REPORT NO. 2013-179
MAY 2013

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, 2012

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 2011-12 fiscal year are listed below:

Member	District No.
Karen Disney-Brombach	1
Jeffrey Pegler, Chair from 11-22-11	2
Matthew McCain, Chair to 11-21-11	3
Carol Johnson, Vice Chair	4
Claudia Jimenez	5

Dr. Frances J. Adams, Superintendent

The examination team leader was Gail S. Collier, CPA. Please address inquiries regarding this report to J. David Hughes, CPA, Audit Manager, by e-mail at davidhughes@aud.state.fl.us or by telephone at (850) 414-9941.

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Indian River 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, 2012

CELLA	Comprehensive English Language Learning Assessment
ELL	English Language Learner
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
FAC	Florida Administrative Code
FS	Florida Statutes
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Plan
OJT	On-the-Job Training
PK	Prekindergarten

Indian River 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 described 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, ESE Support Levels 4 and 5, and student transportation, the Indian River 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, 2012:

- **Nineteen of the 138 students in our ESOL sample and 9 of the 86 students in our ESE Support Levels 4 and 5 sample had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located.**
- **Fifty-nine of the 363 students in our student transportation sample had exceptions involving their reported ridership classification or eligibility for State transportation funding.**

Noncompliance related to reported FTE resulted in 22 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative .9360 but has a potential impact on the District's weighted FTE of a negative 12.5484. Noncompliance related to student transportation resulted in 7 findings and a proposed net adjustment of a negative 24 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. 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 Indian River County District School Board, the estimated gross dollar effect of our proposed adjustments to reported FTE is a negative $43,659 (negative 12.5484 times $3,479.22).

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 the Department of Education.

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. 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 Indian River 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 appointed Superintendent of Schools. For the fiscal year ended June 30, 2012, the District operated 27 schools serving prekindergarten through twelfth grade students, reported 17,708.87 unweighted FTE for those students, and received approximately $8.5 million in State funding through FEFP.

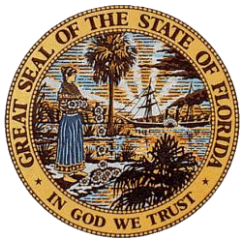
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)

Full-Time Equivalent (FTE) 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 be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes. The District received approximately $3.9 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
INDIAN RIVER 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 July 9, 2012, 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, 2012. 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 2011-12* 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: 19 of the 138 students in our ESOL sample[1] and 9 of the 86 students in our ESE Support Levels 4 and 5 sample[2] had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located.

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 and ESE Support Levels 4 and 5, 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, 2012.

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.

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[1]*For ESOL, see SCHEDULE D, Finding Nos. 1, 8, 9, 13, 14, 15, 16, 19, 20, and 22.*

[2]*For ESE Support Levels 4 and 5, see SCHEDULE D, Finding Nos. 2, 3, 4, 6, 7, 10, 11, and 12.*

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.[3] 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 and ESE Support Levels 4 and 5. Other noncompliance disclosed by our examination procedures is indicative of control deficiencies[3] 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.

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
May 8, 2013

[3] *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 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, 2012

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 17,708.87 unweighted FTE at 27 schools to the Department of Education for the fiscal year ended June 30, 2012.

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, 2012. (See NOTE B.) The population of schools (27) consisted of the total number of schools in the District that offered courses in FEFP-funded programs. The population of students (8,080) 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	26	9	5,987	103	0	13,150.4600	85.6907	16.8807
Basic with ESE Services	27	10	1,249	55	0	2,940.6600	50.0000	2.1300
ESOL	22	9	716	138	19	893.2900	119.3970	(16.8807)
ESE Support Levels 4 and 5	18	9	128	86	9	155.8100	68.1478	(3.0660)
Career Education 9-12	4	0	0	0	0	568.6500	.0000	.0000
All Programs	27	10	8,080	382	28	17,708.8700	323.2355	(.9360)

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, 2012

TEACHERS

We also sampled teachers as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (333) 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 or taught courses to ELL students. From the population of teachers, we sampled 106 and found exceptions for 4 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 the Department of Education.

