REPORT NO. 2012-186
JUNE 2012

BAKER COUNTY
DISTRICT SCHOOL BOARD

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2011

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

BOARD MEMBERS AND SUPERINTENDENT

Baker County District School Board members and the Superintendent of Schools who served during the 2010-11 fiscal year are listed below:

Member	District No.
Earl Dwight Crews, Chair	1
Richard Dean Griffis, Vice Chair	2
Karen Ferry McCollum to 11-15-10	3
Jesse D. Davis from 11-16-10	3
James Paul Raulerson to 11-15-10	4
Charlie M. Burnett, III, from 11-16-10	4
Patricia C. Weeks	5

Sherrie Raulerson, Superintendent

The examination team leader was Ted Montgomery and the examination was supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Nancy M. Reeder, CPA, CISA, CFE, Audit Manager, by e-mail at nancyreeder@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) 487-9175; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Baker County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation

LIST OF ABBREVIATIONS

For the Fiscal Year Ended June 30, 2011

ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
F.A.C.	Florida Administrative Code
F.S.	Florida Statutes
IDEA	Individuals with Disabilities Education Act
OJT	On-the-Job Training
PK	Prekindergarten

Baker County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation

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EXECUTIVE SUMMARY

Summary of Attestation Examination

Except for the material noncompliance mentioned below involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL, the Baker County District School Board complied, in all material respects, with State requirements regarding the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) and the number of students transported for the fiscal year ended June 30, 2011.

- **Two of the ten students in our ESOL sample had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located.**

Noncompliance related to reported FTE resulted in four findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative .5105 but has a potential impact on the District's weighted FTE of a negative .7806. Noncompliance related to student transportation resulted in three findings and a proposed net adjustment of a negative 6 students.

Weighted adjustments to FTE are presented in our report for illustrative purposes only. The weighted adjustments to FTE do not take special program caps and allocation factors into account and are not intended to indicate the weighted FTE used to compute the dollar value of adjustments. That computation is the responsibility of the Department of Education (DOE). However, the gross dollar effect of our proposed adjustments to FTE may be estimated by multiplying the proposed net weighted adjustment to FTE by the base student allocation amount. For the Baker County District School Board, the estimated gross dollar effect of our proposed adjustments to reported FTE is a negative $2,829 (negative .7806 times $3,623.76).

We have not presented an estimate of the potential dollar effect of our proposed adjustments to student transportation because there is no equivalent method for making such an estimate.

The ultimate resolution of our proposed adjustments to FTE and student transportation and the computation of their financial impact is the responsibility of DOE.

School District of Baker County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Baker County. Those services are provided primarily to prekindergarten through twelfth grade students and to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Baker County.

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. For the fiscal year ended June 30, 2011, the District operated six schools serving prekindergarten through twelfth grade students, reported 4,954.78 unweighted FTE for those students, and received approximately $21.5 million in State funding through FEFP.

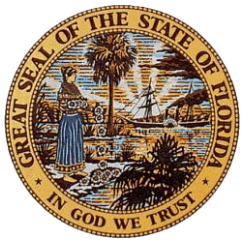
Florida Education Finance Program (FEFP)

Full-Time Equivalent Students

Florida school districts receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of programs and services appropriate to the student's 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. 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 unweighted FTE (full-time equivalent) student. For example, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE).

Student Transportation

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live two or more miles from school, be physically handicapped, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or is on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes. The District received approximately $1.4 million for student transportation as part of the State funding through FEFP.



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

INDEPENDENT AUDITOR'S REPORT
BAKER COUNTY DISTRICT SCHOOL BOARD
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated January 30, 2012, that the Baker 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, 2011. 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 disclosed material noncompliance involving two of the ten students in our ESOL sample who had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located. (See SCHEDULE D, Finding No. 4.)

In our opinion, except for the material noncompliance mentioned above involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL, the Baker 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, 2011.

