FTE calculations for the July 2006 and June 2007 surveys. Other noncompliance disclosed by our examination procedures is indicative of control deficiencies[6], and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULE A and SCHEDULE 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.

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

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and the Liberty County District School Board. Copies of this report are available pursuant to Section 11.45(4)(c), Florida Statutes, and its distribution is not limited.

Respectfully submitted,

David W. Martin, CPA
February 29, 2008

SCHEDULE A

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2007

Description[1]	Number of Schools	% of Pop.	Number of Students (w/Exceptions)	% of Pop. (Sample)	Number of Unweighted FTE[2]	% of Pop. (Sample)
1. Basic						
Population[3]	7	100.00%	828	100.00%	997.3300	100.00%
Sample Size[4]	3	42.86%	24	2.90%	19.4154	1.95%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments[5]	-	-	-	-	6.6530	-
2. Basic with ESE Services						
Population[3]	8	100.00%	258	100.00%	307.2800	100.00%
Sample Size[4]	4	50.00%	18	6.98%	11.3834	3.70%
Students w/Exceptions	-	-	(3)	(16.67%)	-	-
Net Audit Adjustments[5]	-	-	-	-	1.0880	-
3. ESOL						
Population[3]	0	0.00%	0	0.00%	.0000	0.00%
Sample Size[4]	0	0.00%	0	0.00%	.0000	0.00%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments[5]	-	-	-	-	.0000	-
4. ESE Support Levels 4 and 5						
Population[3]	6	100.00%	87	100.00%	61.8200	100.00%
Sample Size[4]	4	66.67%	51	58.62%	35.3852	57.24%
Students w/Exceptions	-	-	(13)	(25.49%)	-	-
Net Audit Adjustments[5]	-	-	-	-	(9.6366)	-
5. Career Education 9-12						
Population[3]	3	100.00%	18	100.00%	62.3200	100.00%
Sample Size[4]	1	33.33%	16	88.89%	3.1604	5.07%
Students w/Exceptions	-	-	(8)	(50.00%)	-	-
Net Audit Adjustments[5]	-	-	-	-	(2.9426)	-

All Programs						
Population[3]	8	100.00%	1,191	100.00%	1,428.7500	100.00%
Sample Size[4]	4	50.00%	109	9.15%	69.3444	4.85%
Students w/Exceptions	-	-	(24)	(22.02%)	-	-
Net Audit Adjustments[5]	-	-	-	-	(4.8382)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2007

Description[1]	Number of Schools	% of Pop.	Number of Teachers (w/Exceptions)	% of Pop. (Sample)
Teachers				
Population[3]	8	100.00%	33	100.00%
Sample Size[4]	4	50.00%	16	48.48%
Teachers w/Exceptions	-	-	(5)	(31.25%)

[1] *See NOTE A6.*

[2] *Unweighted full-time equivalent (FTE) students represents FTE prior to the application of the applicable cost factor for each program. (See SCHEDULE B and NOTE A4.)*

[3] *The population shown for the number of schools is the total number of schools in the District which offered the courses in the program specified (i.e., Basic, ESOL, ESE, and Career Education). The population shown for the number of students is the total number of students in each program at the schools in our sample. Our Career Education sample was limited to those students who participated in OJT. The population shown for full-time equivalent (FTE) students is the total FTE for all of the District's schools (sample schools plus nonsample schools) as reported for each survey conducted for the fiscal year ended June 30, 2007. The population shown for teachers is the total number of teachers at schools in our sample who taught courses in ESE or Career education or taught courses to LEP students. (See NOTE A5.)*

[4] *See NOTE B.*

[5] *Our audit adjustments present the net effects of the noncompliance disclosed by our examination procedures, including that related to our tests of teacher certification. Our audit adjustments generally reclassify reported FTE to Basic education, except for noncompliance involving a student's enrollment or attendance, in which case the reported FTE is taken to zero.*

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
For the Fiscal Year Ended June 30, 2007

No.	Program[1]	Net Audit Adjustment[2]	Cost Factor	Weighted FTE[3]
101	Basic K-3	.6000	1.035	.6210
102	Basic 4-8	2.3780	1.000	2.3780
103	Basic 9-12	3.6750	1.088	3.9984
111	Grades K-3 with ESE Services	(.5708)	1.035	(.5908)
112	Grades 4-8 with ESE Services	(.5762)	1.000	(.5762)
113	Grades 9-12 with ESE Services	2.2350	1.088	2.4317
254	ESE Support Level 4	(8.6170)	3.734	(32.1759)
255	ESE Support Level 5	(1.0196)	5.201	(5.3029)
300	Career Education 9-12	(2.9426)	1.159	(3.4105)
Total		(4.8382)		(32.6272)

