

**GLADES COUNTY
DISTRICT SCHOOL BOARD**

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

Restoration of Audit Adjustment

For the Fiscal Year Ended
June 30, 2007



GOVERNING BODY AND SUPERINTENDENT

The governing body of the District is the District School Board, which is composed of five elected members. The executive officer of the Board is the Superintendent of Schools. The Board members and Superintendent of Schools who served during the fiscal year ended June 30, 2007, were:

	<i>District</i>
	<u>No.</u>
<i>Janet Storey</i>	1
<i>Catherine Peoples</i>	2
<i>Tom Gaskins, Jr.</i>	3
<i>Mike Pressley, Chair</i>	4
<i>Patricia Pearce, Vice Chair</i>	5

Wayne Aldrich, Superintendent

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 and other reports prepared by the Auditor General can be obtained on our Web site at 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.

Glades County District School Board
Full-Time Equivalent (FTE) Students
Restoration of Audit Adjustment
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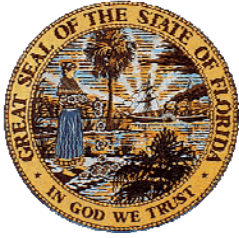
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EXECUTIVE SUMMARY

Summary

Pursuant to State Board of Education Rule 6A-1.0453(5), Florida Administrative Code, the Glades County District School Board requested an informal conference with the Department of Education to discuss Finding No. 5 for the Florida Environmental Institute (#0023), as presented in report No. 2008-199. The informal conference was held on August 16, 2010. The resulting informal conference panel's memorandum of August 26, 2010, recommended the partial restoration of the audit adjustment for Finding No. 5. The panel's recommendation was accepted by the Commissioner of Education, as evidenced by letter dated August 31, 2010.

The net FTE audit adjustment restored pursuant to the panel's recommendation totaled to a positive 22.7177 unweighted FTE but has a net impact on weighted FTE of a positive 24.9464 FTE. The financial effect of the restored net audit adjustment is subject to the determination of the Department of Education.



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



PHONE: 850-488-5534
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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 AGREED-UPON PROCEDURES FOR RESTORATION OF AUDIT ADJUSTMENT FULL-TIME EQUIVALENT (FTE) STUDENTS

We have previously examined management's assertion, included in its representation letter dated March 14, 2008, that the Glades 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, and have presented the results of our examination in report No. 2008-199, issued June 30, 2008. This agreed-upon procedures report on the restoration of audit adjustment should be read in conjunction with report No. 2008-199.

Pursuant to State Board of Education Rule 6A-1.0453(5), Florida Administrative Code, the Glades County District School Board requested an informal conference with the Department of Education (DOE) to discuss Finding No. 5 for the Florida Environmental Institute (#0023), as presented in report No. 2008-199. The informal conference was held on August 16, 2010. The resulting informal conference panel's memorandum of August 26, 2010, recommended the partial restoration of the audit adjustment for Finding No. 5. The panel's recommendation was accepted by the Commissioner of Education, as evidenced by letter dated August 31, 2010.

In conjunction with the panel's recommendation and the Commissioner's acceptance, we performed certain agreed-upon procedures, specified in SCHEDULE B herein, to determine and report the audit adjustment to be restored for Finding No. 5. We performed the agreed-upon procedures, and have issued this report, solely to assist DOE with this restoration. DOE is responsible for the sufficiency of the agreed-upon procedures and the computation of the restoration's financial impact. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

We performed the agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We did not conduct an examination, the objective of which would be the expression of an opinion on the restoration of audit adjustment contained herein. Accordingly, we do not express such an opinion. Had we performed additional procedures pursuant to such an examination, other matters might have come to our attention that we would have reported.

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

Respectfully submitted,



David W. Martin, CPA
September 22, 2010

SCHEDULE A

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

<u>No. Program</u>	<u>Net Audit Adjustment¹</u>	<u>Cost Factor</u>	<u>Weighted FTE²</u>
103 Basic 9-12	12.3030	1.088	13.3857
113 Grade 9-12 with ESE Services	7.1821	1.088	7.8141
300 Career Education 9-12	<u>3.2326</u>	1.159	<u>3.7466</u>
Total	<u>22.7177</u>		<u>24.9464</u>

¹ These adjustments are for unweighted FTE. (See SCHEDULE B.)

