

JEFF ATWATER
President



Senator Larcenia Bullard
Senator Andy Gardiner
Senator Jeremy Ring
Senator Stephen R. Wise

THE FLORIDA LEGISLATURE
JOINT LEGISLATIVE AUDITING COMMITTEE

Senator Alex Diaz de la Portilla, Chair
Representative Marti Coley, Alternating Chair

LARRY CRETUL
Speaker



Representative Joseph Abruzzo
Representative Charles McBurney
Representative Scott Randolph
Representative Ron Schultz

The Florida Legislature
JOINT LEGISLATIVE AUDITING
COMMITTEE MEETING

Senator Alex Diaz de la Portilla, Chair
Representative Marti Coley, Alternating Chair

Meeting Packet
4:30 p.m. to 6:00 p.m.
309 The Capitol

AGENDA
JOINT LEGISLATIVE AUDITING COMMITTEE

DATE: Monday, March 23, 2009

TIME: 4:30 p.m. to 6:00 p.m.

PLACE: Room 309 Capitol

MEMBERS: Senator Alex Diaz de la Portilla, Chair
Representative Marti Coley, Alternating Chair

Senator Larcenia J. Bullard	Representative Joseph Abruzzo
Senator Andy Gardiner	Representative Charles McBurney
Senator Jeremy Ring	Representative Scott Randolph
Senator Stephen R. Wise	Representative Ron Schultz

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1. Discussion of federal stimulus for auditing and oversight.
 2. Audit of Taylor County School District, if available.
 3. Other Committee business.

AGENDA ITEM 1

Joint Legislative Auditing Committee

Charlie Crist, Governor
Don Wirtzland, Special Advisor

Accountability and Transparency Provisions The American Recovery and Reinvestment Act of 2009

Joint Legislative Auditing Committee
March 23, 2009

Joint Legislative Auditing Committee

Overview of the Act

Division A
Appropriation Provisions

- TITLE I - HOUSING, COMMUNITY DEVELOPMENT, INFRASTRUCTURE, AND ENERGY
- TITLE II - GOVERNMENT OF DISTRICT OF COLUMBIA
- TITLE III - INFRASTRUCTURE INVESTMENT
- TITLE IV - HOME INFRASTRUCTURE INVESTMENT
- TITLE V - RECOVERY INFRASTRUCTURE INVESTMENT
- TITLE VI - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE VII - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE VIII - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE IX - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE X - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XI - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XII - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XIII - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XIV - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XV - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XVI - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XVII - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XVIII - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XIX - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XX - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XXI - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XXII - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XXIII - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XXIV - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XXV - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XXVI - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XXVII - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XXVIII - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XXIX - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT
- TITLE XXX - ENERGY EFFICIENCY AND ENERGY-RELATED INVESTMENT

Division B Tax, Unemployment, Health, State Fiscal Relief, and Other Provisions

- TITLE I - TAX PROVISIONS
- TITLE II - UNEMPLOYMENT PROVISIONS
- TITLE III - HEALTH CARE PROVISIONS
- TITLE IV - STATE FISCAL RELIEF PROVISIONS
- TITLE V - OTHER PROVISIONS

Joint Legislative Auditing Committee

Accountability and Transparency

- **Transparency and Oversight Requirements**
 - Certifications for Infrastructure investments
 - Reporting requirements on all recipients of funds (other than individuals)
 - Review by CBD and GAO
 - Reviews by Federal Inspectors General
- **Recovery Accountability and Transparency Board**
- **Recovery Independent Advisory Panel**

Executive Summary

Recovery Accountability and Transparency Act Board

<p>Chair—Honorable Earl P. Swisher, Jr. Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Vice Chair—Honorable David M. Bonior Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Caldwell Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Kenneth J. Conroy Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p>	<p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p> <p>Members—Honorable Robert M. Gable Director, Office of Management and Enterprise Services, U.S. Department of Treasury</p>
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Executive Summary

GAO Oversight

- The U.S. Government Accountability Office (GAO) has been given oversight responsibility by the Congress.
- GAO has selected 16 States, including Florida, for special focus during implementation of the Recovery Act.

Executive Summary

GAO Reports (from title IX of the Act)

SEC. 901. GOVERNMENT ACCOUNTABILITY OFFICE REVIEWS AND REPORTS.

(1) IN GENERAL.—The Comptroller General shall conduct bi-monthly reviews and prepare reports on such reviews on the use by selected States and localities of funds made available in this Act. Such reports, along with any audits conducted by the Comptroller General of such funds, shall be posted on the Internet and linked to the website established under this Act by the Recovery Accountability and Transparency Board.

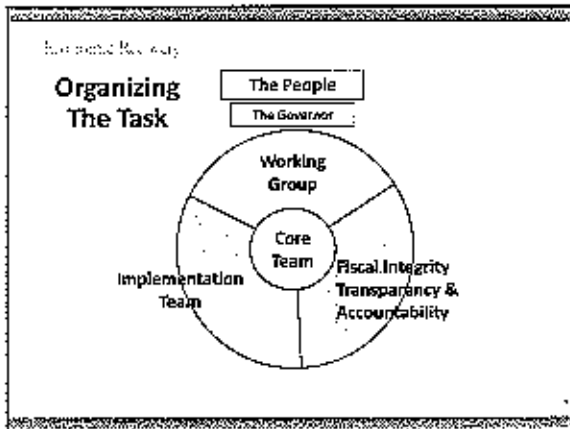
From GAO staff based on their entrance meetings Reporting Objectives for GAO's 2nd bi-monthly report:

(1) How are state and local libraries planning to spend Recovery Act funds to restore and/or strengthen their operations with the stated purpose of the Act?

(2) What are the state and local libraries reporting on their use of such funds to support existing and new programs, and what are the state and local libraries reporting on their use of such funds to support existing and new programs?

(3) What are the state and local libraries reporting on their use of such funds to support existing and new programs?

(4) What are the state and local libraries reporting on their use of such funds to support existing and new programs?



Executive Review

Florida Inspector General Act Section 20.055, F.S.

- Report the Facts
- Oversee Public Funds
- Recommend Internal Controls

Executive Review

Audits

- Conduct audits of agency programs & programs financed by the agency
- Provide consulting and advisory services
- Liaison with external auditors
- Monitor corrective actions and report status to Agency Head & Joint Legislative Auditing Committee

Financial Oversight

Work Plans and Reports

- Periodic Risk Assessments
- Audit Work Plans Approved by Agency Heads
- Annual Reports
 - Due September 30th

12

Financial Oversight

Investigations

- Receive Complaints
- Conduct Investigations
 - Whistle-Blower Investigations
- Report Crimes to Law Enforcement
- Recommend Corrective Action
- Keep Agency Head Informed


13

Financial Oversight

Chief Inspector General

Section 14.32, Florida Statutes

- Coordinate
- Monitor
- Oversee Accountability Efforts
- Conduct Audits & Investigations




14



Auditor General

Preparations for Auditing American Recovery and Reinvestment Act Funds


Joint Legislative Auditing Committee
March 23, 2009



Recipient Responsibilities

- Separate accountability for funds
- Expedient disbursement
- Quarterly reporting that is transparent, timely, and accurate
- Job creation and retention
- Funds are used for authorized purposes and instances of fraud, waste, and abuse are mitigated
- Program goals are achieved


March 2009 Florida Auditor General



Audit and Accountability Community Responsibilities


- United States Government Accounting Office (GAO)
 - Bi-monthly reports
 - 16 states in focus including Florida
- Federal Agency Inspectors General (IG)
 - Oversight of Federal agency Recovery Act funded programs
 - Whistleblower complaints
 - Recovery Act Accountability and Transparency Board
 - Audits and reviews

March 2009 Florida Auditor General




Audit and Accountability Community Responsibilities (Cont'd)

- State Agency IGs
- State Auditors and local government auditors
 - Federal Single audits

March 2009 Florida Auditor General 

Auditor General Planning and Preparation

- Monitoring the development of additional audit guidelines by United States Office of Management and Budget
- Ongoing communication and coordination
 - GAO
 - Federal agency IGs
 - State agency IGs
 - State Stimulus Czar
- Scheduling audit resources to perform Federal Single Audit for State of Florida

March 2009 Florida Auditor General 

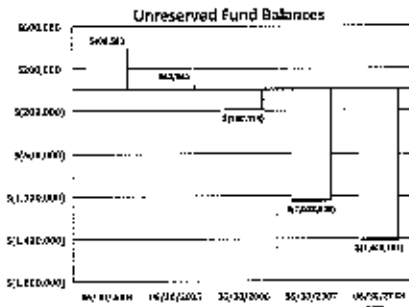
AGENDA ITEM 2



Legislative Auditing Committee
March 23, 2009 Meeting

Finding No. 1

Financial Condition



Finding No. 1 Financial Condition

- During the 2007-08 FY, pursuant to s. 218.503, FS, the District notified FDOE & JLAC that a deficit fund balance had occurred, and requested assistance from the Florida Association of District School Superintendents to develop a plan to improve the financial condition.
- The School Board approved an economic recovery plan in June 2008, which included:
 - Elimination of approximately 50 staff positions;
 - Reductions in work time for 50 other positions;
 - Consolidation of bus routes; and
 - Other Measures



Finding No. 2 Financial Reporting

• **Improvements are needed in District procedures for ensuring the accuracy and completeness of the District's accounting records and annual financial report.**

- The District failed to prepare notes to the financial statements or the proprietary fund statement of cash flows, which are required elements of the District's basic financial statements.
- The annual financial report did not include the required NB&A section, or the Schedule of Expenditures of Federal Awards required by United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
- The District's government-wide statement of net assets was out of balance approximately \$25.9 million, due primarily to the District's failure to report net asset balances.



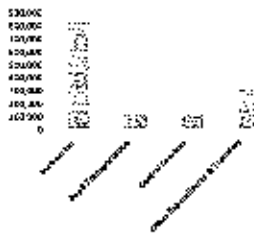
Finding No. 3 Budgetary Controls and Financial Monitoring

• **Enhancements could be made in the Board's budgetary process and the presentation of required monthly financial statements to the Board.**




Finding No. 3 Budgetary Controls and Financial Monitoring

General Fund Overexpenditures



Finding No. 4
Bank and Investment
Reconciliations


- The District reconciled its bank and investment accounts to manually-maintained records; however, these records were not maintained by reporting fund and had not been reconciled to balances recorded on the District's general ledger.



Florida
Auditor General

Finding Nos. 5 and 6
Restricted Capital Outlay
Expenditures


- District procedures need to be enhanced to ensure Capital Outlay and Debt Service funds are used for projects included in its approved project priority list.
- The District used capital outlay millage moneys, totaling \$78,649, for unallowable purposes.



Florida
Auditor General

Additional Matters
Finding Nos. 7-9

- **Self-Insurance Health Plan**
- **Social Security Number Controls**
- **Adult Education Enrollment Reporting**



Florida
Auditor General

**Additional Matters
Finding Nos. 10-14**

- **Student Fee Collections**
- **Interest Earning Allocations**
- **Information Technology Controls:**
 - **Written Procedures**
 - **Security Awareness Training Program**
 - **User Authentication Process**



**Federal Finding
No. 1**

- **Documentation was not available to evidence the District's compliance with required in-kind matching contributions, totaling \$269,858, or limitations on development and administrative costs incurred related to the Federal Head Start program.**



**Federal Finding
No. 2**

- **The District's procedures for monitoring and reporting Federal expenditures for grants received through the Florida Department of Education were insufficient, resulting in unreported expenditures, totaling approximately \$107,400, and questioned costs relating to the Special Education program, totaling \$22,940.85.**



**Federal Finding
No. 3**

- **Payments, totaling \$13,629.87, for health support aide services were improperly charged to the Head Start program.**



**Federal Finding
Nos. 4 and 5**

- **The District drew down cash advances from the Florida Department of Education (FDOE) in excess of amounts necessary to satisfy immediate cash needs. In addition, our review disclosed that interest earnings had not been remitted to FDOE.**
- **District procedures were not adequate to ensure that the status of Federal Head Start cash was accurately reported and in agreement with District records.**



**Federal Finding
Nos. 6 and 7**

- **Enhancements are needed in District procedures for maintaining documentation to support the allocation of salaries and benefits to the Head Start and Special Education - Grants to States programs.**
- **Procedural improvements are needed to ensure amounts paid are adequately supported at the time of payment.**



Questions?

Contact Information:

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Audit Manager – District School
Boards

Auditor General's Office

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Taylor County School District

Perry, Florida

Paul E. Dyal, Superintendent of Schools
Brenda Carlton, School Board Chair
Vicki McManus, Director of Finance



Report for Joint Legislative Auditing Committee
March 23, 2009

Room 309, Capitol Building
Senator Diaz de la Portilla, Alternating Chair
Senator Bullard
Senator Gardiner
Senator Ring
Senator Wise

Representative Marti Coley, Alternating Chair
Representative Abruzzo
Representative McBurney
Representative Randolph
Representative Schultz

Taylor County School District
Perry, Florida
Report for Joint Legislative Audit Commission
Monday, March 23, 2009

Report on status of the Focus Study of Business and Financial Operations of the Taylor County School District by the Florida Association of District School Superintendents

FADSS Cost Recovery Table

Cost Savings from Staff Reductions:	
52 positions eliminated	\$1,916,459
➤ 18 Instructional positions	
➤ 20 Instructional aide positions	
➤ 6 food service positions	
➤ 6 transportation positions	
➤ 1 MIS position	
➤ 1 Finance Office position	
50 positions reduction in months/hours	
6 Bus routes eliminated	\$65,000
 Total	 \$1,981,459
 Cost Savings For Operating Cost	 \$569,500
 Total FADSS recommendations	 \$2,550,959
 Other Cost Savings	 \$ 543,993
➤ Food Service Price Increases	
➤ Reduce Supplements/Lead Teachers/Dept. Heads	
➤ Facilities usage	
➤ Pay insurance 08-09	
➤ Indirect Cost Allocation	
➤ Ticket price increase for energy cost	
➤ Athletic Contest Reductions	
➤ Crossing Guards reduction	
➤ School Resource Officer reduction	
➤ Fingerprint Fees	
➤ Head Start Waiver	
➤ Use 2 mil for energy saving projects	
 Reductions starting November 2009	 \$ 599,600
➤ Principal, TCMS	
➤ 1 Instructional Position	
➤ 2 custodian positions	
➤ Sub 1 instructional position October-March	

- Elimination ½ District position
- Closed down office suite
- Savings on correction to payroll funding source codes
- Cost savings from 2 mil flexibility
- Cost saving on funding middle school after school programs
- Collection of Delinquent Lunch Charges
- SRO traveling to out-of-town athletic contests

Projected Cost Savings 2008-2009

\$3,694,552

Taylor County School District
Perry, Florida

Budget Development 2009-2010
(A work in process)

From the Florida Association of District School Superintendents Focus Study of Business and Financial Operations for the Taylor County School District the following are being used in the budget development for the 2009-2010 fiscal year.

- Service units formula recommendation for determining administration and operation of each school.
- Clerical units formula recommendation for determination of clerical needs for the operation of each school.
- Custodial units formula recommendation for determining the custodial positions needed for each school.
- We acquired instructional staffing plans from surrounding similar districts and chose the Levy County Staffing Plan to determine the teaching units earned to support the instructional program at each site.

Transportation Budget Development

- Instituting staggered school times for 09-10.
- No courtesy riders grades 6-12
- Explore obtaining "hazardous walking status for K-5 in town riders

Supplemental Positions

- Elimination of non Return on Investment identified activities
- Combining coaching assignments where allowable
- Limiting number of coaches/sponsors by determining required participation numbers.
- Reduce supplemental budget by 15%

Other Budget Saving Projects for 2009-2010

- Alternative School restructuring
- Eliminating Drop Out Prevention Coordinator
- Closing Alternative School Facility and utilizing facilities already in use
- Eliminate 3 year DROP extension
- Eliminate Stanford testing K-2

**Budget Development for 09-10
Based on the
Revised 3rd Calculation
of School District Funds
January 11, 2009**

- 08-09 K-12 Total FEFP Funds (3rd calculation) \$19,775,935
- 09-10 Budget (15% less) \$ 2,966,390
- 09-10 Projected K-12 Fund \$16,809,545

**Budget Development for 09-10
Projected K-12 Fund and other Revenue Sources**

• 09-10 Projected K-12 Fund	\$16,809,545
• Workforce Development	\$ 1,100,000
• Pre-K	\$ 400,000
• Adults with Disabilities	\$ 70,000
• Succeed Grants	\$ 350,000
• TTI Course Fees	\$ 90,000
• Capital Outlay Fees	\$ 5,000
• Financial Fees	\$ 10,000
• Total anticipated K-12 Fund	\$18,834,545

Budget Development for 09-10
(How much do we have to cut in salaries?)

- 08-09 budget was developed on K-12 projection of \$22,420,048
- 08-09 total salaries and benefits \$18,020,689
- WHICH IS 80% OF THE 08-09 BUDGET
- 09-10 projected K-12 revenue \$18,834,545
- 80% of projected K-12 revenue \$15,067,636
- Difference of \$ 2,953,053
- Our charge is to reduce salaries by this amount.

Transportation

09-10

- 08-09 we appropriated \$1,660,515 to transportation
- Our transportation categorical allocation was \$716,988
- The other \$943,527 came from the general fund.
- The 3rd calculation lowered our allocation to \$1,582,637,
- We are \$77,878 over budget in transportation cost this year.
- Projected revenue for 09-10 is 15% less than the 3rd calculation, which is \$1,345,242.
- That is \$237,395 less money, plus the \$77,878 over budget.
- We must cut \$315,274 to transport like we did this year.
- We can no longer subsidize transportation by 131%
- Recommend % is 30-35%.

Supplemental Positions

- 1. Look at number of employees assigned to each sport/activity.
- 2. Look at Return on Investment and meeting game requirement.
- 3. Can some sports be combined? i.e. Tennis
- 4. Base number of cheerleading sponsors on number of cheerleaders on the squad.
- 5. We may be in violation by allowing hourly rate employees to do supplemental positions. (40 hours per week)
- 6. If FHSA cuts schedules by 20% and non-football coaching supplements are cut 20%, should we cut club and activity supplements by 20%?
- Total supplements 08-09-\$188,450
- 15% cut is \$28,267

MEMORANDUM

TO: Taylor County School Board
FROM: Paul Dyal, Superintendent of Schools
DATE:
SUBJECT: Instructional Staffing Allocations 2009-2010/Other Assignments

Listed below are the instructional teaching positions to be deleted/revised by site for the 2009-2010 school year as per the Staffing Allocation Formula. These deletions are based upon each site administrator's recommendations.

TCHS: Deletions -

Position #016151124, Math, 3.5H/10M
Position #016151128, Math, 3.5 H/10M
Position #016151152, Social Studies, 7.5H/10M
Position #016151115, Language Arts/Reading, 7.5H/10M
Position #016152203, VE, 7.5H/10M
Position #016151113, Language Arts, 7.5H/10M
Position #016151108, Foreign Language, 4H/10M
Position #016151131, Resource Compliance Specialist, 7.5H/10M

Modify -

Position #016151133, Resource Teacher/Discipline, 7.5H/10M to 8H/10M

Transfer -

Position #016173304, Resource Teacher/Discipline, 7.5H/10M to TTI as 8H/10M
(for high school alternative students transferred from TLC to TTI)

Steinhatchee School: Deletion -

Position #011151101, PE, 7.5H/10M

Modify-

Position #011173301, Principal, 8H/12M, Administrative Level 2 to
Administrative Level 3

TCMS: Deletions -

Position #012173306, Resource Teacher/Discipline, 7.5H/10M
Position #012151115, PE, 7.5H/10M
Position #003251102, PE, 7.5H/10M
Position #003152206, Gifted/Math, 7.5H/10M

Modify -

Position #012173307, Resource Teacher/Discipline, 7.5H/10M to 8H/10M

TCES: Deletions -

Position #004151000, Reading Coach, 7.5H/10M

Position #004151126, Elem., 7.5H/10M

Position #004151123, PE, 7.5H/10M

Position #004151134, PE, 7.5H/10M

Position #004151103, PE, 7.5/10M

Position #004151121, Elem., 7.5H/10M

Modify -

Position #004151109, Dean, 8H/10M to Resource Teacher/Discipline, 8H/10M

PPS: Deletions -

Position #014151133, Elem., 7.5H/10M

Position #014151139, Elem., 7.5H/10M

Position #014151131, Elem., 7.5H/10M

Position #014151161, Elem., 7.5H/10M

Position #014151114, Elem., 7.5H/10M

Modify -

Position #014161100, Student Services, 7.5H/10M to Resource Teacher/
Discipline, 8H/10M

Position #014151146, Reading Coach, 7.5H/11M to 7.5H/10M

Pre-K: Deletion -

Position #902452102, VE, 7.5/10H

TTI: Deletions -

Position #013153306, Health Occ.Ed., 7.5H/10M

- Reduce evening classes for Welding/Industrial, Pipefitter and Business Technology from three to two nights per week
- Reduce summer school from six weeks to four weeks - two weeks in June and two weeks in July

Technical Learning Center merge with Taylor County Middle School and TTI and the following positions be transferred.

Instructional: Transfers -

Position #012163100, Drop Out Prevention Coordinator, 8H/11M, to Resource Teacher/Discipline/Alt. Ed., 8H/10M to TCMS

Position #900951104, Alt. Ed., 7.5H/10M to TCMS

Position #900951105, Alt. Ed., 7.5H/10M to TTI

Position #013152205, EBD, 7.5H/10M to TCMS

Position #012153000, Welding, 7.5H/10M to TTI

Deletion --

Position #900951103, Alt. Ed., 7.5H/10M

Non-instructional: Transfers -

Position #900951105, Clerk Typist, 8H/11M to Clerk Typist, 8H/10M to TCES

Position #013152208, Behavior Specialist, 7.5H/10M to TCMS

Position #012151149, Teacher Aide (Grant Funded 8024), 7H/9M to TCMS

ESE: *Deletion --*

Position #900852206, Staffing Specialist, 7.5H/10M

Moves --

Position #900861102, Social Worker, 7.5/10M to TCES

Position #903352000, Job Coach, 8H/9M to TCHS

Position #903352001, Job Coach, 8H/9M to TCHS

Position #903352100, Transition Specialist, 7.5H/10M to TCHS

SUPERINTENDENT'S OFFICE: *Deletion --*

Position #900177702, Benefits Specialist, 8H/12M

MIS: *Deletion --*

Position #906777708, Data Entry, 8H/11M

FINANCE: *Deletion --*

Position #900676601, Food Service Coordinator, 8H/11M

OTHER MOVES AND CONSOLIDATIONS:

- School Health Nurse from MIS to TCES
- Consolidate Network Manager's Office into MIS Office Area
- Move Coalition Resource Specialist to Pre-K
- Move Coalition Family Advocate into self-contained office area that has its own heating and air and outside access, rent will cover

Taylor County School District

Perry, Florida

March 19, 2009

District Financial Condition

Unreserved Fund Balance Recovery Plan

The following information is from the District School Board of Taylor County District Financial Condition Summary Projections for 2008-2009.

Balance Forward from June 30, 2008 (Total Unreserved) **(\$1,136,989.86)**

As of Month Ending February 28, 2009 Projected Total Fund Balance **\$ 390,078.27**

Financial Condition Ratio 1.73%

At the February School Board meeting the Taylor County School Board reduced their salary by 5%.

At the February School Board meeting, the Board reduced the salaries of the District Administrators, Coordinators, School Administrators, Administrative Assistants, and non-union District employees by 5% for February 1, 2009-June 30, 2009.

The Superintendent volunteered to donate back 5% of his salary monthly.

We are presently in negotiation with both of our collective bargaining units to impose a 5% pay reduction for February 1, 2009-June 30, 2009. The Taylor County School Board is willing to see this through the process. The Taylor County School Board has imposed the 5% cut starting March 12, retroactive to February 1, 2009.

The non-instructional union has called for an Administrative hearing that was held on March 19 and the instructional union has requested a Special Magistrate ruling scheduled for April 15.

Because of the time frame to recover the 5%, by which it would cause the least economic impact of the employees, the Board voted to impose the cut, pending possible unfair labor practice.

If for some reason the 5% salary cut does not happen, we will have to lay off employees or increase our anticipated budget cuts for 09-10 to make up the 3%.

The 5% salary reduction will generate \$422,394.

As of Feb. 28, 2009 Projection **\$390,078.27**

5% salary reduction through June 30, 2009 **422,394.00**

Anticipated Unreserved Fund Balance **\$812,472.27**

Anticipated Financial Condition Ratio 3.5%

DISTRICT SCHOOL BOARD OF TAYLOR COUNTY
 DISTRICT FINANCIAL CONDITION SUMMARY
 PROJECTIONS FOR 2008-09

Date Due: March 15, 2009
 As of Month Ending: February 28, 2009

GENERAL FUND - FUND 100

A	Balance Forward from June 30, 2008 (Total Reserved and Unreserved)	(1,136,989.86)
	PROJECTED REVENUES and OTHER FINANCING SOURCES:	
	PROJECTED REVENUES	
	Anticipated State Florida Education Finance Program (FEFP) Receipts	32,279,704.00
	Anticipated FEFP Local Tax Receipts	7,384,754.00
	Other (Describe) Other Federal, State and Local	
	Workforce Development	1,377,880.00
	Misc	1,563,500.00
B	Total Projected Revenues	22,607,928.00
	PROJECTED OTHER FINANCING SOURCES	
	Transfers In	1,006,419.00
	Other (Describe)	
	Total Projected Other Financing Sources	1,006,419.00
C	Sources	23,614,347.00
	PROJECTED EXPENDITURES and OTHER FINANCING USES:	
	PROJECTED EXPENDITURES	
	General Fund Expenditures	22,003,629.87
	Other (Describe)	
	Total Projected General Fund Expenditures	22,003,629.87
	PROJECTED OTHER FINANCING USES:	
	Transfers Out - restore 2 mill expend from audit finding	78,649.00
	Other (Describe)	
	Total Projected Other Financing Uses	78,649.00
D	Financing Uses	22,087,278.87
	PROJECTED JUNE 30, 2009 GENERAL FUND BALANCE:	
E	Balance Forward Plus Total General Fund Revenues and Other Financing Sources Less General Fund Expenditures and Other Financing	390,078.27
	Reserved Fund Balance:	
	Endowments	
	State Required Carryover Programs	
	Inventory	
	Encumbrances	
	Other (Describe)	
F	Total Unreserved Fund Balance	390,078.27
	Total Fund Balance	390,078.27
	FINANCIAL CONDITION RATIO	
	Projected Unreserved General Fund Balance/Revenue (F/E)	1.73%

GENERAL FUND REVENUE FROM AD VALOREM MILLAGE

	Percent of Receipts Through February 28, 2008	Percent of Receipts Through February 28, 2009
District School Taxes	83.8%	78.0%

**TAYLOR COUNTY
DISTRICT SCHOOL BOARD**

Financial, Operational, and Federal Single Audit

For the Fiscal Year Ended
June 30, 2008



STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

BOARD MEMBERS AND SUPERINTENDENT

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

	<i>District</i>
	<u>No.</u>
<i>Mark A. Southersland</i>	<i>1</i>
<i>Brenda H. Carlton, Chair</i>	<i>2</i>
<i>Darrell Whiddon</i>	<i>3</i>
<i>Delton "Danny" Lundy, Vice-Chair</i>	<i>4</i>
<i>Kenneth R. Dennis</i>	<i>5</i>

Oscar M. Howard, Jr., Superintendent

The Auditor General conducts audits of government entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The audit team leader was Glenda K. Hart, CPA, and the audit was supervised by Robert L. Kauter, CPA. For the information technology portion of this audit the audit team leader was Annalisa B. Pizio, CPA, and the supervisor was Nancy M. Reeder, CPA, CISA. Please address inquiries regarding this report to Gregory L. Cochran, CPA, Audit Manager, by e-mail at gcochran@auditor.state.fl.us or by telephone at (850) 487-9033.

This report and other audit reports prepared by the Auditor General can be obtained on our Web site at www.florida.gov/audgen, by telephone at (850) 487-9024, or by mail at 1504 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1430.

TAYLOR COUNTY DISTRICT SCHOOL BOARD
TABLE OF CONTENTS

	PAGE NO.
EXECUTIVE SUMMARY	i
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS	1
BASIC FINANCIAL STATEMENTS.....	3
Exhibit - A Statement of Net Assets	3
Exhibit - B Statement of Activities.....	4
Exhibit - C Balance Sheet - Governmental Funds	6
Exhibit - D Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	8
Exhibit - E Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	10
Exhibit - F Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	12
Exhibit - G Statement of Net Assets - Proprietary Fund.....	13
Exhibit - H Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund.....	14
Exhibit - I Statement of Cash Flows - Proprietary Fund	15
Exhibit - J Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	16
Exhibit - K Notes to Financial Statements	17
OTHER REQUIRED SUPPLEMENTARY INFORMATION.....	34
Exhibit - L Budgetary Comparison Schedule - General and Major Special Revenue Funds.....	34
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	36

TAYLOR COUNTY DISTRICT SCHOOL BOARD
TABLE OF CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT</i> <i>AUDITING STANDARDS</i>	37
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB <i>CIRCULAR A-133</i>	39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	42
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS	59
EXHIBIT – M MANAGEMENT'S RESPONSE	61

EXECUTIVE SUMMARY

Summary of Report on Financial Statements

Our audit disclosed that the District's basic financial statements were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

Summary of Report on Internal Control and Compliance

We noted certain matters involving the District's internal control over financial reporting and its operation that we consider to be material weaknesses, as summarized below.

The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* as summarized in Finding No. 3 below. We also noted additional matters that are summarized below.

MATERIAL WEAKNESSES

Finding No. 1: The District continued to experience a decline in its financial condition during the 2007-08 fiscal year. The General Fund unreserved fund balance was a deficit \$1,405,151.22 and total fund balance was a deficit \$1,136,989.86 at June 30, 2008.

Finding No. 2: Improvements are needed in District procedures for ensuring the accuracy and completeness of the District's accounting records and annual financial report.

Finding No. 3: Enhancements could be made in the Board's budgetary process and the presentation of required monthly financial statements to the Board.

Finding No. 4: The District reconciled its bank and investment accounts to manually-maintained records; however, these records were not maintained by reporting fund and had not been reconciled to balances recorded on the District's general ledger.

Finding No. 5: District procedures need to be enhanced to ensure Capital Outlay and Debt Service funds are used for projects included in its approved project priority list.

Finding No. 6: The District used capital outlay millage moneys, totaling \$78,649, for unallowable purposes.

ADDITIONAL MATTERS

Finding No. 7: The District had not timely obtained an actuarial report or filed the required annual report for its Group Health Self-Insurance plan for the plan year ending September 30, 2008, with the Florida Office of Insurance Regulation.

Finding No. 8: The District did not conduct a review and evaluation of the reasons for the collection of social security numbers (SSNs), prepare written statements notifying individuals of the purpose for collection of the numbers, or submit the certification of its compliance with the new SSN requirements to the Legislature, contrary to Section 119.071(5)(a), Florida Statutes.

Finding No. 9: Improvements are needed in controls over the reporting of instructional contact hours for adult general education to the Florida Department of Education.

Finding No. 10: Improvements are needed in controls over student fee collections.

Finding No. 11: The District did not properly allocate interest earnings on pooled investments to the respective funds owning the investments.

Finding No. 12: The District lacked written policies and procedures for certain information technology functions.

Finding No. 13: The District's security awareness training program needed improvement.

Finding No. 14: Certain security controls related to user authentication needed improvement.

Summary of Report on Federal Awards

We audited the District's Federal awards for compliance with applicable Federal requirements. The Federal Pell Grant, Special Education Cluster, Title I, and Head Start programs were audited as major Federal programs. The results of our audit indicated that the District materially complied with the requirements that were applicable to the major Federal programs tested, with the exception of the Head Start program. However, we did note compliance and internal control findings that are summarized below.

Federal Awards Finding No. 1: Documentation was not available to evidence the District's compliance with required in-kind matching contributions, totaling \$269,858, or limitations on development and administrative costs incurred related to the Head Start program.

Federal Awards Finding No. 2: The District's procedures for monitoring and reporting Federal expenditures for grants received through the Florida Department of Education were insufficient, resulting in unreported expenditures, totaling approximately \$107,400, and questioned costs relating to the Special Education - Grants to States program, totaling \$22,940.85.

Federal Awards Finding No. 3: Payments, totaling \$13,629.87, for health support aide services were improperly charged to the Head Start program.

Federal Awards Finding No. 4: The District drew down cash advances from the Florida Department of Education (FDOE) in excess of amounts necessary to satisfy immediate cash needs. In addition, our review disclosed that interest earnings had not been remitted to FDOE.

Federal Awards Finding No. 5: District procedures were not adequate to ensure that the status of Head Start cash was accurately reported and in agreement with District records.

Federal Awards Finding No. 6: Enhancements are needed in District procedures for maintaining documentation to support the allocation of salaries and benefits to the Head Start and Special Education - Grants to States programs.

Federal Awards Finding No. 7: Procedural improvements are needed to ensure amounts paid are adequately supported at the time of payment.

Audit Objectives and Scope

Our audit objectives were to determine whether the Taylor County District School Board and its officers with administrative and stewardship responsibilities for District operations had:

- Presented the District's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements or on a major Federal program;
- Established internal controls that promote and encourage: 1) compliance with applicable laws, rules, regulations, contracts, and grant agreements; 2) the economic and efficient operation of the District; 3) the reliability of records and reports; and 4) the safeguarding of District assets;
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements, and those applicable to the District's major Federal programs; and
- Taken corrective actions for findings included in our report No. 2008-151.

The scope of this audit included an examination of the District's basic financial statements and the Schedule of Expenditures of Federal Awards as of and for the fiscal year ended June 30, 2008. We obtained

an understanding of the District's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements and Federal awards. We also examined various transactions to determine whether they were executed, both in manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

Audit Methodology

The methodology used to develop the findings in this report included the examination of pertinent District records in connection with the application of procedures required by auditing standards generally accepted in the United States of America, applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and Office of Management and Budget *Circular A-133*.



David W. Martin, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



850-488-5534
Fax: 850-488-6975

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Taylor County District School Board as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 20 percent of the assets and 23 percent of the liabilities of the aggregate remaining fund information. Additionally, we did not audit the financial statements of the Taylor County Education Foundation, Inc., a discretely presented component unit. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the discretely presented component unit, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of school internal funds and the Taylor County Education Foundation, Inc., were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the reports of the other auditors, provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for the Taylor County District School Board as of June 30, 2008, and the respective changes in financial position and cash flows, where

applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

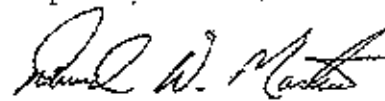
The District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States have determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Taylor County District School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The **BUDGETARY COMPARISON SCHEDULE** (shown as Exhibit - I) is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by the United States Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,



David W. Martin, CPA

March 13, 2009

BASIC FINANCIAL STATEMENTS

**EXHIBIT - A
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF NET ASSETS
June 30, 2008**

	Primary Government: Governmental Activities	Component Unit
ASSETS		
Current Assets:		
Cash	\$ 3,661,735.55	\$ 21,412.00
Investments - Other	194,999.14	67,555.00
Accounts Receivable	108,962.49	
Due from Other Agencies	1,670,470.99	
Prepaid Tuition		22,074.00
Inventories	188,745.29	
Total Current Assets	5,824,913.46	111,041.00
Noncurrent Assets:		
Investments in SBA Fund B Surplus Funds Trust Fund	171,450.55	
Capital Assets:		
Nondepreciable Capital Assets	1,094,235.82	
Depreciable Capital Assets, Net	29,573,457.87	
Total Noncurrent Assets	30,839,144.24	
TOTAL ASSETS	\$ 36,664,057.70	\$ 111,041.00
LIABILITIES		
Current Liabilities:		
Salaries and Benefits Payable	\$ 1,667,359.91	\$
Payroll Deductions and Withholdings	549,956.74	
Accounts Payable	510,483.97	
Deferred Revenue	2,297,872.71	
Estimated Insurance Claims Payable	100,173.00	
Long-Term Liabilities -- Portion Due Within One Year: Compensated Absences Payable	285,651.77	
Total Current Liabilities	5,411,498.10	
Noncurrent Liabilities:		
Long-Term Liabilities -- Portion Due After One Year: Compensated Absences Payable	2,672,349.11	
Total Noncurrent Liabilities	2,672,349.11	
Total Liabilities	8,083,847.21	
NET ASSETS		
Net Assets Invested in Capital Assets	30,667,593.69	
Restricted for:		
State Categorical Programs	258,161.36	
Capital Projects	2,037,284.16	
Other Purposes		22,074.00
Unrestricted	(4,392,928.72)	88,867.00
Total Net Assets	28,580,210.49	111,041.00
TOTAL LIABILITIES AND NET ASSETS	\$ 36,664,057.70	\$ 111,041.00

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT - B
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 16,731,188.58	\$ 168,838.65	\$	
Pupil Personnel Services	1,670,770.40			
Instructional Media Services	316,331.52			
Instruction and Curriculum Development Services	1,058,153.13			
Instructional Staff Training Services	187,856.52			
Instruction Related Technology	175,427.78			
Board of Education	21,8252.41			
General Administration	341,770.88			
School Administration	1,785,095.03			
Facilities Acquisition and Construction	1,191,989.20		119,083.28	
Fiscal Services	348,250.79			
Food Services	1,550,930.55	441,359.25	1,030,941.28	
Central Services	359,440.18			
Pupil Transportation Services	2,259,067.08	33,134.53	729,005.00	
Operation of Plant	2,978,438.21			
Maintenance of Plant	888,892.48		391,319.00	
Administrative Technology Services	177,343.24			
Community Services	255,696.73	301,832.54		
Interest on Long-Term Debt	59.18			
Unallocated Depreciation Expense	1,235,486.49			
Loss on Disposal of Capital Assets	3,845.70			
Total Primary Government	\$ 33,590,527.42	\$ 945,153.07	\$ 1,759,946.28	\$ 510,382.28
Component Unit				
Taylor County Education Foundation, Inc.	\$ 37,596.00	\$	\$	\$
General Revenues:				
Taxes:				
Property Taxes, Levied for Operational Purposes				
Property Taxes, Levied for Capital Projects				
Grants and Contributions Not Restricted to Specific Programs				
Unrestricted Investment Earnings				
Miscellaneous				
Total General Revenues				
Change in Net Assets				
Net Assets - July 1, 2007				
Net Assets - June 30, 2008				

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT - B

Net (Expense) Revenue and Changes in Net Assets	
Primary Governmental Governmental Activities	Component Unit
\$ (10,562,351.93) (1,670,770.40) (316,391.52) (1,036,153.13) (187,658.52) (175,427.78) (219,252.42) (341,770.68) (1,785,035.63) (1,072,925.92) (346,250.79) (78,830.02) (359,440.18) (1,497,227.55) (2,978,438.21) (297,573.45) (177,343.24) 38,135.81 (58.18) (1,285,485.49) (3,845.70)	\$
(30,378,085.79)	
	(37,593.00)
7,388,272.70 2,666,205.11 19,382,538.54 122,693.05 428,838.05	10,630.00 3,397.00
30,818,847.45	14,027.00
240,911.60	(23,598.00)
28,339,368.33	134,607.00
\$ 28,580,210.49	\$ 111,041.00

**EXHIBIT - C
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS**

	<u>General Fund</u>	<u>Special Revenue - Other Fund</u>
ASSETS		
Cash	\$ 558,949.46	\$ 1,074,597.25
Investments - Other	38,259.14	
Accounts Receivable	106,386.53	
Due from Other Funds	220,991.88	56,830.73
Due from Other Agencies	99,812.31	53,331.37
Inventories	94,049.55	
Investments in SBA Fund B Surplus Funds Trust Fund	34,311.28	
TOTAL ASSETS	<u>\$ 1,152,760.15</u>	<u>\$ 1,184,759.35</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Salaries and Benefits Payable	\$ 1,428,100.82	\$ 163,207.22
Payroll Deductions and Withholdings	507,520.11	30,811.63
Accounts Payable	115,272.02	159,905.33
Due to Other Funds	240,857.06	27,193.46
Deferred Revenue		803,641.71
Total Liabilities	<u>2,289,750.01</u>	<u>1,184,759.35</u>
Fund Balances:		
Reserved for State Categorical Programs	268,161.36	
Reserved for Encumbrances		
Unreserved, Reported in:		
General Fund	(1,405,151.22)	
Special Revenue Funds		
Capital Projects Funds		
Total Fund Balances	<u>(1,136,989.86)</u>	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,152,760.15</u>	<u>\$ 1,184,759.35</u>

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT - C

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,634,364.85	\$ 34,073.90	\$ 203,982.23	\$ 3,505,937.69
		156,740.00	194,999.14
2,575.96			108,862.49
111,054.94	91,782.58	4,000.00	484,660.13
14,482.08	1,174,822.73	328,222.50	1,670,470.99
		94,695.74	188,745.29
137,139.27			171,450.55
<u>\$ 1,899,607.10</u>	<u>\$ 1,300,479.21</u>	<u>\$ 787,620.47</u>	<u>\$ 6,325,226.28</u>
\$	\$	\$ 68,051.87	\$ 1,657,359.91
		11,625.00	549,956.74
545.08		16,711.49	292,433.92
91,782.58	125,739.89	193,886.29	679,259.28
	1,172,028.00	322,203.00	2,297,872.71
<u>92,327.66</u>	<u>1,297,767.89</u>	<u>612,277.65</u>	<u>5,476,882.56</u>
			268,161.36
185,823.65		69,704.12	255,527.77
			(1,405,151.22)
		(51,950.58)	(51,950.58)
1,621,455.79	2,711.32	157,589.28	1,781,756.39
<u>1,807,279.44</u>	<u>2,711.32</u>	<u>175,342.82</u>	<u>848,343.72</u>
<u>\$ 1,899,607.10</u>	<u>\$ 1,300,479.21</u>	<u>\$ 787,620.47</u>	<u>\$ 6,325,226.28</u>

EXHIBIT - D
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2008

Total Fund Balances - Governmental Funds	\$	848,343.72
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		30,667,693.69
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		32,173.96
Compensated absences are not due and payable in the current period and are not reported as liabilities in the governmental funds.		<u>(2,968,000.88)</u>
Total Net Assets - Governmental Activities	\$	<u>28,580,210.48</u>

The accompanying notes to financial statements are an integral part of this statement.