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 PROPOSED ADJUSTMENTS ON WEIGHTED FTE

(For Illustrative Purposes Only)

For the Fiscal Year Ended June 30, 2012

No.	Program[1]	Proposed Net Adjustment[2]	Cost Factor	Weighted FTE[3]
101	Basic K-3	10.3287	1.102	11.3822
102	Basic 4-8	3.2644	1.000	3.2644
103	Basic 9-12	3.2876	1.019	3.3501
111	Grades K-3 with ESE Services	.0000	1.102	.0000
112	Grades 4-8 with ESE Services	2.0000	1.000	2.0000
113	Grades 9-12 with ESE Services	.1300	1.019	.1325
130	ESOL	(16.8807)	1.161	(19.5985)
254	ESE Support Level 4	(1.5750)	3.550	(5.5913)
255	ESE Support Level 5	(1.4910)	5.022	(7.4878)
Total		(.9360)		(12.5484)

[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

Indian River 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, 2012

		Proposed Adjustments[1]			
No.	**Program**	**#0031**	**#0041**	**#0101**	**Balance Forward**
101	Basic K-3	.....	.....	1.9808	1.9808
102	Basic 4-8	.0834	.....	.4098	.4932
103	Basic 9-12	3.2876	.....	.....	3.2876
111	Grades K-3 with ESE Services	(.5000)	.5000	.....	.0000
112	Grades 4-8 with ESE Services	.....	1.5000	.....	1.5000
113	Grades 9-12 with ESE Services	.1300	.....	.....	.1300
130	ESOL	(3.3710)	.....	(2.3906)	(5.7616)
254	ESE Support Level 4	.5000	(2.0000)	.....	(1.5000)
255	ESE Support Level 5	(.9500)	.....	.....	(.9500)
Total		(.8200)	.0000	.0000	(.8200)

[1] *These proposed 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
PROPOSED ADJUSTMENTS BY SCHOOL
For the Fiscal Year Ended June 30, 2012

		Proposed Adjustments[1]				
No.	**Brought Forward**	**#0131**	**#0151**	**#0191**	**#0201**	**Balance Forward**
101	1.9808	.....	3.9816	.....	.8904	6.8528
102	.4932	.....	1.7808	.9904	.....	3.2644
103	3.2876	.....	.....	.....	.....	3.2876
111	.0000	.....	.....	.....	.....	.0000
112	1.5000	.5000	.....	.....	.....	2.0000
113	.1300	.....	.....	.....	.....	.1300
130	(5.7616)	.....	(5.7624)	(.9904)	(.8904)	(13.4048)
254	(1.5000)	(.0750)	.....	.....	.....	(1.5750)
255	(.9500)	(.5410)	.....	.....	.....	(1.4910)
Total	(.8200)	(.1160)	.0000	.0000	.0000	(.9360)

[1] *These proposed 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
PROPOSED ADJUSTMENTS BY SCHOOL
For the Fiscal Year Ended June 30, 2012

No.	Program	Brought Forward	Proposed Adjustments[1] #0341	#5002	Total
101	Basic K-3	6.8528	2.5409	.9350	10.3287
102	Basic 4-8	3.2644	.....	.....	3.2644
103	Basic 9-12	3.2876	.....	.....	3.2876
111	Grades K-3 with ESE Services	.0000	.....	.....	.0000
112	Grades 4-8 with ESE Services	2.0000	.....	.....	2.0000
113	Grades 9-12 with ESE Services	.1300	.....	.....	.1300
130	ESOL	(13.4048)	(2.5409)	(.9350)	(16.8807)
254	ESE Support Level 4	(1.5750)	.....	.....	(1.5750)
255	ESE Support Level 5	(1.4910)	.....	.....	(1.4910)
Total		(.9360)	.0000	.0000	(.9360)

[1] *These proposed 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 PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

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 2011-12* 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 and could not be located for students in ESOL and ESE Support Levels 4 and 5, 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, 2012. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 18.

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Our examination included the July and October 2011 surveys and the February and June 2012 surveys (see NOTE A5). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2011 survey or the February 2012 survey or both. Accordingly, our Findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.		
Vero Beach High School (#0031)		
1. [Ref. 3101/02] The number of instructional minutes for 17 ELL students (5 of whom were in our sample) was incorrectly reported. The students' fifth period instructional minutes included lunch time resulting in an overstatement of 120 minutes or .0400 FTE per student reporting. (Ref. 3101/02) We also noted that the *ELL Student Plan* for one of these students was not reviewed and updated for the 2011-12 school year. (Ref. 3102) We propose the following adjustments:		
Ref. 3101		
103 Basic 9-12	1.1200	
130 ESOL	(1.1200)	.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 PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		Proposed Net Adjustments (Unweighted FTE)
Vero Beach High School (#0031) (Continued)		
Ref. 3102		
103 Basic 9-12	1.0000	
130 ESOL	(1.0000)	.0000