[1] *See NOTE A6.*

[2] *These adjustments are for unweighted FTE. (See SCHEDULE C.)*

[3] *Weighted FTE adjustments are presented for illustrative purposes only; they 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 audit adjustments. That computation is the responsibility of the Department of Education. (See NOTE A4.)*

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
For the Fiscal Year Ended June 30, 2007

		Audit Adjustments[1]				
No.	**Program**	**#0021**	**#0031**	**#0053**	**#0081**	**Total**
101	Basic K-3	.....	.6000	.....	.....	.6000
102	Basic 4-8	.....	.0834	2.2946	.....	2.3780
103	Basic 9-12	1.8348	.....	1.8402	.....	3.6750
111	Grades K-3 with ESE Services	.....	(.5000)	(.0708)	.....	(.5708)
112	Grades 4-8 with ESE Services	.....	.5000	(1.0762)	.....	(.5762)
113	Grades 9-12 with ESE Services	.3335	.....	1.9015	.....	2.2350
254	ESE Support Level 4	(.3335)	(.5834)	(8.2001)	.5000	(8.6170)
255	ESE Support Level 5	.....	(.2600)	(.1196)	(.6400)	(1.0196)
300	Career Education 9-12	(2.9426)	.....	.....	.....	(2.9426)
Total		(1.1078)	(.1600)	(3.4304)	(.1400)	(4.8382)

[1] *These adjustments are for unweighted FTE. (See NOTE A4.)*

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Overview

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. Except for material noncompliance involving teachers, and the reporting of, and the preparation and maintenance of supporting documentation for, students in Basic with ESE Services, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), and the FTE calculations for the July 2006 and June 2007 surveys, the Liberty County District School Board complied, in all material respects, with State requirements governing the determination and reporting of FTE for the fiscal year ended June 30, 2007. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 15.