The results of our examination disclosed other noncompliance with the State requirements mentioned above. We considered this other noncompliance in forming our opinion regarding the District's compliance and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE D. The impact of this noncompliance on the District's reported FTE is presented in SCHEDULES A, B, C, and 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 reporting errors or records that were not properly or accurately prepared or were missing and could not be located for 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 SCHEDULES A and D.

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[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)(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
June 25, 2012

SCHEDULE A

Baker 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, 2011

Reported FTE

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. FEFP funds ten specific programs that are grouped under the following four general program titles: Basic, ESOL, ESE, and Career Education 9-12. Unweighted FTE represents FTE prior to the application of the specific cost factor for each program. (See SCHEDULE B and NOTES A3, A4, and A6.) The District reported 4,954.78 unweighted FTE at six schools to the Department of Education for the fiscal year ended June 30, 2011.

Schools and Students

As part of our examination procedures, we sampled schools and students for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2011. (See NOTE B.) The population of schools (6) consisted of the total number of schools in the District that offered courses in FEFP-funded Programs. The population of students (3,719) consisted of the total number of students in each Program at the schools in our samples. Our Career Education 9-12 data includes only those students who participated in OJT. Our populations and samples of schools and students are summarized as follows:

	Number of Schools		Number of Students		Students with	Unweighted FTE		Proposed
Programs	Population	Sample	Population	Sample	Exceptions	Population	Sample	Adjustments
Basic	6	4	3,146	48	0	3,993.4000	41.8342	2.0606
Basic with ESE Services	6	4	439	25	0	597.3500	22.2562	.0000
ESOL	5	4	11	10	2	11.7400	8.8482	(1.7070)
ESE Support Levels 4 and 5	5	4	19	16	0	15.1700	10.1076	.0000
Career Education 9-12	1	1	104	50	2	337.1200	17.9897	(.8641)
All Programs	6	4	3,719	149	4	4,954.7800	101.0359	(.5105)

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Baker 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, 2011

Teachers

We also sampled teachers as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (66) consisted of the total number of teachers at schools in our sample who taught courses in ESE Support Levels 4 and 5 or Career Education 9-12 (OJT) or taught courses to ELL students. From the population of teachers, we sampled 21 and found exceptions for 1 of those teachers.

Proposed Adjustments

Our proposed adjustments present the net effects of noncompliance disclosed by our examination procedures, including those related to our tests of teacher certification. Our proposed 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. (See SCHEDULES B, C, and D.)

The ultimate resolution of our proposed adjustments to FTE and the computation of their financial impact is the responsibility of DOE.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Baker County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
For the Fiscal Year Ended June 30, 2011

No.	Program[1]	Proposed Net Adjustment[2]	Cost Factor	Weighted FTE[3]
102	Basic 4-8	1.7070	1.000	1.7070
103	Basic 9-12	.3536	1.031	.3646
130	ESOL	(1.7070)	1.147	(1.9579)
300	Career Education 9-12	(.8641)	1.035	(.8943)
Total		(.5105)		(.7806)

[1] *See NOTE A6.*

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

[3] *Weighted adjustments to FTE are presented for illustrative purposes only. The weighted adjustments to FTE do not take special program caps or allocation factors into consideration and are not intended to indicate the FTE used to compute the dollar value of adjustments. That computation is the responsibility of the Department of Education. (See NOTE A4.)*

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Baker County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
For the Fiscal Year Ended June 30, 2011

		Proposed Adjustments[1]		
No.	**Program**	**#0012**	**#0031**	**Total**
102	Basic 4-8	.....	1.7070	1.7070
103	Basic 9-12	.3536	.....	.3536
130	ESOL	.....	(1.7070)	(1.7070)
300	Career Education 9-12	(.8641)	.....	(.8641)
Total		(.5105)	.0000	(.5105)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Baker County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2011

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 the material noncompliance involving reporting errors or records that were not properly or accurately prepared or were missing or could not be located for students in ESOL, the Baker 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, 2011. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 10.

