REPORT NO. 2009-185
MARCH 2009

INDIAN RIVER COUNTY DISTRICT SCHOOL BOARD

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

and

Student Transportation

For the Fiscal Year Ended

June 30, 2008

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

BOARD MEMBERS AND SUPERINTENDENT

Indian River County District School Board members and the Superintendent of Schools who served during the 2007-08 fiscal year are listed below:

	District No.
Karen Disney-Brombach, Vice-Chair to 11-19-07, Chair from 11-20-07	*1*
Lenora Quimby	*2*
Carol Johnson, Chair to 11-19-07, Vice-Chair from 11-20-07	*3*
Ann Reuter	*4*
Debbie MacKay	*5*

Duncan N. Pritchett, Ed.D., Superintendent to 8-14-07

Harry J. LaCava, Ed.D., Superintendent from 8-15-07

The examination team leader was Richard W. Woods, CPA and the examination was supervised 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 and other audit reports prepared by the Auditor General can be obtained on our Web site 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.

Indian River County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2008

PAGE NO.

FULL-TIME EQUIVALENT (FTE) STUDENTS

Independent Auditor's Report 1
Schedule A – Populations, Samples, and Test Results 4
Schedule B – Effect of Audit Adjustments on Weighted FTE 6
Schedule C – Audit Adjustments by School 7
Schedule D – Findings and Audit Adjustments 11
Schedule E – Recommendations and Regulatory Citations 21
Notes to Schedules 24

STUDENT TRANSPORTATION

Independent Auditor's Report 28
Schedule F – Populations, Samples, and Test Results 30
Schedule G – Findings and Audit Adjustments 31
Schedule H – Recommendations and Regulatory Citations 36
Notes to Schedules 37

MANAGEMENT'S RESPONSE

Exhibit A – Management's Response* 39

**The additional documentation submitted with management's response has not been reproduced in this report, but is available at the offices of the District.*

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

LIST OF ABBREVIATIONS

For the Fiscal Year Ended June 30, 2008

IEP – Individual Educational Plan

EP – Educational Plan

ESE – Exceptional Student Education

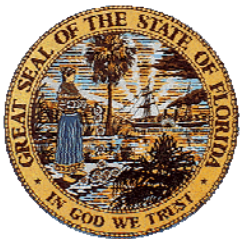
LEP – Limited English Proficient

FES – Fluent English Speaking

ESOL – English for Speakers of Other Languages

PK – Prekindergarten

IDEA – Individuals with Disabilities Education Act



AUDITOR GENERAL
STATE OF FLORIDA

DAVID W. MARTIN, CPA
AUDITOR GENERAL

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

PHONE: 850-488-5534
FAX: 850-488-6975

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

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

We have examined management's assertion, included in its representation letter dated July 16, 2008, that the Indian River 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, 2008. 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: 141 of the 334 students in our ESOL sample had exceptions involving premature assessments, reporting errors, or records that were not properly and accurately prepared or were missing and could not be located. (See SCHEDULE D, finding Nos. 5, 6, 8, 9, 13, 14, 15, 16, 21, 22, 26, 27, 28, 31, 32, 33, and 34.)

In our opinion, except for the material noncompliance mentioned above involving students in ESOL, the Indian River 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, 2008.

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 of the noncompliance disclosed by our examination procedures is discussed in SCHEDULE D. The impact of that noncompliance on the District's reported number of full-time equivalent (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.[1] However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the classification and reporting of students in ESOL. 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 D.

---

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

Pursuant to Section 11.45(4), 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
February 3, 2009

SCHEDULE A

Indian River 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, 2008

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]	25	100.00%	9,637	100.00%	12,870.0500	100.00%
Sample Size[4]	11	44.00%	134	1.39%	110.8185	.86%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments[5]	-	-	-	-	124.0575	-
2. Basic with ESE Services						
Population[3]	25	100.00%	2,360	100.00%	3,124.5500	100.00%
Sample Size[4]	12	48.00%	92	3.90%	78.1850	2.50%
Students w/Exceptions	-	-	(4)	(4.35%)	-	-
Net Audit Adjustments[5]	-	-	-	-	2.4925	-
3. ESOL						
Population[3]	23	100.00%	739	100.00%	791.3000	100.00%
Sample Size[4]	11	47.83%	334	45.20%	277.5338	35.07%
Students w/Exceptions	-	-	(141)	(42.22%)	-	-
Net Audit Adjustments[5]	-	-	-	-	(124.5575)	-
4. ESE Support Levels 4 and 5						
Population[3]	18	100.00%	166	100.00%	118.6000	100.00%
Sample Size[4]	11	61.11%	103	62.05%	59.8348	50.45%
Students w/Exceptions	-	-	(9)	(8.74%)	-	-
Net Audit Adjustments[5]	-	-	-	-	(3.3021)	-
5. Career Education 9-12						
Population[3]	4	100.00%	0	0.00%	576.6500	100.00%
Sample Size[4]	0	0.00%	0	0.00%	.0000	0.00%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments[5]	-	-	-	-	.0000	-
All Programs						
Population[3]	25	100.00%	12,902	100.00%	17,481.1500	100.00%
Sample Size[4]	12	48.00%	663	5.14%	526.3721	3.01%
Students w/Exceptions	-	-	(154)	(23.23%)	-	-
Net Audit Adjustments[5]	-	-	-	-	(1.3096)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Indian River 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, 2008

Description[1]	Number of Schools	% of Pop.	Number of Teachers (w/Exceptions)	% of Pop. (Sample)
Teachers				
Population[3]	25	100.00%	436	100.00%
Sample Size[4]	12	48.00%	136	31.19%
Teachers w/Exceptions	-	-	(4)	(2.94%)

[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 is zero because our Career Education sample is limited to those students who participated in OJT and there were no OJT students reported by the District. 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, 2008. 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 noncompliance disclosed by our examination procedures, including those 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