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EXHIBIT - E
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2008

	General Fund	Special Revenue - Other Fund
Revenues		
Intergovernmental:		
Federal Direct:		
Federal Direct	\$ 53,962.12	\$ 1,273,684.96
Federal Through State and Local	87,766.38	2,562,767.65
State	16,280,398.18	36,680.42
Local:		
Texas	7,688,272.70	
Miscellaneous	971,893.93	18,916.48
	24,782,083.31	4,312,069.51
Total Revenues		
Expenditures		
Current - Education:		
Instruction	14,393,292.51	2,580,473.26
Pupil Personnel Services	1,244,596.11	443,486.01
Instructional Media Services	318,629.83	1,902.21
Instruction and Curriculum Development Services	758,544.60	315,699.78
Instructional Staff Training Services	64,141.41	124,731.99
Instruction Related Technology	117,248.39	57,005.01
Board of Education	221,570.61	
General Administration	278,851.58	65,841.18
School Administration	1,666,079.24	144,362.74
Facilities Acquisition and Construction	39,016.17	2,981.79
Fiscal Services	346,938.07	4,328.76
Food Services		18,184.48
Central Services	363,666.37	300.00
Pupil Transportation Services	1,878,820.94	82,391.88
Operation of Plant	2,932,411.46	57,799.68
Maintenance of Plant	493,612.80	
Administrative Technology Services	179,501.42	
Community Services	59,102.86	207,280.56
Fixed Capital Outlay:		
Facilities Acquisition and Construction		
Other Capital Outlay	147,848.33	205,219.90
Debt Services:		
Interest and Fiscal Charges		
	25,504,584.70	4,312,069.51
Total Expenditures		
Excess (Deficiency) of Revenues Over Expenditures	(722,501.39)	
Other Financing Sources (Uses)		
Transfers In	520,365.81	
Transfers Out	(68,875.69)	
Total Other Financing Sources (Uses)	451,490.12	
Net Change in Fund Balances	(271,011.27)	
Fund Balances, July 1, 2007	(865,978.59)	
Fund Balances, June 30, 2008	\$ (1,136,989.86)	\$ 0.00

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT - E

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$
		999,231.28	1,327,647.08
	11,272.83	540,841.90	4,069,775.81
2,686,205.11			16,869,193.13
42,158.16	1,216.73	449,260.45	10,084,477.81
<u>2,738,363.27</u>	<u>12,489.56</u>	<u>1,989,333.83</u>	<u>1,483,245.75</u>
			18,973,765.79
			1,688,492.12
			320,832.04
			1,074,244.38
3,339.72			183,873.40
			177,893.12
			221,570.61
			344,802.74
1,541.58			1,811,983.55
1,319,854.24	11,495.00	121,795.00	1,195,144.20
			351,286.83
		1,542,717.70	1,560,902.16
			383,586.37
			1,951,212.82
			2,990,181.14
2,798.74		195,867.87	691,797.41
			179,301.42
			266,383.72
62,549.65			62,549.65
900,203.72			1,253,271.95
		59.18	59.18
<u>1,980,585.85</u>	<u>11,495.00</u>	<u>1,859,959.75</u>	<u>33,678,654.31</u>
<u>747,777.62</u>	<u>594.36</u>	<u>129,373.88</u>	<u>155,644.47</u>
68,875.89			589,241.50
(520,365.81)			(589,241.50)
(451,490.12)			
296,287.50	994.36	129,373.88	155,644.47
1,510,991.94	1,716.96	45,968.94	682,699.25
<u>\$ 1,807,279.44</u>	<u>\$ 2,711.32</u>	<u>\$ 175,342.82</u>	<u>\$ 848,343.72</u>

EXHIBIT - F
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2008

Net Change in Fund Balances - Governmental Funds \$ 155,644.47

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period. (284,508.22)

The loss on the disposal of capital assets during the current period is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net assets differs from the change in fund balance by the undepreciated cost of the disposed assets. (3,846.70)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of the internal service fund is reported with governmental activities. 77,871.34

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences paid in excess of the amount earned in the current period. 295,651.77

Change in Net Assets - Governmental Activities \$ 240,811.66

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT - G
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF NET ASSETS -
PROPRIETARY FUND
June 30, 2008

		Governmental Activities - Internal Service Fund
ASSETS		
Current Assets:		
Cash	\$	155,797.86
Due From Other Funds		194,599.15
TOTAL ASSETS	\$	350,397.01
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$	218,050.05
Estimated Insurance Claims Payable		100,173.00
Total Liabilities		318,223.05
NET ASSETS		
Unrestricted		32,173.96
TOTAL LIABILITIES AND NET ASSETS	\$	350,397.01

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT - H
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS -
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2008

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Premium Revenues	\$ 2,146,638.75
Other Operating Revenues	42,971.82
Total Operating Revenues	2,189,610.57
OPERATING EXPENSES	
Insurance Claims	1,330,396.76
Insurance Premiums	567,718.39
Purchased Services	10,270.50
Administrative Expense	203,500.88
Total Operating Expenses	2,111,886.53
Operating Income	77,724.04
NONOPERATING REVENUES	
Interest	147.30
Change in Net Assets	77,871.34
Total Net Assets, July 1, 2007	(45,697.38)
Total Net Assets, June 30, 2008	\$ 32,173.96

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT - I
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2008

		Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Premiums	\$	2,086,192.27
Cash Received from Other Operating Revenues		99,680.75
Cash Payments for Insurance Claims		(1,330,396.76)
Cash Payments for Premiums and Other Fees		(486,054.32)
Cash Payments for Administrative Expense		(203,500.88)
Cash Payments for Purchased Services		(10,270.50)
		155,650.56
Net Cash Provided by Operating Activities		155,650.56
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income		147.30
		147.30
Net Cash Provided by Investing Activities		147.30
Net Increase in Cash		155,797.86
Cash, Beginning		0.00
Cash, Ending	\$	155,797.86
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$	77,724.04
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable		2,346.98
Decrease in Due From Reinsurer		56,708.93
Increase in Due From Other Funds		(62,793.46)
Increase in Accounts Payable		81,664.07
		77,926.52
Total Adjustments		77,926.52
Net Cash Provided by Operating Activities	\$	155,650.56

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT - J
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
FIDUCIARY FUNDS
June 30, 2008

	<u>Agency Funds</u>
ASSETS	
Cash	\$ <u>281,983</u>
LIABILITIES	
Internal Accounts Payable	\$ <u>281,983</u>

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT - K
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

The District School Board has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Taylor County School District is considered part of the Florida system of public education. The governing body of the school district is the Taylor County District School Board which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the School Board. Geographic boundaries of the District correspond with those of Taylor County.

Criteria for determining if other entities are potential component units which should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the District School Board is financially accountable and other organizations for which the nature and significance of their relationship with the School Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, the following component unit is included within the District School Board's reporting entity:

- **Discretely Presented Component Unit**. The component unit columns in the basic financial statements, Exhibits A and B, include the financial data of the Taylor County Education Foundation, Inc., which was formed to provide charitable and educational aid to the School Board; to promote education; and to encourage research, learning, and dissemination of information. Because of the nature and significance of its relationship with the School Board, the Foundation is considered a component unit. An annual postaudit of the Foundation's financial statements is conducted by an independent certified public accountant and the audit report is filed in the District's administrative office.

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and the statement of activities, present information about the School District as a whole. These statements include the nonfiduciary financial activity of the primary government and its component unit.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation department is allocated to the transportation function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- General Fund - to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue - Other Fund - to account for certain Federal grant program resources.
- Capital Projects - Local Capital Improvement Fund - to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction and renovation and remodeling projects.
- Capital Projects - Other Fund - to account for financial resources generated by various State sources, including Classrooms First, Classrooms for Kids, and Class Size Reduction Construction.

Additionally, the District reports the following proprietary and fiduciary fund types:

- Internal Service Fund - to account for the District's individual self-insurance program.
- Agency Funds - to account for resources of the school internal funds which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants,

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The Proprietary Fund is accounted for as a proprietary activity under standards issued by the Financial Accounting Standards Board through November 1989 and applicable standards issued by the Governmental Accounting Standards Board. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges for employee health insurance premiums. Operating expenses include insurance claims and excess coverage premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The Taylor County Education Foundation, Inc., shown as a discretely presented component unit, is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

➤ **Deposits and Investments**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The statement of cash flows considers cash as those accounts used as demand deposit accounts.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes. On December 4, 2007, the State Board of Administration restructured the Local Government Surplus Funds Trust Fund to also establish the Fund B Surplus Funds Trust Fund.

The District's investments in the Local Government Surplus Funds Trust Fund, which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2008, are similar to money market funds in which the shares are owned in the fund rather than in the underlying investments. These investments are reported at fair value, which is amortized cost.

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

The District's investments in the Fund B Surplus Funds Trust Fund are accounted for as a fluctuating net asset value pool, with a fair value factor of 0.923331 at June 30, 2008. Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the State Board of Administration, are effected by transferring eligible cash or securities to the Local Government Surplus Funds Trust Fund, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as a liquid balance within the Local Government Surplus Funds Trust Fund.

Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

➤ **Inventories**

Inventories consist of expendable supplies, transportation supplies, and fuel held for consumption in the course of District operations. Inventories are valued at last invoice price, which approximates the first-in, first-out basis (FIFO), except that United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	20 years
Buildings and Fixed Equipment	10 - 50 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	5 years

Current-year information relative to changes in capital assets is described in a subsequent note.

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net assets.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported in the governmental fund financial statements only for the current portion of compensated absences expected to be paid using expendable available resources.

Changes in long-term liabilities for the current year are reported in a subsequent note.

➤ **State Revenue Sources**

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of nine months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. The Department generally requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved in the governmental fund financial statements for the unencumbered balance of categorical educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District also received allocations under the Classrooms for Kids, Classrooms First, and Class Size Reduction Construction Programs. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. Accordingly, the District recognizes the allocation of Public Education Capital Outlay, Classrooms for Kids, Classrooms First, and Class Size Reduction Construction programs funds as deferred revenue until such time as an encumbrance authorization is received.

A schedule of revenue from State sources for the current year is presented in a subsequent note.

➤ **District Property Taxes**

The School Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service.

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Taylor County Property Appraiser, and property taxes are collected by the Taylor County Tax Collector.

The School Board adopted the 2007 tax levy on September 11, 2007. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property on January 1, and are delinquent on April 1, of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Taylor County Tax Collector at fiscal year-end but not yet remitted to the District.

Millages and taxes levied for the current year are presented in a subsequent note.

➤ **Federal Revenue Sources**

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

➤ **Budgetary Information**

The Board follows procedures established by State statutes and State Board of Education rules in establishing budget balances for governmental funds, as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

➤ **Expenditures Over Appropriations in Individual Funds**

For the fiscal year ended June 30, 2008, expenditures exceed appropriations for the following individual funds:

Fund/Activity	Expenditures		
	Budget	Actual	Variance Unfavorable
General:			
Instruction	\$ 13,572,661.91	\$ 14,393,292.51	\$ (820,630.60)
Pupil Personnel Services	1,178,435.86	1,244,996.11	(66,560.25)
Instruction and Curriculum			
Development Services	750,166.38	758,544.60	(8,378.22)
Instructional Staff Training Services	11,792.86	64,141.41	(52,348.55)
School Administration	1,560,786.41	1,666,079.24	(5,292.83)
Facilities Acquisition and Construction	34,748.41	39,018.17	(4,271.76)
Fiscal Services	310,237.70	346,938.07	(36,700.37)
Central Services	284,974.65	363,666.37	(98,691.72)
Pupil Transportation Services	1,759,917.61	1,878,820.94	(118,903.33)
Operation of Plant	2,903,732.39	2,932,411.46	(28,679.07)
Maintenance of Plant	466,824.12	493,612.80	(26,788.68)
Community Services	56,609.17	59,102.86	(2,493.69)
Transfers Out		68,875.69	(68,875.69)
Special Revenue - Other:			
Instruction and Curriculum			
Development Services	138,500.00	315,699.78	(177,199.78)
Instruction Related Technology	15,283.96	57,005.01	(41,721.03)
Facilities Acquisition and Construction		2,981.79	(2,981.79)
Fiscal Services		4,328.76	(4,328.76)
Food Services	17,100.00	18,184.46	(1,084.46)
Central Services		300.00	(300.00)
Pupil Transportation Services	46,800.00	82,391.88	(35,591.88)
Community Services	168,000.00	207,280.86	(39,280.86)

➤ **Deficit Fund Balances in Governmental Funds**

The following governmental funds have deficit fund balances at June 30, 2008:

	Fund Balances 7-1-07	Change in Fund Balances Fiscal Year 2007-08	Fund Balances 6-30-08
Major Governmental Funds:			
General Fund	\$(865,978.59)	\$(271,011.27)	\$(1,136,989.86)
Nonmajor Governmental Funds:			
Special Revenue - Food Service Fund	16,397.75	(68,348.33)	(51,950.58)

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

An economic recovery plan has been developed and is being implemented involving staff reductions, operational changes, and fee increases to eliminate fund balance deficits.

3. INVESTMENTS

Section 218.415(17), Florida Statutes, authorizes the District to invest in the State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury.

Investments with a fair value of \$194,999.14 at June 30, 2008, are in the State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool with a weighted average days to maturity (WAM) of 20.22 days. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. The District's investment in the State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool is rated AAAm by Standard & Poor's. Investments with a fair value of \$171,450.55 at June 30, 2008, are in the State Board of Administration Fund B Surplus Funds Trust Fund with a weighted average life (WAL) of 9.22 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL is based on legal final maturity dates as of June 30, 2008. The District's investment in the Fund B Surplus Funds Trust Fund is unrated.

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

4. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Balance 7-1-07	Additions	Deletions	Balance 6-30-08
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 856,163.41	\$	\$	\$ 856,163.41
Land Improvements - Nondepreciable	235,831.06	2,241.35		238,072.41
Total Capital Assets Not Being Depreciated	1,091,994.47	2,241.35		1,094,235.82
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	75,294.68	62,549.65		137,844.33
Buildings and Fixed Equipment	38,828,798.07			38,828,798.07
Furniture, Fixtures, and Equipment	4,854,849.51	617,675.91	140,673.61	5,331,651.81
Motor Vehicles	3,825,082.23	618,247.75		4,443,329.98
Audio Visual Materials and Computer Software	70,572.86	18,281.94	3,781.23	85,063.57
Total Capital Assets Being Depreciated	47,654,397.35	1,316,735.25	144,454.84	48,826,677.76
Less Accumulated Depreciation for:				
Improvements Other Than Buildings		3,764.73		3,764.73
Buildings and Fixed Equipment	12,362,707.34	727,910.07		13,090,617.41
Furniture, Fixtures, and Equipment	2,673,853.44	545,165.00	137,471.66	3,281,546.78
Motor Vehicles	2,503,040.90	317,999.33		2,821,040.23
Audio Visual Materials and Computer Software	50,740.53	8,646.69	3,136.48	56,250.74
Total Accumulated Depreciation	17,790,342.21	1,603,485.82	140,608.14	19,253,219.89
Total Capital Assets Being Depreciated, Net	29,864,055.14	(286,750.57)	3,846.70	29,573,457.87
Governmental Activities Capital Assets, Net	\$ 30,956,049.61	\$ (284,509.22)	\$ 3,846.70	\$ 30,667,693.89

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Pupil Transportation Services	\$ 317,999.33
Unallocated	1,285,486.49
Total Depreciation Expense - Governmental Activities	\$ 1,603,485.82

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

5. CHANGES IN SHORT-TERM DEBT

The following is a schedule of changes in short-term debt:

	Balance 7-1-07	Additions	Deletions	Balance 6-30-08
GOVERNMENTAL ACTIVITIES				
Tax Anticipation Note	\$ _____	\$ 1,400,000.00	\$ 1,400,000.00	\$ _____

As of November 14, 2007, the District had borrowed \$1,400,000 on a revolving line of credit from the Capital City Bank. This loan was repaid by the District on December 19, 2007. The loan was obtained to fund District operations until receipt of ad valorem tax revenue in December 2007.

6. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

Description	Balance 7-1-07	Additions	Deductions	Balance 6-30-08	Due in One Year
GOVERNMENTAL ACTIVITIES					
Compensated Absences Payable	\$ 3,263,652.65	\$195,511.18	\$491,182.95	\$2,968,000.88	\$295,651.77

For the governmental activities, compensated absences are generally liquidated with resources of the General Fund.

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of interfund receivables and payables reported in the fund financial statements:

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 220,991.88	\$ 240,857.06
Special Revenue:		
Other	56,830.73	27,193.48
Capital Projects:		
Local Capital Improvement	111,054.94	91,782.58
Other	91,782.58	125,739.89
Nonmajor Governmental	4,000.00	193,686.29
Internal Service	194,599.15	
Total	\$ 679,259.28	\$ 679,259.28

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

The interfund receivables and payables shown above represent temporary loans to cover cash deficits in cash accounts or were the result of corrections to revenues and expenditures in the various funds. Amounts are expected to be repaid within one year except that repayment of certain amounts due from the General Fund to the Special Revenue – Other Fund and Local Capital Improvement Fund and amounts due from the nonmajor Special Revenue – Food Service Fund to the General Fund may be delayed pending improvement of the financial condition of the General Fund and Special Revenue – Food Service Fund.

The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 520,365.81	\$ 68,875.69
Capital Projects:		
Local Capital Improvement	<u>68,875.69</u>	<u>520,365.81</u>
Total	<u>\$ 589,241.50</u>	<u>\$ 589,241.50</u>

The transfer from the Local Capital Improvement Fund to the General Fund was made to move restricted revenues to offset eligible expenditures in other funds. The transfer from the General Fund to the Local Capital Improvement Fund was made to restore prior year questioned costs.

8. RESERVE FOR ENCUMBRANCES

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

The Florida Department of Education requires that fund balances be reserved at fiscal year-end to report an amount likely to be expended from the 2008-09 fiscal year budget as a result of purchase orders outstanding at June 30, 2008.

Because revenues of grants accounted for in the Special Revenue – Other Fund are not recognized until expenditures are incurred, these grant funds generally do not accumulate fund balances. Accordingly, no reserve for encumbrances is reported for grant funds. However, purchase orders outstanding for grants accounted for in the Special Revenue – Other Fund total \$171,328.35 at June 30, 2008.

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

Additionally, the District has purchase orders outstanding for projects accounted for in the General Fund totaling \$214,302.49, at June 30, 2008. Since these outstanding purchase orders exceed the available fund balance in the General Fund, an encumbrance is not shown on the financial statements for this amount.

9. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2007-08 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 9,377,342.00
Categorical Educational Programs:	
Class Size Reduction	2,850,552.00
Transportation	729,005.00
Instructional Materials	324,023.00
Other	462,026.02
Workforce Development Program	1,457,396.00
Gross Receipts Tax (Public Education Capital Outlay)	391,319.00
Discretionary Lottery Funds	138,972.00
Motor Vehicle License Tax (Capital Outlay and Debt Service)	119,063.28
Food Service Supplement	32,330.00
Mobile Home License Tax	11,022.98
Miscellaneous	<u>978,141.85</u>
Total	<u>\$ 16,869,193.13</u>

Accounting policies relating to certain State revenue sources are described in Note 1.

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
 June 30, 2008

10. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2007 tax roll for the 2007-08 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	4.701	\$ 6,501,157.04
Basic Discretionary Local Effort	0.510	716,143.39
Supplemental Discretionary Local Effort	0.227	318,754.02
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	<u>2.000</u>	<u>2,808,405.46</u>
Total	<u>7.438</u>	<u>\$ 10,444,459.91</u>

11. FLORIDA RETIREMENT SYSTEM

All regular employees of the District are covered by the State-administered Florida Retirement System (FRS). Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of FRS. FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the Public Employee Optional Retirement Program (PEORP).

Benefits in the Plan vest at six years of service. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to 4 years of credit for military service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits and annual cost-of-living adjustments.

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in PEORP in lieu of the Plan. District employees participating in DROP are not eligible to participate in PEORP. Employer contributions are defined by law; however, the ultimate benefit depends in part on the performance of investment funds. PEORP is funded by employer contributions that are based on salary and membership class (Regular, Elected County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Benefits in PEORP vest after one year of service. There were 40 District participants during the 2007-08 fiscal year. Required contributions made to PEORP totaled \$114,176.77.

FRS Retirement Contribution Rates

The Florida Legislature establishes, and may amend, contribution rates for each membership class of FRS. During the 2007-08 fiscal year, contribution rates were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	9.85
Florida Retirement System, Elected County Officers	0.00	16.53
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	10.91
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.11 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.05 percent for administrative costs of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependent upon retirement class in which reemployed.

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions for the fiscal years ended June 30, 2006, June 30, 2007, and June 30, 2008, totaled \$1,386,202.12, \$1,884,872.05, and \$1,742,530.83, respectively, which were equal to the required contributions for each fiscal year.

The financial statements and other supplementary information of FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained from the Florida Department of Financial Services. Also, an annual report on FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

12. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Taylor County District School Board participates in a group self-insurance program administered by the Trustees of the Florida School Boards Association, Inc. The District's covered risks related to comprehensive property and liability insurance, general liability, workers' compensation, money and securities, and employee fidelity and faithful performance are included in this group plan. The District reports financial transactions related to these insurance programs in the General Fund.

Employee group health and hospitalization coverage is being provided on a self-insured basis up to specified limits. The District entered into an agreement with a commercial insurance company to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims exceed the loss limit established by the policy. The District has contracted with an insurance company to administer the programs under an agreement wherein the claims for benefits are paid by the insurance company, which is subsequently reimbursed by the District for claims paid plus an administrative expense. The District reports the financial transactions of its employee group insurance programs in an internal service fund.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past three fiscal years.

A claims liability of \$100,173 is reported in the Internal Service Fund at June 30, 2008, to cover estimated incurred, but not reported, insurance claims payable.

EXHIBIT - K (Continued)
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
 June 30, 2008

The following schedule represents the changes in claims liability for the past two fiscal years for the District's self-insurance program:

	Beginning-of-Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2006-07	\$ 166,562	\$ 1,349,639	\$ (1,416,028)	\$ 100,173
2007-08	100,173	1,330,397	(1,330,397)	100,173

13. OTHER LOSS CONTINGENCIES

The District received financial assistance from Federal and State agencies in the form of grants and appropriations. The disbursement of funds received under these programs generally requires compliance with specified terms and conditions and is subject to final determination by the applicable Federal and State agencies. Any disallowed claims could become a liability of the General Fund or other applicable funds. If the questioned costs noted by the auditor were disallowed by the applicable oversight agencies, these amounts would have a material effect on the overall financial position of the District.

14. SUBSEQUENT EVENTS

On September 12, 2008, the Board obtained a revolving line-of-credit in the amount of \$2,000,000 from Capital City Bank, at a 3.8 percent fixed rate of interest. The purpose of this loan was to fund District operations until the receipt of tax revenue in December 2008. On December 2, 2008, the line-of-credit was increased to \$4,000,000 due to a delay in the mailing of the property tax bills by the Taylor County Tax Collector. As of December 17, 2008, the District had borrowed \$2,850,000 on this line-of-credit and on February 4, 2009, the District repaid this loan.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

**EXHIBIT - I
TAYLOR COUNTY
DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2008**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$ 50,200.00	\$ 50,200.00	\$ 53,962.12	\$ 3,762.12
Federal Through State and Local	114,550.00	114,550.00	87,756.88	(26,793.62)
State	15,875,093.00	16,090,097.43	16,280,398.16	200,300.75
Local:				
Taxes	7,196,311.00	7,282,256.00	7,388,272.70	106,063.70
Miscellaneous	1,083,200.00	1,083,200.00	971,685.83	(111,500.07)
Total Revenues	24,322,354.00	24,610,316.43	24,782,093.31	171,766.88
Expenditures				
Current - Education:				
Instruction	13,841,900.00	13,572,661.91	14,393,292.51	(820,630.60)
Pupil Personnel Services	1,199,100.00	1,178,435.88	1,244,686.11	(65,560.25)
Instructional Media Services	319,750.00	344,157.59	318,926.83	25,227.76
Instruction and Curriculum Development Services	760,600.00	750,166.39	756,544.60	(8,378.22)
Instructional Staff Training Services	32,900.00	11,792.66	64,141.41	(52,348.55)
Instruction Related Technology	172,200.00	154,570.95	117,248.39	37,322.56
Board of Education	233,700.00	233,762.73	221,570.81	12,102.12
General Administration	374,300.00	374,321.47	278,651.58	95,459.89
School Administration	1,644,400.00	1,660,786.41	1,666,079.24	(3,292.83)
Facilities Acquisition and Construction	2,200.00	34,746.41	39,018.17	(4,271.76)
Fiscal Services	337,200.00	310,237.70	346,938.07	(36,700.37)
Food Services				
Central Services	320,000.00	264,974.85	363,666.37	(98,691.72)
Pupil Transportation Services	1,719,800.00	1,759,917.61	1,878,820.94	(118,903.33)
Operation of Plant	2,992,000.00	2,903,732.39	2,932,411.45	(28,679.07)
Maintenance of Plant	473,700.00	466,824.12	488,612.60	(26,788.68)
Administrative Technology Services	144,900.00	213,021.82	170,301.42	33,520.40
Community Services	48,100.00	56,608.17	59,102.88	(2,493.69)
Fixed Capital Outlay:				
Other Capital Outlay		147,848.33	147,848.33	
Total Expenditures	24,353,750.00	24,438,563.36	25,504,584.70	(1,066,016.34)
Excess (Deficiency) of Revenues Over Expenditures	(31,396.00)	171,748.07	(722,501.39)	(894,249.48)
Other Financing Sources (Uses)				
Transfers In	515,700.00	515,700.00	520,365.81	(95,334.19)
Transfers Out			(38,875.69)	(58,875.69)
Total Other Financing Sources (Uses)	515,700.00	515,700.00	481,490.12	(164,209.86)
Net Change in Fund Balances	584,304.00	787,448.07	(271,011.27)	(1,058,459.34)
Fund Balances, July 1, 2007	(210,968.89)	(865,978.59)	(865,978.59)	
Fund Balances, June 30, 2008	\$ 384,335.11	\$ (78,530.52)	\$ (1,136,988.86)	\$ (1,059,459.34)

EXHIBIT - L

	Special Revenue - Other Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
\$ 1,224,000.00	\$ 1,224,000.00	\$ 1,273,884.96	\$ 49,884.96	
3,279,500.00	3,288,818.84	2,982,787.65	(304,031.19)	
		36,680.42	36,680.42	
		18,916.48	18,916.48	
4,503,500.00	4,510,818.84	4,312,069.51	(198,749.33)	
2,901,800.00	2,705,414.96	2,580,473.28	124,941.68	
446,200.00	446,200.00	443,496.01	2,703.99	
6,800.00	6,800.00	1,902.21	4,897.79	
138,500.00	138,500.00	315,599.78	(177,099.78)	
401,100.00	401,100.00	124,731.99	276,368.01	
17,000.00	16,283.98	57,005.01	(41,721.03)	
100,000.00	109,000.00	65,941.16	43,058.84	
181,000.00	181,000.00	141,362.74	39,637.26	
		2,981.79	(2,981.79)	
		4,328.76	(4,328.76)	
17,100.00	17,100.00	18,184.46	(1,084.46)	
		300.00	(300.00)	
46,800.00	48,800.00	62,291.88	(35,591.88)	
70,400.00	70,400.00	57,789.68	12,610.32	
168,000.00	168,000.00	207,280.86	(39,280.86)	
	205,219.90	205,219.90		
4,503,500.00	4,510,818.84	4,312,069.51	198,749.33	
\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TAYLOR COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2008

Federal Grant/Pass-Through Grant/Program Title	Catalog of Federal Assistance Number	Pass-Through Grant/Assistance Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Education:				
School Breakfast Program	10.553	321	\$ 246,015.64	\$
National School Lunch Program	10.555	206	670,793.13	
Summer Food Service Program for Children	10.559	323	1,521.51	
Florida Department of Agriculture and Consumer Services:				
National School Lunch Program	10.555 (2)	None	79,343.82	
Total United States Department of Agriculture			996,653.10	
United States Department of Education:				
Direct:				
Federal Pell Grant Program	84.383	N/A	205,384.35	
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.021	283	737,529.27	
Special Education - Preschool Grants	84.173	287	38,203.41	
Leon County District School Board:				
Special Education - Grants to States	84.021	None	1,275.00	
Special Education - Preschool Grants	84.173	None	24,267.63	
Total Special Education Cluster			801,275.31	
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	131	138,443.69	
Title I Grants to Local Educational Agencies	84.010	212, 222, 226, 228	701,432.50	
Career and Technical Education - Basic Grants to States	84.048	151	182,441.62	
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	05-202-VHSC8	21,006.14	
Safe and Drug-Free Schools and Communities - State Grants	84.188	133	7,707.04	
Even Start - State Educational Agencies	84.213	219	193,346.53	
Twenty-First Century Community Learning Centers	84.287	244	253,693.49	295,693.49
State Grants for Innovative Programs	84.208	113	8,998.54	
Education Technology State Grants	84.313	121	280,486.70	
Comprehensive School Reform Demonstration	84.352	128	7,581.61	
Reading First State Grants	84.357	211	126,654.79	
Improving Teacher Quality State Grants	84.367	234	782,701.98	
Total Indirect			3,008,257.95	295,693.49
Total United States Department of Education			3,213,282.34	295,693.49
United States Department of Health and Human Services:				
Direct:				
Head Start	85.800 (3)	N/A	1,058,683.57	
Indirect:				
Early Learning Coalition of the Big Bend Region, Inc.:				
Temporary Assistance for Needy Families	85.858	None	14,714.03	
Child Care and Development Block Grant	85.875	None	49,395.53	
Social Services Block Grant	85.867	None	89.25	
Total Indirect			64,198.81	
Total United States Department of Health and Human Services			1,122,211.65	
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	None	N/A	53,682.12	
Total Expenditures of Federal Awards			\$ 5,339,263.21	\$ 295,693.49

- Notes: (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 2007-08 fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.
- (2) Noncash Assistance - National School Lunch Program. Represents the amount of donated food used during the 2007-08 fiscal year. Commodities are valued at fair value as determined at the time of donation.
- (3) Head Start. Expenditures include \$370,497.05 for grant number/program year 04CH0505/14 and \$468,182.72 for grant number/program year 04CH0506/15.



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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 ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Taylor County District School Board as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements, and have issued our report thereon included under the heading **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**. Our report on the basic financial statements was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the school internal funds and the discretely presented component unit, as described in our report on the Taylor County District School Board's financial statements. The financial statements of the school internal funds and the Taylor County Education Foundation, Inc., the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We

consider Financial Statement Finding Nos. 1 through 6, which are described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this audit report, to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this audit report, we consider Finding Nos. 1 through 6 to be material weaknesses.

Compliance and Other Matters

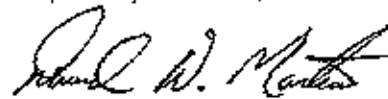
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in Financial Statement Finding No. 3 in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report.

We also noted certain additional matters that are discussed in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report.

Management's response to the findings described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report is included as Exhibit - M. We did not audit management's response and, accordingly, we express no opinion on it.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America 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, Federal and other granting agencies, and applicable 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

March 13, 2009



David W. Martin, CPA
AUDITOR GENERAL

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The President of the Senate; the Speaker of the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB *CIRCULAR A-133*

Compliance

We have audited the Taylor County District School Board's compliance with the types of compliance requirements described in the United States Office of Management and Budget's (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the fiscal year ended June 30, 2008. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of the District's major Federal programs is the responsibility of District management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the OMB's *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB *Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

As described in Federal Awards Finding No. 1 in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report, the District did not comply with requirements regarding Matching, Level of Effort, and Earmarking that are applicable to the Head Start program. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed some instances of noncompliance with those requirements, which are required to be reported in accordance with OMB *Circular A-133* and which are described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report as Federal Awards Finding Nos. 2 through 7.

Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies and one that we consider to be a material weakness.

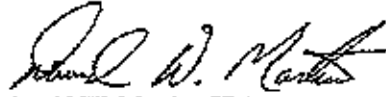
A *control deficiency* in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies in internal control over compliance described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report as Federal Awards Finding Nos. 1, 2, 4, 5, 6, and 7 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the District's internal control. Of the significant deficiencies in internal control over compliance described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report, we consider Federal Awards Finding No. 1 to be a material weakness.

Management's response to the findings described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report is included as Exhibit - M. We did not audit management's response and, accordingly, we express no opinion on it.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America 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, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Marin, CPA

March 13, 2009

**TAYLOR COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiency identified that is not considered to be a material weakness?	None reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weakness identified?	Yes
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of report the auditor issued on compliance for major programs:	Unqualified for all major programs, except for the Head Start program (CFDA No. 93.600), which was qualified.
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	Yes
Identification of major programs:	Federal Pell Grant Program (CFDA No. 84.063), Special Education Cluster (CFDA Nos. 84.027 and 84.173), Title I Grants to Local State Agencies (CFDA No. 84.010), and Head Start (CFDA No. 93.600)
Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**TAYLOR COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

FINANCIAL STATEMENT FINDINGS

Material Weaknesses

Finding No. 1: Financial Condition

The District's financial condition continued to decline during the 2007-08 fiscal year. In governmental funds, reserve accounts are used to indicate the portion of fund balance that is restricted to specific purposes and not available for general appropriation by the Board, while the unreserved fund balance is designed to serve as a measure of net current financial resources available for general appropriation by the Board. The unreserved portion represents the amount that can be used with the most flexibility for emergencies and unforeseen situations.

The General Fund is the chief operating fund of the District. During the 2007-08 fiscal year, the District's General Fund unreserved fund balance declined from a deficit of \$1,033,808.88 to a deficit of \$1,405,151.22, a decline of \$371,342.34. A summary of the total fund balances and unreserved fund balances for the District's General Fund for the past four fiscal years is shown below:

Fiscal Year Ended June 30	Total Fund Balances	Unreserved Fund Balances
2005	\$ 251,169.44	\$ 52,944.65
2006	(12,345.11)	(180,114.42)
2007	(865,978.59)	(1,033,808.88)
2008	(1,136,989.86)	(1,405,151.22)

Such deficit financial position requires commitment of future resources to meet current obligations. Failure to reverse the decline of the District's financial position could culminate in an inability on the part of the District to meet current fiscal obligations. The deficiencies noted in Financial Statement Finding Nos. 2 through 4, regarding financial reporting, monitoring, and reconciliation procedures have not been conducive to effective management control over the District's resources and may have contributed to the fund balance deficits.

The General Fund unreserved fund balance could be further reduced if the District is required to repay certain questioned costs noted in other findings. These questioned costs are discussed in more detail in Financial Statement Finding Nos. 5 and 6 with total questioned costs of \$159,752.14; Additional Matters Finding No. 11 to properly allocate interest income, totaling approximately \$47,000; Federal Awards Finding Nos. 1 through 3, and 7, with net combined questioned costs of \$1,015,855.23 (Federal Awards Finding Nos. 1 and 3 are net); and in our report Nos. 2007-161 and 2008-151 with Federal Awards Findings' unresolved questioned costs, totaling \$341,693.20. In addition, further reduction of the fund balance may occur since the District reported a \$51,950.58 deficit fund

balance in the Special Revenue – Food Service Fund at June 30, 2008, and General Fund resources may be needed to supplement the Food Service Fund.

In our report No. 2008-151, we noted that the District experienced a deficit unreserved fund balance, and recommended that the Board and Superintendent develop and implement a plan of action to ensure that an adequate fund balance is maintained in the General Fund. Because of the deficit fund balance, the District notified the Commissioner of Education and Legislative Auditing Committee that a financial emergency condition had occurred, and requested assistance from the Florida Association of District School Superintendents (FADSS) in developing a plan to improve the District's financial condition. FADSS issued a report, dated March 2008, containing a number of recommendations for cost reductions, including eliminating 99 staff positions, closing one school, eliminating bus routes, implementing energy cost savings measures, and eliminating overtime payments. In addition, the FADSS report recommended that the District use the information in the report to develop an economic recovery implementation plan with steps and timelines that will lead to economic recovery, and further indicated that if all recommendations were accepted and carried out, the District would reach a state of economic soundness with an unreserved fund balance of approximately three percent by the end of the 2008-09 fiscal year.

The Board, on June 3, 2008, approved an economic recovery plan which included the elimination of approximately 50 staff positions and reductions in the work time for 50 other positions, estimated to generate annual savings of approximately \$1.9 million. Other measures approved by the Board included the consolidation of bus routes; payment of certain operating costs, as allowable, from restricted revenue sources; and increases in various fees. However, because most of the District's cost saving measures were not implemented until near or after June 30, 2008, the impact of these measures may not be fully realized until the 2008-09 fiscal year.

Recommendation: The Board and the Superintendent should continue to implement and monitor a plan of action to ensure that an adequate fund balance is restored and maintained in the General Fund.

Finding No. 2: Financial Reporting

One of the principal methods that a school district uses to document accountability for the public resources that it receives for its operations is by preparing its annual financial report. District personnel should ensure that the report is accurate and contains required presentations and disclosures so that users, such as the School Board, Superintendent, District management, and other interested parties, can appropriately evaluate, among other things, District operations, budgetary compliance, and financial condition. Section 1001.51, Florida Statutes, and State Board of Education Rule 6A-1.001, Florida Administrative Code, require the Superintendent to keep, or to have kept, accurate records of all financial transactions. State Board of Education Rule 6A-1.0071, Florida Administrative Code, and related instructions from the Florida Department of Education (FDOE) prescribe the exhibits and schedules which should be prepared as part of the District's annual financial report. Law and rules require that these exhibits and schedules be prepared in accordance with generally accepted accounting principles (GAAP).