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Our examination included the July and October 2010 surveys and the February and June 2011 surveys (see NOTE A5). Unless otherwise specifically stated, the Findings and proposed adjustments presented herein are for the October 2010 survey or the February 2011 survey or both. Accordingly, our Findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.		
Baker County Senior High School (#0012)		
1. [Ref. 1201] The timecard for one Career Education 9-12 (OJT) student was missing and could not be located. We propose the following adjustment:		
300 Career Education 9-12	(.3035)	(.3035)
2. [Ref. 1202] One Career Education 9-12 (OJT) student was reported for more work hours than were supported by the student's timecards. We propose the following adjustment:		
300 Career Education 9-12	(.2070)	(.2070)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Baker County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2011

Baker County Senior High School (#0012) (Continued)

3. [Ref. 1271] One teacher was not properly certified and was not approved by the School Board to teach out of field. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment.

103 Basic 9-12	.3536	
300 Career Education 9-12	(.3536)	.0000
		(.5105)

J. Franklyn Keller Intermediate School (#0031)

4. [Ref. 3101] The files for two ELL students did not contain documentation to support the students' continued ESOL placements for a sixth year. We propose the following adjustment:

102 Basic 4-8	1.7070	
130 ESOL	(1.7070)	.0000
		.0000

Proposed Net Adjustment (.5105)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Baker 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, 2011

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) students in Career Education 9-12 (OJT) are reported in accordance with the students' time worked and the timecards are accurately completed, signed, and retained in readily-accessible files; (2) assessments for students entering their fourth, fifth, or sixth year of ESOL placement should be made prior to student's entry into that year based on their individual anniversary dates; (3) teachers are properly certified, or if out of field, are approved by the School Board to teach out of field; and (4) parents are timely and 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. ..... Florida Education Finance Program Student Membership Surveys
Rule 6A-1.04513, F.A.C. ..... Maintaining Auditable FTE Records
FTE General Instructions 2010-11

Attendance

Section 1003.23, F.S. ..... Attendance Records and Reports
Rules 6A-1.044(3) and (6)(c), F.A.C. .... Pupil Attendance Records
Rule 6A-1.04513, F.A.C. ..... Maintaining Auditable FTE Records
FTE General Instructions 2010-11
Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Baker 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, 2011

Regulatory Citations (Continued)

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 English Language Learners

Rule 6A-6.0902, F.A.C. .....Requirements for Identification, Eligibility Programmatic and Annual Assessments of English Language Learners

Rule 6A-6.0903, F.A.C. .....Requirement for Classification, Reclassification, and Post Reclassification of English Language Learners

Rule 6A-6.0904, F.A.C. .....Equal Access to Appropriate Instruction for English Language Learners

Career Education On-the-Job Attendance

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

Career Education On-the-Job Funding Hours

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

FTE General Instructions 2010-11

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. .....Provision of Free Appropriate Public Education (FAPE) and 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. .....General Education Intervention Procedures, Identification, Evaluation, Reevaluation and the Initial Provision of Exceptional Education Services

Rule 6A-6.0334, F.A.C. .....Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students

Rule 6A-6.03411, F.A.C. .....Definitions, ESE Policies and Procedures, and ESE Administrators

Matrix of Services Handbook (2004 Revised Edition)

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Baker 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, 2011

Regulatory Citations (Continued)

Teacher Certification

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.

Baker County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2011

NOTE A – SUMMARY

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

1. School District of Baker County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Baker County, Florida. Those services are provided primarily to prekindergarten through twelfth grade students and to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Baker County.

For the fiscal year ended June 30, 2011, the District operated six schools serving prekindergarten through twelfth grade students, reported 4,954.78 unweighted FTE, and received approximately $21.5 million in State funding through FEFP. 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 to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of programs and services appropriate to the student's 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.