Findings		Net Audit Adjustments (Unweighted FTE)
Our examination included the July and October 2006 surveys and the February and June 2007 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2006 survey or the February 2007 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the noncompliance being disclosed.		
Liberty County High School (#0021)		
1. [Ref. 2101] The *Matrix of Services* form for one ESE student was not reviewed and updated when the student's new IEP was developed. We made the following audit adjustment:		
113 Grades 9-12 with ESE Services	.3335	
254 ESE Support Level 4	(.3335)	.0000
2. [Ref. 2102] We noted the following exceptions for eight Career Education students in OJT:		
a. The timecards for four students were missing and could not be located.		
b. Two students did not work during their reporting surveys.		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Net Audit Adjustments (Unweighted FTE)
Liberty County High School (#0021) (Continued)		
c. One student was reported for more OJT-hours than were supported by his timecard (12.5 hours rather than 7 hours).		
d. The timecards for one student were not signed by the employee's supervisor.		
We made the following audit adjustment:		
300 Career Education 9-12	(1.1078)	(1.1078)
3. [Ref. 2172] One teacher was not properly certified to teach a Floral Design class and was not approved by the School Board to teach out-of-field. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:		
103 Basic 9-12	1.8348	
300 Career Education 9-12	(1.8348)	.0000
		(1.1078)
W. R. Tolar K-8 School (#0031)		
4. [Ref. 3101] One ESE student was reported for more homebound instruction in the Hospital and Homebound program than was provided. The student was reported for 6.5 hours of homebound instruction (.1300 FTE), but was provided only 2.5 hours (.0500 FTE) of such instruction. We also noted that the student's file did not contain a *Physician's Statement* authorizing the student's Hospital and Homebound placement for the 2006-07 school year. We made the following audit adjustment:		
101 Basic K-3	.1000	
255 ESE Support Level 5	(.2600)	(.1600)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Net Audit Adjustments (Unweighted FTE)
W. R. Tolar K-8 School (#0031) (Continued)		
5. [Ref. 3102] The *Matrix of Services* form for one ESE student was not dated and we could not otherwise determine if it had been completed on a timely basis (i.e., prior to survey). We made the following audit adjustment:		
112 Grades 4-8 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000
6. [Ref. 3103] The file for one ESE student in the October survey did not contain an IEP covering that survey. We made the following audit adjustment:		
101 Basic K-3	.5000	
111 Grades K-3 with ESE Services	(.5000)	.0000
7. [Ref. 3171] The parents of one ESE student in a Music class taught by an out-of-field teacher were not notified of the teacher's out-of-field status. We made the following audit adjustment:		
102 Basic 4-8	.0834	
254 ESE Support Level 4	(.0834)	.0000
		(.1600)
Apalachicola Forest Youth Academy (#0053)		
8. [Ref. 5301] The number of days-in-term for 44 students in the July survey (17 of whom were in our sample) and 48 students in the June survey (10 of whom were in our sample) was incorrectly reported as 35 days. We determined from review of the Academy's instructional calendar and student attendance records that the correct number of days-in-term was 32 days for the July survey and 31 days for the June survey. We made the following audit adjustment:		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Net Audit Adjustments (Unweighted FTE)
Apalachicola Forest Youth Academy (#0053) (Continued)		
102 Basic 4-8	(.0613)	
103 Basic 9-12	(.0167)	
111 Grades K-3 with ESE Services	(.0708)	
112 Grades 4-8 with ESE Services	(.5706)	
113 Grades 9-12 with ESE Services	(.2591)	
254 ESE Support Level 4	(1.5601)	
255 ESE Support Level 5	(.0418)	(2.5804)
9. [Ref. 5302] Five ESE students were not reported in accordance with their *Matrix of Services* forms. We made the following audit adjustment:		
112 Grades 4-8 with ESE Services	.3500	
113 Grades 9-12 with ESE Services	1.6606	
254 ESE Support Level 4	(2.0106)	.0000
10. [Ref. 5303] The file for one ESE student did not contain a *Matrix of Services* form covering the reporting survey. We made the following audit adjustment:		
113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000
11. [Ref. 5304] The files for two ESE students did not contain IEPs that were valid for the reporting surveys. We made the following audit adjustment:		
102 Basic 4-8	.6778	
112 Grades 4-8 with ESE Services	(.6778)	.0000
12. [Ref. 5305] Three ESE students (one in July, one in February, and one in June) were absent during the 11-day window of the reporting survey. Consequently, the students should not have been reported. We made the following audit adjustment:		
112 Grades 4-8 with ESE Services	(.1778)	
254 ESE Support Level 4	(.6722)	(.8500)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Net Audit Adjustments (Unweighted FTE)
Apalachicola Forest Youth Academy (#0053) (Continued)		
13. [Ref. 5371/72/73] Three teachers did not hold Florida teaching certificates and were not otherwise qualified to teach at the time of the October survey (two teachers) and the June survey (one teacher). We made the following audit adjustments:		
Ref. 5371		
102 Basic 4-8	.1660	
254 ESE Support Level 4	(.1660)	.0000
Ref. 5372		
102 Basic 4-8	1.0842	
103 Basic 9-12	1.5846	
254 ESE Support Level 4	(2.6688)	.0000
Ref. 5373		
102 Basic 4-8	.4279	
103 Basic 9-12	.2723	
254 ESE Support Level 4	(.6224)	
255 ESE Support Level 5	(.0778)	.0000
		(3.4304)
Liberty Early Learning Center (#0081)		
14. [Ref. 8101] One ESE student was reported for more homebound instruction in the Hospital and Homebound program than was provided. The student was reported for seven hours of homebound instruction (.1400 FTE) in both the October survey and the February survey, but was provided only four hours in the October survey (.0800 FTE) and 3 hours in the February survey (.0600 FTE). We made the following audit adjustment:		
255 ESE Support Level 5	(.1400)	(.1400)
15. [Ref. 8102] One ESE student was not reported in accordance with his *Matrix of Services* form. We made the following audit adjustment:		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Net Audit Adjustments (Unweighted FTE)
Liberty Early Learning Center (#0081) (Continued)		
254 ESE Support Level 4	.5000	
255 ESE Support Level 5	(.5000)	.0000
		(.1400)
		(4.8382)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2007

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) FTE is correctly calculated for all reported students, particularly those who are in the Hospital and Homebound program; (2) only eligible students who are in attendance and membership for a particular survey are reported for FEFP funding; (3) students are reported in the proper funding categories and have adequate documentation to support that reporting, particularly with regard to students in ESE; (4) students in OJT are reported in accordance with their timecards, and those timecards are retained in readily accessible files; (5) ESE students in ESE Support Levels 4 and 5 are reported in accordance with their *Matrix of Services* forms; (6) students enrolled in the Apalachicola Forest Youth Academy (#0053) during the summer surveys are reported for the correct number of days-in-term; (7) teachers are either properly certified or, if out-of-field, are approved by the School Board to teach out-of-field; and (8) parents are appropriately notified when their children are assigned to out-of-field teachers.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all State requirements governing full-time equivalent (FTE) students and the Florida Education Finance Program (FEFP).