GAAP require that financial statements contain appropriate presentations and disclosures relating to financial statement amounts. GAAP also require the District to prepare a management's discussion and analysis (MD&A) as supplementary information to introduce the basic financial statements and provide an analytical overview of the government's financial activities. Similarly, State law and rules require certain exhibits and schedules be included in the financial report package so that they can be audited in accordance with generally accepted government auditing standards. Our review of the District's 2007-08 fiscal year annual financial report, presented for audit, disclosed material errors and omissions. For example:

- The District failed to prepare notes to the financial statements or the proprietary fund statement of cash flows, which are required elements of the District's basic financial statements.
- The annual financial report did not include the required MD&A section, or the Schedule of Expenditures of Federal Awards required by United States Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.
- The District's government-wide statement of net assets was out of balance approximately \$25.8 million, due primarily to the District's failure to report net asset balances.
- On the District's government-wide statement of activities, general and pro rata revenues were understated approximately \$21.3 million, expenses were understated approximately \$7.4 million, beginning net assets was understated approximately \$7 million, and ending net assets was understated approximately \$14.6 million. These misstatements mainly occurred because the District did not accumulate the appropriate revenue and expenditure transactions from the fund statements, and apply the correct conversion entries, for presentation on the government-wide statements. For example, the District only reported approximately \$80,000 for grants and contributions not restricted to specific programs; however, when appropriate revenue transactions, such as funding from various Federal and State nonspecific grants, are combined from the fund statements, these transactions total approximately \$20 million.
- As further discussed in Financial Statement Finding No. 4, the District did not properly reconcile its bank account balances to the general ledger control accounts, resulting in the bank balance exceeding the general ledger by \$1,010,000 at June 30, 2008. During our audit, we identified the causes for \$960,000 of the difference; however, as of February 5, 2009, the District had not been able to identify the causes for the remaining difference of approximately \$50,000. Additionally, reported cash on the governmental funds balance sheet was incorrectly allocated between funds, including an overstatement in the Capital Projects – Local Capital Improvement Fund (\$1.7 million) and understatements in the General Fund (\$1.2 million), Special Revenue – Other Fund (\$3.6 million), along with other errors (\$3.1 million).
- The District did not properly identify and report certain Legislative capital outlay appropriations on the financial statements. As a result, a receivable and related deferred revenue of \$0.3 million each was underreported in the Capital Projects - Public Education Capital Outlay Fund, and a receivable and deferred revenue of \$1.2 million each was underreported in the Capital Projects – Other Fund for Classrooms First and Classrooms for Kids construction allocations.

While District staff focused much of their attention on developing and implementing an economic recovery plan, as discussed in Financial Statement Finding No. 1, District procedures were ineffective to ensure the accuracy of the financial statements. Additionally, we noted numerous journal entries which were erroneously made in an effort to record prior audit adjustments and other activities related to the 2007-08 fiscal year transactions. We were able to extend our audit procedures to determine the adjustments necessary for the fair presentation of the District's basic financial statements and certain supplementary information, and District staff accepted these adjustments. However, our extended audit procedures cannot substitute for management's responsibility to implement adequate control procedures over financial reporting.

Recommendation: To facilitate necessary financial reporting, the District should establish procedures to ensure the accuracy and completeness of its annual financial report.

Finding No. 3: Budgetary Controls and Financial Monitoring

The process for adopting and amending the budget affords a governmental entity with a mechanism to plan a level of expenditures to meet its obligations while remaining within available financial resources. If the budget is not properly monitored and amended to meet changing financial circumstances, there is an increased risk that an entity's expenditures will exceed available resources. Section 1011.05, Florida Statutes, provides that the official budget shall not be altered, amended, or exceeded except as authorized. Further, Section 1011.06, Florida Statutes, provides that

expenditures shall be limited to the amount budgeted under the classification of accounts provided for each fund and to the total amount of the budget after the same have been amended as prescribed by law and rules of the State Board of Education.

State Board of Education Rule 6A-1.008, Florida Administrative Code, requires that monthly financial statements be prepared and submitted to the Board. Board Policy 9.20, *Financial Records*, provides that the Superintendent shall submit to the Board each month a financial statement in a form approved by the Board, and shall include a cumulative report to date of all receipts and expenditures for the school fiscal year. Our review disclosed that improvements were needed in budgetary controls and compliance and in the preparation and usefulness of the monthly financial information presented to the Board, as discussed below.

- Although the District's budget process indicated that the original budget was prepared and approved in accordance with applicable laws and rules, we noted that at June 30, 2008, prior to the School Board's approval of the final budget amendments, the District had overexpenditures, totaling \$1,389,742.31 in 12 functional expenditure categories and transfers out in the General Fund, and totaling \$302,488.56 in eight functional expenditure categories in the Special Revenue – Other Fund. District records further indicated that the Board did not approve any budget amendments prior to June 30, 2008, even though, as indicated above, expenditures incurred through June 30, 2008, significantly exceeded the budget as amended. Subsequently, the Board approved final budget amounts included in the annual financial report on September 9, 2008; however, the General Fund budget remained overexpended by a total of \$1,338,614.76 in 12 functional expenditure categories and transfers out and the Special Revenue – Other Fund had overexpenditures in eight functional expenditure categories totaling \$302,488.56. A similar finding was noted in our previous audit reports, most recently No. 2008-151.
- Financial reports were not presented to the Board each month, contrary to State Board of Education Rule 6A-1.008, Florida Administrative Code. As noted in Financial Statement Finding No. 1, the unreserved fund balance for the District's General Fund was a deficit \$1,405,151.22, a decline of \$371,342.34 from the deficit unreserved fund balance at June 30, 2007. Without monthly financial statements that clearly present the financial condition of the District, especially in this time of financial crisis, Board members may have limited understanding of the financial status of the District, which could lead to instances of financial mismanagement, authorizing purchases when funds are not available, and not identifying or remedying critical budget shortfalls in a timely manner. Monthly financial statements that provide practical and understandable summary financial information, such as total revenues and expenditures by fund, projected and revised student enrollment counts and the effects of such revisions, and current anticipated ending fund balance amounts, would allow the Board to timely monitor the financial condition of the District and provide information for financial decision-making. Similar findings were noted in previous audit reports, most recently No. 2008-151.

Recommendation: Procedures should be enhanced to ensure that expenditures are limited to budgeted amounts as required by State law, rules, and Board policy. Also, the District should provide accurate monthly financial information to the Board in a timely manner, so that the Board has practical and understandable summary information for monitoring the overall financial condition of the District.

Finding No. 4: Bank and Investment Account Reconciliations

Effective internal control procedures require that reconciliations of bank and investment account balances with the District's general ledger balances be prepared in a timely manner to provide assurance that the District's cash

collection and disbursement records are in agreement with bank and investment records. The District maintained 13 bank accounts and six investment accounts during the audit period. The District maintained manual records of transactions, referred to as the cash and investment books, which District staff used to record cash and investment transactions and to monitor cash needs. Transactions entered in these cash and investment books were periodically entered in the general ledger.

Our review disclosed that, while the District reconciled the June 2008 bank account balances to the manually-maintained cash book, the cash book was not maintained by reporting fund and was not reconciled monthly to the balances recorded on the District's general ledger. The June 30, 2008 cash book balance was \$1,010,000 more than the cash balance per the general ledger. Through the application of extended audit procedures, we were able to identify the causes for approximately \$960,000 of the difference, including the double recording of workers' compensation expenditures and other erroneous entries in the general ledger. However, as of February 5, 2009, the District had not been able to identify the causes for the remaining difference of approximately \$50,000 and, due to the volume of transactions, it was not practicable for us to do so on postaudit.

Because cash book transactions were not properly entered into the general ledger and accounts properly reconciled, financial information obtained from the general ledger throughout the year was incomplete and may have impaired the ability of the Board and District staff relying on this financial information to effectively monitor the District's financial position. Timely posted entries into the general ledger and prompt reconciliations of bank account balances to general ledger accounts would provide for timely detection and correction of unrecorded or improperly recorded transactions and would ensure accuracy of the financial records for monitoring District operations throughout the year. A similar finding was noted in previous audit reports, most recently No. 2008-151.

Recommendation: The District should enhance its procedures to timely enter transactions into its general ledger, promptly reconcile bank balances to general ledger accounts, and maintain records by reporting fund.

Finding No. 5: Capital Outlay and Debt Service

Section 9(d) Article XII, of the Constitution of the State of Florida provides, among other matters, for the allocation of motor vehicle license revenue to school districts for the purpose of funding capital outlay projects only in the order of priority of needs, as shown by a survey or surveys conducted by the school district. Further, the Office of Educational Facilities (OEF) of the Florida Department of Education has published the *State Requirements for Educational Facilities – 2007 (SREF)*, which, in part, includes requirements for expending these capital outlay and debt service funds. Section 2.1(5) of the *SREF* states that school districts must prepare a list of projects, in priority order, to be the basis for expending capital outlay and debt service funds. To implement this requirement, the District submits a form (OEF 217) to the OEF for approval showing its projects in order of priority. Section 2.1(5)(e) of the *SREF* states that capital outlay and debt service funds shall only be expended by districts on projects in the established order of priority.

In our report No. 2008-151, we noted a transfer of \$81,103.14 from the Capital Projects – Capital Outlay and Debt Service Fund to the General Fund. District staff indicated that the transfer was to reimburse the General Fund for maintenance of plant costs, and the only maintenance of plant-related project on the project priority list was for correction of safety-to-life, health, and sanitation deficiencies identified in the annual safety inspections. However, General Fund expenditures for this project were not identified in the District's accounting records, and District records were not provided to evidence that use of the transfer was for allowable purposes. We recommended that the District document the allowability of the questioned costs, totaling \$81,103.14, to the Florida Department of

Education or restore the costs to the Capital Projects – Capital Outlay and Debt Service Fund. As of February 5, 2009, the District had informed the Florida Department of Education of these questioned costs, but a final resolution of this matter had not been determined. Without such, the \$81,103.14 remain questioned costs of capital outlay and debt service funds.

Recommendation: The District should document the allowability of the questioned costs, totaling \$81,103.14, to the Florida Department of Education or these costs should be restored to the Capital Projects – Capital Outlay and Debt Service Fund.

Finding No. 6: Ad Valorem Taxation

Section 1011.71, Florida Statutes, as amended by Chapter 2008-2, Laws of Florida, allows the District to levy ad valorem taxes for capital outlay purposes within specified millage rates subject to certain precedent conditions. Allowable uses of capital outlay millage levy proceeds include, among other things, funding new construction and remodeling projects; maintenance, renovation, and repair of existing school plants; school bus purchases; purchases of new and replacement equipment; and property casualty insurance premium costs.

The District reported a combined total of approximately \$2.5 million, for expenditures and transfers out of its capital outlay millage levy proceeds during the 2007-08 fiscal year. Our tests of District records supporting 31 payments, totaling approximately \$570,000, disclosed expenditures, totaling \$23,516, from the 2007-08 fiscal year capital outlay millage funds for band uniforms which were not specifically included as an allowable use of capital outlay millage proceeds. Additionally, we noted that the District made purchases from its capital outlay millage funds, totaling \$55,133, for instructional computer software licenses. In October 2008, the Florida Department of Education responded to another school district regarding its purchase of computer software noting that “the expenditure of capital improvement funds for computer software is not authorized in Section 1011.71, Florida Statutes.”

These expenditures, totaling \$78,649, represent questioned costs of the capital outlay millage funds. Section 1011.71(4), Florida Statutes, provides that the District is subject to having an equal dollar reduction in Florida Education Finance Program funds appropriated under Section 1011.62, Florida Statutes, in the fiscal year following this audit citation.

Recommendation: The District should develop and implement procedures to ensure that expenditures of such tax levies are limited to the purposes set forth in Section 1011.71, Florida Statutes. The District should also restore questioned costs of \$78,649 to the Capital Projects - Local Capital Improvement Fund.

ADDITIONAL MATTERS

Finding No. 7: Group Health Self-Insurance Plan – Annual Report and Actuarial Soundness

The District provides for employee health and hospitalization insurance through a self insurance plan pursuant to Section 112.08, Florida Statutes. Section 112.08(2)(b), Florida Statutes, requires the District to submit its self-insured plan, along with certification as to the actuarial soundness of the plan, to the Florida Office of Insurance Regulation (OIR) in order to obtain approval of the plan. Florida Statutes further state that the approval of the self-insured plan will not be granted unless OIR determines that the plan is designed to provide sufficient revenues to pay current and future liabilities as determined according to generally accepted actuarial principles. After

implementation of the approved plan, each district school board must annually submit to OIR a report which includes a statement prepared by an actuary as to the actuarial soundness of the plan.

The annual report is due 90 days after the close of the fiscal year of the plan, and since the District's plan year closes on September 30, the annual report should be filed by December 31 of each year. However, the District did not file its annual report for the plan year ending 2008 until February 6, 2009, or 37 days after the required filing date. The District informed us that this happened because it did not receive the actuary report timely. Without timely filing annual reports, the District may limit OIR's ability to properly monitor the District's plan. As noted in report No. 2008-151, officials from the OIR noted that the plan's estimated surplus at September 30, 2007, did not appear to be adequate to provide for 60 days of anticipated claims. In such circumstances, the timely filing of the required annual reports becomes more critical to enable the Board and the OIR to effectively monitor the actuarial soundness of the plan and help ensure the District's ability to meet its self-insurance obligations in the future.

Recommendation: The District should take appropriate action to ensure that the Group Health Self-Insurance plan annual report is timely filed with the Florida Department of Financial Services, Office of Insurance Regulation.

Finding No. 8: Collection of Social Security Numbers

The Legislature has acknowledged in Section 119.071(5)(a), Florida Statutes, the necessity of collecting social security numbers (SSNs) for certain purposes because of their acceptance over time as a unique numeric identifier for identity verification and other legitimate purposes. The Legislature has also recognized that SSNs can be used to acquire sensitive personal information, the release of which could result in fraud against individuals or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining such information to ensure its confidential status.

Effective October 1, 2007, Section 119.071(5)(a), Florida Statutes, as amended by Chapter 2007-251, Laws of Florida, provides that the District may not collect an individual's SSN unless the District has stated in writing the purpose for its collection and unless it is specifically authorized by law to do so or imperative for the performance of the District's duties and responsibilities as prescribed by law. Additionally, this section requires that, as the District collects an individual's SSN, it must provide the individual with a copy of the written statement indicating the purpose for collecting the number. Further, this section provides that SSNs collected by the District may not be used by the District for any purpose other than the purpose provided in the written statement. This section also requires that the District review whether its collection of SSNs is in compliance with the above requirements; immediately discontinue the collection of SSNs for purposes that are not in compliance; and certify to the President of the Senate and the Speaker of the House of Representatives its compliance with these requirements no later than January 31, 2008. Further, by this date, the District was required to file a report with the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives listing the identity of all commercial entities that have requested SSNs during the preceding calendar year and the specific purposes stated by each commercial entity regarding its need for SSNs. If no disclosure requests were made, the District was required to so indicate.

District personnel indicated that the District collects SSNs from employees, applicants for employment, students, and vendors who do not have a Federal identification number. The District has assigned employee identification numbers to each employee, but maintains the SSN for income tax and social security reporting purposes. However, contrary to the above law, the District did not conduct the required review and evaluation of the reasons for its collection of SSNs or prepare written statements notifying individuals of the purpose for collection of the numbers.

Further, contrary to the above law, the District did not certify to the Legislature that it complied with Section 119.071(5)(a), Florida Statutes, or report to the Governor and Legislature the identity of all commercial entities that requested SSNs during the preceding calendar year. Effective controls to properly monitor the need for and use of SSNs and ensure compliance with statutory requirements reduce the risk that SSNs may be used for unauthorized purposes. Subsequent to our inquiries, District management initiated actions to comply with the requirements of Section 119.071(5)(a), Florida Statutes, by adopting a policy in September 2008 related to the collection, review, notification, and reporting of SSNs.

Recommendation: The District should take appropriate action to ensure compliance with Section 119.071(5)(a), Florida Statutes. Such action should include an evaluation of the reasons the District collects SSNs from individuals. In those instances in which the District determines that collection of the SSNs is not imperative for performance of its duties and responsibilities, the District should discontinue obtaining such numbers.

Finding No. 9: Adult General Education Courses

Section 1004.02(3), Florida Statutes, defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State's workforce. Chapter 2007-72, Laws of Florida, Specific Appropriation 125, provides that each school district shall report enrollment for adult general education programs identified in Section 1004.02, Florida Statutes, in accordance with the Florida Department of Education (FDOE) instructional hours reporting procedures. Procedures provided by FDOE to the school districts stated that fundable instructional contact hours are those scheduled hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner.

Our review of 6,502 hours reported to the FDOE for 20 students enrolled in adult general education and GED preparation classes disclosed that improvements in controls over enrollment reporting were needed. We noted exceptions in enrollment reporting for all 20 students tested, as follows:

- For 15 students, the District reported total potential course hours rather than actual contact hours, resulting in the District overreporting a total of 1,958 hours.
- For three students, District personnel could not document that the students ever attended class, resulting in 900 hours overreported.
- Hours were inadvertently reported for two students for taking the GED test, resulting in 30 hours overreported.

Given the exceptions cited above, the full extent of the course hours overreported was not readily available. Since future funding may be based, in part, on enrollment data submitted to FDOE, it is important that such data be submitted correctly and be accurately presented in FDOE's records.

Recommendation: The District should enhance its controls over the reporting of instructional contact hours for adult general education courses to the Florida Department of Education. Further, the District should determine the extent of hours overreported and report the correct information to the Florida Department of Education.

Finding No. 10: Cash Collections – Student Fees

Pursuant to Section 1009.22, Florida Statutes, and State Board of Education Rule 6A-6.084, Florida Administrative Code, the District assessed and collected fees for adult students enrolled at the Taylor Technical Institute (TTI). TTI accounted for student fee assessments, collections, and outstanding balances using a computerized student fee

system. During the 2007-08 fiscal year, the District reported student fee revenues of approximately \$168,000 for students attending adult and vocational education classes at TTI. As also noted in our report No. 2008-151, the District could enhance control procedures over these revenues as discussed below:

- The Student Services Secretary at TTI was responsible for entering fee assessments and collections in the student fee system, collecting fees, and preparing prenumbered receipts. Under these conditions, one employee had control over the transaction process such that errors or fraud, should they occur, may not be detected in a timely manner.
- Effective internal controls over the student fee collection function are necessary to promote the safeguarding of assets and the reliability of accounting records. Our review disclosed that the District performed fee audits reconciling registration forms with fee receipts for only two students each semester, although TTI serves approximately 350 students per semester. Without adequate fee audit procedures covering a significant portion of the student enrollment, the risk increases for errors or misappropriations to occur and not be detected in a timely manner.
- Our review of fee assessments and recorded collections for 20 students disclosed two students with unpaid tuition fees totaling \$388.90 for the Spring 2008 semester. Further inquiry and review of District records indicated that the fees for these two students would be paid by their employer, a private company; however, as of February 5, 2009, no payments had been received from the company for fees, totaling \$7,326.94, owed for their employees attending TTI during the Fall 2007 and Spring 2008 semesters. When collection efforts are not timely, fees may remain uncollected.

Recommendation: The District should strengthen controls over student fee revenues by separating fee collection and record keeping functions, and appropriately accounting for uncollected fees.

Finding No. 11: Interest Allocation

The District did not properly allocate interest earnings on pooled investments to the respective funds owning the investments. Section 1011.09(1), Florida Statutes, requires that district school boards credit interest or profits on investments to the specific budgeted fund that produced the earnings. The District invested temporarily idle funds in a pooled account with the State Board of Administration (SBA) and in an interest-bearing account in a local depository; however, District records did not evidence that the interest allocations were based on the respective fund's ownership interest in the investment balance. As a result, interest earnings on significant amounts of restricted moneys were not correctly allocated to the funds that owned the investments during the 2007-08 fiscal year.

We extended our audit procedures to estimate the interest earnings allocations by fund which should have been made based on the respective fund's ownership of the investments. These estimates indicated that interest income was recorded in the General Fund totaling approximately \$20,000 which should have been allocated to the Capital Projects – Local Capital Improvement Fund, and approximately \$27,000 which should have been allocated to the Special Revenue – Other Fund. Further discussion relating to Federal interest earnings is provided in Federal Awards Finding No. 4.

Recommendation: The District should properly account for and allocate the interest earned on its investments to the appropriate funds that own the investments.

Finding No. 12: Information Technology – Written Policies and Procedures

Each information technology (IT) function needs complete, well-documented policies and procedures to describe the scope of the function and its activities. Sound policies and procedures provide benchmarks against which compliance can be measured and contribute to an effective control environment.

The District lacked written policies and procedures for the following IT functions:

- Administering vendor-supplied identification codes (IDs), user IDs, administrative passwords, Guest accounts, and security devices (such as firewalls and routers).
- Defining network administration responsibilities.
- Prohibiting administrator rights on the workstations of end users.
- Defining access privileges and responsibilities of end-user support staff.
- Resetting user passwords, including positive identification of the user.
- Defining termination procedures, including timely notification of terminations and reassignments and revoking the access privileges of former or transferred employees, consultants, and vendors.

Without written policies and procedures, the risk is increased that IT controls may not be followed consistently and in a manner pursuant to management's expectations.

Recommendation: The District should establish written policies and procedures to document management's expectations for the performance of the above-listed IT functions.

Finding No. 13: Information Technology - Security Awareness Training Program

A comprehensive security awareness training program apprises new employees of, and reemphasizes to current employees, the importance of preserving the confidentiality, integrity, and availability of data and IT resources entrusted to them. Significant nonpublic records (e.g., student record information and other records that contain sensitive information) are included in the data maintained by the District's IT systems. Although the District provided a security training session and Acceptable Use Policy to all employees and required employees to sign a form regarding acceptable network use annually, the District's security training was not comprehensive in that it did not facilitate employees' ongoing education and training on certain security responsibilities, such as acceptable or prohibited methods for storage and transmission of data, malicious software and virus threats, workstation controls, and handling of confidential information. The District's failure to address certain issues in their security awareness training program increases the risk that the District's IT resources could be intentionally or unintentionally compromised by employees while performing their assigned duties.

Recommendation: To minimize misuse of IT resources, the District should improve its security awareness training program to ensure that all employees are aware of the importance of information handled and their responsibilities for maintaining its confidentiality, integrity, and availability.

Finding No. 14: Information Technology - User Authentication

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed certain security controls related to user authentication that needed improvement. We are not disclosing specific details of the issue in this report to avoid the possibility of compromising District data and IT resources. However, we have notified appropriate District management of the specific issue. Without adequate security controls, the confidentiality, integrity, and availability of data and IT resources may be compromised, increasing the risk that District data and IT resources may be subject to improper disclosure, modification, or destruction.

Recommendation: The District should improve security controls related to user authentication to ensure the continued confidentiality, integrity, and availability of District data and IT resources.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Federal Awards Finding No. 1:

Federal Agency: United States Department of Health and Human Services

Award Numbers: 04CH0506/14

Program: Head Start (CFDA No. 93.600)

Finding Type: Material Noncompliance and Material Weakness

Questioned Costs: \$989,492.38

Matching, Level of Effort, Benchmarking. Title 45, Section 1301.20, Code of Federal Regulations, provides that Federal financial assistance granted under the Head Start program shall not exceed 80 percent of the total costs of the program, unless a greater percentage is approved by the United States Department of Health and Human Services. Based on the provisions of the grant documents for the February 2007 through January 2008 grant award, the District was responsible for matching 20 percent, or \$269,858, of the total cost of the project award (\$1,349,287). Title 45, Section 1301.32, Code of Federal Regulations, provides that allowable costs for developing and administering a Head Start program may not exceed 15 percent of the annual total approved costs of the program, including the required non-Federal contribution to such costs (i.e., matching), unless a waiver has been granted.

District records did not evidence that the in-kind matching contribution requirement was met, and the District did not file the SF-269 annual financial status report for the period ending January 31, 2008, due April 30, 2008, evidencing the amount and percentage of development and administrative costs incurred or matching expenditures claimed by the District. District personnel indicated that the District had requested a waiver of the matching requirements from the United States Department of Health and Human Services; however, at the time of our inquiry in February 2009, no such waiver had been received.

In the absence of verifiable documentation supporting the amounts of matching or in-kind contributions and the percentage of development and administrative costs incurred, all expenditures charged to the grant, totaling \$989,492.38, represent questioned costs subject to disallowance by the grantor.

Recommendation: The District should develop and implement procedures to document compliance with percentage limitations of development and administrative costs incurred, and with matching requirements of the Head Start program grant. Also, the District should document to the grantor agency compliance with matching requirements and development and administrative cost limitations or restore the Federal program costs, totaling \$989,492.38.

District contact person: Vicki McMamus, Director of Finance

Federal Awards Finding No. 2:**Federal Agency:** United States Department of Education**Pass-Through Entity:** Florida Department of Education**Program:** Title I Grants to Local Educational Agencies (CFDA No. 84.010), Special Education Cluster (CFDA Nos. 84.027 and 84.173), Career and Technical Education – Basic Grants to States (CFDA No. 84.048), Twenty-First Century Community Learning Centers (CFDA No. 84.287), Reading First State Grants (CFDA No. 84.357), and Improving Teacher Quality State Grants (CFDA No. 84.367)**Finding Type:** Noncompliance (All CFDA Nos. Listed Under Program) and Significant Deficiency (CFDA Nos. 84.010, 84.027, and 84.173)**Questioned Costs:** \$22,940.85 (CFDA No. 84.027)

Reporting. The District needs to make improvements in monitoring and reporting Federal expenditures for grants received through the Florida Department of Education (FDOE). Reporting and administrative requirements for such grants are governed by the FDOE publication titled, *Project Application and Amendment Procedures for Federal and State Programs*. Section C of this publication provides instructions to district school boards relative to requesting advances of Federal cash, reporting expenditures of grant funds, and preparation and submission of Form DOE 026, a report used to reconcile the Federal cash balance shown on the FDOE Distributive Aid and Cash Advance Status Report to the District's accounting records. Expenditures of grant funds are to be reported as they occur through FDOE's On-Line Disbursement Reporting Application, and districts are to submit a Final Project Disbursement Report (FA-399) by the date specified on the project award notification.

Our review of District records disclosed that expenditures, totaling approximately \$107,400, were recorded in the District's general ledger during the 2007-08 fiscal year, but were not reported to FDOE through the On-Line Disbursement Reporting Application or the final FA-399s submitted for the grants. A similar finding was noted in our report No. 2008-151 involving unreported expenditures, totaling approximately \$73,940, which have not yet been resolved. Consequently, as of February 2009, FDOE's records do not agree with District records by these amounts, and the availability of these funds for District use is uncertain. In addition, we noted grant expenditures reported to FDOE for the Special Education – Grants to States program exceeded the amount expended per District records, and therefore the District was over-reimbursed by \$22,940.85.

We further noted that the District had not prepared or filed the Distributive Aid Cash Advance Reconciliation with FDOE as of February 5, 2009, more than three months after the required filing date (November 1, 2008). While we were able to materially reconcile District records with the FDOE Federal cash balance shown on the Distributive Aid and Cash Advance Status Report, the failure to timely prepare periodic reconciliations of the FDOE cash advance balance and program expenditures with the balances shown in the District's records limits the District's ability to timely detect and correct errors in the accounting records or Federal financial reports.

Recommendation: The District should improve its monitoring of Federal expenditures to ensure that amounts recorded in the general ledger are appropriately reported to FDOE and to ensure that the required cash advance reconciliation is completed and filed within the established time period. Further, the District should contact FDOE regarding necessary action to resolve the questioned costs, totaling \$22,940.85.

District Contact Person: Vicki McManus, Director of Finance

Federal Awards Finding No. 3:**Federal Agency:** United States Department of Health and Human Services**Award Numbers:** 04CH0506/14 and 04CH0506/15**Program:** Head Start (CFDA No. 93.600)**Finding Type:** Noncompliance**Questioned Costs:** \$13,629.87

Allowable Costs/Cost Principles. Title 2, Part 225, Code of Federal Regulations, sets forth the principles for determining allowable costs of Federally-funded grant programs. Head Start is a Federally-funded program that promotes school readiness by enhancing the social and cognitive development of children through the provision of educational, health, and other services to enrolled children and families.

The District budgeted Head Start program funding for a portion of health service costs provided by the Taylor County Health Department at Steinhatchee School. While the program funded payments, totaling \$18,637.02, for health services at Steinhatchee School, these payments included costs, totaling \$13,629.87, for services at the Taylor County Elementary School which were not related to the Head Start program. Accordingly, these payments, totaling \$13,629.87, represent questioned costs subject to disallowance by the grantor.

Recommendation: The District should enhance its procedures to ensure that expenditures of Federal funds are for purposes authorized by the grant award. Additionally, the District should document the allowability of the questioned costs, totaling \$13,629.87, or these monies should be restored to the Head Start program.

District Contact Person: Eric Scott, Head Start Director

Federal Awards Finding No. 4:**Federal Agency:** United States Department of Education**Pass-Through Entity:** Florida Department of Education**Program:** Title I Grants to Local Educational Agencies (CFDA No. 84.010), Special Education Cluster (CFDA Nos. 84.027 and 84.173)**Finding Type:** Noncompliance and Significant Deficiency**Questioned Costs:** Not Applicable

Cash Management. The District received advances of Federal cash to fund expenditures of the Federal grants received through the Florida Department of Education (FDOE). Title 34, Section 80.20(b)(7), Code of Federal Regulations (CFR), establishes prerequisites for cash advances that include a requirement that the District adopt procedures which minimize the time elapsing between the draw down of cash from the State and its disbursement by the District. Title 34, Section 80.21, CFR, provides that failure to comply with such procedures could result in the termination of the advance cash payments to the District. Further, Title 34, Section 80.21(i), CFR, provides that subgrantees shall promptly, but at least quarterly, remit interest earned on cash advances to the Federal agency. The subgrantee may keep interest amounts up to \$100 per year for administrative expenses. FDOE instructed district school boards to remit interest earned on Federal cash advances to the FDOE Comptroller's Office.

Effective forecasting procedures should include a comparison of actual cash balances and disbursements with the draw requests on at least a monthly basis and prompt communication with FDOE amending cash advance requests, as needed, to provide sufficient resources while avoiding the accumulation of Federal cash in excess of immediate needs. Our review of Federal cash advances received through the State to fund various Federal programs included a comparison of the monthly beginning cash balance plus draws (available cash) to disbursements for that month, for each month during the 2007-08 fiscal year. The review indicated that on the last day of each month, the District had

cash balances in excess of the entire next month's expenditures in amounts ranging from \$404,453.00 to \$948,092.53. Further discussions of inadequate financial monitoring procedures are discussed in Financial Statement Finding No. 3.

In addition, we noted that, as of June 30, 2008, no interest earnings on cash advances had been allocated or remitted by the District during the 2007-08 fiscal year to the FDOE. However, as discussed in Additional Matters Finding No. 11, our audit analysis indicated that approximately \$27,000 in interest earnings was earned on these Federal cash advances in the 2007-08 fiscal year which should have been remitted.

Recommendation: The District should enhance its Federal cash balance monitoring procedures, as necessary, to anticipate disbursements so that such balances are kept at appropriate levels, and timely remit interest earnings on the balances as required. Also, the District should determine the amount of interest earned on excess Federal cash balances during the 2007-08 fiscal year and remit it to FDOE.

District Contact Person: Vicki McManus, Director of Finance

Federal Awards Finding No. 5:

Federal Agency: United States Department of Health and Human Services

Award Numbers: 04CH0506/14 and 04CH0506/15

Program: Head Start (CFDA No. 93.600)

Finding Type: Noncompliance and Significant Deficiency

Questioned Costs: Not Applicable

Cash Management and Reporting. District procedures were not adequate to ensure that the status of Federal Head Start cash was accurately reported and in agreement with District records. The District received funding directly from the United States Department of Health and Human Services – Payment Management System for its Head Start program. The District is required to file quarterly a Federal Cash Transaction Report, Form PSC 272, which reports cash on hand at the end of each quarter. During our review of the Form PSC 272 for the quarter ending June 30, 2008, we noted that the cash balance for the Head Start program was not specifically identified and tracked in the general ledger. Accordingly, we calculated the cash balance which should have been reported using beginning cash, plus cash draws, less Head Start expenditures, and calculated a positive cash balance at June 30, 2008, of \$91,156. The District reported a deficit cash balance of \$17,659.80 on the Form PSC 272, a difference of \$108,815.80. In several previous audits, most recently No. 2008-151, we noted similar differences. District personnel indicated that they have been unable to identify the cause of the differences.

Recommendation: The District should implement procedures to ensure that the Federal Cash Transaction Report, Form PSC 272, is accurately filed and reconciled to the District's records. Also, the District should implement procedures to ensure that the actual Head Start cash balance is identified and tracked in the District's general ledger.

District Contact Person: Vicki McManus, Director of Finance

Federal Awards Finding No. 6:
Federal Agency: United States Department of Health and Human Services
Award Numbers: 04CH0506/14 and 04CH0506/15
Program: Head Start (CFDA No. 93.600)
Federal Agency: United States Department of Education
Pass-Through Entity: Florida Department of Education
Program: Special Education – Grants to States (CFDA No. 84.027)
Finding Type: Noncompliance and Significant Deficiency
Questioned Costs: Not Applicable

Allowable Costs/Cost Principles – Compensation of Personnel Services. The Office of Management Budget (OMB) *Circular A-87*, Attachment A, Section C.1., provides that charges to Federal awards for salaries and wages be based on payrolls documented in accordance with generally accepted practices of the governmental unit and approved by a responsible official of the unit. Where employees are expected to work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by monthly personnel activity reports or equivalent documentation. These reports must reflect an after-the-fact distribution of the actual activity of each employee and must be signed by the employee. Where employees are expected to work solely on a single Federal award or cost objective, charges for salaries and wages are to be supported by periodic certifications, prepared at least semiannually, that the employees worked solely on that program for the period of the certification.

The District recorded salary and benefit expenditures for the Head Start and Special Education programs, totaling approximately \$925,000 and \$643,000, respectively. We performed audit tests of these expenditures, totaling approximately \$289,000 and \$238,000, respectively, and determined that enhancements were needed in District procedures for maintaining documentation to support these costs, as follows:

- While employees prepared annual certifications to evidence the time devoted to Federal programs, we noted that the District did not obtain the required semiannual certifications for six employees working solely on the Head Start program to support salary expenditures totaling \$288,500.12, or for three employees working solely on the Special Education program to support salary expenditures totaling \$140,081.46.
- Due to oversights, the District did not obtain the required personnel activity reports for two employees with 90 percent and 80 percent salaries charged, respectively, to the Special Education program to support salary expenditures totaling \$97,870.83.

Absent the required certifications and personnel activity reports, we performed additional audit procedures, including obtaining confirmations from applicable employees and interviewing supervisory personnel, and determined that the employees' salaries charged to the Federal program were commensurate with the time actually spent on Federal program activities by these employees. A similar finding was noted in previous audit reports, most recently No. 2008-151.

Recommendation: The District should enhance procedures to ensure that documentation to support salaries charged to Federal programs is maintained for employees working on single and multiple cost objectives.

District Contact Person: Vicki McManus, Director of Finance

Federal Awards Finding No. 7:
Federal Agency: United States Department of Education
Pass-Through Entity: Florida Department of Education
Program: Special Education - Grants to States (CFDA Nos. 84.027)
Finding Type: Noncompliance and Significant Deficiency
Questioned Costs: \$3,422.00

Allowable Costs/Cost Principles. The United States Office of Management and Budget (OMB) *Circular A-87*, Attachment A, Section C.1, provides, in part, that costs must be adequately documented to be allowable under Federal awards. The District recorded expenditures, totaling approximately \$788,000, for the Special Education program, and we performed tests of expenditures, totaling approximately \$258,000, to determine their propriety and allowability. These tests disclosed that District records did not contain sign-in/sign-out sheets or other evidence to support certain hours worked by one vendor, paid approximately \$40,000, that provided consulting and therapy services for the Special Education program. Documentation initially provided by the District in July 2008 to support amounts paid did not contain adequate support for \$8,860.75 in services (149.25 hours) charged to the District. On January 18, 2009, the District provided additional documentation to support services billed totaling \$5,438.75, which included additional timesheets not previously provided to support 56.25 hours, and copies of timesheets previously provided in July 2008 which were altered to support an additional 33 hours. Documentation to evidence the propriety of the remaining 60 hours was not provided. These hours involved travel time which was not being charged correctly per the contract, and consequently, related payments, totaling \$3,422.00, represent questioned costs subject to disallowance by the grantor. A similar finding was noted in our report No. 2008-151.

Recommendation: The District should strengthen monitoring procedures by reconciling time records for purchased services to related charges before payments for such services are made. In addition, the District should document to the grantor (Florida Department of Education) the allowability of the questioned costs, totaling \$3,422.00, or these moneys should be restored to the Special Education program.

District Contact Person: Shona Murphy, Exceptional Student Education Coordinator

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, and the SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS, the District had taken corrective actions for findings included in our report No. 2008-151.

MANAGEMENT'S RESPONSE

The District's response is included as Exhibit - M of this report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS

**TAYLOR COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2008**

Listed below is the District's summary of the status of prior audit findings on Federal programs.

Audit Report No. and District Account Finding No.	Program/Area	Finding Description	Status	Comments
2007-161 (1) 2008-151 (1)	Title I Grants to Local Educational Agencies (CFDA No. 81.010), Special Education Cluster (CFDA Nos. 84.027 and 84.123), First Start (CFDA No. 84.213), Twenty-First Century Community Learning Centers (CFDA No. 84.287), and Reading First State Grants (CFDA No. 84.307) - Cash Management	The District had cash balances in excess of the subsequent month's expenditures. In addition, interest earnings for the 2005-06 and 2006-07 fiscal years had not been remitted to the Florida Department of Education (FDOE).	Partially Corrected	Interest earnings for the 2005-06 and 2006-07 fiscal years were remitted to FDOE.
2007-161 (7) 2008-151 (7)	Head Start (CFDA No. 95.600) - Cash Management	District procedures were not adequate to ensure that the status of Federal Head Start cash was accurately reported and in agreement with District accounts.	Unchanged	District will conduct general and special audits in ensuring reported cash balances.
2007-161 (8) 2008-151 (8)	Head Start (CFDA No. 95.600) - Matching, Level of Effort, Accounting, Development and Administrative Costs	Costs for developing and administering the District's Head Start program, for the grant periods February 1, 2005, through January 31, 2006, and February 1, 2006, through January 31, 2007, were \$43,598 and \$38,722, respectively, in excess of the 15 percent allowable amount.	Partially Corrected	Pending final determination of questioned costs totaling \$43,598 for grant period ending January 31, 2006.
2007-161 (9) 2008-151 (9)	Education Technology State Grants (CFDA 81.308), Head Start (CFDA No. 95.600), and Special Education Cluster (CFDA Nos. 84.027 and 84.123) - Procurement - Contract Administration	Enhancements were needed in District procedures to ensure responsiveness with Federal requests and make pertinent to contracts that include the required contractual provisions. Additionally, the District did not obtain and maintain documentation to support time worked by contracted vendors; consequently, payments totaling \$109,134.91 and \$49,562.75 for the 2005-06 and 2006-07 fiscal years, respectively, represent questioned costs subject to disallowance by the grantor.	Unchanged	District will develop procedures to review invoices for compliance with contractual provisions prior to payment.
2007-151 (5) 2008-151 (5)	Title I Grants to Local Educational Agencies (CFDA No. 84.010) - Teaching, Level of Effort, and Benchmarking - Targeting Funds for Supplemental Educational Services	Enhancements were needed in District procedures to ensure that all eligible students are provided supplemental educational services and the agency is notified via a qualified District student. Additionally, the District should document to FDOE the allowability of questioned costs, totaling \$158,484.12 and \$240,797.07 for the 2005-06 and 2006-07 fiscal years, respectively, or these monies should be returned to the Title I program.	Partially Corrected	Grantor has waived questioned costs except for general disallowance regarding \$21,572.34 in questioned costs from the 2006-07 fiscal year pending.
2007-161 (6)	Title I Grants to Local Educational Agencies (CFDA No. 81.010) - Special Term and Provisions - Highly Qualified Teachers	Enhancements were needed in District procedures to ensure that all teachers hired to work in the District's Title I program are highly qualified. In addition, the District should document to FDOE the allowability of questioned costs, totaling \$119,823, or these monies should be returned to the Title I program.	Partially Corrected	Pending final determination with regard to the questioned costs.