Indian River 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, 2008

No.	Program[1]	Net Audit Adjustment[2]	Cost Factor	Weighted FTE[3]
101	Basic K-3	101.5075	1.048	106.3799
102	Basic 4-8	15.0984	1.000	15.0984
103	Basic 9-12	7.4516	1.066	7.9434
111	Grades K-3 with ESE Services	.4625	1.048	.4847
112	Grades 4-8 with ESE Services	1.0000	1.000	1.0000
113	Grades 9-12 with ESE Services	1.0300	1.066	1.0980
130	ESOL	(124.5575)	1.200	(149.4690)
254	ESE Support Level 4	(.5000)	3.625	(1.8125)
255	ESE Support Level 5	(2.8021)	5.062	(14.1842)
Total		(1.3096)		(33.4613)

[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

Indian River 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, 2008

		Audit Adjustments[1]		
No. Program	**District-Wide**	**#0031**	**#0101**	**Balance Forward**
101 Basic K-3	.2611	.....	50.7175	50.9786
102 Basic 4-8	.....	.....	8.7846	8.7846
103 Basic 9-12	.....	2.9557	.....	2.9557
111 Grades K-3 with ESE Services	.....	.....	1.0000	1.0000
112 Grades 4-8 with ESE Services	.....	.....	.....	.0000
113 Grades 9-12 with ESE Services	.....	.5300	.....	.5300
130 ESOL	(.2611)	(3.4557)	(59.5021)	(63.2189)
254 ESE Support Level 4	.....	.....	(1.0000)	(1.0000)
255 ESE Support Level 5	.....	(.3021)	.....	(.3021)
Total	.0000	(.2721)	.0000	(.2721)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Indian River 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, 2008

Program No.	Brought Forward	Audit Adjustments[1] #0131	#0151	#0161	#0171	Balance Forward
101	50.9786	.....	11.4312	12.7251	.....	75.1349
102	8.7846	.....	2.8578	(.0287)	.....	11.6137
103	2.9557	.....	.....	.....	.....	2.9557
111	1.0000	.....	.....	.....	.....	1.0000
112	.0000	.....	.....	.5000	(.5000)	.0000
113	.5300	1.0000	.....	.....	.....	1.5300
130	(63.2189)	.....	(14.2890)	(13.1964)	.....	(90.7043)
254	(1.0000)	(1.0000)	.....	1.0000	.5000	(.5000)
255	(.3021)	.....	.....	(1.0000)	.....	(1.3021)
Total	(.2721)	.0000	.0000	.0000	.0000	(.2721)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Indian River 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, 2008

Program No.	Brought Forward	Audit Adjustments[1] #0191	#0221	#0271	#0291	Balance Forward
101	75.1349	.9526	14.0367	.....	.....	90.1242
102	11.6137	.4763	.....	.6269	.....	12.7169
103	2.9557	.....	.....	.....	4.4959	7.4516
111	1.0000	.....	(.5375)	.....	.....	.4625
112	.0000	1.0000	.....	.....	.....	1.0000
113	1.5300	.....	.....	.....	(.5000)	1.0300
130	(90.7043)	(1.4289)	(13.5367)	(.6269)	(4.4959)	(110.7927)
254	(.5000)	.....	.....	.....	.....	(.5000)
255	(1.3021)	(1.0000)	.....	.....	(.5000)	(2.8021)
Total	(.2721)	.0000	(.0375)	.0000	(1.0000)	(1.3096)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Indian River 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, 2008

Program No.	Brought Forward	Audit Adjustments[1] #0301	#0341	Total
101 Basic K-3	90.1242	2.3336	9.0497	101.5075
102 Basic 4-8	12.7169	.....	2.3815	15.0984
103 Basic 9-12	7.4516	.....	.....	7.4516
111 Grades K-3 with ESE Services	.4625	.....	.....	.4625
112 Grades 4-8 with ESE Services	1.0000	.....	.....	1.0000
113 Grades 9-12 with ESE Services	1.0300	.....	.....	1.0300
130 ESOL	(110.7927)	(2.3336)	(11.4312)	(124.5575)
254 ESE Support Level 4	(.5000)	.....	.....	(.5000)
255 ESE Support Level 5	(2.8021)	.....	.....	(2.8021)
Total	(1.3096)	.0000	.0000	(1.3096)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Indian River 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, 2008

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 students in ESOL, the Indian River 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, 2008. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 21.

Findings	Net Audit Adjustments (Unweighted FTE)
Our examination included the July and October 2007 surveys and the February and June 2008 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2007 survey or the February 2008 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.	
Premature Assessments for Continued ESOL-Placements	
1. The English language proficiency of LEP students due to begin a fourth, fifth, or sixth year of ESOL-placement during the 2007-08 school year was prematurely assessed by the District in March of the 2006-07 school year. These assessments should have been conducted just prior to the start of the students' fourth, fifth, or sixth year of ESOL-placement as determined by the students' ESOL-anniversary dates. (See finding Nos. 8, 14, 21, 26, and 32.)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Indian River 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, 2008

Findings		Net Audit Adjustments (Unweighted FTE)
District Wide - Ineligible ESOL Courses		
2. [Ref. 149] Our examination procedures included an automated test that compared the course numbers reported in ESOL by the District to the courses that have been designated for that program by the Department of Education. The results of that test disclosed that four District schools incorrectly reported four Basic subject area courses in ESOL that were ineligible for such reporting. We made the following audit adjustment:		
101 Basic K-3	.2611	
130 ESOL	(.2611)	.0000
		.0000
Vero Beach High School (#0031)		
3. [Ref. 3101] The course schedule for one ESE student was incorrectly reported in Basic education. We made the following audit adjustment:		
103 Basic 9-12	(.5000)	
113 Grades 9-12 with ESE Services	.5000	.0000
4. [Ref. 3102] Three students in the Hospital and Homebound program were reported for more time than was supported by the teachers' instructional logs. We also noted that one student's file did not contain a valid *Matrix of Services* form. We made the following audit adjustment:		
113 Grades 9-12 with ESE Services	.0300	
255 ESE Support Level 5	(.3021)	(.2721)
Management's Response – Management provided supporting instructional logs.		
Auditor's Resolution – We considered the instructional logs mentioned in management's response during our examination's field work. Our audit adjustment reflects the time supported by those logs, and adjusts for only the excess time reported. Accordingly, our finding stands as presented.		
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Indian River 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, 2008