Regulatory Citations

Reporting

Section 1011.60, F.S. .....Minimum Requirements of the Florida Education Finance Program (FEFP)

Section 1011.61, F.S. .....Definitions

Section 1011.62, F.S. .....Funds for Operation of Schools

Rule 6A-1.0451, F.A.C. .....FEFP Student Membership Surveys

Rule 6A-1.04513, F.A.C. .....Maintaining Auditable FTE Records

FTE General Instructions 2006-2007

Attendance

Section 1003.23, F.S. .....Attendance Records and Reports

Rules 6A-1.044(3)&(6)(c), F.A.C. ..Pupil Attendance Records

Rule 6A-1.04513, F.A.C. .....Maintaining Auditable FTE Records

FTE General Instructions 2006-2007

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2007

Regulatory Citations (Continued)

Career Education On-the-Job Attendance

Rule 6A-1.044(6)(c), F.A.C. .....Pupil Attendance Records

Exceptional Education

Section 1003.57, F.S. .....Exceptional Students Instruction

Section 1011.62, F.S. .....Funds for Operation of Schools

Section 1011.62(1)(e), F.S. .....Funding Model for Exceptional Student Education Programs

Rule 6A-6.03028, F.A.C. .....Development of Individual Educational Plans for Students with Disabilities

Rule 6A-6.03029, F.A.C. .....Development of Family Support Plans for Children with Disabilities Ages Birth through Five Years

Rule 6A-6.0312, F.A.C. .....Course Modifications for Exceptional Students

Rule 6A-6.0331, F.A.C. .....Identification and Determination of Eligibility of Exceptional Students for Specially Designed Instruction

Rule 6A-6.0334, F.A.C. .....Temporary Assignment of Transferring Exceptional Students

Rule 6A-6.03411, F.A.C. .....Policies and Procedures for the Provision of Specially Designed Instruction and Related Services for Exceptional Students

Career Education On-the-Job Funding Hours

Rule 6A-6.055(3), F.A.C. .....Definitions of Terms Used in Vocational Education and Adult Programs

FTE General Instructions 2006-2007

Teacher Certification

Section 1003.56, F.S. .....English Language Instruction for Limited English Proficient Students

Section 1011.62(1)(g), F.S. .....Education for Speakers of Other Languages

Section 1012.42(2), F.S. .....Teacher Teaching Out-of-Field; Notification Requirements

Section 1012.55, F.S. .....Positions for Which Certificates Required

Rule 6A-1.0502, F.A.C. .....Non-certificated Instructional Personnel

Rule 6A-1.0503, F.A.C. .....Definition of Qualified Instructional Personnel

Rule 6A-4.001, F.A.C. .....Instructional Personnel Certification

The accompanying notes are an integral part of this schedule.

SCHEDULE F

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2007

Management agreed with our findings and recommendations.

A copy of management's response may be found beginning on page 38 of this report.

The accompanying notes are an integral part of this schedule.

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

NOTE A - SUMMARY

A summary discussion of the significant features of the District, the Florida Education Finance Program (FEFP), full-time equivalent (FTE) students, and related areas follows:

1. School District of Liberty County

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 students attending kindergarten through high school, but also 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 Liberty County. For the fiscal year ended June 30, 2007, the District operated eight schools, reported 1,428.75 unweighted full-time equivalent (FTE) students, and received approximately $7.36 million in State funding for those FTE. The primary sources of funding for the District are funds from FEFP, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through FEFP, which was established by the Florida Legislature in 1973. It is the intent of the law "to guarantee to each student in the Florida public school system the availability of programs and services appropriate to his educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors." To provide equalization of educational opportunity in Florida, the FEFP formula recognizes (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per student cost for equivalent educational programs due to sparsity and dispersion of student population.

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

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

4. Calculation of FEFP Funds

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

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys, which are conducted under the direction of district and school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2006-2007 school year were conducted during and for the following weeks: survey one was performed for July 10-14, 2006; survey two was performed for October 9-13, 2006; survey three was performed for February 5-9, 2007; and survey four was performed for June 11-15, 2007.

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

NOTE A - SUMMARY (Continued)

6. Educational Programs

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

7. Statutes and Rules

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

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

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers, using statistical and judgmental methods, for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2007. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing FTE and FEFP. The following schools were in our sample:

Liberty County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

NOTE B - SAMPLING (Continued)

School Name/Description	Finding Number(s)
1. Liberty County High School	1 through 3
2. W. R. Tolar K-8 School	4 through 7
3. Apalachicola Forest Youth Academy	8 through 13
4. Liberty Early Learning Center	14 and 15

AUDITOR GENERAL
STATE OF FLORIDA

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

DAVID W. MARTIN, CPA
AUDITOR GENERAL

850/488-5534/SC 278-5534
Fax: 488-6975/SC 278-6975

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

INDEPENDENT AUDITOR'S REPORT
LIBERTY COUNTY DISTRICT SCHOOL BOARD
STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated November 2, 2007, that the Liberty County District School Board complied with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2007. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Compliance

Our examination procedures disclosed material noncompliance with the District's reported student ridership data, as follows: 46 of the 117 students in our sample had exceptions involving their reported ridership categories or eligibility for State transportation funding.[1]

In our opinion, except for material noncompliance mentioned above involving the classification and reporting of transported students, the Liberty County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2007.