**TAYLOR COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS (Continued)
For the Fiscal Year Ended June 30, 2008**

Listed below is the District's summary of the status of prior audit findings on Federal programs.

Audit Report No. and Fiscal Year's Finding No.	Program/Area	Brief Description	Status	Comments
2007-161 (9) 2008-151 (9)	Special Education - Grants to States (CFDA No. 81.027) - Modifiable Core/Cost Principles - Compensation of Personnel Services	Enhancements were needed in District procedures for maintaining documentation to support the allocation of salaries and benefits to the Special Education program for employees who worked on single and multiple cost objectives.	Uncorrected	District will implement new procedures to ensure that all Federally paid employees complete time and effort certifications and to review the documentation.
2007-161 (10) 2008-151 (10)	Federal Pell Grant Program (CFDA No. 49.063) - Cash Management	Enhancements were needed in District procedures to provide for reconciliations of Federal Pell Grant program disbursements recorded in the District's records to GAPS to ensure the timely receipt of Federal funds from the GAPS system, and resolve differences noted in prior fiscal years.	Corrected	
2007-161 (12) 2008-151 (12)	Federal Pell Grant Program (CFDA No. 49.063) - Post-Withdrawal Disbursements	Taylor Technical Institute (TTI) needed to implement procedures for determining post-withdrawal disbursement amounts for students who withdrew. Additionally, TTI needed to ensure timely notification and disbursement of post-withdrawal disbursements and return funds to the Title IV program when required.	Corrected	
2008-151 (6)	Education Technology State Grants (CFDA No. 84.515), and Head Start (CFDA No. 93.600) - Suspension and Termination	The District needed to implement procedures, prior to contacting with vendors, to verify that the vendors are not suspended or debarred or otherwise excluded from receiving federal funds.	Corrected	
2008-151 (9)	Twenty First Century Community Learning Centers (CFDA No. 84.257) and State Education (CFDA No. 31.358) - Reporting	The District needed to improve its monitoring of federal expenditures to ensure that amounts reported in the general ledger are appropriately reported to EDOL and that the required cash advance reconciliation is completed and filed within the time period.	Uncorrected	District is developing procedures to more timely reconcile general ledger expenditures to expenditures reported on the grantor's online disbursement system.
2008-151 (19)	Title I Grants to Local Educational Agencies (CFDA No. 84.010) - Special Terms and Provisions - Comprehensibility of Services	The District needed to enhance procedures to document, as required, how federal Special and local funds to provide services in Title I schools that are substantially comparable in each school.	Corrected	
2008-151 (20)	Federal Pell Grant Program (CFDA No. 49.063) - Special Terms and Provisions - Verification	The District needed to enhance procedures to ensure that verification documentation is obtained for student applications selected for verification. Also, the District should document on the grantor the allowability of questioned costs, including \$1,216, or these amounts should be returned to the program.	Corrected	

EXHIBIT - M
MANAGEMENT'S RESPONSE



Taylor County School District

District School Board
of Taylor County, Florida

370 South Oak Street
Troy, FL 32097

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www.taylor.k12.fl.us

Superintendent
Paul Dyal

Board Chairman
Mark Bradford

Board Vice Chair
Paul H. Gable

Board Secretary
David Whipple

Board Treasurer
Doris Lundy

Board Clerk
Kathleen A. Orr

March 13, 2008

David W. Martin
Auditor General
111 W. Madison Street
Tallahassee FL 32309-1450

Dear Mr. Martin:

Enclosed is our response to the preliminary and tentative audit findings and recommendations for the fiscal year ended June 30, 2008.

Respectfully,

Paul E. Dyal
Superintendent

PED/stm

Management Response – Taylor County District School Board

Report for FY 2007-08

Finding # 1

During the 2007-08 year, the District did take measures to reduce expenditures. Included in these measures were holding vacancies, reducing travel, overtime, the use of substitutes, and materials and supplies. If these measures had not been taken, the deficit would have declined further. As noted in the audit report, the District worked with the FADSS team to analyze operations and determine where positions could be eliminated and costs could be reduced. Errors in the FADSS report overstated the number of positions that could be eliminated, and closing the Steinhatchee School would likely result in the loss of all students to Dixie County and as a result, the loss of the FEFP funding for those students. A cost analysis was performed to determine that with the implementation of the plan approved by the Board on June 3, 2008, continuing to operate Steinhatchee School would be a break-even proposition. The approved changes were implemented 7/1/08, and savings are exceeding those projected in the plan. A FADSS monitoring team meets with the Finance Director one to two days per month to develop and validate revenue and expenditure projections for the remainder of the year. We are continuing to monitor and reduce expenditures and are now on track to end the year with an unreserved fund balance of 2.2%. We are developing a plan which builds on the current year, takes into consideration the expected reductions for 2009-10, and will produce a fund balance of 3% or greater by the end of 2009-10.

Finding # 2

We agree that the AFR was not complete when submitted to DOE. Due to the learning process, lack of documentation of procedures, time and personnel resource constraints and condition of the financial statements when the new Finance Director was hired, the focus was on controlling expenditures and monitoring revenues, not on the balance sheet portion of the AFR. We brought in assistance from FADSS and other Districts; however, that assistance combined with significant unpaid overtime by the Finance Director was not sufficient to allow the accurate and complete submission of the AFR. We continue to work with FADSS and other District Finance personnel to correct balance sheet entries to begin 2008-09 and to improve reporting procedures for 2008-09. We review all Purchase Orders and invoice payments in Finance to ensure coding is correct and that grant funds and capital funds are being used correctly. It should also be noted the absentee rate in Finance due to serious health issues of several key personnel was significantly higher than normal and adversely affected operations in Finance.

Finding # 3

We agree that sufficient financial reporting processes were not in place in 2007-08, resulting in reports to the Board that were not always timely and accurate. The prior Finance Director did not load the

complete budget in TERMS. Due to the known issues with the financial statements, the fund balance in the financial system could not be relied upon and efforts to enter audit adjustments in TERMS with the assistance of another District Finance Officer were not successful. Therefore, balance sheets were not presented to the Board during the year. Reports of revenue and expenditures and projected fund balance were presented to the Board beginning in April after the audit report was received and the data could therefore be correctly presented. Under normal circumstances, budget amendments would be submitted to transfer funds between categories to offset unfavorable variances. Since there was no source of funding for the overruns, it seemed futile to submit budget amendments. In 2008-09, we are presenting monthly financial reports to the Board and also submit those to FADSS and DOE. We have also submitted budget amendments to the Board for approval and budget amendments are placed on the agenda for every Board meeting, even if not used.

Finding # 4

We agree that bank statements should be reconciled to the cash book and to the general ledger on a monthly basis and have implemented procedures to ensure this occurs in 2008-09. We did receive assistance from the FADSS team in reconciling the 2008-09 bank activity to the general ledger; however, the reconciliation did not agree completely with the audit reconciliation. We have obtained the reconciling items from the auditors and will make correcting entries in the General Ledger.

Finding # 5

We have contacted DOE and recently provided additional documentation on the qualification of the noted costs from the Capital Outlay & Debt Service Fund from prior year audit 2008-151. With this added documentation, we believe that all of the questioned expenditures are in support of safety to life corrections and are allowable. We will follow up with DOE to obtain a final determination letter and will restore funds if required to do so by the end of April 2009. As stated above in finding # 2, the PO review has also strengthened controls in this area, as no findings for the 2007-08 year were noted.

Finding # 6

We agree that band uniforms and instructional computer software licenses should have been purchased with General Fund, not Local Capital Improvement Fund, and will restore those funds in March 2009. These errors occurred due to a misinterpretation of the statute.

Finding # 7

The required insurance reports were filed in February 2009 and have been provided to the auditors. During the year, the representative from Arthur J. Gallagher, our Blue Cross Blue Shield carrier, provides monthly status reports to the Insurance Committee, including claims, premiums collected, excess claims, and projected year-end fund balance. This report is based on monthly data provided to them from our financial statements for premiums collected and Board contribution as well as data on claims from BCBS.

Finding # 8

The District was not aware of this law prior to inquiries by the auditors. As noted in the audit report, upon notification of the law, the District immediately researched, developed and implemented procedures to ensure compliance for staff.

Finding # 9

We agree that proper procedures and controls were not implemented for this new requirement. The corrections for hours that were overreported have been input to the Student System and submitted to DOE. Procedures have also been put in place to ensure calculations are accurate for all students regardless of whether they withdraw early or complete the course.

Finding #10

This finding was the result of holding a position vacant for over a year and failing to perform sufficient testing to identify potential problems. The separation of duties recommended has now been implemented. We will also increase the number of fee audits to reflect a statistically valid sample size.

On the outstanding amounts for the two students, we agree that collection efforts should be made on a timely basis. TTI did bill the employer in question on multiple dates and has now been notified the company is in bankruptcy. We are obtaining a legal opinion on the best course of action. In the meantime, we are researching whether the two students in question would qualify for scholarship funds. If they qualify, we will use scholarship or waiver funds to reimburse the District for this debt.

Finding #11

This finding is related to the account reconciliation to the general ledger by fund. Based on the procedures in place to draw down Federal cash, we initially believed that the high Federal funds balance was in error. However, with the assistance of FADSS and the auditors, we now agree the balance was carried forward from prior years, and should have resulted in interest being credited to each fund. We will remit the \$27,000 in interest for 2007-08 to DOE in the 3/31/09 check run.

Finding # 12

We agree that written policies and procedures would reduce the risk that IT controls may not be followed consistently and in accordance with management's expectations. MIS is in the process of consulting with other Districts on their policies and developing written procedures to address each of the areas noted. We expect the procedures to be completed by 6/30/09.

Finding #13

We agree with this finding and are in the process of developing this program, to be implemented with the 2009-10 school year.

Finding #14

We agree with this finding and are implementing necessary controls.

Federal Award Findings

Federal Finding # 1

The annual SF 269 report for the period 2/1/07-1/31/08 was filed on 3/3/09. This report reflects expenditures of \$994,019, in-kind contributions of \$230,288 for a total program cost of \$1,224,307. The administrative costs included are \$177,100, which is less than the amount allowed of \$183,646. The non Federal in-kind contribution amount of \$ 230,288 is higher than the 20% required amount of \$198,804. We will provide the back-up documentation for these costs to the Regional office of US Health and Human Services and request a final determination letter.

We have also implemented procedures to ensure that reporting for the period 2/1/08-1/31/09 is up-to-date and submitted on a timely basis going forward.

Federal Finding # 2

We agree that a monthly reconciliation of Distributive Aid Cash Advance report would improve the District's ability to timely detect and correct errors in the accounting records and Federal financial reports. Our ability to do this has been hampered by the lack of institutional knowledge of this process and conflicting priorities. We agree that procedures need to be improved in the area of monitoring Federal expenditures. The District grant writer has been assigned to work with the Fiscal Coordinator to ensure budgets are input to TERMS on a timely basis and that has been working well in 2008-09. We requested assistance from FADSS and a neighboring District Finance staff to better understand the Distributive Aid & Cash Advance System (DACAS) process. The reconciliation for the 2007-08 year was completed and submitted to DOE on 2/12/09. We will investigate the discrepancies noted in the audit report and submit corrections to DOE. We are also implementing procedures to reconcile the on-line reporting to the DACAS report on a monthly basis, and are setting up a meeting with DOE to resolve the prior year difference.

Federal Finding # 3

We will investigate to determine how the coding error occurred and establish procedures to prevent reoccurrence. We will restore the funds in March 2009.

Federal Finding # 4

This finding is related to the account reconciliation to the general ledger by fund. Based on the procedures in place to draw down Federal cash, we initially believed that the high Federal funds balance was in error. However, with the assistance of FADSS and the auditors, we now agree the balance was carried forward from prior years, and should have resulted in interest being credited to each fund. We will remit the \$27,000 in interest for 2007-08 to DOE in the 3/31/09 check run. We have modified the procedures of drawing down cash for Federal grants to ensure this does not reoccur. In addition, we did not draw down any cash until the prior year excess balance was expended in 2008-09.

Federal Finding # 5

We agree that procedures need to be established to ensure accurate and timely reporting of the Federal Cash Transaction report for Head Start. Our ability to do so has been hampered by the lack of institutional knowledge of the processes and the availability of resources to perform the work. A member of the FADSS team reconciled the beginning cash balance back to 1996 and was unable to identify the difference. We will contact HHS and those responsible for the PSC 272 report to determine how to correct the balance in the reporting system by the end of April 2009.

Federal Finding # 6

We agree that payroll for employees working on Federal programs should be properly documented, and were incorrectly working under the premise that the annual certification was sufficient. We are working with DOE and taking steps to ensure proper procedures are followed and Personnel Activity Reports are completed as required.

Federal Finding # 7

We agree that documentation to support payment of invoices should be reviewed prior to payment to ensure payments are consistent with the contract provisions, and that the documentation should be attached to the invoice in support of the payment. We will implement procedures to ensure such payments are reviewed prior to submission to Finance. In addition, Accounts Payable will perform random testing of selected invoices to ensure compliance. We are currently pursuing a refund from the vendor that improperly charged for excess driving time and will restore those funds in March 2009.

*Florida Association of District
School Superintendents*



**Focus Study of Business and
Financial Operations**

Taylor County School District

March 2008

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Foreword

This study was prompted by a severe economic crisis currently and recently being experienced by the Taylor County School District, and was focused almost entirely on circumstances and issues relating to the economic distress and formulation of potential remedies and recommended steps and practices designed by a team of experienced educated professionals to alleviate the crisis and return the district to its desired state of economic wellness. It is a focus study and not a comprehensive organization and management study which would have presented a much broader picture of the state of the school system and its accomplishments. For instance, the district's and schools' grades resulting from application of Florida's Accountability System show a current positive picture of increasing effectiveness in teaching and learning over the past five years.

The study does not dwell on causes for the current economic distress. Obviously high on the list of causes would be unavoidable personnel changes in the past that caused loss of institutional knowledge, a distorted picture of the systems finances, and difficulties in operations and communications. It seems obvious also, that financial conditions have been worsened by the breadth of well-intended practices and services to the communities of Taylor County citizens which the system no longer can afford to render. Also, it seems clear that the economic problems in the District have been exacerbated by the declining economic picture statewide.

The Taylor County School District must take strong measures to recover from its strong pattern of economic decline. It is to that end that this report of a Focus Study on Business and Financial Operations and the recommendations therein are presented.

Table of Contents

I.	Introduction.....	1
II.	Economic Status of the Taylor County School District.....	3
III.	A Comparative Statistical Analysis of the Taylor County School District with Selected School Districts of Similar Size and Economic Circumstances.....	10
IV.	Organizational Alignment and Systems Functions.....	31
V.	Findings and Recommendations on Business and Financial Operations.....	34
VI.	Findings and Recommendations on Technology and Information Services.....	38
VII.	Findings and Recommendations on Human Resources Services.....	42
VIII.	Findings and Recommendations on Teaching and Learning.....	45
IX.	Recommended Staffing Plan.....	53
X.	Recommended Economic Recovery Plan.....	63
XI.	Recommended Monitoring Plan.....	66
XII.	Conclusion.....	66

APPENDICES:

Appendix A: Current Organization Chart

Appendix B: Recommended Organization Chart

Appendix C: Recommended Functions Assignments to Cost Centers

Appendix D: Methods for Developing a Staffing Plan

Appendix E: Staff Counts 1999 - 2008

Focus Study on Business and Financial Operations in the Taylor County School District

Introduction

This technical assistance service was requested by the Superintendent and School Board of Taylor County School District and by the Florida Commissioner of Education. The mission of the Study Team appointed to carry out the service was to conduct a study of the district business and financial operations, to determine the financial status of the school district, provide findings and recommendations relative to business and finance operations, alignment and deployment of staff personnel, to design an economic recovery plan and to recommend a monitoring plan dedicated to returning the school system to a state of economic wellness.

The study differs from the customary Organization and Management Study in that the request for this assistance was borne out of the significant and urgent economic problems and system distress being experienced by the Taylor County School District. Therefore the emphasis of the study was to locate and describe the economic problems that exist, and to recommend sound solutions to the problems and improvements in systems alignment, human resources deployment and management practices. The recommendations in this report are intended to assist the Superintendent and School Board to return the school district to a state of healthy economic conditions and climate.

The Study Team was comprised of persons holding expertise in the various functions of the school system by virtue of their training and experience in their respective fields. The intent of the team was to provide information to the requesting parties that clearly and accurately describes the generation and proliferation of problems and to recommend sound solutions to the problems and improvements in the systems operations and financial management practices.

In addition to function-specific procedures used by team members, the following guide questions were emphasized in this study:

- Is there evidence that the school district is operating from a systems perspective?
- Is there evidence that systems integration is taking place?
- Considering current economic conditions, is there evidence that systems failure has occurred?
- Is the budgeting and spending plan broadly distributed, widely understood, and operating efficiently?

- Is the linkage between the budget and the strategic plan clearly visible in the day-to-day operations of the system?
- Are the state required functions harmonically distributed among staff personnel?
- Are all potential sources of revenue known and appropriately accessed?
- Is there evidence that governance failure has occurred?
- Is there evidence that decision-making in the district is based on sound data retrieval and analysis?

The report of this study is organized in the following manner:

- Introduction
- Financial Status of the Taylor County School District
- A Comparative Statistical Analysis of Taylor County School District with Six Florida School Districts of Similar Size and Circumstances
- Findings and Recommendations on Organizational Alignment and System Functions
- Findings and Recommendations on Respective Service Operations
- A Recommended Staffing Plan
- A Proposed Economic Recovery Plan
- A Recommended Monitoring Plan

In the initial meeting in the study process, Superintendent Oscar Howard indicated that he has taken or is taking the following steps to reduce expenditures:

- ◆ Cut out travel
- ◆ Permit no purchases except for absolute essentials.
- ◆ Put strong limits on the substitute worker plan.
- ◆ Consolidate some of the bus routes.
- ◆ Take further measures to conserve energy
- ◆ The District will institute a four day work week for employees when the student year ends.

Economic Status of the Taylor County School District

Taylor County's population is about 21,000. They live on less than 10% of the county's 1,042 square mile area. Approximately 90% of the land is in forest. Major employers in the District are Buckeye Florida, City of Perry, Consolidated Forest Products, Doctors Memorial Hospital, Martin Electronics, Perry Lumber Company, Taylor County Correctional Institution, Taylor County and city governmental agencies, Taylor District School Board, Tom's Foods, and United Welding.

Property valuations have increased from \$1.082 billion in 2005 to nearly \$1.393 billion in 2007 or about 28.7% due mostly to the sharp increases in the appraised value of non-homesteaded property. However, the 2007 valuation is only about 10% higher than 2006. Property valuations are expected to remain level over the next five years due to the passage of Amendment One which increases exemptions from taxes and caps increases in property valuations for tax purposes.

The District is experiencing declining enrollment at a rate of about 6% from 2001-02 through the present. The numbers of unweighted full-time equivalent (FTE) students have dropped from 3399 in 2001-02 to 3092 in 2006-07, a drop of about 9%. Forecasts through 2010-2011 are for 2,981 FTE continuing the downward trend by an additional 9% from 2006-2007.

The adopted General Fund Budget for Fiscal Year 2007-08 is \$24,718,085 of which local taxes and state funding provide 98% or \$24,322,354. Planned local sources will provide about 34% of the budget while state sources add about 66%. It is the District's policy to maintain a reserve for contingencies of \$1,000,000. However, the adopted budget provides for a fund balance of \$364,000 for Fiscal Year 2007-08, about 1.5% of total estimated General Fund revenues.

The Auditor General's Preliminary and Tentative Audit Findings for the year ending June 30, 2007 indicate an unreserved fund balance deficit of \$1,033,809. Fiscal Year 2007 is the fourth consecutive year that the District has experienced a declining fund balance from 4.86% at the end of 2003 to a minus 4.30% at 2007 year-end (see Table 5). The District is also in deficit in the Health Insurance Trust Fund by \$45,698. An additional \$860,152 of findings are listed that could result in the District being required to repay the questioned costs further increasing the estimated fund balance deficit to \$1,939,659.

Fiscal year 2008-2009 revenues will continue to reflect the state-wide economic slowdown and the continuing downward trend in enrollment. Preliminary projected revenue for Fiscal Year 2009 is \$22,756,734 or about \$1,680,000 less than projected revenue for Fiscal Year 2007-2008.

Financial Status & Outlook

A review of adopted budgets, annual financial reports and financial audits for the fiscal years 2004-05, 2005-06, and 2006-07 (see Exhibits 1, 2 & 3) reveal a significant decline in financial condition. The situation begins with the adopted budget in which the actual beginning fund balance is consistently overstated. Furthermore, there was a serious weakness in budgetary controls as exhibited by actual expenditures exceeding adopted budget levels by \$988,000 for FY2006 and \$1,400,000 for FY2007.

The adopted budget for the 2007-2008 fiscal year continued the practice of overstating the beginning fund balance. It must be stated here that the person responsible for these budget and financial reports is no longer with the district. The current status for 2007-08 (Exhibit 4) indicates that the district may end the current fiscal year with current revenues equal to current expenditures. However, this can only occur if the district is able to maintain its current freeze on hiring and purchasing and collect additional miscellaneous revenues - expected but not collected.

If this were to occur the district would still have a negative fund balance of \$1,033,809, which still must be solved. In addition the Auditor General's report dated February 21, 2008 indicates additional liabilities of \$860,153 from questioned costs in capital outlay and federal programs. The Health Insurance Trust Fund also reflected a deficit of \$45,698 as of June 30, 2007. Thus by any measure the Taylor County School District faces a critical financial crisis.

This is likely to worsen for FY2008-09 (Exhibit 5) should budget reductions to solve Florida's budget woes come to fruition.

Exhibit 5 reflects that if no action to significantly reduce costs or increase revenues is taken, the deficit could balloon to more than \$3 million. Tentative liabilities from questioned costs mentioned above, \$860,153, plus 3% of projected 2008-2009 General Fund revenue, \$682,702, will require a total reduction of expenditures of more than \$4.4 million.

Exhibit 1: Adopted Budget Variance Analysis – Fiscal Year 2004-05

	Fiscal Year 2004-05		
	Adopted Budget	Actual Results	Variance
Revenues			
Federal	203,000.00	272,653.13	69,653.13
State	15,706,160.00	14,850,568.28	(855,591.72)
Local	5,540,494.00	6,092,999.84	552,505.84
Audit Adjustments		(118,753.61)	(118,753.61)
Total Revenues	21,449,654.00	21,097,467.64	(352,186.36)
Other Sources	124,744.00	129,591.16	4,847.16
Beginning Balances	650,027.54	758,965.78	108,938.24
Total Revenues, Other Sources & Balances	22,224,425.54	21,986,024.58	(238,400.96)
Expenditures			
Expenditures	21,642,500.00	21,734,855.14	(92,355.14)
Other Uses	0.00	0.00	0.00
Required Rebudgets			
Total Expenditures & Other Uses	21,642,500.00	21,734,855.14	(92,355.14)
Ending Balances	581,925.54	251,169.44	(330,756.10)

Exhibit 2: Adopted Budget Variance Analysis -- 2005 - 06

	Fiscal Year 2005-06		
	Adopted Budget	Actual Results	Variance
Revenues			
Federal	178,548.00	274,619.21	96,071.21
State	15,611,943.00	14,299,263.04	(1,312,679.96)
Local	6,352,368.00	7,496,859.22	1,144,491.22
Audit Adjustments		(296,477.38)	(296,477.38)
Total Revenues	22,142,859.00	21,774,264.09	(368,594.91)
Other Sources	0.00	208,090.54	208,090.54
Beginning Balances	509,370.00	251,169.44	(258,200.56)
Total Revenues, Other Sources & Balances	22,652,229.00	22,233,524.07	(418,704.93)
Expenditures			
Expenditures	21,257,400.00	22,245,869.18	(988,469.18)
Other Uses	0.00	0.00	0.00
Required Rebudgets			
Total Expenditures & Other Uses	21,257,400.00	22,245,869.18	(988,469.18)
Ending Balances	1,394,829.00	(12,345.11)	(1,407,174.11)

Exhibit 3: Adopted Budget Variance Analysis – Fiscal Year 2006 - 07

	Fiscal Year 2006-07		
	Adopted Budget	Actual Results	Variance
Revenues			
Federal	234,850.00	197,512.25	(37,337.75)
State	16,354,418.00	16,511,123.32	156,705.32
Local	7,421,564.00	7,765,384.33	343,720.33
Audit Adjustments		(417,124.63)	(417,124.63)
Total Revenues	24,010,932.00	24,056,895.27	45,963.27
Other Sources	364,000.00	520,426.72	256,426.72
Beginning Balances	320,350.33	(12,345.11)	(332,695.44)
Total Revenues, Other Sources & Balances	24,695,282.33	24,664,976.88	(30,305.45)
Expenditures			
Expenditures	23,967,000.00	25,395,510.12	(1,428,510.12)
Other Uses		135,445.35	(135,445.35)
Required Rebudgets		167,830.29	
Total Expenditures & Other Uses	23,967,000.00	25,698,785.76	(1,563,955.47)
Ending Balances	728,282.33	(1,033,808.88)	(1,762,091.21)

Exhibit 4: Adopted Budget Variance Analysis - Fiscal Year 2007 - 08

	Fiscal Year 2007-08		
	Adopted Budget	Projected Results	Variance
Revenues			
Federal	164,750.00	130,500.00	(34,250.00)
State	15,878,093.00	16,262,517.34	384,424.34
Local	8,279,511.00	8,043,819.76	(235,691.24)
Audit Adjustments			0.00
Total Revenues	24,322,354.00	24,436,837.10	114,483.10
Other Sources	615,700.00	0.00	(615,700.00)
Beginning Balances	(219,968.89)	(1,033,808.88)	(813,839.99)
Total Revenues, Other Sources & Balances	24,718,085.11	23,403,028.22	(1,315,056.89)
Expenditures			
Expenditures	24,353,750.00	24,642,350.22	(288,600.22)
Other Uses			0.00
Required Rebudgets			
Total Expenditures & Other Uses	24,353,750.00	24,642,350.22	(288,600.22)
Ending Balances	364,335.11	(1,239,322.00)	(1,603,657.11)

Exhibit 5: Preliminary Budget Variance Analysis -- 2008 - 09

	Fiscal Year 2008-09		
	2007-08	2008-09	
	Projected Results	Prelim Budget	Variance
Revenues			
Federal	130,500.00	60,200.00	(70,300.00)
State	16,262,517.34	14,767,828.02	(1,554,689.32)
Local	8,043,819.76	7,988,706.39	(55,113.37)
Audit Adjustments			0.00
Total Revenues	24,436,837.10	22,756,734.41	(1,680,102.69)
Other Sources			0.00
Beginning Balances	(1,033,808.88)	(1,239,322.00)	(205,513.12)
Total Revenues, Other Sources & Balances	23,403,028.22	21,517,412.41	(1,885,615.81)
Expenditures			
Expenditures	24,642,350.22	24,642,350.22	0.00
Other Uses			0.00
Required Rebudgets			
Total Expenditures & Other Uses	24,642,350.22	24,642,350.22	0.00
Ending Balances	(1,239,322.00)	(3,124,937.81)	(1,885,615.81)

A Comparative Statistical Analysis of the Taylor County School District with Selected Florida School Districts of Similar Size and Economic Circumstances

This analysis is a part of a focus study of business and financial services of Taylor County Schools in April 2008 conducted by the Florida Association of District School Superintendents. Taylor County was compared to six other Florida school districts of similar size and economic circumstances.

Finances

Tax base

The table below shows the amount that Taylor and the six comparison districts can generate per FTE using the 0.510 discretionary millage.

District <i>Alpha Sort</i>	2007 Tax Roll	Value of 0.510 Mills	2007-08 Unweighted FTE	Value of 0.510 Mills Per FTE	Col. 6 Amount Below 337.31	Col. 7 Compress to 337.31 per FTE
Baker	\$ 837,498,649	\$ 405,768	4,806.58	\$ 84.42	\$252.89	\$ 1,215,536
Bradford	909,339,495	440,575	3,389.26	129.99	207.32	702,661
Gilchrist	690,011,481	334,311	2,770.52	120.68	216.63	600,134
Holmes	446,757,465	216,454	3,346.63	64.68	272.63	912,39
Madison	724,076,293	350,815	2,794.64	125.53	211.78	591,849
Taylor	1,404,202,731	680,336	3,049.53	223.10	114.21	348,287
Union	238,224,371	115,420	2,247.09	51.36	285.95	642,555

Table 1: Potential (.510 mills) Discretionary Funds per UFTE. Source: Florida DOE

Discussion: For each 0.510 mill, Baker has the ability to generate \$84.42 per UFTE for 2007-08 in discretionary funds. The comparison districts range from a low of \$84.42 for Baker County to a high of \$223.10 for Taylor. The state average is \$337.31 per UFTE. Column 6 represents the difference between the state average and the amount each district can generate. Column 7 represents what each district receives if it is below the state average of \$337.31. For the comparison districts, each is below the state average.

District	Value of 0.510 Mills Per FTE	District	Value of 0.510 Mills Per FTE
Monroe	\$1,729.98	Leon	\$245.66
Franklin	\$1,640.90	Hernando	\$243.74
Wallace	\$1,246.82	Duval	\$237.63
Collier	\$950.06	Alachua	\$226.61
Sarasota	\$721.52	Taylor	\$223.10
Charlotte	\$654.90	Hillsborough	\$222.72
Marion	\$622.46	Pasco	\$219.07
Gulf	\$611.74	Levy	\$192.75
Lee	\$586.31	Escambia	\$188.42
Indian River	\$516.62	Hamilton	\$186.39
Palm Beach	\$489.10	Hendry	\$184.20
Flagler	\$458.76	Polk	\$183.32
St. Johns	\$432.27	Santa Rosa	\$182.45
Manatee	\$397.62	DeSoto	\$178.27
Sumter	\$389.20	Putnam	\$177.82
Citrus	\$377.05	Okechobee	\$172.78
Nassau	\$369.16	Hardee	\$170.14
Pinellas	\$362.32	Washington	\$149.55
Miami-Dade	\$346.96	Wakulla	\$148.90
Bay	\$338.60	Suwannee	\$146.72
State	\$337.31	Dixie	\$145.48
Broward	\$334.88	Clay	\$145.21
Volusia	\$311.49	<i>Bradford</i>	<i>\$129.99</i>
St. Lucie	\$311.45	Columbia	\$127.50
Okaloosa	\$311.39	<i>Madison</i>	<i>\$125.53</i>
Orange	\$304.59	<i>Gilchrist</i>	<i>\$120.68</i>
Lake	\$274.23	Gadsden	\$115.87
Brevard	\$269.66	Lafayette	\$111.10
Highlands	\$269.40	Jackson	\$100.00
Marion	\$261.79	Liberty	\$88.57
Jefferson	\$252.54	<i>Baker</i>	<i>\$84.42</i>
Glades	\$252.41	Calhoun	\$82.51
Seminole	\$251.77	<i>Holmes</i>	<i>\$64.68</i>
Osceola	\$245.93	<i>Union</i>	<i>\$51.36</i>

Table 2: Potential (.510 mills) Discretionary Funds per UFTE, 2007-08. All districts. Source: Florida DOE.

Discussion: Taylor and the State are in bold. The other comparison districts are in italics. Twenty Florida districts are above the state average; forty-seven districts are lower than the state average. Monroe generates \$1,729.98 for each .510 mill, the highest rate. Union generates \$51.36, the lowest. Compared to other districts, the comparison districts rank low in property values.

Financial Condition of Taylor County School District

The following are the general fund balances for 2006-2007 for Taylor and the six comparison districts of Baker, Bradford, Gilchrist, Holmes, Madison, and Union.

District <i>Alpha Sort</i>	Audited Total General Fund Balance 6/30/06	Unaudited Total General Fund Balance 6/30/07	Dollar Inc. (Dec.) Total General Fund Balance 6/30/06 to 6/30/07	Audited General Fund Unreserved Fund Balance 6/30/06	Unaudited General Fund Unreserved Fund Balance 6/30/07	Dollar Inc. (Dec.) General Fund Unreserved Fund Balance 6/30/06 to 6/30/07	Unaudited General Fund Total Revenues 6/30/07	Unaudited Financial Condition Ratio 6/30/07
Baker	\$4,814,027	\$4,859,021	\$44,994	\$3,837,628	\$4,097,534	\$259,913	\$34,536,692	11.86%
Bradford	\$2,197,267	\$2,032,868	(\$164,399)	\$1,337,428	\$1,228,572	(\$108,856)	\$27,170,400	4.52%
Gilchrist	\$977,531	\$1,091,834	\$114,303	\$670,579	\$787,485	\$116,907	\$20,987,988	3.75%
Holmes	\$1,850,512	\$987,802	(\$862,710)	\$1,814,959	\$950,634	(\$864,325)	\$22,973,989	4.14%
Madison	\$3,653,523	\$4,079,667	\$426,144	\$2,794,818	\$3,390,688	\$795,270	\$21,776,209	16.49%
Taylor	(\$12,345)	(\$219,969)	(\$207,624)	(\$180,114)	(\$328,311)	(\$148,197)	\$24,474,020	(1.34%)
Union	\$2,158,559	\$2,583,206	\$424,647	\$1,530,347	\$1,999,781	\$469,434	\$16,587,160	12.06%

Table 3: General Fund Balances and Financial Condition Ratios for 2006-07.

District <i>Alpha Sort</i>	Dollar Inc. (Dec.) Total General Fund Balance 6/30/06 to 6/30/07	Percent Inc. (Dec.) Total Fund Balance 6/30/06 to 6/30/07	Dollar Inc. (Dec.) General Fund Unreserved Fund Balance 6/30/06 to 6/30/07	Percent Inc. (Dec.) General Fund Unreserved Fund Balance 6/30/06 to 6/30/07
Baker	\$44,994	0.93%	\$259,913	6.77%
Bradford	(\$164,399)	(7.43%)	(\$108,856)	(8.14%)
Gilchrist	\$114,303	11.69%	\$116,907	17.43%
Holmes	(\$862,710)	(46.62%)	(\$864,325)	(47.62%)
Madison	\$426,144	11.66%	\$795,270	28.46%
Taylor	(\$207,624)	(1681.83%)	(\$148,197)	(82.28%)
Union	\$424,647	19.67%	\$469,434	30.68%

Table 4: Changes in General Fund Balances for 2006-07.

Source: Data from the Office of Funding and Financial Reporting, Florida DOE.

Note Taylor's total fund balance in Table 4 increased by 1681.83%, but it was a negative fund balance to begin with. Their balance was a negative \$12,345 at the end of 6/30/06 and dropped another \$207,624 to a negative \$219,969 at the end of 6/30/07 (unaudited).

Note that the figures for 2006-07 were unaudited when received from the DOE. The main section of the report will address Auditor General's Preliminary and Tentative Audit Findings for the year ending June 30, 2007, which were released after this section was prepared.

Financial Condition of Taylor County (continued)

The General Fund is the chief operating fund of the District and the following information provides an analysis of the balances and transactions of this fund. There is no statutory requirement for a district to set aside a minimum percentage of its general fund, however, the Office of the Auditor General recommends that the minimum percentage for a district's uncommitted general fund balance range from 3% to 5% of its general fund.

In a report dated November 1, 2003 – October 31, 2004, William O. Monroe, CPA for the Office of the Auditor General stated that:

Maintaining sufficient levels of unreserved fund balance is important for several reasons. Three frequently mentioned reasons are:

- *School district revenue patterns often do not match expenditure patterns. Sufficient levels of unreserved fund balance permit school districts to manage cash flow fluctuations without having to borrow money.*
- *With an adequate "rainy day" fund, school districts are better prepared to manage unexpected events, such as revenue shortfalls, uninsured damages caused by natural disasters, and negative claims experience from self-insurance operations.*
- *Credit rating agencies view a moderately-sized unreserved fund balance as an indicator of good financial money management, which may enhance the school district's credit rating*

The following table and chart show five years of financial condition ratios for Taylor County Schools.

At End of	Financial Condition Ratio	General Fund Unreserved Fund Balance	
June 30, 2003	4.86%	\$938,042	Audited
June 30, 2004	2.02%	\$408,583	Audited
June 30, 2005	0.25%	\$52,945	Audited
June 30, 2006	(0.83%)	(\$189,114)	Audited
June 30, 2007	(1.34%)	(\$328,311)	(Unaudited)

Table 5: General Fund Financial Condition Ratios for Taylor County and Fund Balances

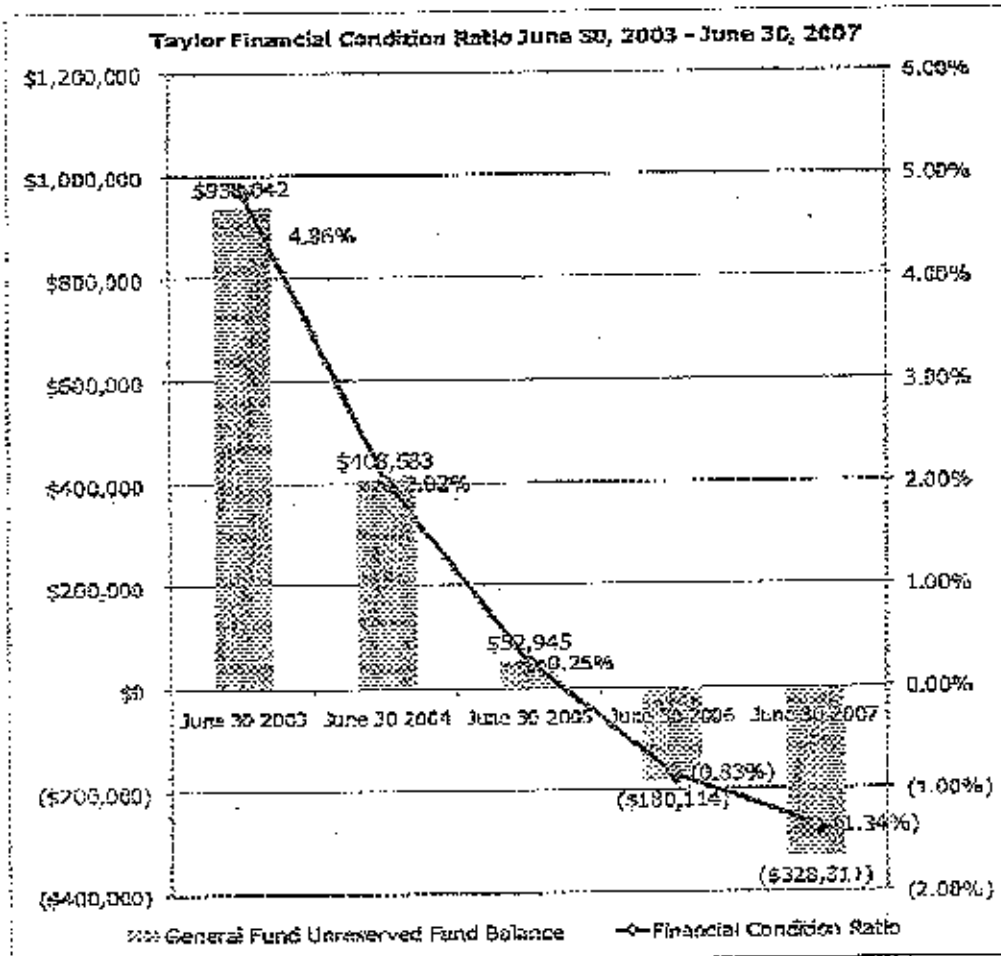


Chart I: General Fund Financial Condition Ratios for Taylor County and Fund Balances, June 30th of each year, 2003 through 2007.