Findings		Net Audit Adjustments (Unweighted FTE)
Vero Beach High School (#0031) (Continued)		
5. [Ref. 3103] The files for four LEP students did not contain documentation justifying the students' continued placement in ESOL for a fourth, fifth, or sixth year. We made the following audit adjustment:		
103 Basic 9-12	2.0947	
130 ESOL	(2.0947)	.0000
6. [Ref. 3104] The *LEP Student Plan* for one student did not include documentation showing the student's instructional programs and course schedule. We made the following audit adjustment:		
103 Basic 9-12	1.0000	
130 ESOL	(1.0000)	.0000
7. [Ref. 3170] One teacher, who taught a Primary Language Arts class that included three LEP students, had earned only 60 of the required 300 in-service training points required in ESOL strategies, pursuant to the teacher's in-service training timeline. We made the following audit adjustment:		
103 Basic 9-12	.3610	
130 ESOL	(.3610)	.0000
		(.2721)
Fellsmere Elementary School (#0101)		
8. [Ref. 10101] The *LEP Student Plans* for 58 students were not reviewed and updated for the 2007-08 school year. We also noted that: (a) the English language proficiency of 19 of the students was not assessed on a timely basis (see finding No. 1) and (b) two of the students were FES and should not have been reported in ESOL. We made the following audit adjustment:		
101 Basic K-3	44.0591	
102 Basic 4-8	7.5008	
130 ESOL	(51.5599)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Indian River 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, 2008

Findings		Net Audit Adjustments (Unweighted FTE)
Fellsmere Elementary School (#0101) (Continued)		
9. [Ref. 10102] Seven students were incorrectly reported in the ESOL program. The students had been dismissed from ESOL in June 2007. We made the following audit adjustment:		
101 Basic K-3	6.6584	
130 ESOL	(6.6584)	.0000
10. [Ref. 10103] The *Matrix of Services* form for one ESE student was not reviewed and updated when the student's new IEP was prepared on May 8, 2007. We made the following audit adjustment:		
111 Grades K-3 with ESE Services	1.0000	
254 ESE Support Level 4	(1.0000)	.0000
11. [Ref. 10170] One teacher taught a Primary Language Arts class to three LEP students but was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field. We also noted the parents of the LEP students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:		
102 Basic 4-8	1.2838	
130 ESOL	(1.2838)	.0000
		.0000
Wabasso School (#0131)		
12. [Ref. 13101] The *Matrix of Services* form for one student reported in program No. 254 (ESE Support Level 4) was over three years old and, therefore, was not valid for the surveys in which the student was reported. We made the following audit adjustment:		
113 Grades 9-12 with ESE Services	1.0000	
254 ESE Support Level 4	(1.0000)	.0000
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Indian River 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, 2008

Findings		Net Audit Adjustments (Unweighted FTE)
Dodgertown Elementary School (#0151)		
13. [Ref. 15101] The *LEP Student Plans* for 11 students in ESOL were not reviewed and updated for the 2007-08 school year. We made the following audit adjustment:		
101 Basic K-3	7.6208	
102 Basic 4-8	2.8578	
130 ESOL	(10.4786)	.0000
14. [Ref. 15102] The English language proficiency of five students was not assessed on a timely basis. (See finding No. 1.) We made the following audit adjustment:		
101 Basic K-3	3.8104	
130 ESOL	(3.8104)	.0000
		.0000
Vero Beach Elementary School (#0161)		
15. [Ref. 16101] The *LEP Student Plans* for ten students were not reviewed and updated for the 2007-08 school year. We made the following audit adjustment:		
101 Basic K-3	9.4260	
130 ESOL	(9.4260)	.0000
16. [Ref. 16102] The file for one LEP student did not contain documentation justifying the student's continued placement in ESOL for a fourth year. We made the following audit adjustment:		
101 Basic K-3	.4713	
130 ESOL	(.4713)	.0000
17. [Ref. 16103] The *Matrix of Services* form for one ESE student in program No. 255 (ESE Support Level 5) incorrectly included one Special Consideration Point designated for students who had a *Matrix*-score of 17 points and a Level 5 in three of the five Domains. The student had 21 points and should be reported in program No. 254. We made the following audit adjustment:		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Indian River 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, 2008

Findings		Net Audit Adjustments (Unweighted FTE)
Vero Beach Elementary School (#0161) (Continued)		
254 ESE Support Level 4	1.0000	
255 ESE Support Level 5	(1.0000)	.0000
18. [Ref. 16104] The reported course schedule for one Gifted ESE student was incorrectly reported in Basic education. We made the following audit adjustment:		
102 Basic 4-8	(.5000)	
112 Grades 4-8 with ESE Services	.5000	.0000
19. [Ref. 16170] One teacher taught a Primary Language Arts class to four LEP students, but was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field. We also noted that the parents of the LEP students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:		
101 Basic K-3	2.8278	
102 Basic 4-8	.4713	
130 ESOL	(3.2991)	.0000
		.0000
Sebastian River Middle School (#0171)		
20. [Ref. 17101] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We made the following audit adjustment:		
112 Grades 4-8 with ESE Services	(.5000)	
254 ESE Support Level 4	.5000	.0000
		.0000
Sebastian Elementary School (#0191)		
21. [Ref. 19101] We noted the following exceptions involving three LEP students: (a) the *LEP Student Plan* for one student was not reviewed and updated for the 2007-08 school year and (b) the English language proficiency of two students was not assessed on a timely basis (see finding No. 1.). We made the following audit adjustment:		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Indian River 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, 2008

Findings		Net Audit Adjustments (Unweighted FTE)
Sebastian Elementary School (#0191) (Continued)		
101 Basic K-3	.9526	
102 Basic 4-8	.4763	
130 ESOL	(1.4289)	.0000

22. [Ref. 19102] One LEP student withdrew from school prior to the reporting survey and should not have been reported with the survey's results. We made the following audit adjustment:

101 Basic K-3	(.0228)	
130 ESOL	(.4772)	(.5000)

Management's Response – Management submitted additional documentation to show that the student withdrew after the reporting survey.