² The restored 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.

SCHEDULE B

Glades County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RESTORATION OF AUDIT ADJUSTMENT
 For the Fiscal Year Ended June 30, 2007

Overview

Pursuant to State Board of Education Rule 6A-1.0453(5), Florida Administrative Code, the Glades County District School Board requested an informal conference with the Department of Education (DOE) to discuss Finding No. 5 for the Florida Environmental Institute (#0023), as presented in report No. 2008-199. The informal conference was held on August 16, 2010. The resulting informal conference panel’s memorandum of August 26, 2010, recommended the partial restoration of the audit adjustment for Finding No. 5. The panel’s recommendation was accepted by the Commissioner of Education, as evidenced by letter dated August 31, 2010. In conjunction with the panel’s recommendation and the Commissioner’s acceptance, we performed certain agreed-upon procedures to determine and report the audit adjustment to be restored for Finding No. 5.

Description

**Net Audit
 Adjustment Restored
(Unweighted FTE)**

Finding No. 5 (Ref. 2301/02) – Florida Environmental Institute (#0023)

Finding: The Institute did not prepare and maintain documentation of each student's classroom attendance for FEFP-related instruction during the 2006-07 school year; consequently, the Institute's reported FTE was not adequately supported. We also noted that the Institute’s reported FTE for each student in the June and July surveys was incorrectly calculated and varied from student to student. The reported FTE should have been the same for each student because the Institute did not provide multiple instructional programs. We made the following audit adjustment to disallow the Institute’s reported FTE for the 2006-07 school year:

103 Basic 9-12	(13.4340)	
113 Grades 9-12 with ESE Services	(7.6696)	
300 Career Education 9-12	<u>(3.8644)</u>	
	<u>(24.9680)</u>	--

Summary of Discussion: The District provided to the Panel various reports and documents related to student attendance and a general explanation of the District’s position that such reports and documents indicated that student attendance was adequately supported.

SCHEDULE B (Continued)

Glades County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RESTORATION OF AUDIT ADJUSTMENT
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustment Restored
 (Unweighted FTE)**

Description

Finding No. 5 (Ref. 0023) – Florida Environmental Institute (Continued)

Panel’s Recommendation: The Panel recommended the restoration of the audit adjustment applicable to surveys 2, 3, and 4.

Auditor’s Procedures: Pursuant to the Panel’s recommendation, we obtained and examined the supporting working papers for Finding No. 5, determined the audit adjustment applicable to surveys 2, 3, and 4, and restored the audit adjustment for those surveys, as presented below:

103 Basic 9-12	12.3030	
113 Grades 9-12 with ESE Services	7.1821	
300 Career Education 9-12	<u>3.2326</u>	<u>22.7177</u>
Net Audit Adjustment Restored		<u>22.7177</u>

Glades County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
COMMISSIONER'S LETTER
For the Fiscal Year Ended June 30, 2007

FLORIDA DEPARTMENT OF EDUCATION



Dr. Eric J. Smith
Commissioner of Education

STATE BOARD OF EDUCATION

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D. RAKSHAY DESAI

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R. OBIERTO MARTINEZ

J. JOHN R. PADGET

K. ATHLEEN SHANAHAN

S. SUSAN STORY




August 31, 2010

Mr. Wayne Aldrich, Superintendent
Glades County School District
Box 459
Moore Haven, FL 33471

Dear Superintendent Aldrich:

My staff and I have reviewed the recommended agreement, which was a result of the informal audit conference concluded on August 16, 2010. The conference concerned the Full-Time Equivalent (FTE) Students and Student Transportation Audit (Report No. 2008-199) for the year ending June 30, 2007, for the School District of Glades County. I accept the informal conference panel's recommendation and, by copy of this letter, am asking Deputy Commissioner Linda Champion to initiate appropriate action with regard to the FEFP adjustment for Glades County. I am pleased that the informal conference participants reached an agreement.