Financial Condition of Taylor County (continued)

District	June 30 99	June 30 00	June 30 01	June 30 02	June 30 03	June 30 04	June 30 05	June 30 06	June 30 07
Taylor	0.85%	2.05%	2.98%	3.88%	4.86%	2.02%	0.25%	(0.83%)	(1.34%)
State	4.85%	5.09%	5.39%	5.40%	6.18%	6.62%	6.89%	7.28%	7.48%

Table 6: Taylor's Unreserved General Fund Balance compared to State Averages.

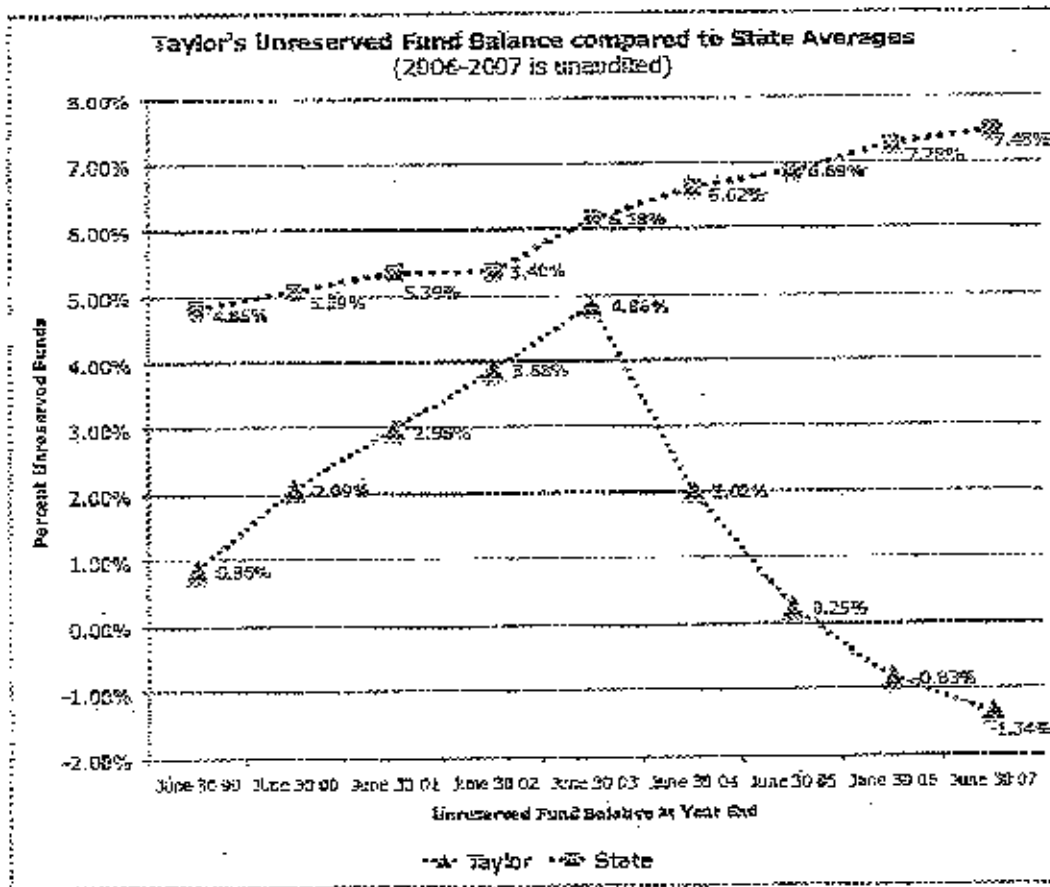


Chart 2: Taylor's Unreserved General Fund Balance compared to State Averages.

Note that 2007 is unaudited. Prior years are audited. State averages were calculated locally based on total fund balance and available unreserved fund balances from state reports.

Financial Condition of Taylor County (continued).

District	Ratio 1999	Ratio 2000	Ratio 2001	Ratio 2002	Ratio 2003	Ratio 2004	Ratio 2005	Ratio 2006	FC Ratio 2007 (Unaudited)
Baker	8.79%	9.27%	7.02%	5.54%	11.93%	16.01%	15.75%	12.54%	11.85%
Bradford	7.62%	5.75%	5.01%	7.05%	6.89%	5.26%	4.55%	5.38%	4.52%
Gilchrist	8.47%	11.60%	9.67%	8.47%	9.75%	2.36%	0.56%	3.53%	3.75%
Holmes	0.93%	1.00%	1.30%	1.07%	2.45%	13.50%	3.44%	8.63%	4.14%
Madison	5.37%	4.47%	0.95%	2.21%	7.63%	9.41%	14.31%	14.07%	16.49%
Taylor	0.86%	2.09%	2.98%	3.88%	4.86%	2.02%	0.25%	(0.83%)	(1.34%)
Union	(9.89%)	(3.06%)	7.87%	14.73%	21.61%	20.92%	13.80%	10.41%	12.06%

Table 7: Financial Condition Ratios of the General Fund.

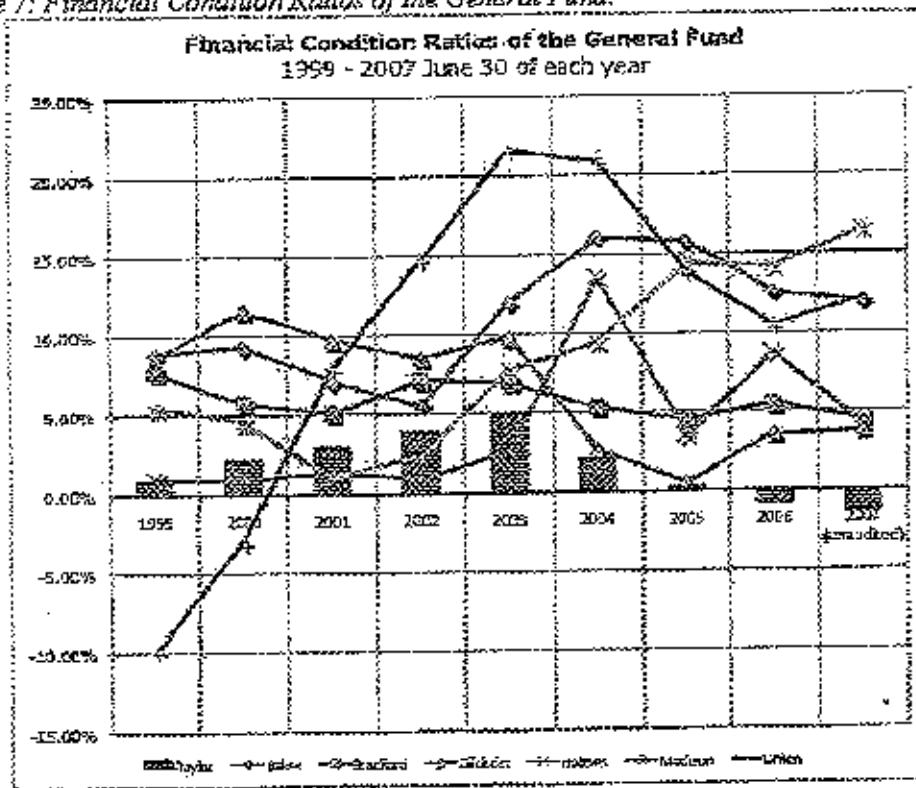


Chart 3: Financial Condition Ratios of the General Fund.

Discussion: This table and chart present historical financial condition ratios of Taylor and the comparison districts from 1999 through 2007. Union was in financial distress (1999) but made a turnaround, receiving assistance from the DGE and FADSS. Since 2004, Taylor has had the lowest financial condition ratio among the comparison group.

Financial Condition of Taylor County (continued)

Data for operating costs and expenditures was taken from Florida School Indicator Reports (FSIR) for 2005-06 and is presented in the following tables and charts. The costs in each table are sorted from high to low.

Year	Finance - Operating Costs All Programs 2005 -2006
Madison	\$6,590
Taylor	\$6,513
Bradford	\$6,296
Gilchrist	\$6,295
Holmes	\$6,128
Union	\$5,539
Baker	\$5,404

Table 8: Operating Costs, All Programs, 2005 - 2006

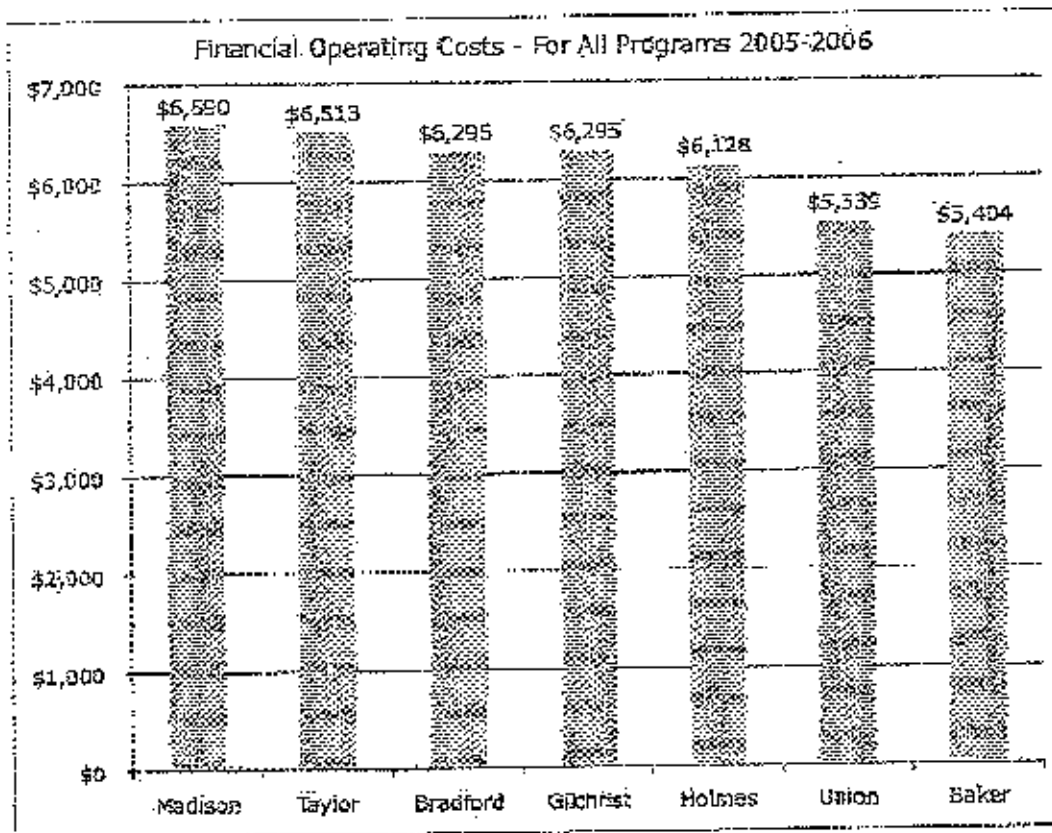


Chart 4: Operating Costs, All Programs, 2005 - 2006

Financial Condition of Taylor County (continued)

Year	Finance - Per Pupil Expenditures Regular Programs 2005 -2006
Madison	\$5,826
Taylor	\$5,687
Holmes	\$5,469
Bradford	\$5,235
Gilchrist	\$5,051
Baker	\$4,874
Union	\$4,821

Table 9: Per Pupil Expenditures, Regular Programs, 2005 - 2006

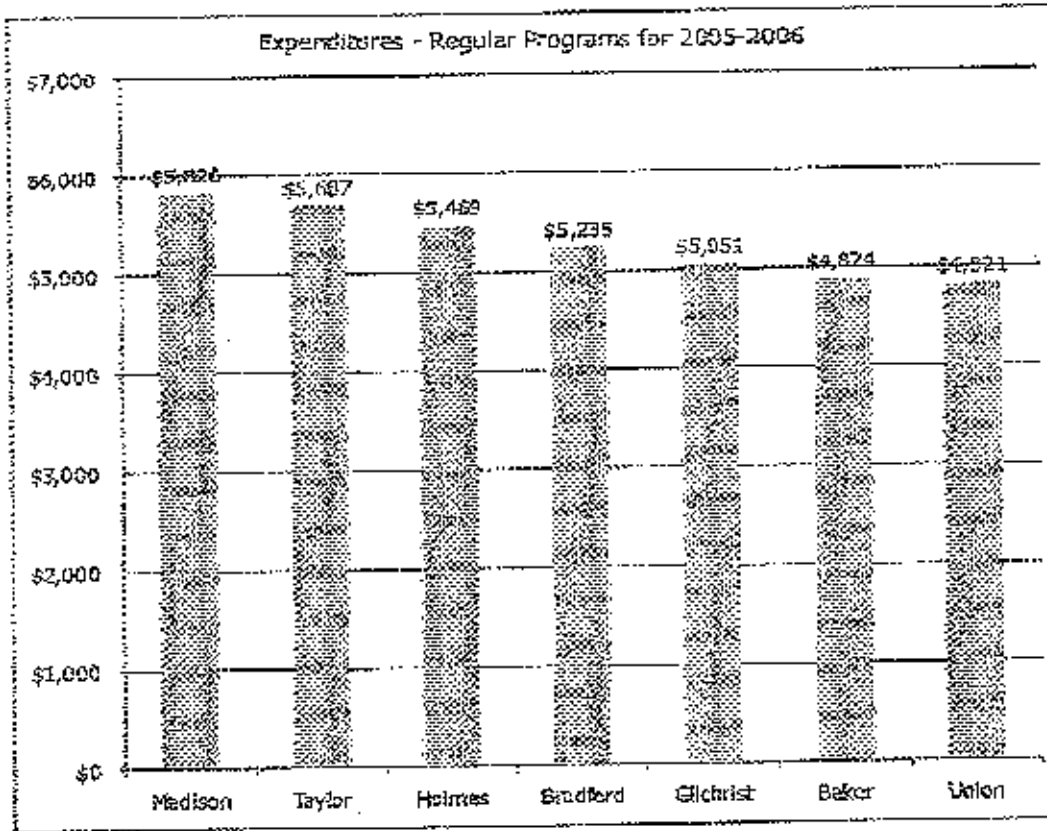


Chart 5: Per Pupil Expenditures Regular Programs, 2005 - 2006

Financial Condition of Taylor County (continued)

Year	Finance - Per Pupil Expenditures At Risk Programs 2005 - 2006
Gilchrist	\$13,224
Taylor	\$12,978
Holmes	\$5,712
Madison	\$5,074
Bradford	\$4,766
Baker	\$0
Union	\$0

Table 10: Per Pupil Expenditures, At-Risk Programs, 2005 - 2006

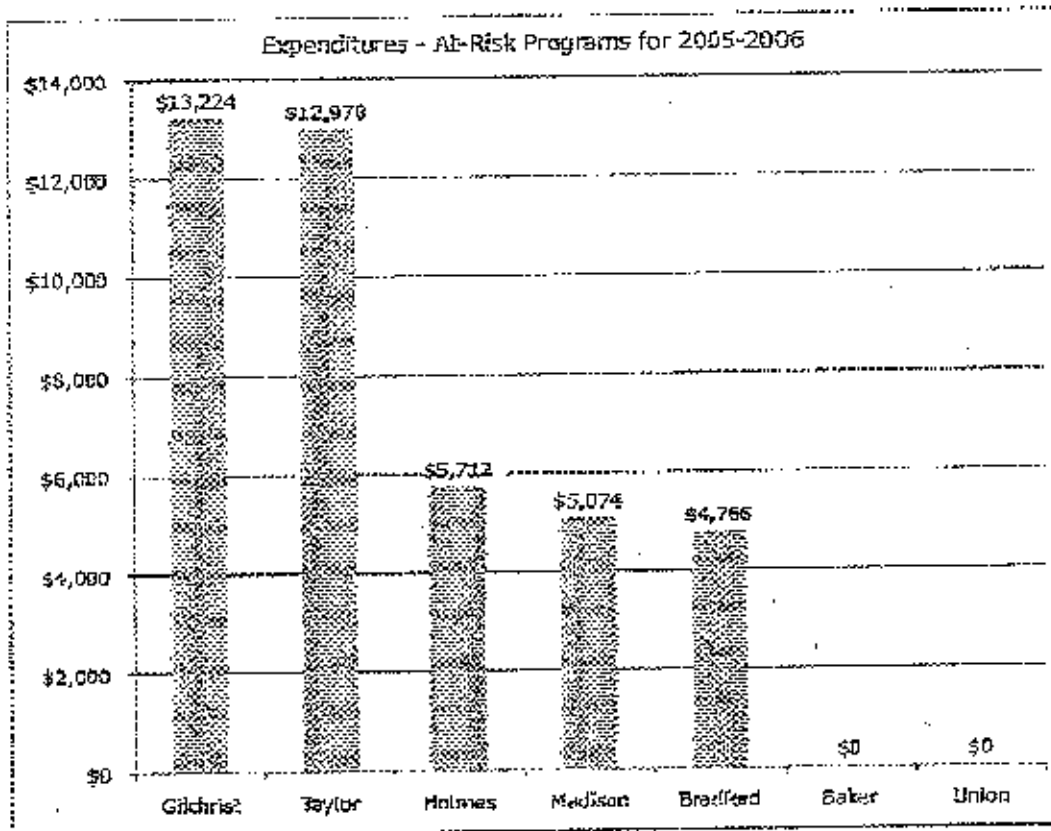


Chart 6: Per Pupil Expenditures, At-Risk Programs, 2005 - 2006

Financial Condition of Taylor County (continued)

Year	Finance - Finance - Per Pupil Expenditures ESE Programs 2005 -2006
Baker	\$9,653
Holmes	\$9,427
Bradford	\$9,033
Taylor	\$8,595
Madison	\$8,516
Gilchrist	\$8,480
Union	\$8,411

Table 11: Per Pupil Expenditures Exceptional Student Education Programs, 2005 - 2006

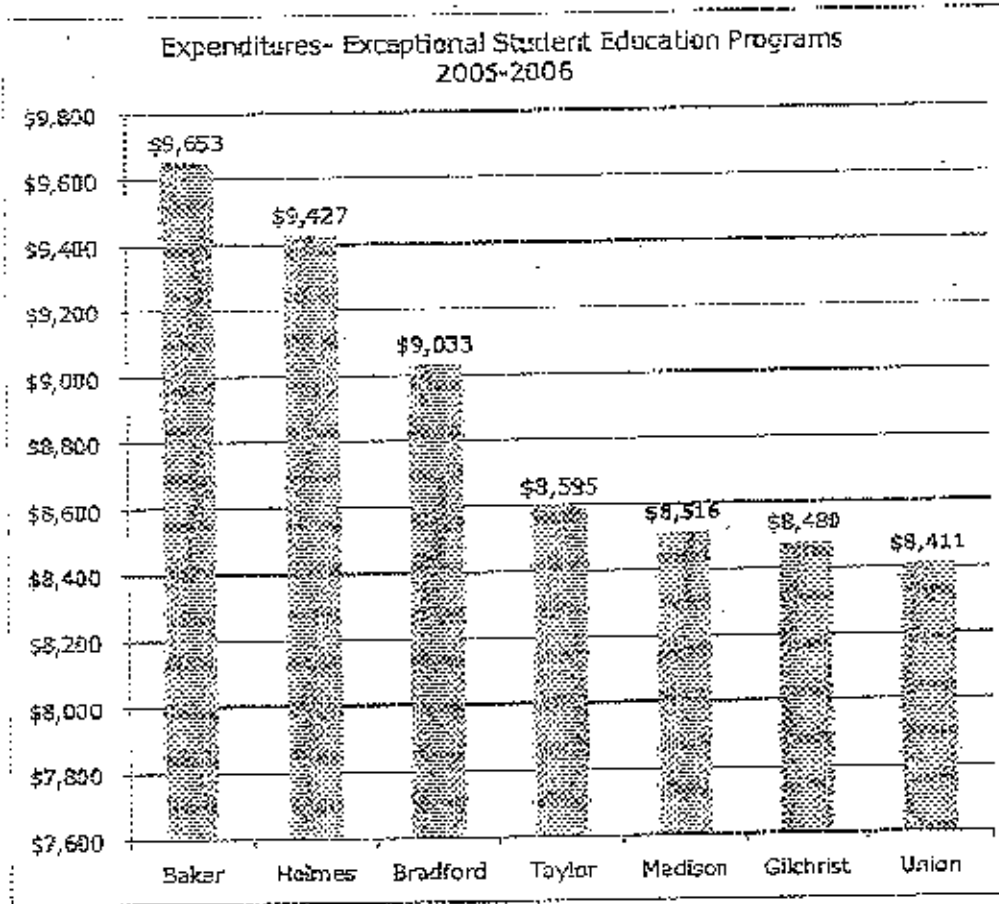


Chart 7: Per Pupil Expenditures Exceptional Student Education Programs, 2005 - 2006

Financial Condition of Taylor County (continued)

Year	Finance - Per Pupil Expenditures Vocational Programs 2005 -2006
Taylor	\$12,537
Madison	\$6,931
Holmes	\$6,861
Baker	\$6,733
Gilchrist	\$6,614
Bradford	\$6,534
Union	\$5,252

Table 12: Per Pupil Expenditures - Vocational Programs, 2005 - 2006

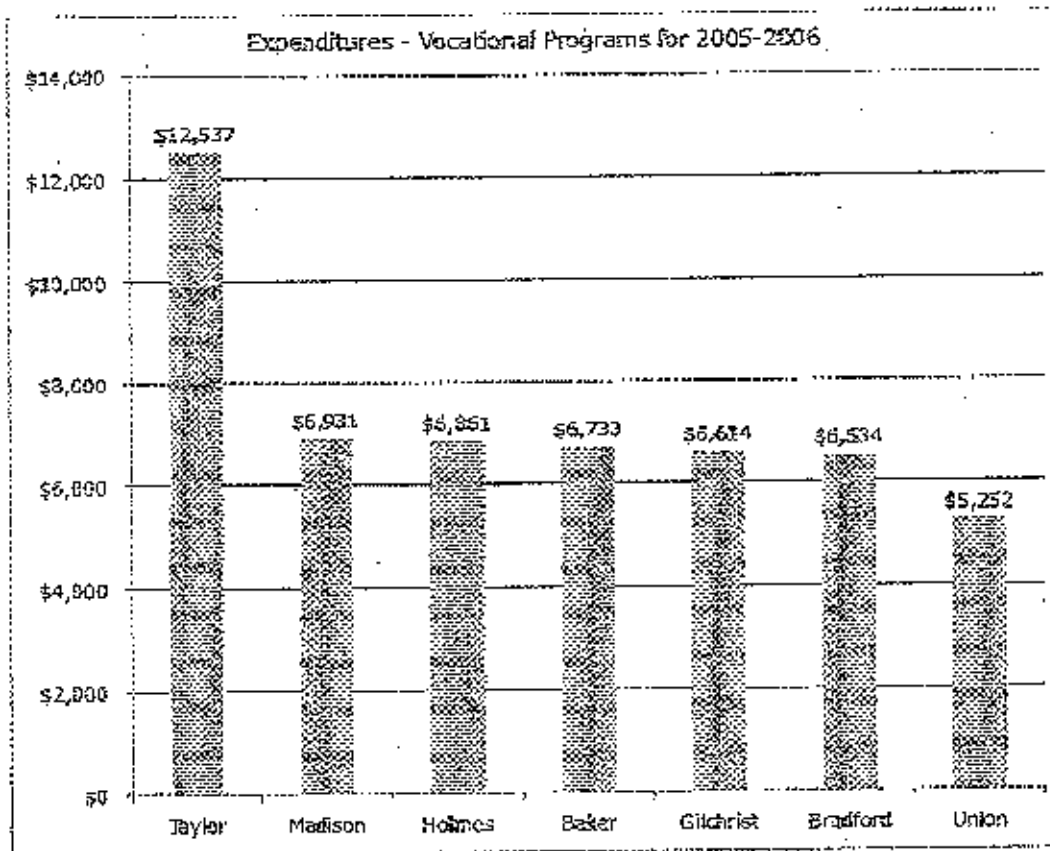


Chart 8: Per Pupil Expenditures - Vocational Programs, 2005 - 2006

Comparative Energy and Fuel Costs

The following tables are prepared from cost data submitted by districts to the Florida Department of Education in 2006-07 for district energy costs and in district gasoline & diesel fuel costs.

<i>Alpha</i> District	Membership	Natural Gas	Bottled Gas	Electricity	Heating Oil
Baker	4,974	\$0.00	\$39,648.73	\$1,144,608.39	\$0.00
Bradford	3,657	\$15,065.71	\$5,190.64	\$693,450.10	\$0.00
Gilchrist	2,886	\$0.00	\$29,750.00	\$973,293.87	\$0.00
Holmes	3,351	\$0.00	\$47,293.59	\$692,238.30	\$0.00
Madison	2,739	\$47,798.15	\$6,551.97	\$677,320.72	\$0.00
Taylor	3,108	\$35,753.49	\$0.00	\$998,159.13	\$0.00
Union	2,222	\$0.00	\$23,659.14	\$493,842.01	\$0.00

Table A1: Expenditures in Energy Costs in 2006-07 for Taylor and the Comparison Districts

Not every category has expenditures in it. For example: Baker, Gilchrist, Holmes, and Union had no expenses for natural gas; Taylor had no bottled gas expenses and none of these districts had heating oil expenses. The student membership counts are fall enrollments for the 2006-07 from the EEO5 report. A per student cost was calculated for total expenditures on gas, bottled gas, electricity, and heating oil. This is shown in the following table.

District	2006-07 Total Utility Expenditures	(Low to High) Per Student
Bradford	\$713,706.45	\$195.16
Holmes	\$739,531.89	\$220.69
State	\$597,029,222.78	\$229.77
Union	\$517,501.15	\$232.90
Baker	\$1,184,257.12	\$238.09
Madison	\$731,670.84	\$267.13
Taylor	\$1,033,912.62	\$332.66
Gilchrist	\$1,003,043.87	\$347.56

Table A2: Per Student Expenditures in Energy Costs in 2006-07

Discussion: For utility costs, Gilchrist had the highest per student expenditure at \$347.56, Taylor had the second highest per student expenditure at \$332.66. Taylor's cost was \$65.53 higher per student than Madison, the third highest expenditure, and \$137.50 per student higher than the lowest per student cost (Bradford at \$195.16) among the comparison districts. Note that Bradford and Holmes were below the state average in costs in utility costs.

Based on 2006-7 enrollment figures, if Taylor's costs had been in line with those of Madison (the third highest expenditure), a \$203,667 savings could have been realized. If Taylor's costs had been in line with those of Bradford, the lowest among the group, a \$427,350 savings could have been realized.

The following are the gasoline and diesel costs reported for 2006-07 for Taylor and the comparison districts. The membership is taken from the fall EEO5 reports for 2006-07 as well.

District	Membership	Gasoline	Diesel Fuel
Baker	4,974	\$23,894.79	\$230,219.13
Bradford	3,657	\$16,845.79	\$143,645.54
Gilchrist	2,886	\$0.00	\$145,319.94
Holmes	3,351	\$30,601.43	\$154,485.46
Madison	2,739	\$33,884.93	\$153,569.04
Taylor	3,108	\$5,257.26	\$262,639.23
Union	2,222	\$21,089.75	\$89,254.46

Table A3: Expenditures in Gasoline and Diesel in 2006-07 for Taylor and the Comparison Districts

Using the student membership counts for 2006-07, a per student cost was calculated for the total cost of gasoline and diesel fuel expenditures combined for Taylor and the comparison districts. This is shown in the following table.

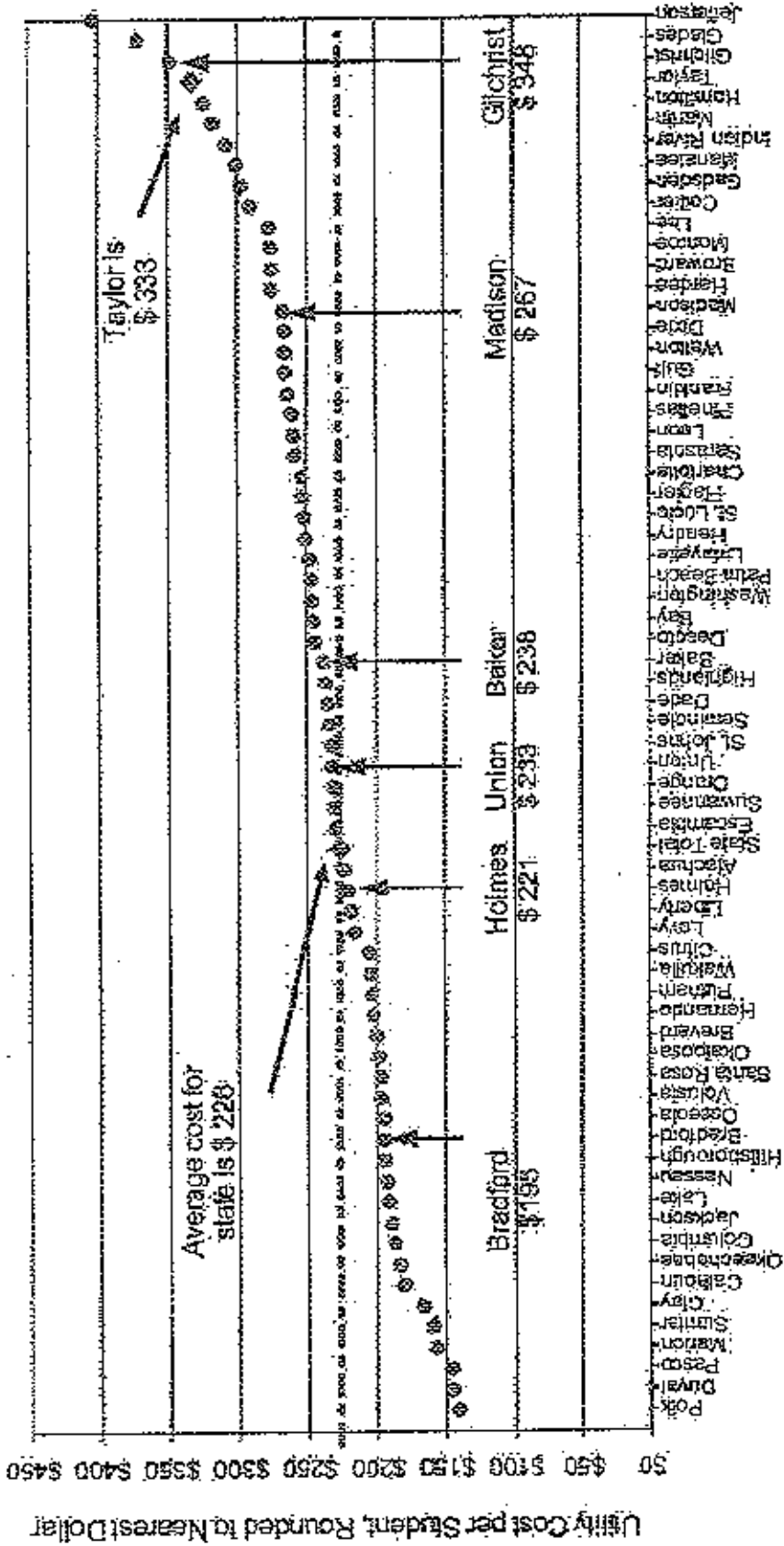
District	2006-07 Total Gasoline and Diesel Fuel Expenditures	(Low to High) Gasoline and Diesel Expenditures per Student
State Average	\$100,681,135.70	\$38.75
Bradford	\$160,491.33	\$43.89
Union	\$110,944.21	\$49.93
Gilchrist	\$145,319.94	\$50.35
Baker	\$254,113.92	\$51.09
Holmes	\$185,086.89	\$55.23
Madison	\$187,453.97	\$68.44
Taylor	\$267,896.49	\$86.20

Table A4: Per Student Expenditures in Gasoline and Diesel in 2006-07

Discussion: Taylor had the highest per student expenditure at \$86.20 for gasoline and diesel fuels. This was \$42.31 per student higher than the lowest per student cost (Bradford's at 43.89) among the comparison districts. It was \$17.76 per student higher than Madison, the next highest among the comparison districts. All districts were above the state average in this area.

Based on 2006-7 enrollment figures, if Taylor's costs had been in line with those of Madison (the next highest expenditure), a \$55,189 savings could have been realized. If Taylor's costs had been in line with those of Bradford, a \$131,498 savings could have been realized.

Total Heating Oil, Natural Gas, Bottled Gas, and Electricity costs per Student in 2006-2007
Sorted from lowest cost to highest cost.



Staffing Information for Taylor County

Districts submit counts of employees to the Department of Education using a prescribed Staff Survey format often called the EE05 Report. The following discussion is based upon data submitted by districts for the fall of 2007-2008 on the EE05. Below are two tables constructed using data submitted to the Department of Education for the fall of 2007-08 for broad classes of full-time employees for Taylor, Baker, Bradford, Gilchrist, Holmes, Madison, and Union.

District <i>Alpha Sort</i>	Enroll.	District Admin	School Admin	Total Admin	Teachers	Total Instruct Staff	FT Non Instruct	FT Staff
Baker	4921	11	14	25	315	349	249	623
Bradford	3545	12	18	30	266	291	231	552
Gilchrist	2888	16	11	27	183	207	175	409
Holmes	3385	15	13	28	233	265	198	491
Madison	2622	15	12	27	168	194	173	394
Taylor	3079	14	11	25	229	262	260	547
Union	2271	9	7	16	195	215	156	387

Table 13: Staff Data

District <i>Alpha Sort</i>	School admins as % of employees	District admins as % of employees	All admins as % of employees	Students per inst staff	Students per non inst staff	Students per employee
Baker	2.25%	1.77%	4.01%	14.1	19.8	7.9
Bradford	3.26%	2.17%	5.43%	12.2	15.3	6.4
Gilchrist	2.69%	3.91%	6.60%	14.0	16.5	7.1
Holmes	2.65%	3.05%	5.70%	12.8	17.1	6.9
Madison	3.05%	3.81%	6.85%	13.5	15.2	6.7
Taylor	2.01%	2.55%	4.57%	11.8	11.8	5.6
Union	1.81%	2.33%	4.13%	10.6	14.6	5.9

Table 14: Staff Data (continued)

Staffing Information for Taylor County (continued)

Discussion: While Taylor is staffed more leanly in terms of school administrators and Taylor staffs little more richly on district administrators, the real difference shows up in the instructional staff to student and the non-instructional staff-to-student ratios. Taylor is second from the lowest in the number of students per instructional staff (11.8 students per instructional staff). Only Union is lower with a 10.6 student to instructional staff ratio. Taylor is lowest in the number of students per non-instructional staff. Taylor has 11.8 students per non-instructional staff. Not one of the comparison districts staffs so richly. The next nearest ratio is Union with 14.6 students per non-instructional staff. The district with the fewest pupils per non-instructional staff member is Baker, with a 19.8 to 1 ratio.

Note, because the numbers are rounded to the nearest tenth, Taylor apparently has the same ratios for both students to instructional staff and students to non-instructional staff. The actual student to instructional ratio is 11.75; the actual student to non-instructional staff ratio is 11.84. The table below is a history of Taylor's staffing using the students to instructional staff and students to non-instructional staff ratios.

District	Year Start	Student Enrollment	Non- instruct staff	All admins as % of employees	Students per inst staff	Students per non inst staff	Students per employee
Taylor	99-00	3,611	219	5.08%	14.1	15.7	7.1
Taylor	00-01	3,495	218	4.23%	13.1	15.1	6.7
Taylor	01-02	3,399	217	4.50%	13.2	14.8	6.7
Taylor	02-03	3,330	218	4.65%	13.8	14.5	6.7
Taylor	03-04	3,281	224	5.14%	13.5	13.8	6.5
Taylor	04-05	3,215	231	5.16%	12.8	13.1	6.1
Taylor	05-06	3,067	240	4.49%	12.0	12.0	5.7
Taylor	06-07	3,108	240	4.40%	11.7	12.1	5.7
Taylor	07-08	3,079	246	4.57%	11.8	11.8	5.6

Table 15: Staffing Ratios for Taylor over Nine Years

Discussion: Although student enrollment has been declining in Taylor from 99-00 to 07-08, the number of non-instructional staff has increased from 219 to 246 during that time. As a result, the ratio of students per non-instructional staff has decreased from 15.7 to 11.8 to 1. In other words, Taylor may be hiring more staff than enrollments warrant.

Staffing Information for Taylor County (continued)

Two other sets of data were taken from the Florida School Indicator Reports for 2005-2006 that impact salary costs: the average years of experience of teachers and the percentage of teachers with advanced degrees.

District	Teachers - Average Years of Experience
Bradford	25.6
Baker	15.1
Madison	14.9
Gilchrist	11.5
Holmes	11.2
Union	11.0
Taylor	9.8

Table 6: Average Years of Experience of Teachers, 2005 – 2006

Discussion: Sorted from high to low. The workforce in Taylor, Gilchrist, Holmes, and Union have relatively less experience. Taylor's teachers had an average of 9.8 years of experience in 2005-2006, the least among the comparison group.

District	Teachers - Advanced Degrees (%)
Holmes	30.6
Taylor	29.6
Union	28.6
Gilchrist	27.4
Baker	22.4
Bradford	19.2
Madison	19.1

Table 17: Percentage of Teachers with Advanced Degrees, 2005 – 2006

Discussion: Discussion: Sorted from high to low. Taylor and Holmes are near the state average of 30.3 years, with approximately one-third of their instructional staffs having advanced degrees. Bradford and Madison reported the smallest percentage of teachers with advanced degrees.

Socio-Economic Data on the District

One method to determine the economic background of students' families is to use the student eligibility in the federal Free/Reduced Price Lunch program as a measure. Shown on the table below are the percentages of students that were eligible for the Free/Reduced Price Lunch programs in 2006-07 and in 1997-98.

District	2006-07 Membership	Percent Eligible 2006-07 (Sorted)	1997-98 Membership	Percent Eligible 1997-98	Change
Madison	2,935	72.90%	3,556	60.70%	12.39%
Taylor	3,420	58.20%	3,834	47.80%	10.50%
Holmes	3,384	55.80%	3,862	60.30%	-4.50%
Bradford	3,683	53.10%	4,150	54.50%	-1.40%
Gilchrist	2,889	51.50%	2,630	52.70%	-1.20%
Union	2,265	42.70%	2,314	42.20%	0.50%
Baker	4,975	41.50%	4,733	38.70%	2.80%

Table 18: Change in Percentage of Students eligible for the Federal Free or Reduced Price Lunch programs in 1997-98 and in 2006-07 in Taylor and comparison districts.

Discussion: Taylor had the second highest rate of students eligible (58.2% in 2006-07), second only to Madison's rate of 72.90%. Taylor had the fourth lowest rate during 1997-98.

Transportation Data (from Transportation Profiles for 2005-2006)

District <i>Alpha Sort</i>	Total Transportation Expenditures	Adjusted Transported Students	Total Transportation Expenses Per Student
Baker	\$1,989,154.39	2,803.00	\$702.62
Bradford	\$1,278,811.66	1,950.65	\$695.42
Gilchrist	\$1,024,742.17	1,498.27	\$644.41
Holmes	\$1,409,951.44	2,148.50	\$690.98
Madison	\$1,675,166.80	1,886.80	\$906.14
Taylor	\$1,938,143.31	1,836.01	\$1,224.73
Union	\$931,227.12	1,169.50	\$809.06
State Average			\$984.57

Table 19: Total Transportation Expenditures per Adjusted Transported Student. Source: Annual Financial Report and Final Transportation Calculation 2005-06.