2. [Ref. 3104] We noted exceptions for one ESE student reported in the October 2011 and February 2012 surveys in Program No. 255 (ESE Support Level 5) for on-campus instruction and homebound instruction, as follows:

a. The student was not provided on-campus instruction and should not have been reported for such instruction (1,200 minutes or .4000 FTE in each survey).

b. The number of instructional minutes reported for the student's homebound instruction (180 minutes or .0600 FTE in each survey) was overstated in the October 2011 survey (the student was provided 90 instructional minutes or .0300 FTE) and understated in the February 2012 survey (the student was provided 210 instructional minutes or .0700 FTE). We also noted that the *Matrix of Services* form associated with the February 2012 IEP was not dated and we were otherwise unable to determine whether it had been prepared prior to the reporting survey.

Accordingly, we propose the following adjustment:

113 Grades 9-12 with ESE Services	.0700	
255 ESE Support Level 5	(.8900)	(.8200)

3. [Ref. 3105] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We propose the following adjustment:

111 Grades K-3 with ESE Services	(.5000)	
254 ESE Support Level 4	.5000	.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 PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		Proposed Net Adjustments (Unweighted FTE)
Vero Beach High School (#0031) (Continued)		
4. [Ref. 3106] The *Matrix of Services* form for one ESE student was missing and could not be located. We propose the following adjustment:		
113 Grades 9-12 with ESE Services	.0600	
255 ESE Support Level 5	(.0600)	.0000
5. [Ref. 3171] The School's newsletter that informed parents of one teacher's out-of-field status in Language Arts was dated October 2011; consequently, we were unable to determine its timeliness (i.e., prior to the October 2011 survey). We propose the following adjustment:		
102 Basic 4-8	.0834	
103 Basic 9-12	1.1676	
130 ESOL	(1.2510)	.0000
		(.8200)
Rosewood Magnet School (#0041)		
6. [Ref. 4101] There was no evidence that the *Matrix of Services* forms for two ESE students had been reviewed and updated when the students' new IEPs were prepared. We propose the following adjustment:		
111 Grades K-3 with ESE Services	.5000	
112 Grades 4-8 with ESE Services	.5000	
254 ESE Support Level 4	(1.0000)	.0000
7. [Ref. 4102] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We propose the following adjustment:		
112 Grades 4-8 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 PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		Proposed Net Adjustments (Unweighted FTE)
Fellsmere Elementary School (#0101)		
8. [Ref. 10101] One ELL student was beyond the maximum six-year period allowed for State funding of ESOL. We propose the following adjustment:		
102 Basic 4-8	.4098	
130 ESOL	(.4098)	.0000
9. [Ref. 10102] Two second grade ELL students scored English proficient on all subparts of the March 2011 CELLA test. We noted that ELL Committees were convened; however, the ELL Committees did not provide sufficient justification to recommend the students' extended ESOL placements. We propose the following adjustment:		
101 Basic K-3	1.9808	
130 ESOL	(1.9808)	.0000
		.0000
Wabasso School (#0131)		
10. [Ref. 13101] The *Matrix of Services* form for one ESE student expired prior to the reporting survey. We propose the following adjustment:		
112 Grades 4-8 with ESE Services	.5000	
255 ESE Support Level 5	(.5000)	.0000
11. [Ref. 13103] The reported number of homebound instructional minutes for one ESE student in the Hospital and Homebound Program was overstated. The student was reported for .0602 FTE (approximately 180 instructional minutes in the October 2011 survey) and .0608 (approximately 182 minutes in the February 2012 survey) but was provided only 90 minutes (.0300 FTE) and 150 minutes (.0500 FTE) of homebound instruction, respectively. We propose the following adjustment:		
255 ESE Support Level 5	(.0410)	(.0410)