Auditor's Resolution – We examined the documentation submitted by management and concluded that the student was in compliance with membership requirements. Accordingly, we have resolved our finding in the favor of the District:

101 Basic K-3	.0228	
130 ESOL	.4772	.5000

23. [Ref. 19103] The *Matrix of Services* form for one ESE student was incomplete. The individual services in four of the five Domains were not indicated. We made the following audit adjustment:

112 Grades 4-8 with ESE Services	1.0000	
255 ESE Support Level 5	(1.0000)	.0000
		.0000

Highlands Elementary School (#0221)

24. [Ref. 22101] One student was not enrolled in school during the reporting survey and should not have been reported with the survey's results. We also noted that the student's ESE file was missing and could not be located. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Indian River 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, 2008

Findings		Net Audit Adjustments (Unweighted FTE)
Highlands Elementary School (#0221) (Continued)		
111 Grades K-3 with ESE Services	(.0375)	(.0375)
25. [Ref. 22102] The file for one ESE student did not contain an IEP that was valid for the reporting survey. We made the following audit adjustment:		
101 Basic K-3	.5000	
111 Grades K-3 with ESE Services	(.5000)	.0000
26. [Ref. 22103] The *LEP Student Plans* for 15 students were not reviewed and updated for the 2007-08 school year. We also noted that the English language proficiency of two of the students was not assessed on a timely basis (see finding No. 1). We made the following audit adjustment:		
101 Basic K-3	13.0788	
130 ESOL	(13.0788)	.0000
27. [Ref. 22104] One student was reported incorrectly in ESOL. The student was dismissed from ESOL in June 2007. We made the following audit adjustment:		
101 Basic K-3	.4579	
130 ESOL	(.4579)	.0000
		(.0375)
Oslo Middle School (#0271)		
28. [Ref. 27101] The file for one LEP student did not contain documentation justifying the student's continued ESOL-placement for a fifth year. We made the following audit adjustment:		
102 Basic 4-8	.4715	
130 ESOL	(.4715)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Indian River 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, 2008

Findings		Net Audit Adjustments (Unweighted FTE)
Oslo Middle School (#0271) (Continued)		
29. [Ref. 27171] One teacher, who taught a Primary Language Arts class that included one LEP student, had earned none of the 300 in-service training points required in ESOL strategies, pursuant to the teacher's in-service training timeline. We made the following audit adjustment:		
102 Basic 4-8	.1554	
130 ESOL	(.1554)	.0000
		.0000
Sebastian River High School (#0291)		
30. [Ref. 29101] One ESE student in program No. 113 (Grades 9-12 with ESE Services) in the October survey did not attend school during the 11-day survey window and should not have been reported with the survey's results. We also noted that: (a) the student's file did not contain an IEP that was valid for the October survey and (b) the student was reported incorrectly in program No. 255 (ESE Support Level 5) in the February survey for Hospital and Homebound services that did not begin until after that survey. We made the following audit adjustment:		
113 Grades 9-12 with ESE Services	(.5000)	
255 ESE Support Level 5	(.5000)	(1.0000)
31. [Ref. 29102] Three LEP students were beyond the six year period allowed for State funding of ESOL. We made the following audit adjustment:		
103 Basic 9-12	1.0263	
130 ESOL	(1.0263)	.0000
32. [Ref. 29103] The English language proficiency of five LEP students was not assessed on a timely basis. (See finding No. 1.) We made the following audit adjustment:		
103 Basic 9-12	3.4696	
130 ESOL	(3.4696)	.0000
		(1.0000)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Indian River 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, 2008

Findings		Net Audit Adjustments (Unweighted FTE)
Liberty Magnet School (#0301)		
33. [Ref. 30101] The *LEP Student Plans* for three students in ESOL were not reviewed and updated for the 2007-08 school year. We made the following audit adjustment:		
101 Basic K-3	2.3336	
130 ESOL	(2.3336)	.0000
		.0000
Treasure Coast Elementary School (#0341)		
34. [Ref. 34101] The *LEP Student Plans* for 13 students were not reviewed and updated for the 2007-08 school year. We also noted that the parents of one of the 13 students were not notified of the student's ESOL-placement. We made the following audit adjustment:		
101 Basic K-3	9.0497	
102 Basic 4-8	2.3815	
130 ESOL	(11.4312)	.0000
		.0000
		(1.3096)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Indian River 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, 2008

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only ESOL-eligible courses are reported for funding in ESOL; (2) only eligible students who were in attendance and membership for a particular survey are reported for FEFP funding; (3) students are reported in the proper FEFP funding categories and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE; (4) English language assessments for continued ESOL-placements beyond the initial three-year base period are conducted just prior to the start of the students' fourth, fifth, or sixth year of ESOL-placement, as determined by the students' ESOL-anniversary dates; (5) teachers are properly certified or, if out-of-field, are approved by the School Board to teach out-of-field; (6) teachers complete all required in-service training points in ESOL strategies, pursuant to their individual timelines; and (7) 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 FTE and FEFP.