The state classifies districts according to the number of buses in daily service. Mega districts have 400 or more buses in daily service, Urban districts operate between 200 and 399 buses, and Rural districts have fewer than 199 buses. Taylor is classified as a Rural district, as are the six other comparison districts.

District <i>Alpha Sort</i>	Total Transportation Expenditures as part of Total District Expenditures	Transportation Operating Expenditures per Mile
Baker	5.88%	\$2.29
Bradford	4.43%	\$2.39
Gilchrist	4.76%	\$2.36
Holmes	5.61%	\$2.79
Madison	6.96%	\$2.99
Taylor	6.76%	\$2.73
Union	5.52%	\$2.59
State Average	5.22%	\$2.53

Table 20: Total Transportation Expenditures as part of District Expenditures & Operating Costs per Mile. Source: AFR and Final Transportation Calculation 2005-06.

The Florida DOE Transportation Profiles for School Year 2005-06 report states that that the average transportation operating cost for rural districts was \$2.53 per annual mile. Taylor's transportation operating costs are more than the state average for rural districts at \$2.73 per annual mile. Madison reported the highest with operating costs at \$2.99 per annual mile. The lowest was Baker at \$2.29 per annual mile. Many factors affect operating costs including salaries of employees, age of buses, road conditions, and density of population.

Transportation Data - Transportation Profiles for 2005-2006 - (continued)

Factors that may explain Taylor's transportation costs per student include the utilization of their buses. The table below describes bus occupancy. Taylor is lowest among the comparison districts.

District	Bus Occupancy, High to Low
Baker	65.66
Gilchrist	58.78
Union	54.56
Bradford	51.83
Holmes	49.74
Madison	48.73
Taylor	32.21

Table 21: Bus Occupancy in Taylor and comparison Districts. Source: DOE.

The number of ineligible riders is another possible factor.

District	Eligible	Ineligible	Total	Percentage Ineligible High to Low
Taylor	1,578.50	471	2,049.50	22.98%
Bradford	1,840.00	497.5	2,337.50	21.28%
Baker	2,823.50	391.5	3,215.00	12.18%
Holmes	2,039.50	268.5	2,308.00	11.63%
Gilchrist	1,587.00	102	1,689.00	6.04%
Madison	1,827.50	95.5	1,923.00	4.97%
Union	1,141.50	51.5	1,193.00	4.32%

Table 22: Ineligible Riders in Taylor and comparison Districts. Source: DOE.

Another factor is the distribution of the population. Taylor has the lowest number of residents per square mile.

District	Pop Sq Mile: High to Low
Bradford	89
Union	56
Gilchrist	42
Baker	39
Holmes	39
Madison	27
Taylor	19

Table 23: Population Density in Taylor and comparison Districts. Source: DOE.

Transportation Data - Transportation Profiles for 2005-2006 - (continued)

Taylor ranks sixth out of the percentage of unpaved roads among comparison districts. See below.

District	Miles Paved	Miles Unpaved	Total	% Unpaved High to Low
Holmes	205	575	780	74%
Gilchrist	148	364	512	71%
Madison	246	483	729	66%
Baker	334	440	774	57%
Bradford	218	282	499	56%
Taylor	381	424	805	53%
Union	184	92	276	33%

Table 24: Paved and unpaved Roads in Taylor and comparison Districts.

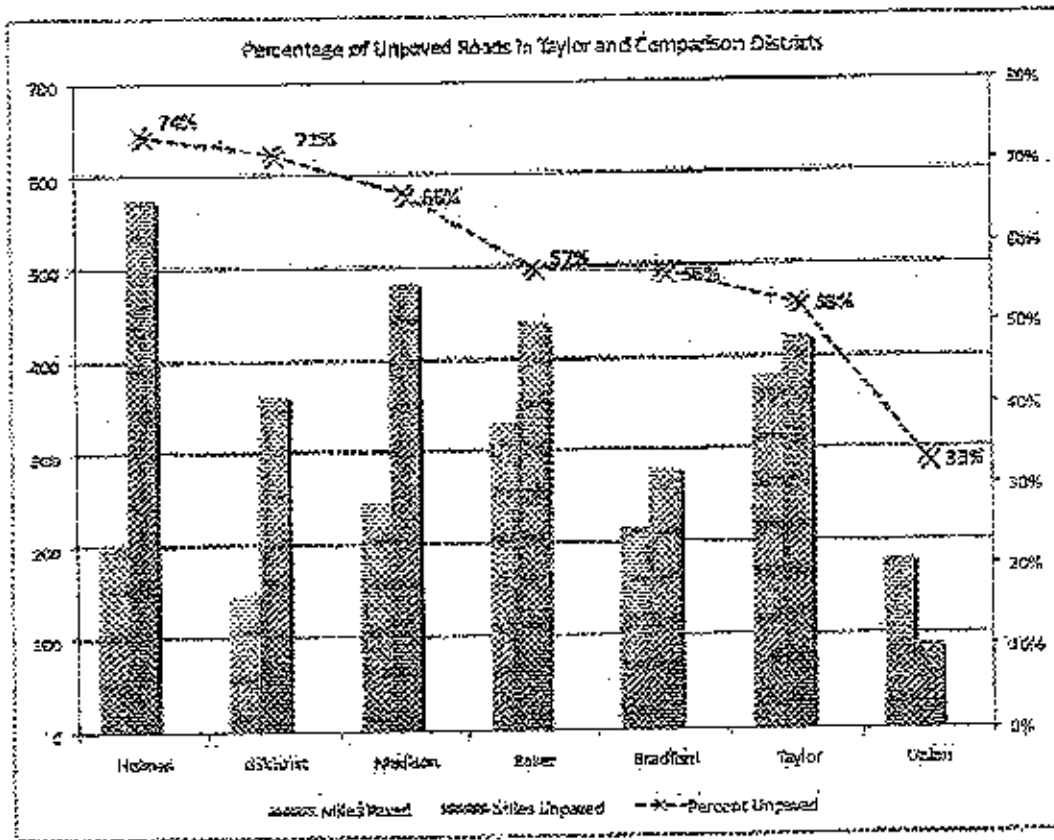


Chart 9: Percentage of Unpaved Roads in Taylor and Comparison Districts

Additional detail on historic and current staff counts for Taylor and the comparison districts years 1999-2000 through 2007-08 are presented in Appendix E.

The information is summarized from the Staff Survey 2 (EEO-5) files received from the Florida Department of Education for 2007-08 and from historical data collected from the same sources.

Organizational Alignment and System Functions Findings and Recommendations

Status

The ways the leadership functions are aligned and the leadership personnel are deployed are essential to effective systems integration. Systems integration is essential to efficient and effective operations in a school district. The study team reviewed the current approved organizational chart for the Taylor County School District (See Appendix A). The current Administrative Organization Chart was approved by the Taylor County School Board on January 16, 2007.

Findings

The Team concluded that changes are needed in organizational alignment and personnel deployment in order to strengthen organizational integration.

The team conclusions are based on indications that the following improvements in the system are needed:

- There must be a well-developed strategic plan and there must be a stronger linkage between the strategic plan and budget development.
- Management skills must be integrated throughout the leadership structure. This need especially applies to business and financial operations, staffing and personnel practices, collective bargaining, teaching and learning, and school operations.
- Management rights and responsibilities must be better protected in the collective bargaining process.
- A stronger system of controls, checks and balances must be in place to ensure that the staffing plan and the spending plan are followed in concept and practice.
- A stronger sense of "team" must be in place among the executive administrators and the team must be more engaged in the day-to-day operations of the school system.
- There must be a commitment to changing the culture of the system to be more accepting of changes necessary to achieve solvency and economic wellness. This includes a determination to make hard decisions, unpopular decisions, decisions that are essential to economic recovery. The system must become agreeable to doing things differently when necessary, to begin some new practices and to abandon non-productive or low-yield practices that are not essential to success in quality performance of teaching and learning.
- There must be a stronger system of communication among and between stakeholders of the school system, and that communication must be based on knowledge drawn from accurate, timely, and complete performance data from staff and students.

Recommendations

The team recommends changes in the current Administrative Organization Chart (See Appendix B). Some of the recommended changes are in position title to reflect more accurately the functions assignment. One of the major actions pertaining to organizational alignment by the study team was to realign functions essential to systems operations according to cost center. These are depicted in Appendix C.

It is recommended that the Superintendent form a stronger Superintendent's Executive Leadership Team and that the team be charged with responsibilities to lead the Taylor County School District out of the current economic crisis it is experiencing and to create and sustain a condition of economic wellaess for the district.

The team should be comprised of:

- Superintendent
- Director of Finance
- Executive Director of Personnel and Administrative Services
- Director of Instruction
- Representative School Principal

School principals should be rotated to membership on the Team at three months intervals or as matters under special consideration by the Team warrant based on the respective skills of the school-based leaders.

Duties of the Superintendent's Executive Leadership Team should include:

- Establishing a system of monitoring the performance of the respective cost centers using data based on accurate assessment, analysis and reporting.
- Being responsible for systems accountability with special emphasis on business and financial operations, staffing of schools and offices, and sound management practices.
- Establishing and implementing a system of cross-training and preparing a succession plan to guard against the loss of institutional memory when key workers leave the school system.
- Monitoring the day-to-day operations of the schools and offices of the district.
- Making knowledge-based decisions and solving problems through selection of the best management practices.
- Engaging and leading employees of the system and community stakeholders in a commitment to and in practices of economic recovery.
- Ensuring that communication practices are comprehensive and effective.
- Recommending the revision and update of School Board policies. Recommend removal of administrative processes and practices from the policies, and place the administrative processes and practices in an Administrative Procedures Manual. This manual should be used as a guide for daily operations, for cross-training of employees, for general in-service training, and for orientation of new employees.

Findings and Recommendations of Business and Financial Operations

Finance

Status

The Finance Department consists of the Finance Office, and Food Services. The Finance Department is staffed by the Director of Finance, one Administrative Assistant, one Purchasing Technician, one Accounts Payable Technician, one Payroll Technician, one Payroll Clerk, and a vacant Property Records Technician. The Coordinator of Food Services is supervised by the Director of Finance and supervises a Secretary, Food Services.

The Administrative Assistant accounts for and manages cash advances, wire transfers, Pell grant cash draws payroll taxes and maintains the Cash Book. The Cash Book is used to reconcile bank statements.

The duties of the Fixed Asset Management function are to be distributed to other employees leaving the position vacant. Preliminary plans are for enlisting existing school based staff to assist with the annual inventory of furniture and equipment.

Findings

The Finance Department has a Property Records Technician position that has been vacant since July 1, 2007.

The Administrative Assistant position is inappropriately classified according to the duties and responsibilities required of the position.

Recommendations

It is recommended that the District delete the Property Records Technician position and distribute the duties and responsibilities to other positions within the Finance Department. Cost avoidance savings will include salaries and benefits, calculated at the beginning salary rate, of about \$19,800.

It is recommended that the Administrative Assistant be classified as Fiscal Services Coordinator.

Facilities and Maintenance

Status

The Coordinator of Facilities and Maintenance reports to the Executive Director for Personnel and Administrative Services and has a staff of one Custodian, assigned to the

central office, one head custodian and one mechanic. Local vendors provide repair service for electrical, plumbing, roofing, and HVAC.

The Facilities and Maintenance Department is responsible for maintaining all school buildings and grounds including the Dorsett Stadium/Perry-Pace Field athletic complex, new construction, renovations, safety-to-life inspections of building and grounds, purchasing chemicals and supplies for custodial staff, custodial staff training in the use of cleaning chemicals and supplies, and equipment and supplies used by inmate crews that assist with grounds keeping.

The district assumed the responsibility for maintaining the Dorsett Stadium/Perry-Pace Field complex in February 2007. The Taylor County High and Taylor County Middle schools use the facility for football and baseball games and soccer matches. City recreation leagues also use the facility. Inmate crews are used to maintain grounds on days and at times when students are not present.

Findings

The District spent \$998,000 for electricity and \$35,750 for natural gas during the 2006-2007 fiscal year. Compared with the six comparable districts for utility costs (see Table A2), Gilchrist had the highest per student expenditure at \$347.56, Taylor had the second highest per student expenditure at 332.66. Taylor's cost was \$65.53 higher per student than Madison, the third highest expenditure, and \$137.50 per student higher than the lowest per student cost (Bradford at \$195.16) among the comparison districts.

The 2008 Legislature is taking under consideration some economic relief relating to paying property and casualty insurance from the "two-mil money". The proposal, if passed will allow districts to spend up to \$65 per FTE for property and casualty insurance.

The District has not established a cost of maintaining the Dorsett Stadium/Perry-Pace Field complex upon which fees can be determined for the use of the facility. Taylor District Schools are not required to pay a use fee for athletic events that are held at the complex, not even for those events for which admission fees are being charged.

Recreation league teams sponsored by organizations other than the District are not being required to pay for their use of the facility.

Recommendations

It is recommended that the district implement a cost savings program for utilities; an incentive of allowing a school to carry over funds equal to 10%, or more, of money saved in energy costs as compared to the previous year for that school. The school should be allowed to expend the incentive funds for any lawful purpose as approved in advance by the Superintendent and School Board. The goal for the total amount of savings for the first year should be at least 20% which will generate savings of about \$205,000, less incentive or a net of \$184,500.

It is recommended that the district stay abreast of Legislative actions in order to maximize any flexibility provided to districts during economically stressful times.

It is recommended that the District adopt a policy establishing a fee schedule for all users of the Dorsett Stadium/Perry-Pace Field complex based upon the extent to which the facilities are to be used. As a minimum the fees should offset the cost of electricity, water and sewer, supplies such as replacement light bulbs, soaps and paper goods, grounds keeping, insurance, and general maintenance and repairs. The cost savings of the application of inmate labor at the facility should be recognized and included in the calculations.

It is recommended that the district establish a policy that schools may pay the Dorsett Stadium/Perry-Pace Field user fees from their internal accounts but disallow the fees from being paid from school operating budgets.

It is recommended that agreements be negotiated with the City of Perry and Taylor County recreation departments, as appropriate, to establish "fair-share" cost sharing amounts to be applied toward the cost of maintaining the facility and that will enable the District to open the facility to the public.

Food Service

Status

The Supervisor of School Food Services reports to the Director of Finance. There is one School Food Service Secretary. The Department coordinates five cafeterias and two satellite schools. According to the National School Lunch Participation report located in the Child Nutrition Program website at the Department of Education, approximately 51% of children eligible for free, reduced price and paid meals participated in the National School Lunch Program for the 2006-07 school year.

Finding

The District could not confirm that all food services operating costs were being charged to that function. For example, only \$684 in energy costs for the entire fiscal year 2007 were charged to food services. Indirect costs payable to the General Fund were not assessed for fiscal Year 2006-2007 and have not been assessed to-date in 2007-2008.

Recommendation

The food service director should work closely with the district finance officer to propose a model for accurate allocation of operating costs and insure that indirect costs are assessed.

Finding

There are currently 39 positions in the food service department with 34 positions filled and five vacant positions.

Recommendation

It is recommended that these vacancies not be filled. This would result in an estimated cost avoidance of \$39,330 (starting salary at Level 1 at \$7,866 times five).

Finding

The school nutrition program relies on revenue from paid school meals and federal reimbursement. School meal prices were increased approximately two years ago. Breakfast was increased by \$0.10 for the primary, elementary and middle schools and \$0.15 for the high school. Lunch was increased only for the high school by \$0.20. Adult prices were increased by \$1.00 for breakfast and lunch. Before this increase, it was over ten years ago that there was an increase in meal prices.

Recommendation

It is recommended that meal prices for breakfast and lunch for paid students be increased by \$0.25. This could increase revenue for the food service program by approximately \$24,500 (\$8,000 total paid meals claimed for reimbursement for the 2006-07 school year times .25). Because only 51% of eligible students participate in the National School Lunch Program, it is recommended that the District survey the participating students as well as those not participating as a springboard to developing promotional campaigns geared toward increasing participation of students for breakfast and lunch.

Transportation

Findings

Presently there are forty-eight bus routes run daily with all schools opening at approximately the same time. The buses that run inside the city limit transport students categorized by the school that they attend (i.e., primary, elementary, middle and high school). Buses outside of the city limit transport all levels of students.

There are approximately 290 students that are being transported that are not eligible for state transportation categorical funds because students live less than two miles from the schools they attend. Also, there are routes where there are as few as 14 students riding a 65 passenger bus. The average ridership for Taylor County is approximately 72% occupancy.

According to the Florida DOE Transportation Profiles for School Year 2005-06 report, Taylor County's average transportation operating costs of \$2.73 per mile are more than the state average for rural districts at \$2.53 per mile. Many factors affect operating costs include salaries of employees, age of buses, road conditions, and density of housing.

The District expended \$267,896 for motor fuels during Fiscal Year 2006-2007 or \$86.20 per student.

Recommendations

It is recommended that courtesy busing be eliminated. Although the courtesy based students ride buses transporting categorical funded eligible students, the practice of courtesy busing interferes with efficient route planning and administration.

Eliminating twelve routes, or 25% of the routes, is recommended. This can be done by the consolidation of routes. By consolidating, an approximate cost savings of \$210,566 would be recognized.

The elimination of 12 bus routes will significantly reduce the cost of fuels to about \$64 to \$65 per student.

It is also recommended that the district apply the same ridership criteria district-wide with respect to grade levels of students.

Recommended Additional Cost Savings

Cost avoidance for bus replacement and maintenance.

Cost avoidance for reducing cost of maintaining entire bus fleet.

Findings and Recommendations on Information and Technology Services

Status

The Taylor School District is a member of the Gateway Student System Consortium and the PAEC Gateway Staff and Payroll systems for state data reporting. Gateway provides support to the member districts. The mainframe hosting the TERMS (The Educational Resource Management System) applications and data is located at the North West Regional Data Center (NWRDC) in Tallahassee.

The finance and human resources staff of Taylor use the TERMS' Financial/Human Resources System applications. Similarly, Taylor's MIS department, district departments, and schools use the student applications within the TERMS software as well.

District offices and schools access the TERMS system using desktop computers. The following systems are available for use by GECC business clients: Payroll, Personnel, Finance, Inservice, Facilities, Food Service, DOE Surveys - Staff, Inservice, Finance, and DOE Cost Reporting.

The information processing services provided by membership in Gateway is of great value to the district. It allows access to extensive resources with a relatively modest amount of support locally. The Gateway staff is highly responsive to Taylor's requests for assistance and local reporting.

Finding

Currently, responsibility for technology and the use of the student data system are under the Coordinator of MIS. The Coordinator of MIS reports to the Director of Instruction.

Recommendation

The Department of Management Information Services should be reorganized to include additional functions and be called the Department of Technology & Information Services.

While the primary functions of MIS and reporting remain, other functions of this department would be oversight of administrative technology for the district; network management and security; serving as a liaison to the instructional department to assist in the implementing educational technology in the district; technology training; state reporting; interpretation of reports and use of data systems; selection and acquisition of technologies; and records and forms control.

The position of Coordinator of MIS should be revised to that of Coordinator of Technology & Information Services. This position is critical to ensure that the educational technologies are appropriate and operational to meet district administrative and classroom needs, and that the automated information systems are properly and fully utilized. The Coordinator of Technology & Information Services would report to the newly recommended position of Executive Director of Information Services. While this recommendation removes the position from the instructional area, an essential component of the Coordinator of Technology & Information Services would be to serve as liaison to Instruction to oversee implementation of educational technologies.

General Use of Data

Finding

There appears to be no systematic use of data for system improvement among the departments. The intensity with which it is collected and examined varies by department. Some data appears to be kept locally and not shared.

Recommendation

Data should be collected for a purpose and analyzed to that end.

A systemic reporting format that highlights critical way station points with progress to meeting these goals as well as the eventual target(s) would be of great benefit to decision makers. It could be customized for the personnel area, the finance area, and the instruction area. The less complicated the system and the means to generate it, the better; such a system could take data from TERMS and feed into summary formats for distribution to management and the School Board.

Finding

Not all capabilities of the TERMS system are used. For example, staffing reports showing which positions were filled and which were unfilled by cost center were kept in a word processing format using a template kept locally on a personal computer. There were some gaps in the data, for example, missing job identification numbers.

Recommendation

Reports of this nature should be generated directly from the TERMS system. If the report format needs to be changed to fit a particular local template, the staff should work with Gateway staff to design such a format. The TERMS system is fully capable of producing files that can be extracted locally for either presentation in reports or for local manipulation in spreadsheets.

Finding

The Taylor district staff relies extensively upon the Gateway staff for reports. Over time, this reliance on the Gateway staff may cause problems, should senior Gateway staff be unavailable or should they eventually retire.

There is ample knowledge among some Taylor personnel on how to use the TERMS system, not just within the MIS department but also other departmental areas. This knowledge should be shared.

Recommendation

District staff should work with the proposed Department of Technology & Information Services to take full advantage of the extensive documentation and training provided by Gateway staff for student as well as business applications. Technology & Information Services should continue to provide training so that the clerical staff and administrative staff will maximize the use of the TERMS software. Technology & Information Services should similarly provide training in the use of Microsoft Office suite of applications for maximum productivity.

Finding

This centralized information system represents the sole means by which the district manages its student, finance, and personnel reporting needs. It also represents the repository of information from which to make decisions. Data taken from the TERMS system is the best tool to monitor district expenditures. The data should be studied to maximize efficiency and effectiveness in all areas of district operations.

Recommendation

Only through training and executive support will administrators and schools learn to trust and rely on the data that is on the system. Because of the size of the district and limited staff, customized training will often be needed, in small group or one-on-one setting.

Permanent Student Records

Finding

Permanent student records dating back many decades are stored in lockable file cabinets at the district MIS office in a file room. These records are requested by former students for various purposes where birth and identify verification is needed such as employment, college, and passport applications. At the present time, a staff member for MIS is going through these thousands of records and purging nonessential content.

Recommendation

Florida Statutes govern all records retention and disposition policies and subsequent procedures for school districts.

As these are the original student records for the county, the Coordinator of Technology & Information Services should investigate options and costs that would permit microfiche, microfilm, or conversion of the records to a secure electronic format. This would create a copy of these records for access by the district records custodian; address the issue of securely storing the original student records in a secure and fireproof location; and permit record requests to be handled more efficiently.

After potential solutions to either microfiche or digitize records have been identified, the Coordinator should visit Florida school districts who actually use such solutions to see first-hand whether it would work for Taylor County. The ideal system would permit other departments to use such a system as well for their own conversion from paper. Given the current economic status of Taylor, this is not a critical finding at this time, but background research could be done now. As costs can be fleshed out and funds become available, the records conversion would be built into future budget(s).

Finding

Cost savings should be realized in Technology and Information Services

Recommendation

The Steinatchee School has a Secretary II and a Data Entry Operator position. Due to low student enrollment, we recommend the elimination of the Data Entry Operator Position. Daily data entry needs such as recording attendance and making demographic changes for the school can be handled by the Secretary position, while one of the full-time operators at the middle school or high school or the district MIS Data Entry Operator can handle grade reporting and other periodic processes for the school. Projected annual savings based on average salary of school data entry operators in position: \$28,000 plus retirement, social security & health benefits.

A fourth technology specialist was added to central MIS prior to the implementation of a large laptop initiative a year ago. Despite the full implementation by MIS of this

equipment into classrooms, the laptop project currently appears to languish in the schools due to lack of use, and thus as much technology support is not needed. We recommend the elimination of one of the four technology support positions at the district MIS office. Projected annual savings based on average salary of technology specialists in position: \$27,000 plus retirement, social security & health benefits.

Findings and Recommendations on Human Resources Services

Status

The Human Resources Department provides a comprehensive series of services to more than six hundred (600) full time employees. These six hundred (600) employees are split fairly evenly between instructional and non-instructional with instructional being slightly larger. The district experiences a small decline in student population each year. Each school year it is necessary to hire new teachers and non-instructional employees due to normal attrition and retirement.

Findings

The Department is supervised by a Director of Personnel who is supported by one office assistant. The Department also supervises several additional administrative functions including exceptional student education, alternative education, transportation and facilities/maintenance.

Recommendations

It is recommended that the district establish a Human Resource Services Division under the leadership of an Executive Director. The process of identifying, recruiting, and retaining a viable competent work force is clearly mission critical to the Taylor School District and further a major division status function.

The Division should provide state of the art services by a classical human resource definition and operate with a strategic orientation to growth, demographics and future needs. The division should never be surprised by an emerging program or service area which requires a unique set of employee capacity skills. Therefore, continuous applicant pool analysis and a comprehensive program of employee and organization development must be designed, centralized and implemented with due haste.

The recommended chart is illustrated on the following page. The chart includes the leadership structure and assumes that the district will fill in the technical and support positions as necessary to remain timely and efficient regarding growth and other needs unique to the human resource function. To specifically enhance this division certain significant findings and recommendations are provided.

Findings

Currently the personnel department staffing is limited. The Director position serves all the basic functions including retention, recruitment, selection and equity. The department also manages employee discipline, investigations and revitalization. The labor agreement contains extensive prescriptive procedures regarding meetings, timelines, reduction in force, etc. which are highly restrictive and completely nonfunctional. Non-instructional employees, as an example, serve a probationary period of one-hundred twenty days as opposed to the typical three year period.

Recommendations

- ◆ The District should modify the system to comply with language and intent of Florida Statutes which assumes the management right and exclusive responsibility of the school principal to conduct performance appraisal for all employees assigned to the school.
- ◆ The District should transfer the responsibility for performance appraisal to the personnel division under the leadership of the Executive Director for Personnel and Administrative Services.

Finding

Both labor contracts contain language which severely restricts the right to manage the school district as provided by Florida law.

Recommendation

The District should contract with an outside agency to conduct a management review of both labor contracts and provide alternative language which is practical, functional and may be proficiently managed. The Florida School Labor Relations Service may be of assistance in this regard.

Finding

Approximately 56 school district employees will become eligible to retire either by reason of years of service or age within the next five years. This is a significant portion of the labor force and will dramatically impact the maintenance of institutional memory and succession planning.

Recommendation

It is recommended that the District design and implement a program of succession planning that will protect institutional memory and maintain a competent, viable work force in a market of changing competition and technology requirements.

Finding

Currently the school district does not have in place a staffing or position control system. District level staffing is controlled by the budget, and school level staffing is simply cumulative from year to year based on special needs and unique program requirements as identified. This has resulted in overstaffing and plays a major dimension in the contemporary financial crisis.

Recommendation

The enclosed staffing plan based on unweighted FTE by program category by school should be implemented.

Finding

Recruitment is assigned to the Director of Personnel and at this time is fairly limited.

Recommendation

Planning and recruiting is a year round strategically-grounded function. This function as others is mission critical and needs additional emphasis.

- All participants in the planning and recruiting should be trained in a formal interview system such as targeted selection, focused perceiver, teacher perceiver or others.
- The advantage of a paperless applicant system should be explored. These systems provide for application review at remote locations and ongoing interaction with the applicant. Most systems are integrated with job descriptions for posting purposes and include access to transcripts, references and other critical documents for selection decisions. Several excellent systems are on the market. These systems are affordable and efficient. One school district received more than 200 teacher applications with 10 days of implementation.

Finding

Locating, recruiting, and retaining minority teachers and administrators should be high on the district priority list.

Recommendation

The District should establish a minority affairs advisory recruitment committee to assist in college identification and short-term complimentary housing with local families. These techniques have been found to be effective with new employees. Other enhancements such as providing moving expenses and signing bonuses for critical shortage areas should also be considered.

Employee Relations

Finding

Currently and perhaps for many years the chief spokesperson for collective bargaining has been a contracted service function. The attorney also serves as the School Board attorney. The negotiator is supported by a district representative team which includes the Director for Personnel.

Recommendation

The District should continue the practice of contracting for a chief negotiator. The chief negotiator should be well-trained in the field of public sector collective bargaining and supported by an equally trained team which represents the various divisions and schools within the district. During negotiations the negotiator should report to the Superintendent.

Finding

The history of the bargaining process in Taylor has seen the full scope over time. Contract language has likewise evolved over an extended period of time through numerous changes in leadership with profound differences in philosophy regarding School Based Management, school autonomy, shared decision making and others.

Recommendation

All language should be revisited when open to determine the compatibility with the current system of student accountability at the state and federal level.

Remain specifically aware that the Board, Superintendent and schools are focal points of accountability. Site based decision teams perhaps enhance communications, collaboration and bring decision making closer to point of implementation. However, in today's environment, curriculum content, hiring, and budget resources must be driven with consistency according to district wide standards. Decision making may be shared; accountability can only be distributed to those who can be held directly responsible.

Findings and Recommendations on Teaching and Learning

Status

The Department of Curriculum and Instruction is currently administered by a Director of Instruction who supervises three administrators: Grant Writer, Coordinator of Management Information Services and an administrator for Headstart. The following changes in alignment and functions assignment are recommended. It is recommended

that the position of Dropout Prevention/Safety Coordinator be relocated to the Department of Teaching and Learning and re-titled as "Coordinator of Dropout Prevention". It is recommended that the Coordinator of Management Information Services be re-located to the Personnel and Administrative Services Department and titled, "Coordinator of Technology and Information Services". It is recommended that the position of "Exceptional Child Supervisor be re-titled as "Coordinator of Exceptional Student Education and relocated to the Department of Teaching and Learning. It is recommended that the Grant Writer position be re-titled, "Coordinator of Research and Development" and remain in the Department of Teaching and Learning. The recommended composition of the administrative staff for the Department of Teaching and Learning is as follows:

- Director of Instruction
- Coordinator of Exceptional Student Education
- Coordinator of Research and Development
- Coordinator of Dropout Prevention

These changes in alignment are designed to clarify assignment of functions, to deploy personnel in a more strategic way, and title positions more accurately.

Finding

The Taylor District Superintendent conducts a monthly meeting with all school and district administrators to review and plan projects and programs for the district. Following the monthly Superintendent's meeting, the Director of Instruction meets with principals to specifically address issues relating to the schools. In addition to the monthly meetings, the district administrators communicate through e-mail and telephone messages. Because of the proximity of the schools to the district office (except for the Steinhatchee School), the communications procedures have been sufficient to communicate regular items of interest or importance relating to programs.

At the time of the review, principals and district staff were aware of the current financial status of the district, but some did not recognize the severity of the situation, and some did not realize that the district had experienced a deficit fund balance for more than one year. Because of the lack of specific communication concerning finances until 2008, some school-level administrators had not made adjustments in spending. Those adjustments which had been made were to discontinue overtime pay, restrict travel, leave vacant positions unfilled, and purchase only essential supplies and materials. At the time that the cost-saving measures were instituted, the district had already staffed most positions, and instructional programs had been initiated.

Communication

Recommendation

It is imperative that the Director of Finance inform the Superintendent and Executive Director for Administrative Services on a regular basis of the district's financial situation. A meeting should be held with the above two administrators weekly to discuss both

revenues and expenditures, and the Director of Finance should also brief the district and school administrators at the monthly Superintendent's meeting so that program administrators are involved in long-range financial planning.

The district's Strategic Plan should establish specific goals to address the deficit fund balance, and program and staffing objectives should be revised periodically during the fiscal year to accomplish a goal of sound financial management.

Federal Funding

Finding

It was perceived by some employees of the district that general fund dollars are being spent in excess on Exceptional Student Education programs. There was not wide-spread knowledge by school administrators of the manner in which IDEA funds supplement the general program with specialized services for exceptional students or of the federal requirements for additional services for disabled students. There was some question by district employees of the need for non-classroom instructional personnel to assist disabled students.

The district provides general fund dollars for ESE classroom teachers and aides, one staffing specialist, one job coach (reimbursed by Medicaid and Vocational Rehabilitation funds), and a part-time personal/behavioral assistant (reimbursed by Medicaid). The district does not use a formula based on FTE funding to determine the level of staffing for ESE classrooms.

IDEA funds in the district total about \$860,000 and pay for six additional aides, bus aides, one intervention/resource specialist, one staffing specialist, one transition specialist, one job coach, intervention/resource compliance specialists, and personal/behavior assistants. In addition, federal IDEA funds provide for 25% of a reading coach and 60% of a parent services employee.

In a comparison of the general fund costs of the district's ESE program with that of six other districts of similar size, the cost of the Taylor ESE program is lower than three of the other districts and comparable with the remaining three. It is also lower than the average of the other six districts, and lower than the average cost of ESE programs in the state.

Recommendations

The district should continue to expend general fund dollars for Exceptional Student Education teachers and aides to meet the required maintenance of effort for federal IDEA funds. The Director of Finance and Director of Exceptional Student Education should jointly consult with the Florida Department of Education concerning the required maintenance of effort as enrollment and general fund dollars are decreased in the district.

The proposed staffing formula for all instructional programs, including ESE, should be implemented so that the district can be assured of the appropriate ratio of teachers and aides to students.

The staffing specialist that is funded with general fund dollars should be transferred to the IDEA grant, and the specialized ESE personnel who are paid from Medicaid or Vocational Rehabilitation reimbursement funds should remain in the general fund only if the district is assured of the reimbursement dollars.

The district administrators of federal grants, including ESE and Title I, should review the grants with school-level administrators in the monthly Superintendent's meeting to ensure that the funds are being allocated to schools in the most efficient and effective manner. In addition, the federal grants administrators should schedule a meeting with each of the school faculties at the beginning of each school year to discuss the use of the supplementary funds for disadvantaged and disabled students.

Dropout Prevention

Finding

The district operates a Technical Learning Center with one administrator, two academic teachers, one vocational specialist, and three ESE teachers. Support staff is comprised of a clerk-typist, three instructional aides, and two behavior specialists. The Center is housed in a building adjacent to the district school board office. Enrollment at the center ranges from 60-70 students, with an average attendance of about 40 students. ESE students who have received a Special Diploma are enrolled in the vocational program at the Technical Learning Center.

The At-Risk program in the district has operating costs that are twice as great as the four comparable counties to which it is compared. In addition, the district spends twice as much as the state average on At-Risk programs.

Recommendation

The district's revenues are at a level that will not support excessively expensive programs. The district should not only reduce the number of instructional staff and aides based on the proposed staffing formula, but should also house the programs on the middle and high school campuses, with supervision by the building principals. ESE students who have returned after receiving a Special Diploma should receive vocational training in Taylor Technical Institute.

Reading Coaches

Finding

The district provides reading coaches for each of the schools, as well as a Reading Specialist at the district level. Funding is from the general fund, as well as Title I and

ESE federal funds. The coaches hold an 11-month contract, and the specialist holds a 12-month contract. The district has begun to reduce the staff of reading coaches by replacing the reading coach at the Steinhatchee School with weekly consultative services from the district Reading Specialist.

Recommendation

The district should discontinue non-designated general fund dollars for reading coaches and the reading specialist, and they should pursue the additional use of federal funds for the program. The district should also reduce the length of the contracts, assign a coach to more than one school, or implement the consultative services model being used at the Steinhatchee School for all schools.

Overtime Pay

Finding

It has been the practice to pay custodians at the schools for work beyond the regular work week at the rate of time and a half. Generally, when a custodian is absent, another custodian will work additional hours to complete the work of the absent employee.

Recommendation

It is recommended that the district discontinue the practice of overtime pay, except for emergency situations that involve health or safety of students or employees.

Child Development Center

Finding

The district serves as fiscal agent and provides support for the Headstart Program by providing a building and utilities costs, with no charge for indirect costs. The program is housed at the Early Learning Center, which also includes the Pre-Kindergarten Program for Students with Disabilities and the VPK program. The Headstart program serves 153 of the 319 students enrolled in the Center.

The supervision of the Child Development Center is assigned to a Lead Teacher, with district-level oversight provided by the Director of Personnel.

Recommendation

The district should assess the Headstart Program for all costs for operation of the program, including maintenance, utilities, and indirect costs.

The administrative supervision of the Child Development Center should be assigned to a school-level principal, with district-level oversight provided by the Dropout Prevention Coordinator.

Taylor Technical Institute

Finding

Taylor Technical Institute provides the vocational and career training for secondary and post-secondary students in the district, with the exception of a welding class at the Technical Learning Center. Taylor County High School does not have a vocational program, but few high school students attend TTI. The Institute also serves some students from adjacent counties.

Funding for TTI programs is provided primarily by Workforce Development, and it is anticipated that those funds will be reduced for the next fiscal year by \$45-50,000. The Institute has also experienced a deficit this year in the program for special needs adults.

The Institute has a staff of forty (40) employees, and all instructional staff are on professional contract. Costs for operation of the Institute are considerably higher than six comparable counties and almost twice that of the state average.

Recommendation

Taylor Technical Institute should assess a district funding fee for students who attend the program from other districts to compensate for the local property tax dollars that are not collected for those students.

The Institute should reduce staff to compensate for the decrease in Workforce Development dollars and to alleviate the deficit in the program for special needs adults. In addition, the Institute should take measures to reduce additional staff and operating costs to a level no greater than that of the state average for vocational programs.

Student Services

Finding

The district employs both a guidance counselor and a student services specialist at Perry Primary School with an enrollment of 789 students. The duties of the two employees are similar in nature, with some duties overlapping.

Recommendation

One of the two positions (guidance counselor or student services specialist) should be discontinued, with the remaining position assuming the responsibilities.

Compensatory Time

Finding

The negotiated contract for instructional personnel allows for compensatory time to be paid for professional activities that occur beyond the regular work day. The general practice is that the principal must request that the teacher complete the activity before compensatory time is awarded. In at least one school, the lead teachers are awarded 37.5 hours of compensatory time at the beginning of the school year, and that which has not been used at the end of the school year is paid to the teacher at the regular rate of pay. Teachers are allowed to use the compensatory time during class time if the class can be covered by another teacher. On some occasions, substitute teachers may be employed, resulting in additional costs to the district.

Recommendation

The district should, through the collective bargaining process, require a reasonable number of hours for professional duties that occur beyond the regular work day. Compensatory time earned for additional duties at the request of the school principal should be used only during non-student contact time, and all pay for compensatory time should be discontinued.

Cost Reductions

Finding

Cost reductions should be realized in the delivery of these services.

Recommendation

1. Transfer ESE staffing specialist position from general fund to IDEA grant.
2. Relocate the At-Risk program from the Technical Learning Center to the middle and high schools, and staff the program based on the proposed staffing formula.
3. Discontinue non-designated general fund dollars for reading coaches and reading specialist.
4. Discontinue the practice of overtime pay.
5. Assess the Headstart program for all costs of operating the program, including maintenance, utilities, and indirect costs.
6. Decrease staff at TTI to compensate for loss of WED dollars and for the deficit in adult special needs budget.
7. Eliminate one student services employee.

8. Discontinue pay for compensatory time for teachers.

Steinhatchee School

Finding

Steinhatchee School is a small school with approximately 127 students enrolled in grades Pre-K - 8.

Recommendations

The following recommendations are offered:

1. The Superintendent and School Board should objectively weigh the advantages and disadvantages of maintaining a school on the Steinhatchee site.
2. If the decision is to close the school, the Superintendent and Board should give careful attention to the best methods for redeploying the students giving attention to program opportunities and time in route for the students.
3. If the decision is to continue operation of the school, the Superintendent and School Board should:
 - a) Determine what organizational levels (grades) should be served by the school.
 - b) Seek special funding at federal and state levels that is particularly dedicated to accommodating students in rural, isolated areas.
 - c) Explore the use of Virtual School provisions to supplement the programs for teaching and learning, particularly at the seventh and eighth grade levels.
 - d) Explore special school designation for the Steinhatchee School and open the enrollment opportunities to those who choose and are qualified to attend.

Administrative Staff Meetings

Finding

Administrators reported not always having opportunity for input at district administrative meetings. Meetings were described as top down in some cases.

Recommendation

Administrators need sufficient opportunity for input and discussion at district administrative meetings. Particularly during this time of economic concern, there should be opportunity for experienced departmental managers to share concerns and suggestions for district improvement.