Baker County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2011

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 prekindergarten 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 that 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 2010-11 school year were conducted during and for the following weeks: survey one was performed for July 12 through 16, 2010; survey two was performed for October 11 through 15, 2010; survey three was performed for February 7 through 11, 2011; and survey four was performed for June 13 through 17, 2011.

Baker County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2011

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

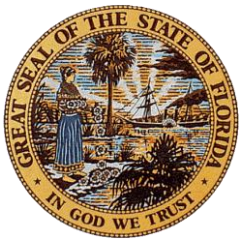
The following statutes and rules are of significance to the administration of Florida public education:

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

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers using judgmental methods for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2011. 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)
1.	Baker County Senior High School	1 through 3
2.	Macclenny Elementary School	NA
3.	J. Franklyn Keller Intermediate School	4
4.	Westside Elementary School	NA



AUDITOR GENERAL
STATE OF FLORIDA

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111 West Madison Street
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DAVID W. MARTIN, CPA
AUDITOR GENERAL

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

INDEPENDENT AUDITOR'S REPORT
BAKER COUNTY DISTRICT SCHOOL BOARD
FLORIDA EDUCATION FINANCE PROPRAM (FEFP)
STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated January 30, 2012, that the Baker 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, 2011. 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 Baker 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, 2011.

The results of our examination disclosed noncompliance with the State requirements mentioned above. We considered this noncompliance in forming our opinion regarding the District's compliance 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 SCHEDULES F and 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 their reported ridership classification or eligibility for State transportation funding. The findings, populations, samples, and exception totals that pertain to noncompliance are presented in SCHEDULES F and G.

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

[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.*

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
June 25, 2012

SCHEDULE F

Baker County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2011

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live two or more miles from school, be physically handicapped, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or is on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes. (See NOTE A1.)

As part of our examination procedures, we sampled students for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2011. (See NOTE B.) The population of vehicles (99) consisted of the total of the numbers of vehicles reported by the District for each survey. For example, a vehicle that transported students during the July and October 2010 and February and June 2011 surveys would be counted in the population as four vehicles. Similarly, the population of students (6,425) consisted of the total numbers of students reported by the District as having been transported for each survey. (See NOTE A2.) The District reported students in the following ridership categories:

Ridership Category	Number of Students Transported
IDEA (K-12), Weighted	96
IDEA (PK), Weighted	18
IDEA (PK), Unweighted	5
Two Miles or More	6,306
Total	6,425

Students with exceptions are students with exceptions affecting their ridership category. Students cited only for incorrect reporting of days in term, if any, are not included.

The accompanying notes are an integral part of this schedule.

SCHEDULE F (Continued)

Baker County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2011

Our examination results are summarized below:

Description	Students With Exceptions	Proposed Net Adjustment
We sampled 129 of the 6,425 students reported as being transported by the District.	2	(2)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of four students.	4	(4)
Totals	6	(6)

Our proposed net adjustment presents the net effect of noncompliance disclosed by our examination procedures. (See SCHEDULE G.)

The ultimate resolution of our proposed net adjustment and the computation of its financial impact is the responsibility of DOE.

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Baker County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2011

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 Baker 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, 2011. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 23.

Findings	Students Transported Proposed Net Adjustments
Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey. Our detailed tests involved verification of the specific ridership categories reported for students sampled from the July and October 2010 surveys and the February and June 2011 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 2010 survey and once for the February 2011 survey) will be presented in our Findings as two sample students.	
1. [Ref. 51] In conjunction with our general tests of student transportation, we noted that certain students were reported for transportation funding without a matching demographic record in the State FTE database. In response to our inquiry, Transportation personnel were unable to validate four students (one reported in the Two Miles or More ridership category in the February 2011 survey and three reported in the IDEA (PK), Weighted ridership category in the June 2011 survey). Consequently, the four students should not have been reported for State transportation funding. We propose the following adjustments:	

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Baker County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2011