The results of our examination disclosed other noncompliance with State requirements, in addition to the material noncompliance mentioned above. We considered this other noncompliance in forming our opinion regarding management's assertion and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE B. The impact of this noncompliance on the District's reported number of transported students is presented in SCHEDULE A and SCHEDULE B.

Internal Control Over Compliance

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

---

[1] *See SCHEDULE B, finding Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12.*

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

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

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and the Liberty County District School Board. Copies of this report are available pursuant to Section 11.45(4)(c), Florida Statutes, and its distribution is not limited.

Respectfully submitted,

David W. Martin, CPA
February 29, 2008

SCHEDULE A

Liberty County District School Board
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2007

Description	Number of Vehicles	% of Pop.	No. of Students Transp.	% of Pop. (Sample)
Population[1]	38	100.00%	1,493	100.00%
Sample[2]	-	-	117	7.84%
Test Results - Sample Students				
Students w/ Exceptions[3]	-	-	46	(39.32%)
Net Audit Adjustments	-	-	(32)	(27.35%)
Test Results – Non-Sample Students				
Net Audit Adjustments	-	-	(55)	3.68%
Combined Test Results - Sample and Non-Sample Students				
Net Audit Adjustments	-	-	(87)	5.83%

[1] *The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2007. The District reported 1,493 students in the following ridership categories: 2 in IDEA (K-12), Weighted; 3 in IDEA (PK), Weighted; 11 in IDEA (PK), Unweighted; 1,466 in Two Miles or More; and 11 in Center to Center (IDEA), Weighted. The District also reported operating a total of 38 buses. (IDEA stands for Individuals with Disabilities Education Act.)*

[2] *See NOTE B.*

[3] *Students with exceptions are sample students with exceptions affecting their ridership classification. Students cited for incorrect reporting of days-in-term in finding No. 2 are not included.*

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Liberty County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Overview

Management is responsible for determining and reporting the number of students transported in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. Except for material noncompliance involving the classification and reporting of transported students, the Liberty County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported for the fiscal year ended June 30, 2007. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 34.

Findings	**Students Transported Net Audit Adjustments**
Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey. Our detailed tests involved verification of the specific ridership categories reported for students sampled from the July, October, February, and June surveys. Adjusted students who were in more than one survey are accounted for by survey. For example, a student sampled twice (i.e., once for the October survey and once for the February survey) will be presented in our findings as two students. Students cited only for incorrect reporting of days-in-term in finding No. 2 are not included in students with exceptions on SCHEDULE A.	
General Tests	
1. [Ref. 51] The number of vehicles operated during the July, October, February, and June surveys was incorrectly reported. We made the following audit adjustments:	
July 2006 Survey	
Buses in Operation (1)	--
Vans in Operation 1	--
October 2006 Survey	
Buses in Operation (2)	--
Vans in Operation 3	--
February 2007 Survey	
Buses in Operation (1)	
Vans in Operation 1	--

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Liberty County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Students Transported Net Audit Adjustments
General Tests (Continued)		
June 2007 Survey		
Buses in Operation	(1)	--
Vans in Operation	2	--

2. [Ref. 52] The number of days-in-term was incorrectly reported for 35 students (7 in the July survey and 28 in the June survey), as follows:

a. For the July survey, three students were reported for a 12-day term and four for a 16-day term. They should have been reported for an 8-day term and a 7-day term, respectively.

b. For the June survey, two students were reported for a 16-day term, one for an 18-day term, and 25 for a 28-day term. The student who was reported for an 18-day term should have been reported for a 12-day term. The remaining 27 students should have been reported for a 20-day term.

We made the following audit adjustments:

July 2006 Survey		
12 Days-in-Term		
Center to Center (IDEA), Weighted	(3)	
16 Days-in-Term		
IDEA (K-12), Weighted	(1)	
Two Miles or More	(3)	
7 Days-in-Term		
IDEA (K-12), Weighted	1	
Two Miles or More	3	
8 Days-in-Term		
Center to Center (IDEA), Weighted	3	0
June 2007 Survey		
16 Days-in-Term		
IDEA (K-12), Weighted	(1)	
Two Miles or More	(1)	

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Liberty County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Students Transported Net Audit Adjustments
General Tests (Continued)		
June 2007 Survey (Continued)		
18 Days-in-Term		
Center to Center (IDEA), Weighted	(1)	
28 Days-in-Term		
Two Miles or More	(24)	
Center to Center (IDEA), Weighted	(1)	
12 Days-in-Term		
Center to Center (IDEA), Weighted	1	
20 Days-in-Term		
IDEA (K-12), Weighted	1	
Two Miles or More	25	
Center to Center (IDEA), Weighted	1	0

3. [Ref. 59] Fifty-six pre-kindergarten students (six of whom were in our sample) were reported incorrectly in Two Miles or More. We noted that 16 of the 56 were IDEA and should have been reported in IDEA (PK), Unweighted. The remaining 40 students were enrolled in a voluntary pre-kindergarten program that was not eligible for State transportation funding. We made the following audit adjustments:

October 2006 Survey		
90 Days-in-Term		
Two Miles or More *(Sample Students)*	(4)	
Two Miles or More *(Non-Sample Students)*	(39)	
IDEA (PK), Unweighted *(Sample Students)*	2	
IDEA (PK), Unweighted *(Non-Sample Students)*	9	
February 2007 Survey		
90 Days-in-Term		
Two Miles or More *(Sample Students)*	(2)	
Two Miles or More *(Non-Sample Students)*	(11)	
IDEA (PK), Unweighted *(Sample Student)*	1	
IDEA (PK), Unweighted *(Non-Sample Students)*	4	40

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Liberty County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Students Transported Net Audit Adjustments
General Tests (Continued)		
4. [Ref. 54] The drivers' reports for two vans, which transported two students in the October survey, were missing and could not be located. We also noted that one of the two transported students was reported incorrectly in Center to Center (IDEA), Weighted. The student was only scheduled for home-to-school transport, not center-to-center. We made the following audit adjustment:		
October 2006 Survey		
90 Days-in-Term		
Two Miles or More *(Non-Sample Student)*	(1)	
Center to Center (IDEA), Weighted *(Sample Student)*	(1)	(2)
5. [Ref. 55] The reported ridership of 18 students in the February survey (one of whom was in our sample) was not adequately supported, as follows:		
a. Fourteen students were not listed on a bus driver's report.		
b. Two students were not listed on the bus driver's report for their assigned bus, and were listed on another bus driver's report as non-riders.		
c. Two students (one in our sample) were listed as non-riders on their bus driver's report.		
We made the following audit adjustment:		
February 2007 Survey		
90 Days-in-Term		
Two Miles or More *(Sample Student)*	(1)	
Two Miles or More *(Non-Sample Students)*	(17)	(18)
Net Audit Adjustments – General Tests		(60)
Net Audit Adjustments - Sample Students		(5)
Net Audit Adjustments - Non-Sample Students		(55)
Net Audit Adjustments – General Tests		(60)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Liberty County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Students Transported Net Audit Adjustments
Detailed Tests/Sample Students		
6. [Ref. 53] Ten reported students (seven in the July survey, two in the October survey, and one in the June survey) were not listed on the supporting bus drivers' reports as having been transported. We also noted that seven of these ten students were classified in incorrect ridership categories, as follows: two students were classified as Two Miles or More, but one lived less than two miles from school and the other was eligible for IDEA (PK), Unweighted; and five were classified Center to Center (IDEA), Weighted, but were enrolled only at their home schools and should have been classified as IDEA (K-12), Weighted. We made the following audit adjustments:		
July 2006 Survey		
7 Days-in-Term		
IDEA (K-12), Weighted	(1)	
Two Miles or More	(3)	
Center to Center (IDEA), Weighted	(1)	
8 Days-in-Term		
Center to Center (IDEA), Weighted	(2)	
October 2006 Survey		
90 Days-in-Term		
Center to Center (IDEA), Weighted	(2)	
June 2007 Survey		
12 Days-in-Term		
Center to Center (IDEA), Weighted	(1)	(10)
7. [Ref. 56] Seven students were reported incorrectly in IDEA (PK), Unweighted in the October survey. We noted that one student was eligible to be reported in IDEA (K-12), Unweighted, and the remaining six lived more than two miles from their assigned school and should have been reported in Two Miles or More. We made the following audit adjustment:		

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Liberty County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Students Transported Net Audit Adjustments
Detailed Tests/Sample Students (Continued)		
October 2006 Survey		
90 Days-in-Term		
IDEA (PK), Unweighted	(7)	
IDEA (K-12), Unweighted	1	
Two Miles or More	6	0

8. [Ref. 57] Two students in IDEA (PK), Weighted were not listed on the supporting bus drivers' reports as having been transported. We also noted that the students' IEPs did not document that they met at least one of the five eligibility criteria required for IDEA-weighted classification. We made the following audit adjustments:

October 2006 Survey		
90 Days-in-Term		
IDEA (PK), Weighted	(1)	
February 2007 Survey		
90 Days-in-Term		
IDEA (PK), Weighted	(1)	(2)

9. [Ref. 58] Four students (three in February and one in June) were incorrectly reported in Center to Center (IDEA), Weighted. The students were only transported from home to school, and should have been reported in IDEA (K-12), Weighted. We made the following audit adjustments:

February 2007 Survey		
90 Days-in-Term		
IDEA (K-12), Weighted	3	
Center to Center (IDEA), Weighted	(3)	
June 2007 Survey		
20 Days-in-Term		
IDEA (K-12), Weighted	1	
Center to Center (IDEA), Weighted	(1)	0