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 PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		Proposed Net Adjustments (Unweighted FTE)
Wabasso School (#0131) (Continued)		
12. [Ref. 13104] The course schedule for one ESE student incorrectly included a homebound course. The student was not in the Hospital and Homebound Program and was not receiving homebound instruction. We propose the following adjustment:		
254 ESE Support Level 4	(.0750)	(.0750)
		(.1160)
Dodgertown Elementary School (#0151)		
13. [Ref. 15101] Three students were incorrectly reported in the ESOL Program in the October 2011 survey. We noted that the ELL Committees determined at the time of the meetings (October 5, 2011) that the students were eligible for exit from the ESOL Program. We propose the following adjustment:		
102 Basic 4-8	1.3356	
130 ESOL	(1.3356)	.0000
14. [Ref. 15102] One second grade ELL student scored English proficient on all subparts of the March 2011 CELLA test. We noted that an ELL Committee was convened; however, the ELL Committee did not provide sufficient justification to recommend the student's extended ESOL placement. We propose the following adjustment:		
101 Basic K-3	.8904	
130 ESOL	(.8904)	.0000
15. [Ref. 15103] An ELL Committee was not convened to consider one student's extended ESOL placement for a sixth year. We propose the following adjustment:		
102 Basic 4-8	.4452	
130 ESOL	(.4452)	.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 PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		Proposed Net Adjustments (Unweighted FTE)
Dodgertown Elementary School (#0151) (Continued)		
16. [Ref. 15104] One ELL student, who returned to the District in August 2011 after an extended absence (August 2010), was not reassessed to determine if the student's continued ESOL placement was appropriate. We propose the following adjustment:		
101 Basic K-3	.8904	
130 ESOL	(.8904)	.0000
17. [Ref. 15171] One Primary Language Arts teacher taught a class that included ELL students but had earned only 120 of the 240 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:		
101 Basic K-3	2.2008	
130 ESOL	(2.2008)	.0000
		.0000
Sebastian Elementary School (#0191)		
18. [Ref. 19171] One Primary Language Arts teacher, who also taught Basic subject area classes that included an ELL student, was appropriately approved to teach such students out of field but had earned none of the 60 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:		
102 Basic 4-8	.9904	
130 ESOL	(.9904)	.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 PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		Proposed Net Adjustments (Unweighted FTE)
Glendale Elementary School (#0201)		
19. [Ref. 20101] One second grade ELL student scored English proficient on all subparts of the April 2011 CELLA test. We noted that an ELL Committee was convened; however, the ELL Committee did not provide sufficient justification to recommend the student's extended ESOL placement. We propose the following adjustment:		
101 Basic K-3	.8904	
130 ESOL	(.8904)	.0000
		.0000
Treasure Coast Elementary School (#0341)		
20. [Ref. 34101] Three second grade ELL students scored English proficient on all subparts of the March 2011 CELLA test. We noted that ELL Committees were convened; however, the ELL Committees did not provide sufficient justification to recommend the students' extended ESOL placements. We propose the following adjustment:		
101 Basic K-3	2.3739	
130 ESOL	(2.3739)	.0000
21. [Ref. 34171] One Primary Language Arts teacher taught a class that included ELL students but had earned only 60 of the 180 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:		
101 Basic K-3	.1670	
130 ESOL	(.1670)	.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 PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
St. Peter's Academy (#5002)		
22. [Ref. 500201] One first grade ELL student scored English proficient on all subparts of the March 2011 CELLA test and an ELL Committee was not convened to consider the student's continued ESOL placement. We propose the following adjustment:		
101 Basic K-3	.9350	
130 ESOL	(.9350)	.0000
		.0000
Proposed Net Adjustment		(.9360)

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, 2012

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) students who are assessed English proficient are either exited from the ESOL Program or are referred to ELL Committees to determine the students' continued or extended ESOL placements and that such placements are adequately documented; (2) ELL students are not reported for more than the six-year period allowed for State funding of ESOL; (3) ELL students who return to the District after an extended absence are timely reassessed upon their return before continued ESOL placement is recommended; (4) *ELL Student Plans* are timely reviewed and updated; (5) ELL Committees are convened prior to students entering their fourth, fifth, or sixth year of ESOL placement based on the students' individual anniversary dates; (6) students are reported in the proper funding categories for the correct amount of FTE and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE Support Levels 4 and 5; (7) ESE students in ESE Support Levels 4 and 5 are reported in accordance with the students' *Matrix of Services* forms; (8) the instructional minutes reported for ESE students in the Hospital and Homebound Program are based on the homebound instructors' contact logs and time authorized on the students' IEPs; (9) *Matrix of Services* forms are reviewed or updated when the students' IEPs are prepared and are not more than three years old (i.e., expired); (10) parents are timely and appropriately notified when their children are assigned to out-of-field teachers; and (11) ESOL teachers earn their in-service training points in accordance with the teachers' in-service training timelines.

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.