Findings		Students Transported Proposed Net Adjustments
February 2011 Survey		
90 Days in Term		
Two Miles or More	(1)	
June 2011 Survey		
12 Days in Term		
IDEA (PK), Weighted	(3)	(4)

2. [Ref. 52] The number of days in term for one student was reported incorrectly for an 11-day term in the IDEA (PK), Unweighted ridership category in the July 2010 survey. The student should have been reported for only a 9-day term. We propose the following adjustment:

July 2010 Survey		
11 Days in Term		
IDEA (PK), Unweighted	(1)	
9 Days in Term		
IDEA (PK), Unweighted	1	0

3. [Ref. 53] Two students in our sample were not enrolled in school during the reporting survey and should not have been reported for State transportation funding. We propose the following adjustment:

June 2011 Survey		
12 Days in Term		
Two Miles or More	(2)	(2)
Proposed Net Adjustment		(6)

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Baker County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2011

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only those students who are enrolled in school during the survey week and were transported at least once during the 11-day survey window are reported with the survey's results; (2) transported students are reported for the correct number of days in term; and (3) transportation personnel review their database for completeness so that all students have matching demographics to support that the students are properly enrolled and otherwise eligible for State transportation funding.

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 2010-11

The accompanying notes are an integral part of this schedule.

Baker County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2011

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 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or is on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes.

2. Transportation in Baker County

For the fiscal year ended June 30, 2011, the District received approximately $1.4 million for student transportation as part of the State funding through FEFP. The District's transportation reporting by survey was as follows:

Survey Period	Number of Vehicles	Number of Students
July 2010	3	17
October 2010	45	3,423
February 2011	47	2,971
June 2011	4	14
Total	99	6,425

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

Baker County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2011

NOTE B – SAMPLING

Our examination procedures provided for the selection of samples of buses and students using judgmental methods for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2011. 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

Baker County Public Schools
270 South Boulevard East
Macclenny, Florida 32063
Telephone: (904) 259-6251 www.baker.k12.fl.us Fax: (904) 259-1387

Sherrie Raulerson
Superintendent of Schools
"Where Children Are First!"

June 21, 2012

Honorable David W. Martin, CPA
Auditor General
111 West Madison Street
Tallahassee, Florida 32399

Dear Mr. Martin:

In response to the preliminary and tentative audit findings Report on Florida Education Finance Program Full-Time Equivalent Students and Student Transportation of the Baker County District School Board for the fiscal year ending June 30, 2011, we would like to make the following statements:

Full-Time Equivalent (FTE) Students
The District will exercise more care to ensure that students in Career Education 9-12 (OJT) are reported in accordance with the students' time worked and the timecards are accurately completed, signed, and retained in readily-accessible files. Corrective action will be taken so that assessments of students entering their fourth, fifth, or sixth year of ESOL placement will be made prior to student's entry into that year based on their individual anniversary dates. Care will be taken so that teachers are properly certified, or if out-of-field, are approved by the School Board to teach out-of-field and parents are timely and appropriately notified when their children are assigned to out-of-field teachers.

Student Transportation
Management will report only those students who are enrolled in school during the survey week and were transported in the 11-day survey window, transported students are reported for the correct number of days in term, and personnel from transportation review their database for completeness.

It has been a pleasure to work with Mr. Ted Montgomery during this audit and throughout the many years. We would like to thank him for his assistance and technical advice during the audit and for pointing out areas our district can improve upon.

If you have any questions or need further assistance, please contact me.

Sincerely,

Sherrie Raulerson

Sherrie Raulerson
Superintendent of Schools

"Preparing individuals to be lifelong learners, self-sufficient and responsible citizens of good character"
DISTRICT SCHOOL BOARD MEMBERS
Earl Dwight Crews District 1 | Richard Dean Griffis District 2 | Jesse D. Davis District 3 | Charlie M. Burnett, III District 4 | Patricia C. Weeks District 5
AN EQUAL ACCESS/EQUAL OPPORTUNITY INSTITUTION