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Liberty County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Students Transported Net Audit Adjustments
Detailed Tests/Sample Students (Continued)		
10. [Ref. 60] We noted the following exceptions involving ten students (one in October and nine in February):		
a. One student in Two Miles or More in October was listed on the supporting bus driver's report as a non-rider.		
b. Nine students in February (one in IDEA (PK), Unweighted and eight in Two Miles or More) were not listed on the supporting bus drivers' reports.		
We made the following audit adjustments:		
October 2006 Survey		
90 Days-in-Term		
Two Miles or More	(1)	
February 2007 Survey		
90 Days-in-Term		
IDEA (PK), Unweighted	(1)	
Two Miles or More	(8)	(10)
11. [Ref. 61] Four students (three in October and one in February) were reported incorrectly in Two Miles or More. The students lived less than two miles from school and were not eligible for State transportation funding. We made the following audit adjustments:		
October 2006 Survey		
90 Days-in-Term		
Two Miles or More	(3)	
February 2007 Survey		
90 Days-in-Term		
Two Miles or More	(1)	(4)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Liberty County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2007

Findings		Students Transported Net Audit Adjustments
Detailed Tests/Sample Students (Continued)		
12. [Ref. 62] The eligibility for one student in Two Miles or More in the June survey could not be determined. The student's only listed address was a P.O. Box and no other address was provided. We made the following audit adjustment:		
June 2007 Survey		
20 Days-in-Term		
Two Miles or More	(1)	(1)
Net Audit Adjustments – Detailed Tests/Sample Students		(27)

Summary

General and Detailed Tests	
Net Audit Adjustments – General Tests/Sample Students	(5)
Net Audit Adjustments – General Tests/Non-Sample Students	(55)
Net Audit Adjustments – Detailed Tests/Sample Students	(27)
Net Audit Adjustments – Combined Tests	
Net Audit Adjustments – Combined Tests/Sample Students	(32)
Net Audit Adjustments – Combined Tests/Non-Sample Students	(55)
	(87)

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Liberty County District School Board
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2007

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) transported students are reported in the correct ridership category and for the correct number of days-in-term; (2) only those students who were enrolled in school and were transported during a survey period are included with that survey's results; (3) the distance from home to school, for students classified in the Two Miles or More ridership category, is verified prior to being reported; (4) IEPs are current, complete and retained in readily accessible files; (5) only ESE students, who are properly classified and documented as disabled, are reported in IDEA ridership categories, pursuant to the authorization of their IEPs; and (6) ESE students who receive special transportation services have their needs for such services clearly specified on their IEPs.

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

Regulatory Citations

Chapter 1006, Part I, E., F.S. .....Transportation of Public K-12 Students
Section 1011.68, F.S. .....Funds for Student Transportation
Chapter 6A-3, F.A.C. .....Transportation
Student Transportation General Instructions

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Liberty County District School Board
Student Transportation
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2007

Management agreed with our findings and recommendations.

A copy of management's response may be found beginning on page 38 of this report.

The accompanying notes are an integral part of this schedule.

Liberty County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

NOTE A - SUMMARY

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

1. Student Eligibility

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

2. Transportation in Liberty County

For the fiscal year ended June 30, 2007, the District received approximately $333,000 in State transportation funding. The District's transportation reporting by survey was as follows:

Survey Period	No. of Vehicles	No. of Students
July 2006	2	7
October 2006	16	737
February 2007	16	721
June 2007	4	28
Total	38	1,493

3. Statutes and Rules

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

Chapter 1006, Part I, E., F.S. .....Transportation of Public K-12 Students
Section 1011.68, F.S. .....Funds for Student Transportation
Chapter 6A-3, F.A.C. .....Transportation

Liberty County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of buses and students, using statistical and judgmental methods, for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2007. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing students transported.

MANAGEMENT'S RESPONSE

THE SCHOOL BOARD OF LIBERTY COUNTY

David H. Summers Superintendent of Schools

Post Office Box 429
Bristol, Florida 32321-0429

Phone (850) 643-2275
Fax (850) 643-2533

"Fighting for Liberty"

March 26, 2008

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

RE: Responses to Report on the examination of full-time equivalent (FTE) students and student transportation, as reported by the Liberty County District School Board for the fiscal year ended June 30, 2007.

Dear Mr. Martin:

Thank you for the opportunity to respond to the above referenced audit report. I have responded to each of the audit findings with a proposed corrective action as follows:

Liberty County District School Board Full-Time Equivalent (FTE) Students

Ref. #2101 – The Matrix of services form will be reviewed, dated, and initialed by the staffing specialist at the annual IEP meeting or if services result in a change in the matrix rating.