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, 2012

REGULATORY CITATIONS

Reporting

Section 1011.60, FS .....Minimum Requirements of the Florida Education Finance Program

Section 1011.61, FS .....Definitions

Section 1011.62, FS .....Funds for Operation of Schools

Rule 6A-1.0451, FAC .....Florida Education Finance Program Student Membership Surveys

Rule 6A-1.04513, FAC .....Maintaining Auditable FTE Records

FTE General Instructions 2011-12

Attendance

Section 1003.23, FS .....Attendance Records and Reports

Rules 6A-1.044(3) and (6)(c), FAC .....Pupil Attendance Records

Rule 6A-1.04513, FAC .....Maintaining Auditable FTE Records

FTE General Instructions 2011-12

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

English for Speakers of Other Languages (ESOL)

Section 1003.56, FS .....English Language Instruction for Limited English Proficient Students

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

Rule 6A-6.0901, FAC .....Definitions Which Apply to Programs for English Language Learners

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

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

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

Career Education On-the-Job Attendance

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

Career Education On-the-Job Funding Hours

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

FTE General Instructions 2011-12

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, 2012

REGULATORY CITATIONS (Continued)

Exceptional Education

Section 1003.57, FS	Exceptional Students Instruction
Section 1011.62, FS	Funds for Operation of Schools
Section 1011.62(1)(e), FS	Funding Model for Exceptional Student Education Programs
Rule 6A-6.03028, FAC	Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities
Rule 6A-6.03029, FAC	Development of Family Support Plans for Children with Disabilities Ages Birth Through Five Years
Rule 6A-6.0312, FAC	Course Modifications for Exceptional Students
Rule 6A-6.0331, FAC	General Education Intervention Procedures, Identification, Evaluation, Reevaluation and the Initial Provision of Exceptional Education Services
Rule 6A-6.0334, FAC	Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students
Rule 6A-6.03411, FAC	Definitions, ESE Policies and Procedures, and ESE Administrators

Matrix of Services Handbook (2004 Revised Edition)

Teacher Certification

Section 1012.42(2), FS	Teacher Teaching Out-of-Field; Notification Requirements
Section 1012.55, FS	Positions for Which Certificates Required
Rule 6A-1.0502, FAC	Non-certificated Instructional Personnel
Rule 6A-1.0503, FAC	Definition of Qualified Instructional Personnel
Rule 6A-4.001, FAC	Instructional Personnel Certification
Rule 6A-6.0907, FAC	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, 2012

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 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 Indian River County.

For the fiscal year ended June 30, 2012, the District operated 27 schools serving prekindergarten through twelfth grade students, reported 17,708.87 unweighted FTE, and received approximately $8.5 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.

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, 2012

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 2011-12 school year were conducted during and for the following weeks: survey one was performed for July 11 through 15, 2011; survey two was performed for October 10 through 14, 2011; survey three was performed for February 13 through 17, 2012; and survey four was performed for June 11 through 15, 2012.

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, 2012

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

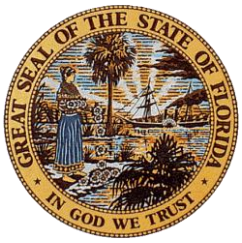
NOTE B - SAMPLING

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, 2012. 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:

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, 2012

NOTE B - SAMPLING (Continued)

School Name/Description	Finding Number(s)
1. Vero Beach High School	1 through 5
2. Rosewood Magnet School	6 and 7
3. Fellsmere Elementary School	8 and 9
4. Wabasso School	10 through 12
5. Citrus Elementary School	NA
6. Dodgertown Elementary School	13 through 17
7. Sebastian Elementary School	18
8. Glendale Elementary School	19
9. Treasure Coast Elementary School	20 and 21
10. St. Peter's Academy	22



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House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT
INDIAN RIVER COUNTY DISTRICT SCHOOL BOARD
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated July 9, 2012, 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, 2012. 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 2011-2012* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

COMPLIANCE

Our examination procedures disclosed material noncompliance with the District's reported student ridership data as follows: 59 of the 363 students in our sample had exceptions involving their reported ridership classification or eligibility for State transportation funding. (See SCHEDULE G, Finding Nos. 3 through 7.)

In our opinion, except for the material noncompliance mentioned above involving their reported ridership classification or eligibility for State transportation funding, 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, 2012.

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 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] However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to their reported ridership classification or eligibility for State transportation funding. 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 F and G.