Recommended Staffing Plan

A major facet of a focus study on business and financial services is the conduct of a staffing study since the cost of the labor force in a school district is the major expenditure by far. At the time of this study, the Taylor County School District did not have in use a staffing plan against which recruitment and employment for personnel in various classes of employment could be determined. The methodology for conducting the staffing study is described in Appendix D of this Report. The plan is portrayed on the following pages of this report.

In this study it is recommended that both the Steinhatchee School and the Taylor Learning Center be closed in preference to other means of assigning and serving the students in those locations. However, in the Staffing Plan the Steinhatchee School and the Taylor Learning Center are shown still as separate cost centers in order to show the Staffing Study application to those facilities and to provide information that would be needed should the Superintendent and School Board choose not to close those facilities.

Perry Primary School

2007-2008

F. T. E. Staffing Calculations

Prog Code	Program Category	Proj FTE 2007- 2008	Adj FTE 2007- 2008	Alloc Unit Factor	Unit Alloc Calculated	Unit Alloc Current	Diff
101	Basic Program PK-3	643.00	643.00	15.00	42.87		
111	PK-3 Basic with ESE Services	142.00	142.00	15.00	9.47		
254	Support Level 4	2.00	2.00	7.00	0.29		
255	Support Level 5	3.00	3.00	6.00	0.50		
Total:		790.00	790.00				
					Subtotal:	53.12	
					Adj:		
					Total:	53.12	51.00
							+2.12

Projected Membership:	786
Actual Membership:	786
Adjustment Factor:	1.0000

*Current class size reduction units are added as an adjustment to the calculated allocation column. The consultant assumes the current allocation is inclusive of such units.

Steinhatchee School

2007-2008

F. T. E. Staffing Calculations

Prog Code	Program Category	Proj FTE 2007- 2008	Adj FTE 2007- 2008	Alloc Unit Factor	Unit Alloc Calculated	Unit Alloc Current	Diff	
101	Basic Program PK-3	38.86	38.86	15.00	2.59			
102	Basic Program 4-8	42.00	42.00	19.00	2.21			
111	PK-3 Basic, with ESE Services	14.22	14.22	15.00	0.95			
112	4-8 Basic, with ESE Services	14.00	14.00	15.00	0.93			
254	Support Level 4	2.00	2.00	7.00	0.29			
Total:		111.08	111.08					
					Subtotal:	6.97		
					Adj:			
					Total:	6.97	10.00	3.03

Projected Membership:	107
Actual Membership:	107
Adjustment Factor:	1.0000

*Current class size reduction units are added as an adjustment to the calculated allocation column. The consultant assumes the current allocation is inclusive of such units.

Taylor Elementary School

2007-2008

F. T. E. Staffing Calculations

Prog Code	Program Category	Proj FTE 2007- 2008	Adj FTE 2007- 2008	Alloc Unit Factor	Unit Alloc Calculated	Unit Alloc Current	Unit Alloc Diff	
101	Basic Program PK-3	181.00	181.00	15.00	12.67			
102	Basic Program 4-8	373.00	373.00	19.00	19.63			
111	PK-3 Basic with ESE Services	36.00	36.00	15.00	2.40			
112	4-8 Basic, with ESE Services	98.00	98.00	15.00	6.53			
254	Support Level 4	8.00	8.00	7.00	1.14			
255	Support Level 5	2.16	2.16	6.00	0.36			
Total:		698.16	698.16					
					Subtotal:	42.13		
					Adj:			
					*Total:	42.13	49.80	6.87

Projected Membership:	697
Actual Membership:	697
Adjustment Factor:	1.0000

*Current class size reduction units are added as an adjustment to the calculated allocation column. The consultant assumes the current allocation is inclusive of such units.

Taylor County High School

2007-2008

F. T. E. Staffing Calculations

Prog Code	Program Category	Proj FTE 2007- 2008	Adj FTE 2007- 2008	Alloc Unit Factor	Unit Alloc Calculated	Unit Alloc Current	Diff	
103	Basic Program 9-12	501.78	501.78	22.00	22.81			
113	9-12 Basic, with ESE Services	137.66	137.66	15.00	9.18			
254	Support Level 4	6.00	6.00	7.00	0.86			
255	Support Level 5	2.62	2.62	6.00	0.44			
300	Vocational 6-12	34.08	34.08	17.32	1.97			
Total:		682.14	682.14					
					Subtotal:	35.25		
					Adj:	11.00		
					Total:	46.25	51.00	4.75

Projected Membership:	694
Actual Membership:	694
Adjustment Factor:	1.0000

*Current class size reduction units are added as an adjustment to the calculated allocation column. The consultant assumes the current allocation is inclusive of such units.

Taylor Middle School

2007-2008

F. T. E. Staffing Calculations

Prog Code	Program Category	Proj FTE 2007- 2008	Adj FTE 2007- 2008	Alloc Unit Factor	Unit Alloc Calculated	Unit Alloc Current	Unit Alloc Diff
102	Basic Program 4-8	479.16	479.16	19.00	25.22		
112	4-8 Basic, with ESE Services	135.00	115.00	15.00	7.67		
254	Support Level 4	2.00	2.00	7.00	0.29		
255	Support Level 5	0.16	0.16	6.00	0.03		
Total:		596.32	596.32				
					Subtotal:	33.20	
					Adj:		
					Total:	33.20	46.00
						12.80	

Projected Membership:	595
Actual Membership:	595
Adjustment Factor:	1.0000

*Current class size reduction units are added as an adjustment to the calculated allocation column. The consultant assumes the current allocation is inclusive of such units.

Taylor County Area Vocational-Technical/Adult Center

2007-2008

F. T. E. Staffing Calculations

Prog Code	Program Category	Proj	Adj	Alloc	Unit	Unit	Diff	
		FTE 2007- 2008	FTE 2007- 2008	Unit Factor	Alloc Calculated	Alloc Current		
103	Basic Program 9-12	16.50	16.50	22.00	0.75			
254	Support Level 4	11.00	11.00	7.00	1.57			
300	Vocational 6-12	13.48	13.48	17.32	0.78			
Total:		40.98	40.98					
					Subtotal:	3.10		
					Adj:			
					Total:	3.10	16.00	12.90

Projected Membership:	61
Actual Membership:	61
Adjustment Factor:	1.0000

The above calculations does not include the provision for 4% part-time and full time adult students.

Technical Learning Center

2007-2008

F. T. E. Staffing Calculations

Prog Code	Program Category	Proj FTE 2007- 2008	Adj FTE 2007- 2008	Alloc Unit Factor	Unit Alloc Calculated	Unit Alloc Current	Unit Alloc Diff	
102	Basic Program 4-8	16.00	16.00	19.00	0.84			
105	Basic Program 9-12	23.20	23.20	22.00	1.05			
112	4-8 Basic, with ESE Services	9.00	9.00	15.00	0.60			
113	9-12 Basic, with ESE Services	7.10	7.10	15.00	0.47			
254	Support Level 4	5.96	5.96	7.00	0.85			
309	Vocational 6-12	2.70	2.70	17.32	0.16			
Total:		63.96	63.96					
					Subtotal:	3.98		
					Adj:			
					Total:	3.98	6.00	- 2.02

Projected Membership:	64
Actual Membership:	64
Adjustment Factor:	1.0000

*Current class size reduction units are added as an adjustment to the calculated allocation column. The consultant assumes the current allocation is inclusive of such units.

District Summary

Taylor County 2007-2008 Staffing Calculations

Total Allocation Comparisons

<u>School</u>	<u>Calculated Allocations</u>	<u>Current Allocations</u>	<u>Difference</u>
Perry Primary School	53.12	51.00	+2.12
Steinhatchee School	6.97	10.00	-3.03
Taylor Elementary School	42.13	49.00	-6.87
Taylor High School	46.25	51.00	-4.75
Taylor Middle School	33.20	46.00	-12.80
Taylor Area Vocational-Technical/ Adult Center	3.10	16.00	-12.90
Technical Learning Center	3.98	6.00	-2.02
*District Totals	188.75	229.00	-40.25

*Current class size reduction units are added as an adjustment to the calculated allocation column. The consultant assumes the current allocation is inclusive of such units.

Additional Staffing

Custodians			
	Earned Allocation	Current Allocation	Difference
TCMS	6.23	5.00	1.23
Steinhatchee Schools	2.30	5.00	-2.70
Taylor Tech	3.05	3.00	0.05
Perry Primary	3.84	5.00	-1.16
TCHS	5.49	6.00	-0.51
Taylor Elementary	4.90	6.00	-1.10
Totals	25.81	30.00	-4.19

Guidance Counselors			
	Earned Allocation	Current Allocation	Difference
TCMS	1.00	2.00	-1.00
Steinhatchee Schools	0.00	0.00	0.00
Taylor Tech	0.00	0.00	0.00
Perry Primary	1.00	1.00	0.00
TCHS	2.00	3.00	-1.00
Taylor Elementary	1.00	0.00	1.00
Totals	5.00	6.00	-1.00

Classroom Instructional Aides			
	Current Allocation	Proposed Allocation	Difference
K3 classroom Aides	15	0	-15
4-12 Classroom aides	8	0	-8
Total	23	0	-23

Economic Recovery Plan

The financial position of the District was projected for June 30, 2008 as of March 14, 2008. The projection indicated that revenues are expected to exceed the adopted budget by \$114,483. The Superintendent has taken steps to reduce expenditures during 2007-2008. With those economy steps in place it is still projected that General Fund expenditures for 2008 will be about \$288,600 in excess of the adopted budget.

Based upon the same information available for 2007-2008 along with forecasted enrollment and tax revenues for 2008-2009, General Fund revenues for Fiscal Year 2008-2009 are expected to total \$22,756,734, a drop of \$1,680,000. A three percent unreserved fund balance at year-end 2009 is estimated at \$682,702. All together, the District must reduce operating costs by \$4,476,581 or 19.67% of projected 2008-2009 revenues. See Table A, below.

Table A Target for Economic Recovery	FY 2007-08	FY 2008-09
June 30, 2007 total fund balance, per preliminary audit	(\$ 1,033,809)	
Subtract:		
Unresolved questioned costs from audit of 2005-06	(\$ 378,114)	
Questioned costs from 2006-07 preliminary audit	(\$ 482,039)	
Estimated revenue in excess of adopted budget	\$ 114,483	
Estimated expenditures in excess of adopted budget	(\$ 288,600)	
Deficit Insurance Trust Fund	(\$ 45,697)	
Projected fund balance, June 30, 2008	(\$ 2,113,776)	
Projected General Fund revenues for 2008-09		\$ 22,756,734
Estimated General Fund revenues for 2007-08		\$ 24,436,837
Projected loss of revenue for 2008-09		(\$ 1,680,103)
Projected total fund balance at June 30, 2009		(\$ 3,793,879)
Plus 3% of projected 2008-09 General Fund revenue		(\$ 682,702)
Target amount of expenditure reductions		(\$ 4,476,581)

District School Board policies require a balanced budget and a Reserve for Contingencies of \$1,090,000. There is no requirement in the School Board Policies to maintain an unreserved fund balance. The following statement is found in the Preliminary and Tentative audit findings for the Fiscal Year ending June 30, 2007.

"In governmental funds, reserve accounts are used to indicate the portion of the fund balance that is restricted to specific purposes and not available for general appropriation by the Board, while the unreserved fund balance is designed to serve as a measure of net

current financial resources available for general appropriation by the Board. The unreserved portion represents the amount that can be used with the most flexibility for emergencies and unforeseen situations."

It is generally accepted that an unreserved fund balance of 3% to 5% will usually provide an adequate reserve to protect a school district.

Tables 3 and 4 in the Comparative Statistical Analysis section show comparisons of Taylor County School District with six other school districts that are comparable in size financially and in student FTE carrying.

Cost Recovery Table

Summary of Reductions	Positions	Amount
Eliminate 41 (40.32 FTE) teacher units as provided in the proposed staffing plan for schools (\$37,012 per annual contract unit with benefits)	41	\$1,517,492
Eliminate 6 to 10 additional positions to generate cost savings	6	\$ 239,700
Eliminate 23 classroom instructional aides as provided in the proposed staffing plan for schools (\$23,501 average salary with benefits)	23	\$ 540,523
Eliminate 12 bus driver positions due to consolidation of routes (Average driver salary including benefits, \$16,752)	12	\$ 201,024
Eliminate 5 (4.19 FTE) custodial positions as provided in the proposed staffing plan for schools (\$19,000 per position with benefits)	5	\$ 95,000
Eliminate Guidance Counselor or Student Services Specialist at Perry Primary	1	\$ 50,000
Eliminate 1 Data Entry Operator Position at Steinhatchee Elementary School. (\$28,000 plus benefits.)	1	\$ 32,000
Eliminate 1 Technology Specialist at MIS office (\$27,000 plus benefits)	1	\$ 31,000
Decrease staff at TTI to compensate for loss of WFD dollars and for the deficit in adult special needs budget.	3	\$ 150,000
Eliminate 5 vacant food service positions as provided in the proposed staffing plan for schools (\$7,866 per position)	5	\$ 39,330
Eliminate 1 vacant Finance office position as provided in the proposed staffing plan for schools (cost avoidance)	1	\$ 19,000
Subtotal of Staff Reductions	99	\$2,915,069
Dispose of 12 buses taken out of service eliminating operating costs (annual cost of \$9,647 per vehicle)		\$ 115,700
Discontinue use of non-designated General Fund dollars for reading coaches		\$ 75,000
Transportation fees for athletic trips from internal funds (average annual cost for 4 hours a day for 180 days is \$17,547 or about \$25 per hour). Girls and boys teams and bands for high and middle schools to out-of-town contests (100 events for 3 hours each @ \$25)		\$ 7,500
Eliminate overtime (85,000 paid in 2006-2007)		\$ 85,000
User fees for Dorsett Stadium/Perry-Pace Field complex: initial target amount		\$ 10,000
Transfer ESE staffing specialist to IDLA		\$ 75,000
Eliminate payments for compensatory time		Cost Avoidance
Require Headstart program to pay their full operating costs including indirect cost; discontinue in-kind matching expenditures - initial target amount		\$ 125,000
Apply cost of Property & Casualty insurance to Capital Outlay 2 mill funds. (Estimated 3000 FTE times \$65)		\$ 195,000
Reduce energy costs by 20%, less incentives to schools		\$ 184,500
Relocate at-risk programs to middle and high schools		Cost Avoidance
Close Steinhatchee School, eliminating duplicative costs. (See Note)		\$ 688,812
Subtotal Other Costs		\$1,561,512
Total Recommendations		\$ 4,476,581

Note 1: The District's Cost Accounting Summary for the end of Fiscal Year 2007 indicates the Steinhilber School cost about \$950,000 to operate. Closing the school will not eliminate all costs. There will still be some staff, transportation, and other costs to be incurred.

Note 2: The District has fourteen employees on the current payroll that have 35 or more years of service. Employees that have been re-hired after retirement are on annual contracts and should not be re-appointed. Any of these employees that chose not to participate in DRQP are candidates for a retirement buy-out at substantially less than their current salary cost. The net payroll cost reduction for the District for these 14 employees will be approximately \$690,000, including benefits.

Recommended Monitoring Plan

The proposed Economic Recovery Plan contains many changes in current practices and many restraints in the ways things are done in the school district and in the communities of Taylor County. It will not be easy to make the transition to new operating practices and it will be tempting when the first indicators of economic recovery are observed, to return to previous practices. Such actions would, of course, miss the mark of recovery and would exacerbate the problems in economic distress. Because of this, it is recommended that the Commissioner of Education and the Superintendent and School Board of the Taylor County School District establish a Monitoring Plan for implementation of the Economic Recovery Plan.

Because of the difficulties of change and the urgency of the economic problems faced by the school district, it is recommended that a Monitoring Plan be established to implement the Economic Recovery Plan. It is recommended that the Florida Association of District School Superintendents be engaged to administer the Monitoring Plan. A person who has a knowledge base and skills in business and financial operations of school districts should be selected to serve as Monitor. This person should also have proven skills in mentoring and executive coaching. For the first year of the recovery period, the Monitor should visit the school district on a monthly basis during the period following posting of the books. If appropriate progress toward goals of recovery is being realized, the frequency of monitoring visits can be reduced to quarterly for the second and succeeding years.

Conclusion

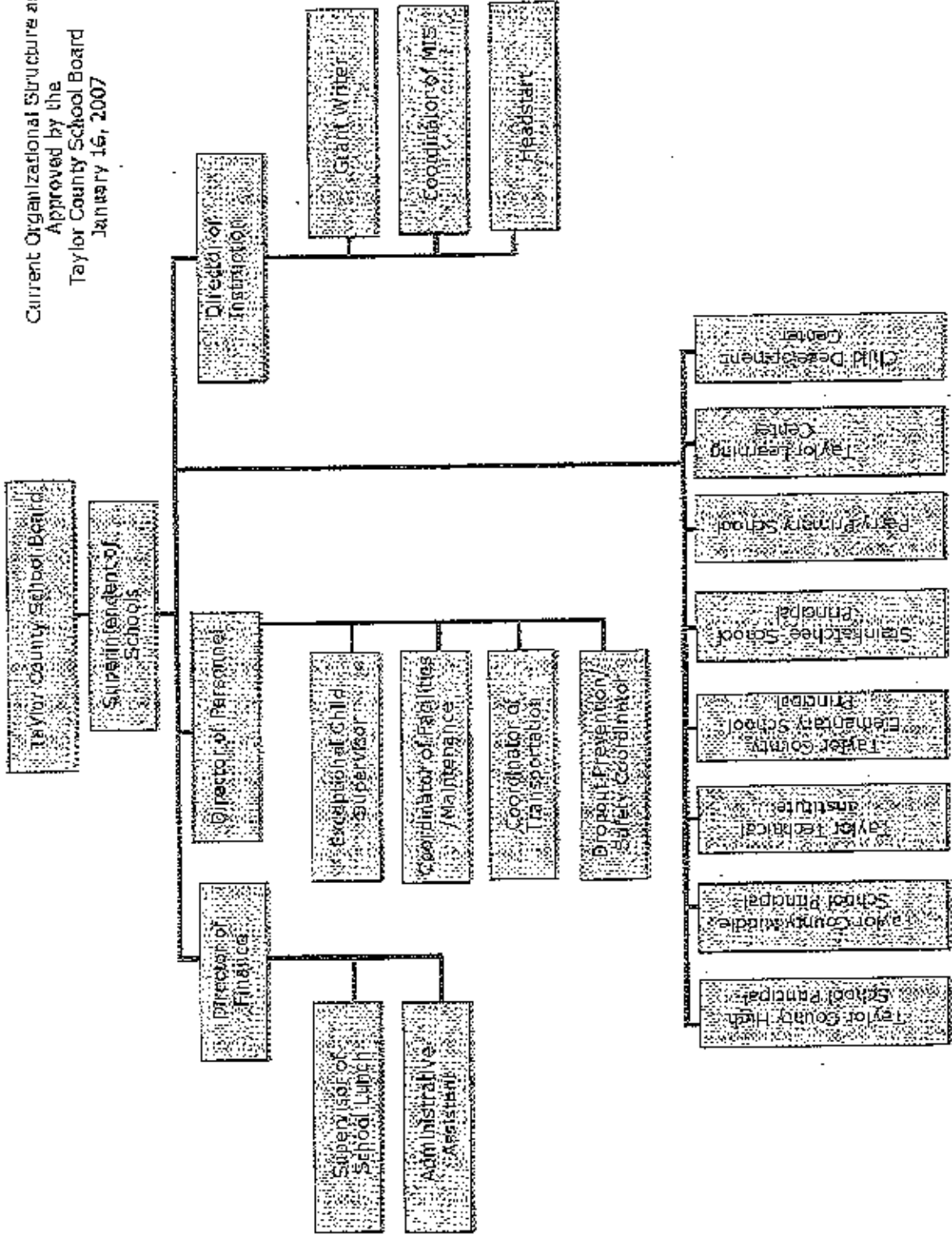
It is recommended that the District use the information in this report to develop an Economic Recovery Implementation Plan with steps and timelines that will lead to economic recovery. The entire system and its stake holders should be engaged in the recovery effort.

It is the belief of the study team that if all recommendations in the study report are accepted and carried out, the District will reach a state of economic soundness with an unreserved fund balance of approximately 3% by the end of Fiscal Year 2008-2009.

APPENDIX A

**CURRENT ORGANIZATION CHART
TAYLOR COUNTY SCHOOL DISTRICT**

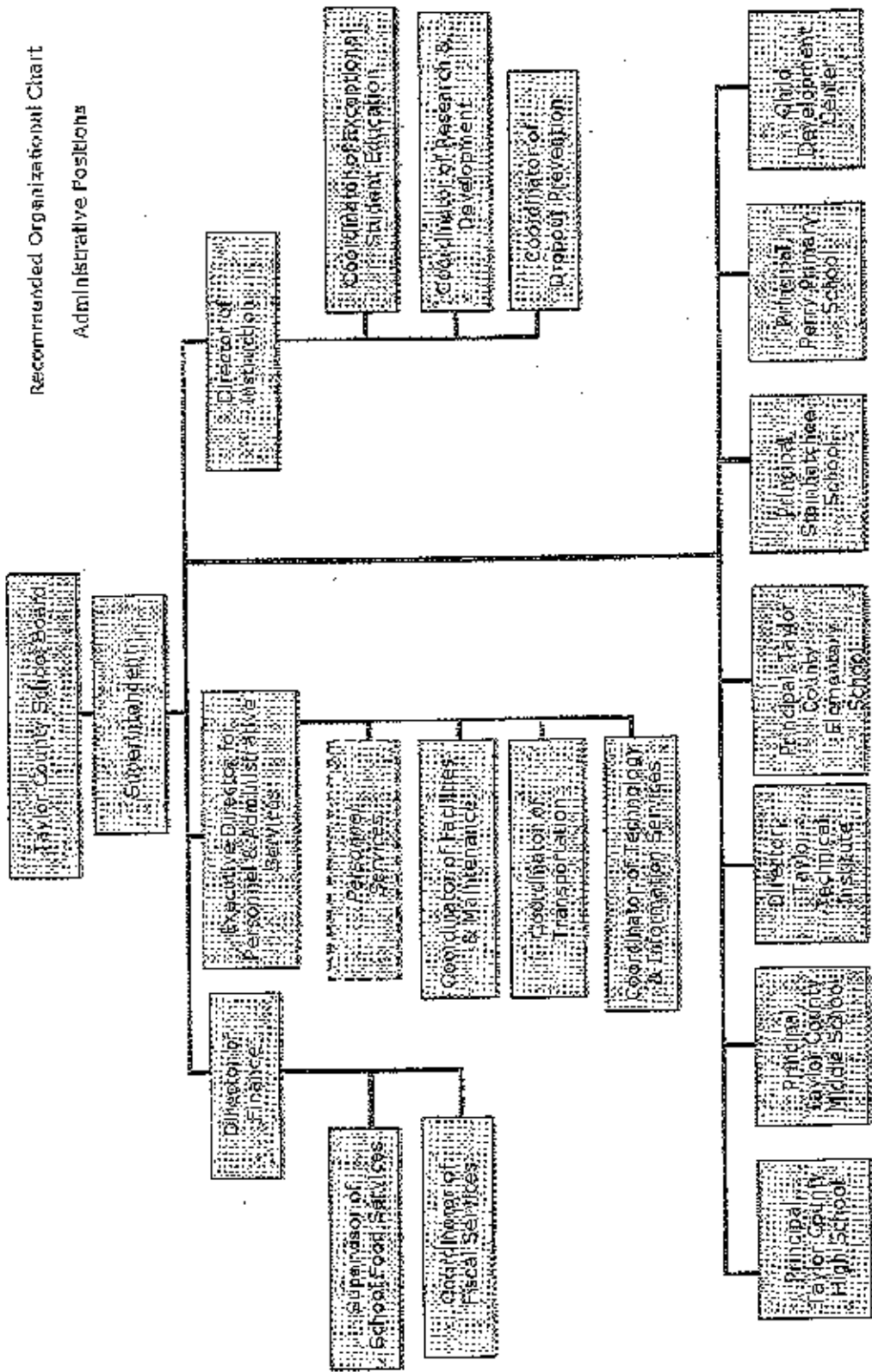
Current Organizational Structure as
 Approved by the
 Taylor County School Board
 January 16, 2007



APPENDIX B

**RECOMMENDED ORGANIZATION CHART
TAYLOR COUNTY SCHOOL DISTRICT**

Recommended Organizational Chart
Administrative Positions



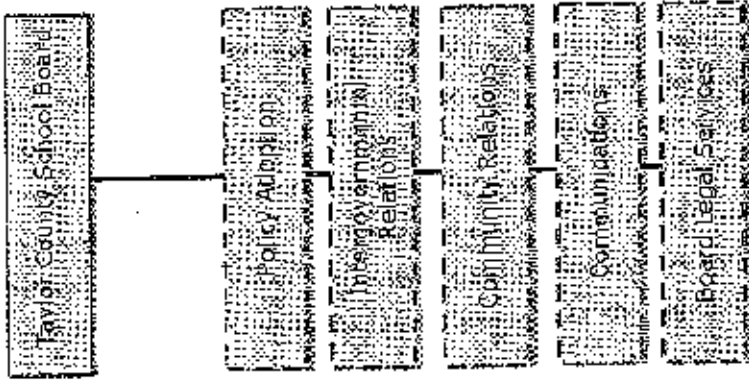
Functional Area

APPENDIX C

**RECOMMENDED FUNCTIONS
ASSIGNMENTS TO COST CENTERS**

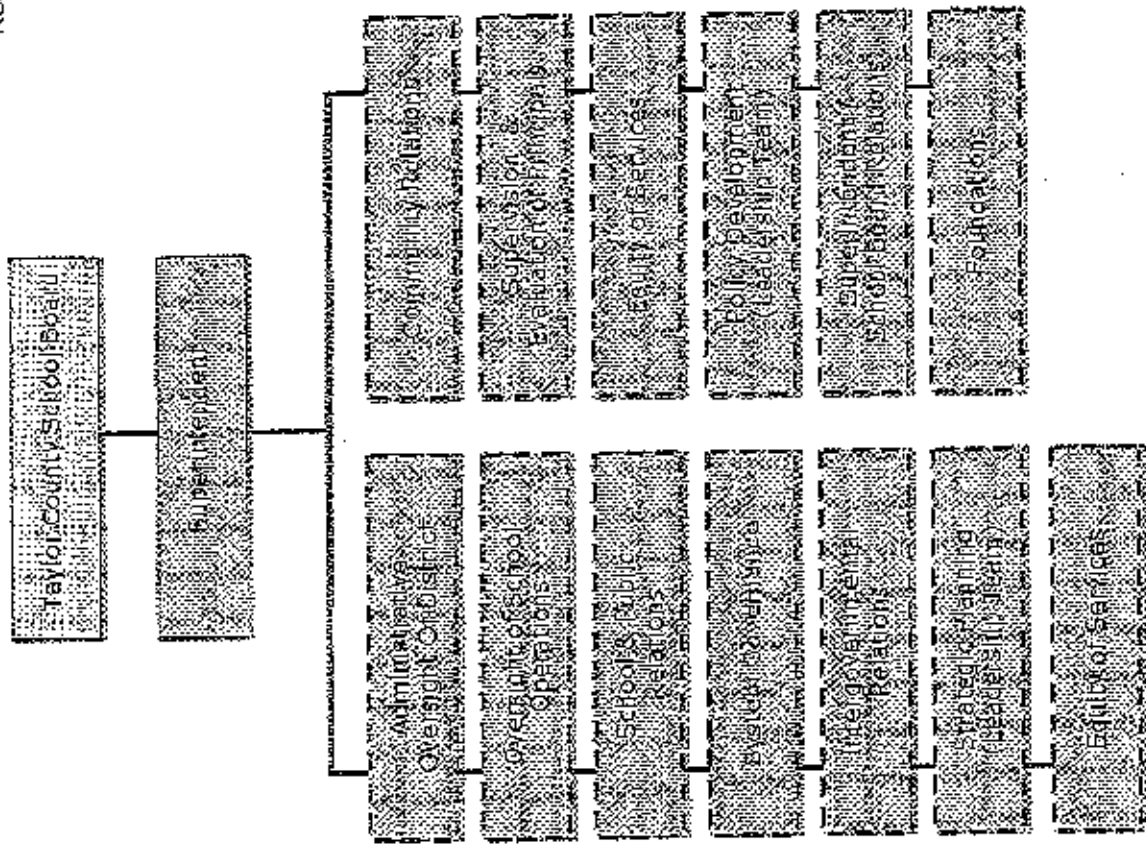
FORMER
REPTED

Recommended Organizational Chart
Recommended Functions
School Board



Functional Area

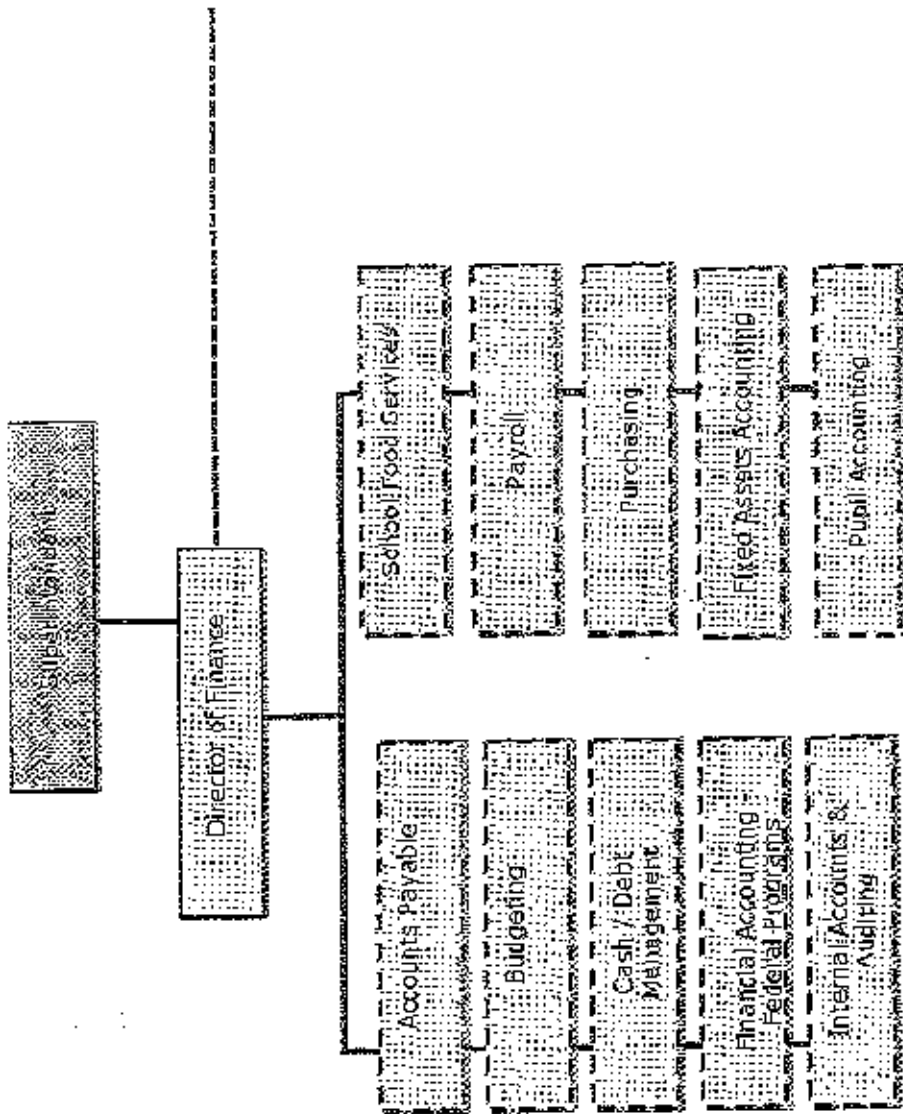
Recommended Organizational Chart
Recommended Functions
Superintendent



Functional Area

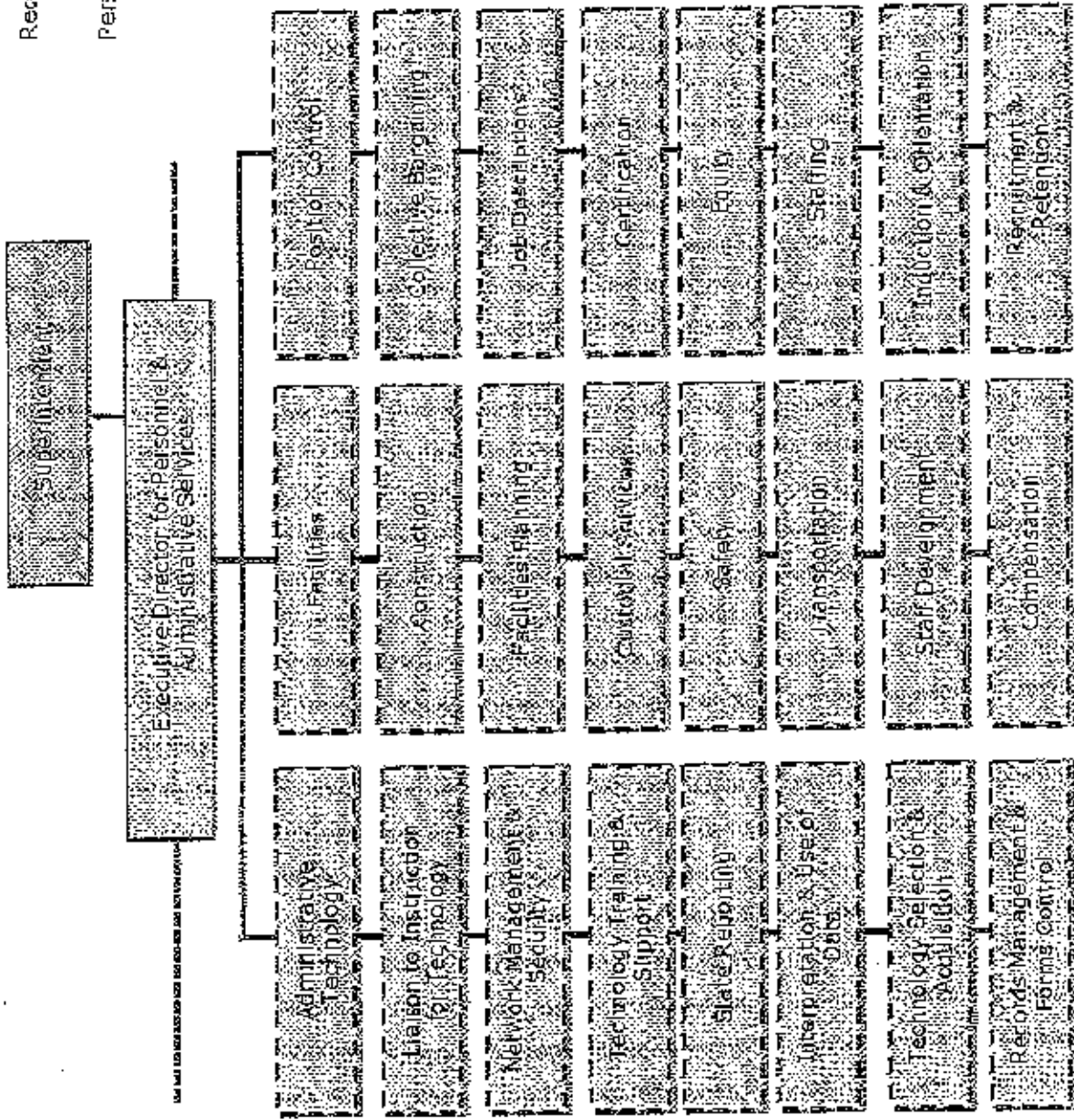
Recommended Organizational Chart

Recommended Functions
Director of Finance



Functional Area

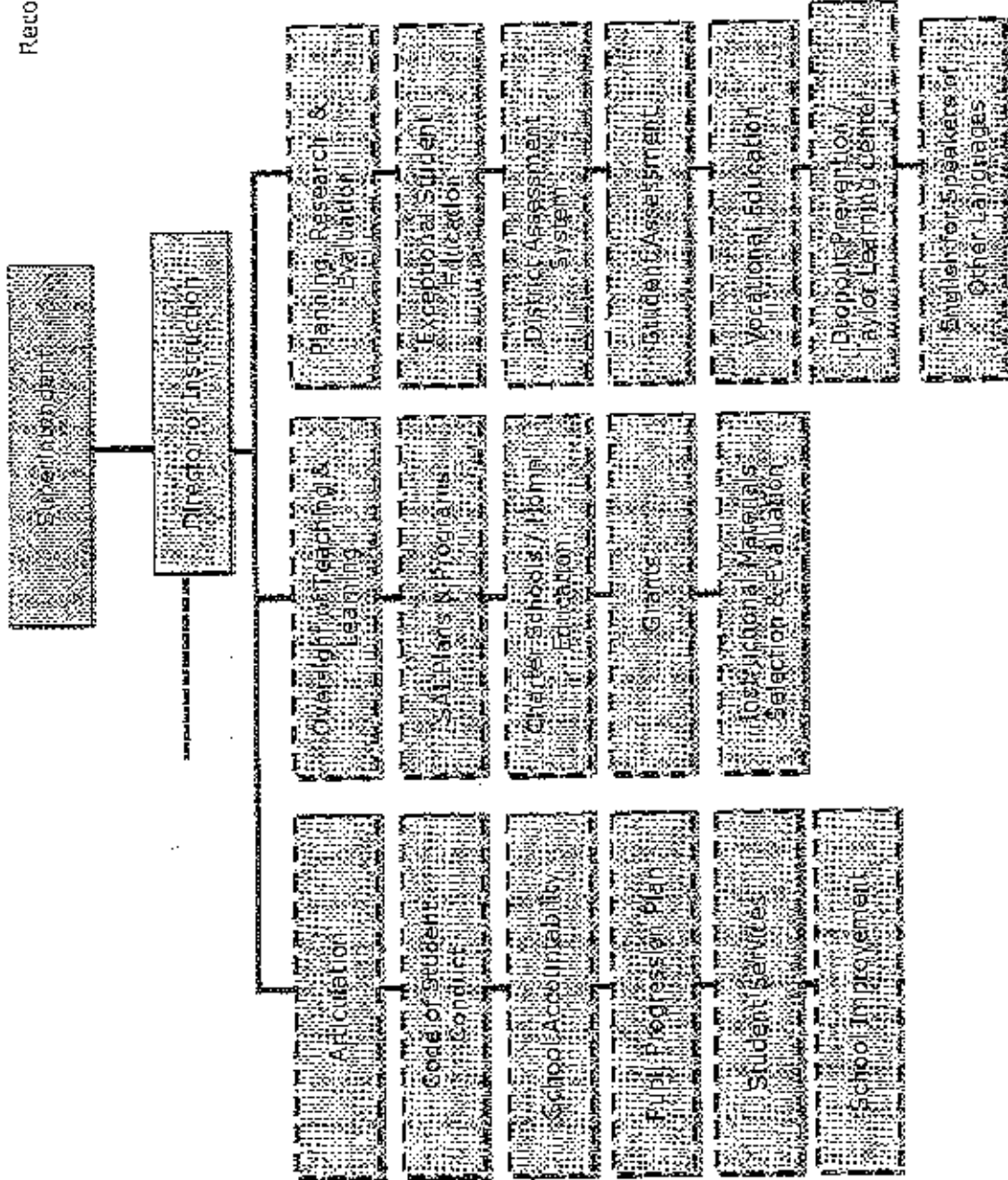
Recommended Organizational Chart
 Recommended Functions
 Personnel & Administrative Services



Functional Area

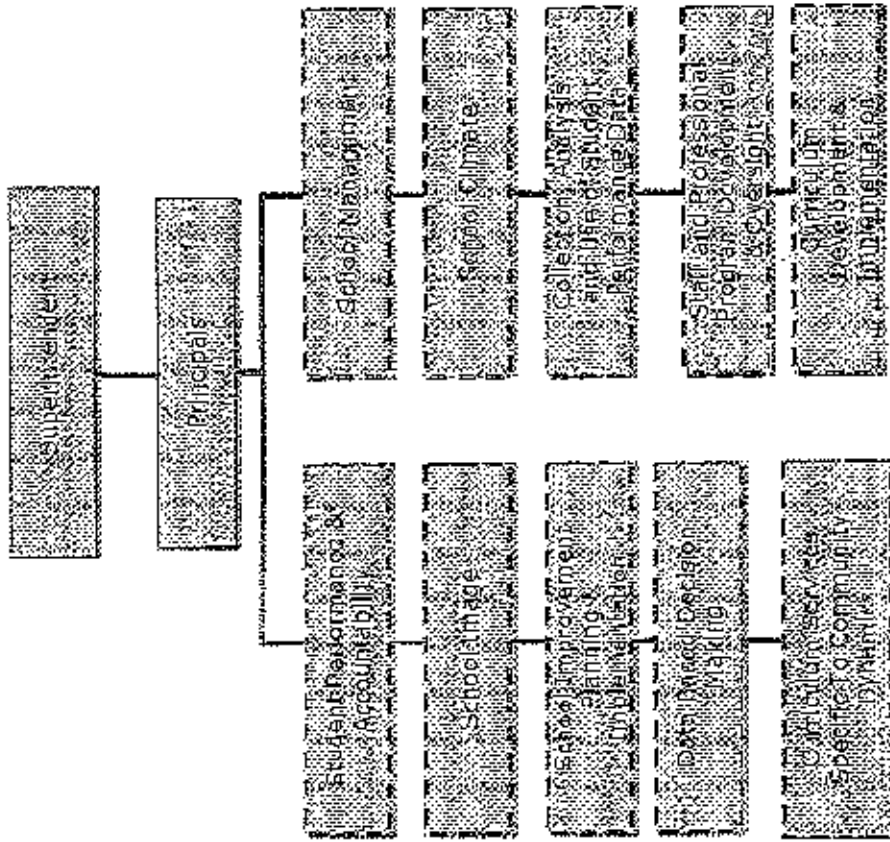
Recommended Organizational Chart

Recommended Functions
Instruction



Functional Area

Recommended Organizational Chart
 Recommended Functions
 Schools



Functional Area

APPENDIX D

**METHODS FOR DEVELOPING
A STAFFING PLAN
TAYLOR COUNTY SCHOOL DISTRICT**

APPENDIX D
METHODS FOR DEVELOPING
A STAFFING PLAN
TAYLOR COUNTY SCHOOL DISTRICT

Methods of Conducting the Staffing Study

Preface

Contemporary management literature continues to emphasize the importance of "systems thinking" and the survival requirement to develop major integrated service delivery systems as an institutionalized practice. Florida public school districts are no exception to this need.