Regulatory Citations

Reporting

Section 1011.60, F.S. ..... Minimum Requirements of the Florida Education Finance Program
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 2007-08

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Indian River 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, 2008

Regulatory Citations (Continued)

Attendance (Continued)

FTE General Instructions 2007-08

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

English for Speakers of Other Languages (ESOL)

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

Rule 6A-6.0901, F.A.C. .....Definitions Which Apply to Programs for Limited English Proficient Students

Rule 6A-6.0902, F.A.C. .....Requirements for Identification, Assessment, and Programmatic Assessment of Limited English Proficient Students

Rule 6A-6.0904, F.A.C. .....Equal Access to Appropriate Programming for Limited English Proficient Students

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Indian River 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, 2008

Regulatory Citations (Continued)

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

Rule 6A-6.0907, F.A.C. .....Inservice Requirements for Personnel of Limited English Proficient Students

The accompanying notes are an integral part of this schedule.

Indian River County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

NOTE A - SUMMARY

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

1. School District of Indian River County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Indian River 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 Indian River County. For the fiscal year ended June 30, 2008, the District operated 25 schools, reported 17,481.15 unweighted FTE, and received approximately $4.7 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.

Indian River County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an FTE. For example, for 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 2007-08 school year were conducted during and for the following weeks: survey one was performed for July 9-13, 2007; survey two was performed for October 8-12, 2007; survey three was performed for February 4-8, 2008; and survey four was performed for June 9-13, 2008.

Indian River County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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) ESOL; (3) ESE; 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:

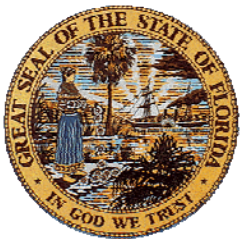
Chapter 1000, F.S. .....K-20 General Provisions
Chapter 1001, F.S. .....K-20 Governance
Chapter 1002, F.S. .....Student and Parental Rights and Educational Choices
Chapter 1003, F.S. .....Public K-12 Education
Chapter 1006, F.S. .....Support for Learning
Chapter 1007, F.S. .....Articulation and Access
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

Indian River County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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, 2008. 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:

School Name/Description	Finding Number(s)
- Premature Assessments for Continued ESOL-Placements	1
- District Wide – Ineligible ESOL Courses	2
1. Vero Beach High School	3 through 7
2. Fellsmere Elementary School	8 through 11
3. Wabasso School	12
4. Dodgertown Elementary School	13 and 14
5. Vero Beach Elementary School	15 through 19
6. Sebastian River Middle School	20
7. Sebastian Elementary School	21 through 23
8. Highlands Elementary School	24 through 27
9. Oslo Middle School	28 and 29
10. Sebastian River High School	30 through 32
11. Liberty Magnet School	33
12. Treasure Coast Elementary School	34



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
FAX: 850-488-6975

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

INDEPENDENT AUDITOR'S REPORT
INDIAN RIVER COUNTY DISTRICT SCHOOL BOARD
STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated July 16, 2008, that the Indian River 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, 2008. 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

In our opinion, the Indian River 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, 2008.

The results of our examination disclosed noncompliance with the State requirements mentioned above. We considered this 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 G. The impact of this noncompliance on the District's reported number of transported students is presented in SCHEDULE F and SCHEDULE G.

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] The noncompliance mentioned above, while indicative of certain control deficiencies[1], is not considered indicative of material weaknesses in the District's internal controls related to the classification and reporting of transported students. The findings, populations, samples, and exception totals that pertain to noncompliance are presented in SCHEDULE F and SCHEDULE G.

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

Pursuant to Section 11.45(4), 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
February 3, 2009

---

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

SCHEDULE F

Indian River County District School Board
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2008

Description	Number of Vehicles	% of Pop.	No. of Students Transp.	% of Pop. (Sample)
Population[1]	239	100.00%	17,226	100.00%
Sample[2]	-	-	387	2.25%
Sample Students				
With Exceptions[3]	-	-	8	(2.07%)
Net Audit Adjustments	-	-	(1)	(0.26%)
Non-Sample Students				
With Exceptions[3]	-	-	12	0.07%
Net Audit Adjustments	-	-	(12)	0.07%
Sample and Non-Sample Students				
Net Audit Adjustments	-	-	(13)	0.08%

[1] *The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2008. The District reported 17,226 students in the following ridership categories: 503 in IDEA (K-12), Weighted; 31 in IDEA (K-12), Unweighted; 106 in IDEA (PK), Weighted; 10 in IDEA (PK), Unweighted; 35 in Teenage Parents and Infants; 1,838 in Hazardous Walking; 14,703 in Two Miles or More. The District also reported operating a total of 239 buses. (IDEA stands for Individuals with Disabilities Education Act.)*

[2] *See NOTE B.*

[3] *Students with exceptions are students with exceptions affecting their ridership classification. Students cited only for incorrect reporting of days-in-term, if any, are not included.*

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Indian River County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2008

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. The Indian River 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, 2008. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 36.

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 sample students.	
1. [Ref. 57] The number of buses in operation for the June 2008 survey were overstated by three buses. We noted that there were three buses listed twice under slightly different numbers, but were in fact the same buses. Consequently, the 34 buses reported by the District should have been 31 buses. We made the following audit adjustment:	
June 2008 Survey	
Buses in Operation (3)	--

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Indian River County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2008