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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
May 8, 2013

SCHEDULE F

Indian River County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2012

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 be 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, 2012. (See NOTE B.) The population of vehicles (208) 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 2011 and February and June 2012 surveys would be counted in the population as four vehicles. Similarly, the population of students (18,731) 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	486
IDEA (K-12), Unweighted	25
IDEA (PK), Weighted	138
IDEA (PK), Unweighted	3
Teenage Parents and Infants	55
Hazardous Walking	2,381
Two Miles or More	15,643
Total	18,731

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)

Indian River County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2012

Our examination results are summarized below:

	Buses	Students	
Description	Proposed Net Adjustment	With Exceptions	Proposed Net Adjustment
We noted that the reported number of buses in operation was overstated.	(10)		
We sampled 363 of the 18,731 students reported as being transported by the District.		59	(23)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 17 students.	_	17	(1)
Total	(10)	76	(24)

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Indian River County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

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 2011-2012* issued by the Department of Education. Except for the material noncompliance involving their reported ridership classification or eligibility for State transportation funding, 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, 2012. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 35.

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 2011 surveys and the February and June 2012 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 2011 survey and once for the February 2012 survey) will be presented in our Findings as two sample students.	
1. [Ref. 51] We noted the following exceptions during our general tests of student transportation regarding the number of buses in operation and related student ridership totals in the October 2011 and February 2012 surveys:	
a. During the October 2011 survey, five buses were incorrectly reported in the bus count. One bus was a duplicate number of another bus (no students involved) and four buses were transporting only courtesy riders and, therefore, should not have been included in the bus count. We also noted one additional bus that was not reported but should have been included in the bus count, as well as the four students transported, who should have been included in the ridership totals.	

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Indian River County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings				Students Transported Proposed Net Adjustments
b. During the February 2012 survey, we noted that eight buses were duplicated as the buses were reported under their route numbers as well as under their bus numbers. The students involved with these eight buses were appropriately reported and no adjustment to the ridership count is proposed. We also noted two other buses that were not reported but should have been included in the bus count, as well as a total of four students, who should have been included in the ridership totals.				
We propose the following adjustments:				
a. October 2011 Survey				
Number of Buses in Operation	(4)			
90 Days in Term				
IDEA (K-12), Weighted			3	
Two Miles or More			1	
b. February 2012 Survey				
Number of Buses in Operation	(6)	(10)		
90 Days in Term				
IDEA (K-12), Weighted			3	
Two Miles or More			1	8

2. [Ref. 57] During our general tests of student transportation, we examined the reported ridership and noted that ten students who were reported for State transportation funding did not have a matching demographic record in the State FTE database. We determined that one of these students was enrolled and eligible for reporting but the remaining nine students could not be validated and, therefore, were not eligible for State transportation funding. Accordingly, we propose the following adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Indian River County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		Students Transported Proposed Net Adjustments
June 2012 Survey		
14 Days in Term		
IDEA (K-12), Weighted	(1)	
Two Miles or More	(8)	(9)

3. [Ref. 52] Seventeen students in our sample were not listed on the supporting bus drivers' reports as being transported. Accordingly, the students were not eligible to be reported for State transportation funding. We propose the following adjustments:

October 2011 Survey		
90 Days in Term		
Hazardous Walking	(7)	
Two Miles or More	(7)	
February 2012 Survey		
90 Days in Term		
Teenage Parents and Infants	(2)	
Two Miles or More	(1)	(17)

4. [Ref. 53] Thirteen students in our sample were incorrectly reported in the IDEA (K-12), Weighted ridership category. The students' IEPs did not indicate that the students met at least one of the five criteria required for IDEA-Weighted classification. However, we noted that the students were eligible for other unweighted ridership categories. We propose the following adjustments:

July 2011 Survey	
9 Days in Term	
IDEA (K-12), Weighted	(3)
Two Miles or More	3
October 2011 Survey	
90 Days in Term	
IDEA (K-12), Weighted	(7)
IDEA (K-12), Unweighted	1
Two Miles or More	6

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Indian River County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		Students Transported Proposed Net Adjustments
February 2012 Survey		
90 Days in Term		
IDEA (K-12), Weighted	(3)	
IDEA (K-12), Unweighted	1	
Two Miles or More	2	0

5. [Ref. 54] Eleven students in our sample were incorrectly reported in the IDEA (K-12), Unweighted ridership category. We determined that 9 of the students were eligible for reporting in the Two Miles or More ridership category and the other 2 students were eligible for reporting in the Hazardous Walking ridership category. We propose the following adjustments:

July 2011 Survey		
9 Days in Term		
IDEA (K-12), Unweighted	(3)	
Two Miles or More	3	
October 2011 Survey		
90 Days in Term		
IDEA (K-12), Unweighted	(3)	
Hazardous Walking	1	
Two Miles or More	2	
February 2012 Survey		
90 Days in Term		
IDEA (K-12), Unweighted	(2)	
Hazardous Walking	1	
Two Miles or More	1	
June 2012 Survey		
14 Days in Term		
IDEA (K-12), Unweighted	(3)	
Two Miles or More	3	0