Sincerely,


Dr. Eric J. Smith

EJS:lj

cc: Linda Champion
Joe Williams
Frances Haithcock

Glades County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
INFORMAL CONFERENCE PANEL'S MEMORANDUM
 For the Fiscal Year Ended June 30, 2007

FLORIDA DEPARTMENT OF EDUCATION



Dr. Eric J. Smith
 Commissioner of Education

STATE BOARD OF EDUCATION

T. WILLARD FAIR, *Chairman*

Members

- D. AKSHAY DESAI
- MARK KAPLAN
- ROBERTO MARTÍNEZ
- JOHN R. PADGET
- KATHLEEN SHANAHAN
- SUSAN STORY



MEMORANDUM

Date: August 26, 2010

To: Commissioner Eric J. Smith

From: Link Jarrett

Subject: Audit Report No. 2008-199, Report on the School District of Glades County, Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students and Student Transportation for the Fiscal Year Ended June 30, 2007

On April 23, 2010, the Department of Education received a request from the Glades County School District for an informal conference to discuss Audit Report No. 2008-199 and related issues. The informal conference was held on August 16, 2010.

The Glades County School District was represented by Wayne Aldrich, Susan Williams, Muriel Killian, Joseph Chestnut, and Eric Hall. The Department of Education was represented by Karen Denbroeder, Lee Davis, and Becky Pruett. David Morris, Martha Asbury, and I were on the informal conference panel. Joe Williams represented the Office of the Auditor General.

Glades County School District appealed one audit finding. The recommendations that resulted from the informal appeal conference are as follows:

1. Florida Environmental Institute [Finding No. 5 (Ref. No. 2301/02)]

Summary of Finding: The institute did not prepare and maintain documentation of each student's classroom attendance for FEFP-related instruction during the 2006-07 school year; consequently, the institute's reported FTE was not adequately supported. In addition, the institute's reported FTE for each student in the June and July surveys was incorrectly calculated and varied from student to student.

LINCOLN JARRETT, JR.
 OPERATIONS AND PROGRAM MANAGER

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 FAX (850) 245-9135

Glades County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
INFORMAL CONFERENCE PANEL'S MEMORANDUM (Continued)
 For the Fiscal Year Ended June 30, 2007

Commissioner Eric J. Smith
 August 26, 2010
 Page 2

The reported FTE should have been the same for each student because the institute did not provide multiple instructional programs. The institute's reported FTE for the 2006-07 school year was disallowed.

Eric Hall, National Director of Educational Services for AMIKids, Inc., the parent company that managed the institute's education program for the school district and the Florida Department of Juvenile Justice, indicated that the institute's Student Information System (SIS) Surveys 1 and 2 student attendance reports are available and that weekly attendance reports that show daily class attendance for Surveys 3 and 4 are available as supporting documentation. Survey 3 individual itemized student schedules are on file with the district. Samples of documentation that support student attendance during the 2006-07 school year were provided to the panel members. A copy of a teacher's grade book, student work samples, several student daily/weekly point cards, an attendance notebook, and SIS attendance records were included in the documentation.

Mr. Hall also indicated that, although Survey 2 daily class attendance supporting documents are not available, a Corrective Action Plan was implemented for the institute during Survey 2 as a result of the findings from the August 2006 Educational Quality Assurance Review Report for Residential Programs.

Recommendation: Since a Corrective Action Plan was implemented after the August 2006 Quality Assurance review, but after FTE Survey 1, and the district assured that supporting records for Survey 2 attendance would have been available at the time of the audit, if not for two incidents in which records were damaged or destroyed, the panel does not recommend restoration of Survey 1 FTE, but does recommend restoration of Survey 2 FTE adjusted in Finding No. 5. Additionally, since Survey 3 and Survey 4 student records are available and supportive, the panel recommends restoration of Surveys 3 and 4 FTE adjusted in Finding No. 5.

If you accept the recommendations, the Office of Funding and Financial Reporting and the Auditor General should be notified to take appropriate restoration action.

LJ/bp
 cc: Wayne Aldrich
 Martha Asbury
 Linda Champion
 David Morris
 Joe Williams
 Susan Williams