Findings		Students Transported Net Audit Adjustments
2. [Ref. 51] The number of days-in-term for 132 students in the July survey was incorrectly reported. The students were reported for a 14-day term, but should have been reported for a 12-day term. We made the following audit adjustment:		
July 2007 Survey		
14 Days-in-Term		
IDEA (K-12), Weighted *(Non-Sample Students)*	(42)	
IDEA (PK), Weighted *(Non-Sample Student)*	(1)	
Two Miles or More *(Non-Sample Students)*	(89)	
12 Days-in-Term		
IDEA (K-12), Weighted *(Non-Sample Students)*	42	
IDEA (PK), Weighted *(Non-Sample Student)*	1	
Two Miles or More *(Non-Sample Students)*	89	0
3. [Ref. 56] The District reported 12 students for State transportation funding that could not be traced to, or identified from, the demographic files of the District. Consequently, the students' eligibility for State transportation funding was not adequately supported. We made the following audit adjustments:		
July 2007 Survey		
14 Days-in-Term		
IDEA (K-12), Weighted *(Non-Sample Students)*	(3)	
Two Miles or More *(Non-Sample Students)*	(3)	
October 2007 Survey		
90 Days-in-Term		
Hazardous Walking *(Non-Sample Student)*	(1)	
Two Miles or More *(Non-Sample Students)*	(3)	
February 2008 Survey		
90 Days-in-Term		
Hazardous Walking *(Non-Sample Student)*	(1)	
Two Miles or More *(Non-Sample Students)*	(1)	(12)

Management's Response – Management repeats the response it made to the initial version of this finding, referring to 17 cited students, 9 of whom management contends were eligible.

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Indian River County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2008

Findings	Students Transported Net Audit Adjustments
Auditor's Resolution – We had previously considered management's response to the initial version of this finding during our examination's field work, and adjusted the finding to reduce the number of cited students from 17 to 12, as shown above. After receiving management's response to our draft report, we called management to discuss the issue, and were advised that the District had no additional information or documentation to submit for this finding. Consequently, our finding stands as presented.	
	0

4. [Ref. 52] The IEPs for two students in IDEA (K-12), Weighted did not indicate that the students met at least one of the five criteria required for IDEA-weighted classification. We made the following audit adjustment:

July 2007 Survey		
14 Days-in-Term		
IDEA (K-12), Weighted	(2)	
IDEA (K-12), Unweighted	2	0

5. [Ref. 53] We noted the following exceptions involving four students in the October survey:

a. One student in IDEA (K-12), Weighted was not placed in ESE until after the survey. The student lived less than two miles from school and should not have been reported for State transportation funding.

b. One student was reported incorrectly in IDEA (K-12), Unweighted. The student's IEP indicated that the student met one of the five criteria required for IDEA-weighted classification.

c. Two students were reported incorrectly in IDEA (K-12), Weighted. The students' IEPs did not indicate that the students met at least one of the five criteria required for IDEA-weighted classification. We noted that one of the students was eligible for IDEA (K-12), Unweighted and the other student was eligible for Two Miles or More.

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Indian River County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2008

Findings		Students Transported Net Audit Adjustments
We made the following audit adjustment:		
October 2007 Survey		
90 Days-in-Term		
IDEA (K-12), Weighted	(3)	
IDEA (K-12), Unweighted	(1)	
IDEA (K-12), Weighted	1	
IDEA (K-12), Unweighted	1	
Two Miles or More	1	(1)

6. [Ref. 54/55] Two students were reported incorrectly in IDEA-weighted categories. The students' IEPs did not indicate that the students met at least one of the five criteria required for IDEA-weighted classification. We noted that one of the students was eligible for Two Miles or More and the other student for IDEA (PK), Unweighted. We made the following audit adjustments:

Ref. 54		
February 2008 Survey		
90 Days-in-Term		
IDEA (K-12), Weighted	(1)	
Ref. 55		
June 2008 Survey		
14 Days-in-Term		
IDEA (PK), Weighted	(1)	
Ref. 54		
February 2008 Survey		
90 Days-in-Term		
Two Miles or More	1	
Ref. 55		
June 2008 Survey		
14 Days-in-Term		
IDEA (PK), Unweighted	1	0

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Indian River County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2008

Findings	Students Transported Net Audit Adjustments

Management's Response – Management essentially repeats the response it made to the initial version of this finding (Ref. 55) which cited two students (ASID Nos. 16431 and 4321).* For the first student, ASID No. 16431, management contended that the student had a current IEP and was properly reported for State transportation funding. For the second student, ASID No. 4321, management indicated that the student was autistic and required curb-to-curb transportation with an aide or monitor, but agreed with our citation that the student's IEP-documentation was deficient. However, in the response submitted to our draft report, management indicated its disagreement with the citation (but without providing a rationale for that disagreement).

Auditor's Resolution - We had previously considered management's response to the initial version of this finding (Ref. 55) during our examination's field work, and adjusted the finding to reduce the number of cited students from two to one, clearing ASID No. 16431 from the finding. With regard to ASID No. 4321, after receiving management's response to our draft report, we called management to discuss the issues involving Ref. 55 and were advised that the District did not disagree with the citation of ASID No. 4321, and the contrary indication contained in the response to the draft report was an error. Our finding stands as presented.

	0
Net Audit Adjustments	(13)

Summary

Sample Students w/Exceptions	8	--
Sample Students - Net Audit Adjustments	--	(1)
Non-Sample Students w/Exceptions	12	--
Non-Sample Students - Net Audit Adjustments	--	(12)
Net Audit Adjustments		(13)

**ASID refers to a unique student identifying number created by the Auditor General to track audited students.*

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Indian River County District School Board
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2008

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses operated, days-in-term, and students transported by ridership category are correctly reported pursuant to the supporting records; and (2) ESE students who receive special transportation services have their need 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.

Indian River County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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 Indian River County

For the fiscal year ended June 30, 2008, the District received approximately $4 million in State transportation funding. The District's transportation reporting by survey was as follows:

Survey Period	No. of Vehicles	No. of Students
July 2007	26	319
October 2007	89	8,274
February 2008	90	8,306
June 2008	34	327
Total	239	17,226

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

Indian River County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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, 2008. 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.