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Indian River County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		Students Transported Proposed Net Adjustments
6. [Ref. 55] Sixteen students in our sample were incorrectly reported in the Hazardous Walking ridership category. We determined that 12 of the students were eligible for reporting in the Two Miles or More ridership category and the remaining 4 students were not on a route that met criteria for hazardous walking conditions and were not otherwise eligible for State transportation funding. We propose the following adjustments:		
July 2011 Survey		
9 Days in Term		
Hazardous Walking	(1)	
Two Miles or More	1	
October 2011 Survey		
90 Days in Term		
Hazardous Walking	(3)	
Two Miles or More	2	
February 2012 Survey		
90 Days in Term		
Hazardous Walking	(12)	
Two Miles or More	9	(4)
7. [Ref. 56] Two students in our sample were incorrectly reported in the Two Miles or More ridership category. The students lived less than two miles from their assigned school and were not otherwise eligible for State transportation funding. We propose the following adjustment:		
February 2012 Survey		
90 Days in Term		
Two Miles or More	(2)	(2)
Proposed Net Adjustment		(24)

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Indian River County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2012

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) transported students are reported in the correct ridership category as evidenced by appropriate supporting documentation; (2) students reported in the IDEA-Weighted classifications are appropriately documented as meeting one of the five criteria as noted on the students' IEPs; (3) the distance from home to school is verified prior to students being reported in the Two Miles or More ridership category; (4) students are reported only if they were transported by the District at least once during the 11-day survey period; (5) transportation personnel review the student database for completeness and verify that all students have matching demographic records and are enrolled and eligible for State transportation funding; and (6) the number of buses in operation is correctly reported.

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., FS .....Transportation of Public K-12 Students
Section 1011.68, FS .....Funds for Student Transportation
Chapter 6A-3, FAC .....Transportation
Student Transportation General Instructions 2011-2012

The accompanying notes are an integral part of this schedule.

Indian River County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

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 be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes.

2. Transportation in Indian River County

For the fiscal year ended June 30, 2012, the District received approximately $3.9 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 2011	15	155
October 2011	85	9,058
February 2012	88	9,255
June 2012	20	263
Total	208	18,731

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., FS ..... Transportation of Public K-12 Students
Section 1011.68, FS ..... Funds for Student Transportation
Chapter 6A-3, FAC ..... Transportation

Indian River County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

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, 2012. 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
1990 25th Street • Vero Beach, Florida, 32960-3395 • Telephone: 772-564-3000 • Fax: 772-569-0424
Frances J. Adams, Ed.D. - Superintendent

May 8, 2013

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, 2012. The following are the responses as submitted by the appropriate staff.

Full-Time Equivalent (FTE) student audit:

Finding No. 1-5: Vero Beach High School

- 1. [Ref.3101/3102] The District concurs with the auditor's finding regarding the number of minutes for the 2011/2012 year for 5th period class. Inadvertently lunch period was included in the total number of minutes for the 5th period block of the student's classes. The District additionally concurs with the auditors finding regarding the *ELL Student Plan*. The Plan was reviewed and signed on August 27, however the signature was recorded on the outside of the folder as opposed to the actual plan document. We have revised our procedures to ensure that the signature is placed on the appropriate section of the document.
- 2. [Ref.3104]
  a. The District concurs with the auditor's finding. This error in reporting has been addressed at the school level with the implementation of additional procedures to ensure proper reporting in the future.
  b. The District concurs with the auditors finding. It should be noted that the time sheet indicates a three week period in October and the student was absent for three of those days, however the student was provided the proper instructional minutes for the overall semester. This error in reporting has been addressed at the school level with the implementation of additional procedures to ensure proper reporting in the future. In addition, the District concurs with the auditor's finding that the *Matrix of Services* form associated with the IEP was not dated, as it was our past practice to indicate the Matrix date on the student's IEP form with the Matrix attached.

"Educate and inspire every student to be successful"
Karen Disney-Brombach District 1 • Jeffrey Pegler District 2 • Matthew McCain District 3 • Carol Johnson District 4 • Claudia Jiménez District 5
"To serve all students with excellence"
Equal Opportunity Educator and Employer

EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

- 3. [Ref.3105] The District concurs with the auditor's finding and subsequent adjustment.
- 4. [Ref.3106] The District concurs with the auditor's finding and subsequent adjustment.
- 5. [Ref.3171] The District concurs with the auditor's finding and subsequent adjustment.