Ref. #2102 – Career Education OJT will be the responsibility of one teacher at the High School. The teacher will be responsible for monitoring all OJT students and will have students turn in time cards and evaluations every two months from supervisors. During FTE week the supervising teacher will contact employers to check on student attendance hours, weeks and time cards. The teacher will notify the school data entry clerk if any student is not eligible for FTE.

Ref. #2172 – Out of field teacher in floral design has many years of experience and owned her own business. The district did not issue a district vocational certificate due to her DOE certification. The Director of Instruction will ensure that all teachers teaching out of field have been approved by the School Board prior to FTE. All parents will be notified in writing of the out of field teacher.

District I	District II	District III	District IV	District V
James E. Flowers	Thomas W. Duggar	Darrel L. Hayes	B. Kyle Peddle	Roger W. Reddick

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Ref. #3101 – All Hospital/Homebound instruction will be checked against teacher payroll for accuracy by the staff specialist. No Hospital/Homebound student will be entered into the MIS system without a physician's statement.

Ref. #3102 – All Matrix of service forms will be completed at the IEP meeting with dated initials of staffing specialist.

Ref. #3103 – All FTE 20's and 70's will be checked by the staffing specialist and the ESE teachers and signed.

Ref. #3171 – All parents will be notified of teachers approved by the School Board to teach out of field every four weeks until certification requirements are met.

Ref. #8101 – Staffing Specialist, PK Coordinator, or Director of Instruction will check Homebound teacher payroll and sign in sheet with FTE 20.

Ref. #8102 – Staffing Specialist will check FTE 70's and 20's with IEP and matrix information prior to submission of FTE.

Ref. #5310 – Incorrect number of days in term was report. The district level MIS person will verify the AFYC calendar and send AFYC the days in term built into the MIS for signature by AFYC education director.

Ref. #5302 – Matrix of service and report FTE did not match for 5 students. The AFYC will review and sign an FTE 20 and FTE 70 for all students enrolled at the school during each survey period. These signed reports will be on file at the district school board office.

Ref. #5303 & #5304 – The district will not report students as ESE unless there is a current IEP in the students cumulative record. AFYC staff will check and sign FTE 70 for accuracy.

Ref. #5305 – The AFYC staff will take daily attendance 1st period on the district supplied attendance forms. Classroom teachers will sign the attendance sheets and return to the district for input into MIS. FTE 20's will be reviewed by AFYC staff and signed during each FTE period. Students not in attendance will be excluded from the FTE Survey.

Ref. #5371/5372/5373 – AFYC will hire teachers as substitutes until they have a statement of eligibility from the Florida Department of Education that states they are eligible for a temporary professional certificate. AFYC will notify the school district of the areas that all instruction staff are out of field and request School Board approval for these teachers.

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Liberty County District School Board Student Transportation

Ref. # 51 – The number of vehicles reported in operation during the July, October, February and June surveys will be verified by the Director of Transportation or designee.

Ref. #52 – The number of days in term will be verified by comparing the FTE survey with the corresponding school calendar.

Ref. # 59 – A map is being constructed with the assistance of our local Emergency Management office to establish the two (2) mile radius from each school. This map will be used as a guide for reporting students who are two miles or more. The Transportation Department will work closer with the Early Childhood Coordinator to identify students that are classified as IDEA. Students enrolled in the Voluntary Pre-K Program will be verified by requesting a list from the Early Childhood Coordinator.

Ref. #54 – Drivers FTE Reports will be bound after the FTE verification form is sent to DOE. Students will be verified by the Secretary to the Director of Transportation to ensure that students are in the proper category.

Ref. #55 – (A) Bus drivers will verify the student riders by comparing a bi-monthly report printed out by the Secretary to the Director of Transportation. Added or deleted student count information will be entered in by the Transportation secretary.

Ref. #53 - Bus drivers will verify the student riders by comparing a bi-monthly report printed out by the Secretary to the Director of Transportation. Students who are in the Two Miles or More category will be verified using the Emergency Management map.

Ref. #56 - Students enrolled in the Voluntary Pre-K program and other corresponding programs will be verified by requesting a list of eligible students from the appropriate schools.

Ref. #57 – Student counts will be verified by comparing a bi-monthly report printed out by the secretary and students will be added/deleted as needed.

Ref. #58 – The Transportation Department will work with the Liberty County School Data Entry Operators to ensure that information in the system is accurate.

Ref. #60 – (A) Two Miles or More students will be verified by a map from Liberty County Emergency Management. (B) Eligible students for these programs will be verified by requesting and reviewing a list of riders.

Ref. #61 – Two Miles or More students will be verified by reviewing a map from Liberty County Emergency Management to establish the Two Mile radius.

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Ref. #62 – All 911 addresses will be verified and maintained with the assistance of the Liberty County Emergency Management Office.

If you have any questions or concerns, please feel free to contact me at (850) 643-2275.

Sincerely,

David H. Summers
Superintendent of Schools