EXHIBIT – A
MANAGEMENT'S RESPONSE

School District of Indian River County

1990 25th Street • Vero Beach, Florida 32960-3395 - Telephone: 772-564-3000 • Fax: 772-569-0424

Harry J. La Cava, Ed.D.
Superintendent

March 3, 2009

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

Dear Mr. Martin:

The purpose of this letter is to respond to the preliminary and tentative audit findings for the School Board of Indian River County as a result of the full-time equivalent (FTE) and student transportation audit for the fiscal year ended June 30, 2008. The following are the responses as submitted by the appropriate staff.

Full-Time Equivalent (FTE) student audit:

Finding No. 1: Premature Assessments for Continued ESOL –Placements

- 1. The District concurs with the auditor's finding regarding the premature assessments for continued ESOL placements. Staff has revised its current procedures to ensure timely assessment for all continued ESOL placements.

Finding No. 2: District wide – Ineligible ESOL Courses

- 2. [Ref #149] The District concurs with the auditor's finding regarding ineligible ESOL Courses. The District ESOL Program Office will work closely with the District's Information Services (IS) Division to implement procedures to ensure that district schools report only courses eligible for ESOL program reporting. The ESOL Program Office and IS Office will provide training, twice per year, to key staff regarding correct ESOL course reporting procedures

Finding No. 3-7: Vero Beach High School

- 3. [Ref.3101] The District concurs with the auditor's finding and subsequent adjustment correcting the reporting of the student from basic education.
- 4. [Ref.3102] The District does not concur with the auditor's finding and has subsequently provided to the auditor the teacher's instructional logs documenting and supporting the time being reported.

"Educate and inspire every student to be successful"

Karen Disney-Brombach District 1 • Matthew McCain District 2 • Carol Johnson District 3 • Claudia Jiménez District 4 • Debbie J. MacKay District 5

"To serve all students with excellence"
Equal Opportunity Educator and Employer

all students in order to document a students' continued placement in ESOL for a fourth, fifth, or sixth year.

- 29. [27171] The District concurs with the auditor's finding and subsequent adjustment.

Finding No. 30-32: Sebastian River High School

- 30. [Ref.29101] The District concurs with the auditor's finding and agrees with the audit adjustment as the student was not in attendance during the October survey and did not begin Hospital Homebound Services until February 12, 2008.
- 31. [Ref.29102] The district will implement policies and procedures to ensure LEP students' courses are coded correctly in TERMS and reported in the appropriate FEFP program. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.
- 32. [Ref.29103] The District will ensure that LEP Student Plans are updated as per State ESOL Program requirements. The district's 2009 District Plan for Services to English Language Learners (ELL's), submitted to the Bureau of Academic Achievement through Language Acquisition on November 6, 2008, details policies and procedures regarding continued placement in ESOL for continuation of services beyond the three-year period. The district has also revised the ELL Student Plan. The ELL student plan will be required to be completed on all students to justify a students' continued placement in ESOL for a fourth, fifth, or sixth year. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.

Finding No. 33: Liberty Magnet School

- 33. [Ref.30101] The District concurs with the auditor's finding and subsequent adjustment.

Finding No. 34: Treasure Coast Elementary School

- 34. [Ref.34101] The District will implement policies and procedures to ensure LEP student plans are reviewed and updated as per ESOL program requirements.

Student Transportation:

Finding 1. Buses in Operation:

[Ref.57] The District concurs with the auditor's finding and subsequent adjustment. An error had occurred in the Department of Education reporting system that was subsequently corrected during the July 2008 survey.

Finding 2. Incorrect reporting for Days in Term:

[Ref.51] The District concurs with the auditor's finding and subsequent adjustment. Data records sent by our Information Services (IS) Department were inadvertently grouped under the same calendar days of the Elementary programs .

- 5. [Ref. 3103] The District will revise the Limited English Plan (LEP) student plan to reflect continuation of services beyond the three-year period. The district's 2009 District Plan for Services to English Language Learners (ELL's), submitted to the Bureau of Academic Achievement through Language Acquisition on November 6, 2008, details policies and procedures concerning continued placement of students' in ESOL for continuation of services beyond the three-year period. The district has also revised the ELL Student Plan. The ELL student plan will be required to be completed on all students to justify a students' continued placement in ESOL for a fourth, fifth, or sixth year. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.
- 6. [Ref.3104] The District has revised the ELL Student Plan. The Plan details the ELL students' instructional programs. We will ensure that ELL students' course schedules are included in the student's file. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.
- 7. [Ref.3170] The District concurs with the auditor's finding and subsequent adjustment.

Finding No. 8-11: Fellsmere Elementary School

- 8. [Ref 10101] The District will implement policies and procedures to ensure LEP student plans are reviewed and updated as per State ESOL program requirements. The district's 2009 District Plan for Services to English Language Learners (ELL's) submitted to the Bureau of Academic Achievement through Language Acquisition on November 6, 2008, details policies and procedures regarding the review and updating of ELL Student Plans. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.
- 9. [Ref10101] The District will implement policies and procedures to ensure students exited from the ESOL program are coded correctly in TERMS and reported in the appropriate FEFP program. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.
- 10. [Ref.10103] The District concurs with the auditor's finding and is in the process of reviewing its procedures to ensure timely review of all student's IEP's.
- 11. [Ref.10170] The District concurs with the auditor's finding and subsequent adjustment.

Finding No. 12: Wabasso School

- 12. [Ref.13101] The District concurs with the auditor's finding. Subsequently, the matrix for the student in question has been reviewed and updated.

Finding No. 13-14: Dodgertown Elementary School

District concurs with the auditor's findings and has provided the following responses:

- 13. [Ref.15101] The District will implement policies and procedures to ensure LEP student plans are reviewed and updated as per State ESOL program requirements. The district's 2009 District Plan for Services to English Language Learners, submitted to the Bureau of Academic Achievement through Language

Acquisition on November 6, 2008, details policies and procedures regarding the review and updating of ELL Student Plans. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.