Finding No 6-7: Rosewood Magnet School

6. [Ref4101] The District concurs with the auditor's finding and subsequent adjustment regarding the reviewed and updated *Matrix of Services.*

- 7. [Ref 4102] The District concurs with the auditor's finding and subsequent adjustment.

Finding No. 8-9: Fellsmere Elementary School

- 8. [Ref 10101] The District concurs with the auditor's finding. Procedures have now been implemented to have school based ERT's provide a list of students beyond the six year maximum to the school secretary.
- 9. [Ref10102] The District concurs with the auditor's finding. New procedures have been implemented that will ensure that if a student meets the CELLA exit criteria, that they will be exited.

Finding No. 10-12: Wabasso School

- 10. [Ref.13101] The District concurs with the auditor's finding and subsequent adjustment.
- 11. [Ref.13103] The District concurs with the auditor's finding and will ensure that the proper internal control procedures are followed with respect to the reporting of instructional minutes for ESE students in the Hospital Homebound program.
- 12. [Ref.13104] The District concurs with the auditor's finding that this was an incorrect submission.

Finding No. 13-17: Dodgertown Elementary School

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

- 13,14,1516,17 [Ref.15101] [Ref. 15102], [Ref. 15103], The District has subsequently provided correction action plans to its school sites that detail procedures on regardless of number of years in the program (1-3), if a student meets the CELLA exit criteria, the student will be exited; having meetings in a timely manner, paying close attention to anniversary dates, DUESS (new students) or Entry Date (default if DUESS is not available) will be used to determine student's anniversary, All compliance (Good cause exemption and promotion, funding, length of time in program will now be recorded from DUESS or default entry date In addition the District has developed and trained its staff when an absence is beyond one year, secretaries, counselors, or attendance office personnel should recode to L9 as an alert to ESOL program staff that the student has reentered the District and will need to be retested. The District's ESOL Office will monitor ESOL Program compliance to ensure that all policies and procedures are implemented with fidelity.
-

Finding No. 18: Sebastian River Elementary

- 18. [Ref.19171] The District concurs with the auditor's finding and recommendation for adjustment.

Finding No. 19: Glendale Elementary School

- 19. [Ref.20101] The District concurs with the auditor's finding and agrees with the audit adjustment. As previously stated the District has subsequently provided correction action plans to its school sites that detail procedures on regardless of number of years in the program (1-3), if a student meets the CELLA exit criteria, the student will be exited.

Finding No. 20-21: Treasure Coast Elementary School

- 20. [Ref.34101] The District concurs with the auditor's finding and agrees with the audit adjustment. As previously stated the District has subsequently provided correction action plans to its school sites that detail procedures on regardless of number of years in the program (1-3), if a student meets the CELLA exit criteria, the student will be exited.

EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

- 21. [Ref.34171] The District concurs with the auditor's finding and recommendation for adjustment.

Finding No. 22: St. Peters Academy

- 22. [Ref.500201] The District concurs with the auditor's finding and agrees with the audit adjustment. As previously stated the District has subsequently provided correction action plans to its school sites that detail procedures on regardless of number of years in the program (1-3), if a student meets the CELLA exit criteria, the student will be exited.

Transportation

- 1. [Ref.51a] The District concurs with the auditor's finding and agrees with the audit adjustment. The clerical error which resulted in the reporting error has been addressed with the relevant staff.
- [Ref.51b] The District concurs with the auditor's finding and agrees with the audit adjustment.
- 2. [Ref.57] The District concurs with the auditor's finding and subsequent adjustment. While the students were reported for State Transportation funding during Summer School, it appears that the students were not enrolled in the student database system at the school site. The school has been notifed of this deficiency and proper procedures have been implemented to cross check the information between the Transportation Department and the school site.
- 3. [Ref.52] The District concurs with the auditor's finding and subsequent adjustment.
- 4. [Ref.53] The District concurs with the auditor's finding and subsequent adjustment. District Transportation Routing staff have been instructed to double check the IEP to ensure that the students have been recorded in the proper category.
- 5. [Ref.54] The District concurs with the auditor's finding and subsequent adjustment.
- 6. [Ref.55] The District concurs with the auditor's finding in this area of hazardous walking ridership.
- 7. [Ref.56] The District concurs with the auditor's finding and subsequent adjustment.

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,

Frances J. Adams, Ed.D.
Superintendent

Cc: School Board Members
Mike Ferrentino
Carter Morrison
George Millar