- 14. [Ref.15102] The District will implement policies and procedures to ensure LEP student plans are reviewed and updated as per State ESOL program requirements. The district's 2009 District Plan for Services to English Language Learners, submitted to the Bureau of Academic Achievement through Language Acquisition on November 6, 2008, details policies and procedures regarding the review and updating of ELL Student Plans. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.

Finding No. 15-19: Vero Beach Elementary School

- 15. [Ref 16101] The District will implement policies and procedures to ensure LEP student plans are reviewed and updated as per State ESOL program requirements. The district's 2009 District Plan for Services to English Language Learners, submitted to the Bureau of Academic Achievement through Language Acquisition on November 6, 2008, details policies and procedures regarding the review and updating of ELL Student Plans. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity
- 16. [Ref 16102] The District will implement policies and procedures to ensure LEP student plans are reviewed and updated as per State ESOL program requirements. District will revise the Limited English Plan (LEP) student plan to reflect continuation of services beyond the three-year period. The district's 2009 District Plan for Services to English Language Learners, submitted to the Bureau of Academic Achievement through Language Acquisition on November 6, 2008, details policies and procedures regarding continued placement in ESOL for continuation of services beyond the three-year period. The district has also revised the ELL Student Plan. The ELL student plan will be required to be completed on all students to justify a students' continued placement in ESOL for a fourth, fifth, or sixth year. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.
- 17. [Ref.16103] The District concurs with the auditor's finding. Subsequently, a review of the student's matrix of services has been conducted.
- 18. [Ref.16104] The District concurs with the auditor's finding and agrees with the audit adjustment.
- 19. [Ref.16170] The District concurs with the auditor's finding and subsequent adjustment.

Finding No. 20: Sebastian River Middle School

- 20. [Ref.17101] The District concurs with the auditor's finding and agrees with the audit adjustment.

Finding No. 21-23: Sebastian River

- 21. [Ref.19101] The District will implement policies and procedures to ensure LEP student plans are reviewed and updated as per State ESOL program requirements. The district's 2009 District Plan for Services to English Language Learners (ELL's), submitted to the Bureau of Academic Achievement through Language Acquisition on November 6, 2008, details policies and procedures regarding the review and updating of ELL Student Plans. The district's ESOL Office will monitor ESOL Program
- 22. [Ref.19102] The student withdrew on February14, 2008 after the FTE survey date and was correctly reported with the survey's results. The student's withdrawal date was recorded incorrectly as February1, 2008 and subsequently corrected to reflect the actual withdrawal date of February 14, 2008.
- 23. [Ref.19103] The District concurs with the auditor's finding and agrees with the audit adjustment.

Finding No. 24-27: Highlands Elementary School

- 24. [Ref.22101] The District concurs with the auditor's finding and agrees with the audit adjustment as the student had a withdrawal date of January 28, 2008.
- 25. [Ref.22102] The District concurs with the auditor's finding and agrees with the audit adjustment.
- 26. [Ref.22103] The District will implement policies and procedures to ensure LEP student plans are reviewed and updated as per State ESOL program requirements. The district's 2009 District Plan for Services to English Language Learners, submitted to the Bureau of Academic Achievement through Language Acquisition on November 6, 2008, details policies and procedures regarding the review and updating of ELL Student Plans. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.
- 27. [Ref.22104] The district will implement policies and procedures to ensure students exited from the ESOL program are coded correctly in TERMS and reported in the appropriate FEFP program. The district's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.

Finding No. 28-29: Oslo Middle School

- 28. [Ref.27101] The District will ensure that LEP Student Plans are updated as per State ESOL Program requirements. The district's 2009 District Plan for Services to English Language Learners (ELL's), submitted to the Bureau of Academic Achievement through Language Acquisition on November 6, 2008, details policies and procedures regarding continued placement in ESOL for continuation of services beyond the three-year period. The district has also revised the ELL Student Plan. The ELL student plan will be required to be completed on

Finding 3. Ineligible students :
[Ref.56] The District partially concurs with the auditor's finding and subsequent adjustment. Of the 17 students identified as not being valid for funding we feel that 9 are eligible and have provided supporting documentation to support this assertion.

Finding 4. Incorrect reporting of IDEA students:
[Ref.52] The District concurs with the auditor's finding and subsequent adjustment. The District has implemented additional procedures in conjunction with the Exceptional Student Services Department to track all new IEP's as they are completed.

Finding 5. Incorrect reporting of IDEA students:
[Ref.53] The District concurs with the auditor's finding and subsequent adjustment. The District concurs with the auditor's finding and subsequent adjustment. The District has implemented additional procedures in conjunction with the Exceptional Student Services Department to track all new IEP's as they are completed

Finding 5. Incorrect reporting of IDEA students:
[Ref.54/55] The District partially concurs with the auditor's finding and subsequent adjustment.

[Ref.54] The District concurs with the auditor's finding and subsequent adjustment. The District has implemented additional procedures in conjunction with the Exceptional Student Services Department to track all new IEP's as they are completed. The student has now been moved to the "greater than two" miles (H) category.

[Ref.55] ASID# 16431: The District does not concur with the auditor's finding and subsequent adjustment. A more current IEP was issued June 6, 2008 for student ASID# 16431. Under Related Services the student requires both "curb-to-curb" transportation and an aide or monitor. We have provided documentation to substantiate our assertion.

[Ref.55] ASID# 4321. The District does not concur with the auditor's finding and subsequent adjustment for this student. This student is an autistic student and requires "curb-to-curb transportation " and an aide or monitor.

In closing, I would like to thank the staff from your office for their professionalism and cooperation in the conduct of the aforementioned audit. Please feel free to contact my office if you have any questions concerning this matter.

Sincerely,

Harry J. La Cava, Ed.D.
Superintendent

Cc: School Board Members
Michael Degutis
Fran Adams
Carter Morrison
George Millar