The public education enterprise is labor intensive. Accordingly, human resources are the most valuable entity impacting the quality continuum with reference to student performance. The recruitment, selection, retention, development and deployment of these resources is of prime significance when thinking of systems design. This study and report will lay the predicate and provide the outline for such a system. The focus will be on the equitable deployment of needed and fiscally sound allocations within a position control system that provides a direct linkage between allocations, FTE forecasting, revenue, budgeting and cost accounting.

These costs will constitute the largest single expenditure from the operating budget. Occasionally, staffing consumes up to 85 percent of the total. The importance to systematically plan the total composition of the work force and to provide for the equitable distribution of these services is more than evident.

Throughout Florida master agreements, individual employment contracts, the Florida Administrative Code, the legislative session and other interagency documents annually influence these allocations. The adoption of a staffing system for schools is the initial step and provides the framework for this cyclic process.

One must recognize that no single document will address all of the dynamics of staffing for a typical school system. Flexibility both for school units and the district management team is critical. Successful plans should include the ability to address unique and unusual needs. Accordingly, the superintendent will be able to make adjustments based upon the evaluation of these needs as controlled by the district financial resources.

This staffing system is based upon a projected student membership converted to unweighted FTE by school and by program category. It is one of the most accurate ways of determining staffing because it directly allocates resources from the FTEP category that generates the specific funds. This particular system has built in checkpoints and adjustment periods at the opening of school and following the actual October FTE count for second semester implementation.

Background

Staffing Studies are comprehensive in nature and involve an on site visit by the supporting consultant(s). Several major concepts guide the study as follows:

- ⇒ Labor costs constitute the largest single expenditure from school district operating budgets.
- ⇒ Collective Bargaining, traditionally low salaries, inflation, fringe benefits, competition for the best and other factors continue to increase the costs for educational human services. The rate of budget increases is alarming.
- ⇒ Revenue increases in the state of Florida have not kept pace with the labor market trends. This is particularly true with reference to the past five years. Much of the increase in funding has been consumed by growth and/or fixed operational costs.
- ⇒ The current tax structure in the state is not promising with reference to meeting future revenue requirements.
- ⇒ Due to the changing nature of the learner, the need increases for focused individual instruction and interpersonal interaction providing lower adult to student ratios.
- ⇒ Staffing in many school districts has evolved over a period of years and may not include a systematic process to determine appropriate staffing levels or their equitable deployment.
- ⇒ The foregoing is creating a potential fiscal crisis throughout this state. The problem may be managed by adopting a comprehensive plan that controls the nature, use, allocation and development of all human resource allocations.

Data Collection

Prior to and/or during the on site visit, the consultant requested and received the following:

- ⇒ October FTE count disaggregated by school and by the Florida Educational Finance Program cost category and actual unweighted FTE for the 2007-2008 school year.

- ⇒ Current school staffing levels. This report identified in separate categories the following employment units:
 - Instructional Basic
 - Vocational Education
 - Exceptional Student Education
 - Guidance
 - Media
 - Administrative
 - Clerical
 - Categorical/Federal
 - Custodial
 - Food Service
 - Teacher Assistants

On-Site Visit

Introductory meeting with the School Staffing Committee to discuss:

- | | |
|--|---|
| ⇒ Focus of study | ⇒ Define staffing as a basic function of management |
| ⇒ CEO perception of needs | ⇒ Determine the source of local interest, pride and vision for the future of the Taylor County instructional program |
| ⇒ System priorities | |
| ⇒ Current issues | |
| ⇒ Staff profile | ⇒ Explore the nature of staffing on a public service agency |
| ⇒ Vision for the district | |
| ⇒ Consultant climate assessment | ⇒ Observe the leadership team interaction |
| ⇒ Identify process for systematic change | ⇒ Identify sensitive staffing issues |
| ⇒ Determine community interaction and educational priorities from the public perspective | ⇒ Identify local school site staffing flexibility interests and requirements |
| ⇒ Explore staffing concept of "more" | ⇒ Provide the consultant with a sense of what it means to be a Taylor County resident and educational manager |
| ⇒ Explore staffing concept of "more vs. less vs. different" | ⇒ Explore the concept of systematic change and comprehensive planning as basic function of management |
| ⇒ Hold interactive conversations to explore and understand current staffing status and needs | ⇒ Focus on staffing as a major contributor to a process based quality standard in a non-threatening developmental environment |
| ⇒ Identify the uniqueness of the Taylor County Educational enterprise so that staffing may be designed accordingly | ⇒ Raise the continuing issue of affordability |

Staffing Plan - Management Procedures, Tasks and Timelines

This staffing plan is more than a series of allocation formulas. It is a complete management system to deploy and control all school based employment units. It has several built in checkpoints. It also assumes that any effective school-based staffing configuration is cyclic in nature, initiates annual budget developments - planning process, and further that it is influenced by program needs, contractual and other legal requirements, and finally must be systematically monitored. The following are control procedures processes and recommended practices:

1. In late November, using a five-year history and the cohort survival method or other similar formula, calculate the student membership projection for the next fiscal year.
2. Disaggregate the district membership projections by school, by grade level and by full time exceptional student education program as necessary. Do not duplicate the count.
3. Calculate the membership to annualized FTE ratio for the preceding October count. FTE will be slightly less since not all students attend full time.
4. Apply this factor to each school's total projected membership to predict the maximum FTE projection.
5. Calculate from the preceding October count (for each school) FTE program category percentage of the total school FTE.
6. Apply these percentages to the total school FTE projections to determine the projected FTE by program category.
7. Forward these membership and program FTE projections to school principals for their review and written reaction. Each principal should examine these projections by grades level roll up, ESE staffings, community developments/change, and/or program additions/deletions. The totals should be adjusted accordingly and returned to the district for final analysis.
8. To complete the district analysis, compile each FTE program category and compare to the state FTE forecast. Forward to the Department of Education with the differences described and justified as necessary.
9. Develop the staffing plan in December each year. The proposed plan should be based on new programs, budget needs and overall performance from the preceding school year. Present the proposed plan to the School Board for adoption at the first regularly scheduled meeting in January. This will begin the annual budget development and staffing reappointment cycle for the next school year.
10. Divide the projected FTE category by the adopted allocation factor to determine the instructional unit allocation. Distribute the projected allocations to schools by February for implementation the next fiscal year.

11. In cases where enrollment projections are uncertain, re-appointment recommendations for annual contract teachers should be conservative.
12. On Tuesday following Labor Day Holiday have school principals take an enrollment count of students who have been in attendance at least one day and who have not withdrawn.
13. Compare the actual enrollment to the projected enrollment and calculate the adjustment factor as follows:

$$\frac{\text{Actual enrollment}}{\text{Projected Enrollment}} = \text{Adjustment Factor}$$

Round to a four-digit decimal

14. Multiply the adjustment factor times each projected FTE program category to equal adjusted FTE. Divide by the allocation factor to determine the adjustment instructional unit allocations.
15. Compare the adjusted instructional unit allocations to the existing allocated units to determine the increase or decrease and adjust staff accordingly.
16. Recalculate the actual October FTE count (annualized) and compare to the adjusted allocations (or actual allocations if no adjustments were made). These allocations will become the second semester planning target. Attrition should be used whenever possible. Due care must be exercised not to disrupt the schools or instructional programs. Further emphasis is placed on this point in elementary schools when classes have been formed and students assigned.

Remember this step primarily serves as a head start on the following fiscal year staffing when enrollment patterns have shifted significantly by the October period.

17. In November of the following year repeat the cycle.

FTE Projection Formula

1. District Staff projects membership and FTE by program by school.

Projected membership converted to projected unweighted FTE by the following formulas:

a.
$$\frac{\text{Actual October FTE (annualized)*}}{\text{Actual October membership}} = \text{FTE conversion factor}$$

b.
$$\text{FTE conversion factor} \times \text{projected membership} = \text{projected FTE total}$$

c.
$$\frac{\text{Actual FTE (by category)*}}{\text{Actual FTE total}} = \text{Program Category Ratio}$$

d.
$$\text{Program category ratio} \times \text{projected FTE total} = \text{projected FTE (category)}$$

2. Principals review and adjust projected membership and FTE

3. District Staff compiles adjusted projections.

4.
$$\frac{\text{Projected FTE (category)*}}{\text{Allocation Factor}} = \text{Instructional unit calculation}$$

* Annualized FTE = October x 2

Composite Table Instructional Unit Allocation Factors

Program Category	Allocation Factor
Basic	
Basic Elem. K-3**	15.00
Basic Elem. 4-8	19.00
Basic Middle 4-8	19.00
Basic Jr/Sr 9-12	22.00
ESOL	22.50
Vocational	
Vocational Education	17.32
Exceptional Education	
Level 111	15.00**
Level 112	15.00**
Level 113	15.00**
Level 254	7.00**
Level 255	6.00**
Preschool Handicapped	8.92#
Physical/Occupational Therapy	1.20
Speech/Hear P/T	3.00
Speech/Hear/Lang	6.00
Visually Handicapped	1.00
Hospital/Homebound	1.50
Alternative Education-Special Categories	
Aboyance	15.00
DJF	15.00
ETP	15.00

Class size reduction units are allocated by the Assistant Superintendents independently of membership projections.

** Allocation factor includes units that provide other basic programs (i.e., art, music, physical education, computer instruction)

#Preschool Handicapped will be allocated at a factor of 8.92.

Service Units

<i>Elementary Schools</i>
1-399 Enrollment
1 Principal
1 Assistant Principal-10
1 Media Specialist
.5 Counselor
400-749 Enrollment
1 Principal
1 Assistant Principal-10
1 Media Specialist
1 Counselor
750-999 Enrollment
1 Principal
1 Assistant Principal-10
1 Media Specialist
1.5 Counselors
1000-1699 Enrollment
1 Principal
1 Assistant Principal
2 Media Specialists
2 Counselors
1700 - 1919 Enrollment
1 Principal
1.5 Assistant Principals
2 Media Specialists
3 Counselors

<i>Middle Schools</i>
1 - 999 Enrollment
1 Principal
1 Assistant Principal-12
1 Assistant Principal-10
1 Media Specialist
1000-1199 Enrollment
1 Principal
1 Assistant Principal-12
1 Assistant Principal-10
2 Media Specialists
1200-1599 Enrollment
1 Principal
1 Assistant Principal-12
1 Assistant Principal-10
2 Media Specialists
1600 + Enrollment
1 Principal
1 Assistant Principal-12
3 Assistant Principals-10
2 Media Specialists

<i>Senior High Schools</i>
1 - 749 Enrollment
1 Principal
1 Assistant Principal-12
1 Assistant Principal-10
1 Media Specialist
*1 Student Activities Coord.
750-999 Enrollment
1 Principal
2 Assistant Principals-12
1 Assistant Principal-10
1 Media Specialist
*1 Student Activities Coord.
1000-1499 Enrollment
1 Principal
2 Assistant Principals-12
2 Assistant Principals-10
2 Media Specialists
*1 Student Activities Coord.
1500-1999 Enrollment
1 Principal
2 Assistant Principals-12
3 Assistant Principals-10
2 Media Specialists
*1 Student Activities Coord.
2000 + Enrollment
1 Principal
2 Assistant Principals-12
4 Assistant Principals-10
2 Media Specialists
*1 Student Activities Coord.

Guidance Counselors - Secondary Schools

1 - 637	=	1	1488 - 1912	=	4
638 - 1062	=	2	1913 - 2337	=	5
1063 - 1487	=	3	2338 & above	=	6

Note: Secondary Guidance Counselors are allocated at 1 for each 425 students and major fractions thereof (see table above).

**Instructional Unit with a supplement*

Clerical Staffing

Elementary Schools

1-659 Enrollment

1	School Secretary	12 Months
1	Elementary Bookkeeper	11 Months
1	Data Entry Clerk	11 Months
5	Library Clerk	10 Months
5	Health Assistant	10 Months

660-899 Enrollment

1	School Secretary	12 Months
1	Elementary Bookkeeper	11 Months
1	Data Entry Clerk	11 Months
1	Library Clerk	10 Months
1	Health Assistant	10 Months

900 + Enrollment

1	School Secretary	12 Months
1	Elementary Bookkeeper	11 Months
2	Data Entry Clerk	11 Months
1	Library Clerk	10 Months
1	Health Assistant	10 Months

Junior High/Middle School

1-749 Enrollment

1	School Secretary	12 Months
1	Junior/Middle Bookkeeper	12 Months
1	Data Entry Clerk	11 Months
1	School Office Clerk	10 Months
1	Library Clerk	10 Months
5	Health Assistant	10 Months

750-1249 Enrollment

1	School Secretary	12 Months
1	Junior/Middle Bookkeeper	12 Months
1	Data Entry Clerk	11 Months
2	School Office Clerk	11 Months
1	Library Clerk	10 Months
1	Health Assistant	10 Months

1250-1499 Enrollment

1	School Secretary	12 Months
1	Junior/Middle Bookkeeper	12 Months
1	Data Entry Clerk	11 Months
2.5	School Office Clerk	10 Months
1	Library Clerk	10 Months
1	Health Assistant	10 Months

Senior High Schools

750-1249 Enrollment

1	School Secretary	12 Months
1	Senior Bookkeeper	12 Months
2	Data Entry Clerk	11 Months
1	School Office Clerk	10 Months
1	Library Clerk	10 Months
1	Health Assistant	10 Months
1	Registrar	12 Months

1250-1499 Enrollment

1	School Secretary	12 Months
1	Senior Bookkeeper	12 Months
2	Data Entry Clerk	11 Months
1.5	School Office Clerks	10 Months
1	Library Clerk	10 Months
1	Health Assistant	10 Months
1	Registrar	12 Months

1500-1749 Enrollment

1	School Secretary	12 Months
1	Senior Bookkeeper	12 Months
2	Data Entry Clerk	11 Months
2	School Office Clerks	10 Months
2	Library Clerks	10 Months
1	Health Assistant	10 Months
1	Registrar	12 Months

1750-1999 Enrollment

1	School Secretary	12 Months
1	Senior Bookkeeper	12 Months
2	Data Entry Clerk	11 Months
2.5	School Office Clerks	10 Months
2	Library Clerks	10 Months
1	Health Assistant	10 Months
1	Registrar	12 Months

2000 + Enrollment

1	School Secretary	12 Months
1	Senior Bookkeeper	12 Months
2	Data Entry Clerk	11 Months
3	School Office Clerks	10 Months
2	Library Clerks	10 Months
1	Health Assistant	10 Months
1	Registrar	12 Months

Instructional Aides/Assistants
Full Time Exceptional Student Education

<i>All Levels</i>			
<u>Program</u>	<u>Allocation</u>	<u>Months</u>	<u>U.W.F.T.E.</u>
Pre-Kindergarten HDCP	2.00	10	6.00
Educable Mentally HDCP (Primary)	1.00	10	10.00
Trainable Mentally HDCP	1.00	10	7.00
Phys. HDCP	1.00	10	7.00
Emotionally HDCP	1.00	10	8.00
Spec. Learning Disabilities	1.00	10	12.00
Profoundly HDCP	2.00	10	6.00
Severely Language Impaired	1.00	10	8.00
Hearing Impaired	1.00	10	5.00

Custodial Staffing

The following will be used to calculate earnings in custodial staffing:

1.	Teacher Factor	=	$\frac{\text{number of teachers}}{8}$	=	$\frac{\quad}{8}$	=	<input type="text"/>
2.	Student Factor	=	$\frac{\text{number of students}}{225}$	=	$\frac{\quad}{225}$	=	<input type="text"/>
3.	Room Factor	=	$\frac{\text{number of rooms}}{11}$	=	$\frac{\quad}{11}$	=	<input type="text"/>
4.	Area Factor	=	$\frac{\text{total area of building}}{15,000}$	=	$\frac{\quad}{15,000}$	=	<input type="text"/>
5.	Site Factor	=	$\frac{\text{number of acres}}{2}$	=	$\frac{\quad}{2}$	=	<input type="text"/>
				Total	=	<input type="text"/>	

TOTAL = units X local adj. Total allocation
5

Formula Components

1. Teacher Factor Total number of instructional units allocated.
2. Student Factor The official student projection for the 1998-99 school year.
3. Room Factor In computing room equivalencies, the following factors are added to determine total rooms:
 - a. Number of classrooms, including portable classrooms.
 - b. Number of offices (very small offices or small office/work areas in "open schools" are combined.)
 - c. Number of gang toilets.
 - d. Square feet for large rooms and storage areas divided by 800 square feet.
 - e. Square feet for gym, cafeteria and library divided by 1000 square feet.
4. Area Factor Building area reflects total enclosed space; that is, outside wall to outside wall, including hallways, covered walkways and enclosed "outside space".
5. Site Factor Site acreage is computed as follows: The total building area, including portables, is translated into acreage. For each acre of building area, the school is responsible for 7161.3 square feet of surrounding space (countywide maintenance mows the rest of the usable site). This additional square footage is added to the building area to determine acreage factor.
6. Local Adjustment Local adjustment factor to be determined based on building size, style, age, type of flooring, number of relocatables and others. Rarely would this adjustment exceed .50 on a hundred percent scale.

Building Level Staffing Flexibility

Fractionalization of Instructional units

Instructional units are allocated to schools in full unit equivalencies by major program category. Schools have the option to fractionalize a unit as follows:

Use of Instructional Units/Exchange of Earned Units

Each principal may use the instructional units allocated to the school to provide the appropriate programs. Units earned by basic and vocational projected FTE can be interchanged between the two broad program areas. Exceptional Child unit allocations are generated on a county-wide basis and are placed by the Assistant Superintendent for Instruction after a recommendation by the Director of Exceptional Student Education.

Principals may request to "exchange" units that are generated at a school for other positions. An example is exchanging a teacher unit for teacher aide units. The value of units is listed below. Units are exchanged to the "whole unit" value. The new units may not exceed the value of the replaced unit using the average salary/benefits. See the instructions in the next section for "exchanged" units. No other instructional aides are allocated by this plan.

Any plans to use this method to change the staff must be submitted in writing to Division of Instruction for review. The Assistant Superintendent will have final approval of all requests. These positions are for One-Year only and are to be evaluated on an annual basis.

The composite allocation table is inclusive of allocations for special teacher support units such as art, music, physical education, and perhaps others. Principals are responsible for deploying these units in a manner to maintain appropriate instruction standards thereby meeting district and accreditation standards.

Appeal Process

If for any reason a principal feels that any of the allocation procedures are inequitable or if a special situation exists in his/her school, the principal may appeal for relief to the Assistant Superintendent for Curriculum and Instruction.

Adjustments to Projected Allocations

During the first 10 student days, adjustments may be made to a school's allocation. Additional adjustments may be made at any time during the year to allow for unexpected increases or decreases in student enrollment. The actual October FTE count will be annualized and recalculated to become the second semester target. The impact of the virtual school enrollment must be considered. Reasonable procedures will be followed to minimize disruption to the instructional process. Due care will also be exercised so as not to create an undue hardship on employees. Managing and capturing vacancies through attrition is often the best method.

Special Allocations or Provisions

1. *District Reserve Units*
District reserve units will be budgeted at not less than 15 units per year. Transferring all allocated units of less than .50 value to the district reserve account will provide for a portion of these units. District reserve units are provided for a variety of reasons. They may provide for loss of FTE, growth or may be used to solve unique or unusual instructional needs. Such allocations do not carry over from one fiscal year to the next.
2. Services such as Physical Therapy/Occupational Therapy may be contracted. Other district services may be contracted when it is economically advantageous to do so.
3. *ROTC Allocations*
Schools with single ROTC units have one officer that may be converted to two enlisted personnel (one enlisted staff member for the first 150 students and one additional enlisted staff member for each additional 100 students enrolled in ROTC). These units must be accounted for in the school's instructional units. Multiple units will not exceed the above formula. A school will be charged one-half of an instructional unit for each ROTC instructor.
4. *Advanced Placement/International Baccalaureate Program*
These programs are encouraged at the Senior High School and are to be supported by a reserve of three units. These units will be allocated to school based on the number of sections offered not to exceed 10 total units.

Taylor County Staffing Calculations

Introduction

In designing a proposed staffing system, it is essential to determine the overall impact. Accordingly several calculations are included for comparison purposes.

With regard to these recommendations it is important to remember that staffing is a dynamic process which should be monitored, reviewed and enhanced as a means to deliver instructional services. However, one should remain cognizant of the fiscal limitations prominent throughout Florida Public Education.

Therefore the appropriate staffing plan for a district at a given point in time is one which balances the need for and fact of a quality comprehensive instructional program against fiscal soundness. The guiding premise of this study was to find this balance with the understanding that as the components contributing to the dynamics of this process change, staffing patterns will be adjusted accordingly.

APPENDIX E

STAFF COUNTS 1999 – 2008

COMPARATIVE STATISTICAL STUDY

CONFIDENTIAL
STATISTICAL INFORMATION
CONFIDENTIAL

SALESA	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
MURKIN PROJECT	1	1	1	1	1	1	1	1	1
OFF. ASST. ASSESSMT	1	1	1	1	1	1			
DEP. ADM. SECY. COORD	1	2	3	3	3	3	3	3	3
OFF. ADM. INT. COORD	1	1	2	3	3	3	3	3	3
DEP. ASST. NON-INSTR							1	1	1
DEP. SUPERVISOR COORD.	5	5	5	4	4	4	5	5	5
OFF. NON-INSTR. COORD.	2	2	3	4	4	5	6	6	6
CONF. SUPERVISOR INSTR.	1	1	2	2	2	3	4	4	4
PRINCIPAL, ELEM.	3	3	3	3	3	3	3	3	4
PRINCIPAL, MIDDLE	1	1	2	2	2	2	2	2	1
PRINCIPAL, SR. HIGH	1	1	1	1	1	1	1	1	1
PRINCIPAL, CHIEF	1	1	1	1	1	1			
PRINCIPAL, COORD.	2	2	2	2	2	2	2	2	2
ASST. PRIN. ELEM.	3	3	3	3	3	3	3	3	3
ASST. PRIN. MIDDLE	2	2	2	2	2	2	2	2	2
ASST. PRIN. SR. HIGH	3	3	3	3	3	3	3	3	3
ASST. PRIN. CHIEF									
ASST. PRINCIPAL	2	2	2	2	2	2	2	2	2
TRANS. COORD. COORD									
COMM. SCHOOLS COORD									
PRE-K TEACHER				1	1	1	1	1	1
KINDERGARTEN TEACHER	14	15	14	15	15	15	15	15	15
ELEMENTARY 1-3	46	48	48	48	49	49	49	49	49
ELEMENTARY 4-6	24	24	25	26	27	27	28	28	28
PRINCIPAL ELEM					1				
OTHER NON-TEACHERS	12	13	14	15	15	15	15	15	15
ELEMENTARY TOTAL	100	105	105	103	102	102	102	102	102
SECONDARY 7-8	43	43	44	44	44	44	44	44	44
SECONDARY 9-12	64	62	64	62	64	66	65	65	64
SECONDARY TOTAL	107	105	108	106	108	110	109	109	108
EX-CEL D TEACHER	28	28	28	28	28	27	28	27	24
OTHER TEACHERS					1	1	1	1	1
GUIDANCE, ELEMENTARY	3	3	3	3	3	3	3	3	3
GUIDANCE, MIDDLE	2	2	2	2	2	2	2	2	2
GUIDANCE, HIGH SCHOOL	3	2	2	2	2	2	2	2	2
GUIDANCE, CHIEF									
DEVELOPMENTAL	2	2	2	2	2	2	2	2	2
GUIDANCE TOTAL	8	7	7	7	7	7	7	7	7
PSYCH. SOC. WORKERS									
PSYCHOLOGICAL	3	2	1	2	1	1	2	2	2
COUNSELOR	5	5	5	5	5	5	5	5	4
OPS. NON-ADMINISTRATIVE	11	10	10	10	9	9	10	10	10
OPS. NON-ADMINISTRATIVE	16	15	15	15	14	14	14	14	14
CLASSROOM ASSISTANT 1-3	28	25	25	25	26	26	27	26	24
CLASSROOM ASSISTANT 4-12	11	10	8	8	8	7	8	7	5
EX-CEL D ADDES	13	13	13	13	13	13	13	13	13
OTHER ADDES	13	14	13	13	13	13	13	13	11
ADDES TOTAL	63	60	62	62	64	64	64	64	62
TECHNICALS									
CLERICAL/SECRETARIAL	49	48	49	49	47	47	47	47	44
SERVICE WORKERS	49	51	50	54	53	53	53	53	52
SKILLED CRAFTS	10	12	11	9	9	9	9	9	9
LABORERS, UNKILLED	10	8	9	9	9	9	9	9	9
TOTAL UNKILLED	89	88	89	81	80	80	80	80	75
TOTAL UNKILLED	89	88	89	81	80	80	80	80	75

HEADQUARTERS	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
DEPT. ASST. ASST. INST.	1	1	1	1	1	1	1	2	1
DEPT. ASST. ASST. INST.	2	2	1	1	1	1	1		1
DEPT. SUPERVISOR, COORD.	2	1	3	2	4	4	4	4	3
DEPT. ACAD. INSTR. TOTAL	3	2	3	3	4	4	4	4	3
DEPT. ASST. NON-INSTR.									
DEPT. SUPERVISOR, COORD.	3	4	7	4	7	5	4	5	6
DEPT. NON-INSTR. TOTAL	4	4	3	4	5	3	3	5	6
CONS. SUPERVISOR/INSTR.							1	2	1
PRINCIPAL, SEEM	5	5	6	6	9	5	3	5	3
PRINCIPAL, MIDDLE	1	1	1	1	1	1	1	1	1
PRINCIPAL, SR HIGH	1	1	1	1	1	1	1	1	1
PRINCIPAL, OTHER	1	1	1	1	1	1	1	1	1
PRINCIPAL TOTAL	2	3	3	2	2	2	2	2	2
ASST. PRIN. SEEM	2	1	1	2	2	2	2	2	2
ASST. PRIN. MIDDLE	2	2	2	2	2	2	2	2	2
ASST. PRIN. SR HIGH	2	2	2	2	2	2	2	2	2
ASST. PRIN. OTHER	2	2	1	1	2	2	2	2	1
ASST. PRIN. TOTAL	3	3	2	2	3	3	3	3	2
DEANS, CURRIC. COORD.	2	2							
COMM. SCHOOLS COORD.								1	1
TEACHERS								1	1
SENIOR/ASST. TEACHER	16	17	17	17	14	17	17	14	19
PRIMARY 1-3	32	34	33	31	33	40	40	37	39
ELEMENTARY 4-6	27	26	27	26	24	22	21	25	21
PRIMARY EDUC.					25				
OTHER/SEEN TEACHERS	20	22	20	22	28	26	20	19	17
ELEMENTARY TOTAL	107	108	107	100	100	99	108	112	117
SECONDARY 7-8	32	32	30	30	40	38	40	41	38
SECONDARY 9-12	60	67	69	63	69	60	62	65	60
SECONDARY TOTAL	92	99	99	93	109	98	102	106	98
EX-CHILD TEACHER	13	15	15	15	12	10	10	15	11
GUIDANCE TEACHERS	7	5	5	4	5	4	3	5	4
GUIDANCE, ELEMENTARY	4	4	3	3	3	4	3	3	4
GUIDANCE, MIDDLE	2	1	1	1	1	2	2	2	2
GUIDANCE, SR HIGH	1	2	2	2	2	2	1	3	3
GUIDANCE, OTHER	1	1	1	1	1	1	1	1	1
OCCLUSION/PLACEMENT	2	3	1	1	2	2	2	1	1
GUIDANCE TOTAL	9	16	13	12	13	11	10	10	11
NON-TEACHING STAFF									
PSYCHOLOGICAL	2	2							
LIBRARIAN/AV	2	7	7	6	6	5	6	6	4
OPS. NON-ADMINISTR.	7	9	9	8	5	4	1	3	3
OPS. NON-ADMINISTR. INST.	10	14	10	8	5	7	7	5	10
CLASSROOM AIDES 1-12	20	23	23	12	12	12	14	13	11
CLASSROOM AIDES 1-12	15	15	14	9	11	11	11	11	11
EX-CHILD AIDES	35	32	32	30	35	32	31	28	31
OTHER AIDES	9	13	9	4	9	10	9	13	4
AIDES TOTAL	52	62	60	50	62	60	60	71	70
TECHNICIANS	1	2	1	1	1				
CLERICAL/SECRETARIAL	22	25	28	20	20	21	22	21	25
SERVICES WORKERS	20	23	24	25	28	26	20	21	27
SCHOOL OFFICERS	5	5	10	9	10	10	10	11	10
EMPLOYEES, CONTRACTED	1	2	1	1	1	1	1	1	1
TOTAL EMPLOYEES	314	340	330	315	317	309	324	361	352
HEADQUARTERS	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08

CLASSIFICATION	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
SUPERINTENDENT	1	1	1	1	1	1	1	1	1
DIR. ASST. ASST. INST.	1	1	1	1	1	1	1	1	1
DIR. SUPERVISOR, COORD.	2	3	2	2	3	3	4	4	4
OFF. ADM. INSTR. TOTAL	2	3	2	2	2	3	4	4	4
DIR. ASST. NON-INST.									
DIR. SUPERVISOR, COORD.	4	4	6	6	5	3	7	8	7
DIR. NON-INST. TOTAL	4	4	6	6	5	3	7	8	7
CHIEF, SUPERVISOR/INSTR.	2	2	3	3	1	1		1	1
PRINCIPAL, EL. ED.	2	3	2	2	2	3	2	2	2
PRINCIPAL, MIDDLE									
PRINCIPAL, SR. HIGH	3	2	2	2	2	3	2	2	2
PRINCIPAL, OTHER									
PRINCIPAL TOTAL	4	5	4	4	4	4	4	4	4
ASST. PRIN. EL. ED.					2	2	2	2	2
ASST. PRIN. MIDDLE									
ASST. PRIN. SR. HIGH									
ASST. PRIN. OTHER	1	1							
ASST. PRIN. TOTAL	2	2	2	2	2	2	2	2	2
HEADS, CURRIC. COORD.	2	2	1	2	2	2	2	2	2
COACH SCHOOLS COORD.									
PRE-K TEACHER	1	1	1	2	1	1	2		
KINDERGARTEN TEACHER	10	10	10	10	11	11	12	12	12
ELEMENTARY 1-3	27	28	27	25	27	28	30	30	32
ELEMENTARY 4-6	25	18	27	17	18	20	18	21	19
PRIMARY AD. SPEC.					19				
OTHER ELEM. TEACHERS	4	3	3	2	3	2	4	4	7
EXPERIMENTAL TOTAL	68	61	69	56	62	73	72	72	71
SECONDARY 7-12	23	21	20	21	23	27	25	28	26
SECONDARY 9-12	43	44	45	45	47	45	45	45	41
SECONDARY TOTAL	66	65	65	66	70	72	70	73	67
EX. CRED. TEACHERS	24	25	24	25	26	27	25	26	27
OTHER TEACHERS	1	2	1	1	1	1	1	1	2
COUNSELOR, ELEMENTARY	3	3	3	4	4	4	4	3	4
COUNSELOR, MIDDLE	1	1	1	1	1	2	1	2	2
COUNSELOR, HIGH	2	2	1	2	2	2	2	2	3
COUNSELOR, OTHER					1	1	1	2	2
COUNSELOR TOTAL	6	6	5	7	8	9	8	10	9
VR. TECH. EDUC. WRK. PSYCHOLOGICAL	1								
LIBRARIAN/ASST.	1	1	1	1	1	1	1	1	1
CPS NON-ADMINISTR.	5	5	4	7	5	5	6	10	10
CPS NON-ADMINISTR. (cont.)	2	2	2	4	4	4	5	1	5
CLASSROOM AIDES	15	14	15	14	17	15	12	9	11
CLASSROOM AIDES, LD	3	3	3	3	4	5	5	8	5
EX. CRED. AIDES	10	11	11	11	13	10	14	14	12
OTHER AIDES	1	1	1	1	1	1	1	1	1
AGENT TOTAL	40	41	40	43	46	42	38	38	40
TECHNICIANS							1	2	2
CLERICAL/SECRETARIAL	28	28	29	29	30	30	29	32	34
SERVICE WORKERS	61	72	67	66	67	64	61	61	61
SKILLED CRAFTS	1	1	1	1	1	1	2	2	1
LABORERS UNSKILLED	1	1	1	1	1	1	1	1	1
TOTAL STAFF (cont.)	339	350	330	344	346	347	336	332	329
CLASSIFICATION	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08

HOLMES	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
SUPERINTENDENT	1	1	1	1	2	1	1	1	1
DEPT. ASST. ASST. (REPT)									
DIR. SUPERVISOR COORD							1	3	3
OFF. ADMIN-ISTR/TOTAL							1	3	3
DEP. ASST. NON-INST.									
DIR. SLAVEUR. COORD.	9	9	9	9	8	8	8	9	7
OFF. NON-INST/TOTAL	9	9	9	9	8	8	8	9	9
CONS. SUPERVISORS									
PRINCIPAL, ELEM	2	2	2	2	2	2	2	2	2
PRINCIPAL, MIDDLE	1	1	1	1	1	1	1	1	1
PRINCIPAL, HIGH	2	2	2	2	2	2	2	2	2
PRINCIPAL, OTHER	2	2	2	2	2	2	2	2	2
PRINCIPAL/TOTAL	7	7	7	7	7	7	7	7	7
ASST PRIN. ELEM	2	2	2	2	2	2	2	2	2
ASST PRIN. MIDDLE	1	1	1	1	1	1	1	1	1
ASST PRIN. HIGH	3	3	3	3	3	3	3	3	3
ASST PRIN. OTHER	1	1	1	1	1	1	1	1	1
ASST PRIN/TOTAL	7	7	7	7	7	7	7	7	7
DEANS, CHMRC. COORD.	1	1	2	2	2	2	1		
CLASS. SCHOOL COORD									
PRESK TEACHER	5	5	5	5	5	5	5	5	5
KINDERGARTEN TEACHER	12	12	12	12	12	12	12	12	12
ELEMENTARY 1-3	22	22	22	22	22	22	22	22	22
ELEM. 4-6	20	21	24	26	25	23	25	25	27
PRIMARY 6-8 SPEC.	1	1	2	1	2				
OTHER ELEM TEACHERS	11	12	13	12	12	10	10	10	9
ELEMENTARY TOTAL	121	121	121	121	121	121	121	121	121
SECONDARY 7-8	41	42	44	38	45	44	41	44	40
SECONDARY 9-12	50	57	51	51	56	55	59	61	54
SECONDARY TOTAL	100	105	105	100	109	109	109	109	109
EX CHILD TEACHER	27	29	29	25	27	26	28	27	27
OTHER TEACHERS	2	2	2	1	4	5	3	5	5
GUIDANCE, ELEMENTARY	1	1	1	1	1	1	1	1	1
GUIDANCE, MIDDLE			1	1	1	1	1	1	1
GUIDANCE, HIGH	1	1	1	1	1	1	1	1	1
GUIDANCE, OTHER	4	5	5	5	5	5	5	4	4
GUIDANCE TOTAL	6	7	7	7	7	7	7	6	6
GUIDANCE TOTAL	5	6	6	6	6	6	6	6	6
NON-TEACHING STAFF									
PSYCHOLOGICAL	1	1	1	1	1	1	1	1	1
LIBRARIAN/AV	2	2	2	2	2	2	2	2	2
OPS NON-ADMIN/INSTR	1	3	6	6	5	11	10	13	17
OPS NON-ADMIN/INST	4	5	6	6	7	7	7	7	7
CLASSROOM AIDES 1-3	20	19	21	17	15	14	14	15	15
CLASSROOM AIDES 4-12	7	9	9	9	9	8	10	8	7
EXC CHILD AIDES	2	3	10	13	12	12	12	10	12
OTHER AIDES	12	7	9	6	10	10	13	10	10
AIDES TOTAL	45	43	59	42	45	44	50	46	48
TECHNICIANS							3	1	2
CLERICAL/SECRETARIAL	32	34	27	28	22	34	34	36	32
TECHN. WORKERS	24	26	23	23	23	19	24	24	23
SKILLED CRAFTS	3	3	3	3	3	3	3	3	3
LABORERS, UNSEMI-SKI	12	11	10	10	10	8	8	8	8
TOTAL, LINES 1-54	419	433	427	422	440	443	468	473	481
HOLMES	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08

MADISON	1999-01	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
SUPERINTENDENT	1	1	1	1	1	1	1	1	1
DEP. ASST. ASSOC. INST.									
DEP. SUPERVISOR, COORD.					2	3	4	4	4
DEP. ASST. INST./TOTAL					2	3	4	4	4
SPED. ASST., NON-EDUC.									
DEP. SUPERVISOR, COORD.	0	0	1	3	2	3	4	5	5
DEP. ASST. INST./TOTAL	0	0	1	3	2	3	4	5	5
COOP. SUPERVISOR/INSTR.	0	1	0	0	0	1	0	0	0
MUNICIPAL, SUPER.	2	2	0	1	1	0	0	0	0
PRINCIPAL, MIDDLE	0	0	0	0	0	0	0	0	0
PRINCIPAL, GR. HIGH	1	1	1	1	1	1	1	1	1
PRINCIPAL, OTHER									
PRINCIPAL/TOTAL	1	1	1	1	1	1	1	1	1
ASST. PRIN. EL. ED.	1	1				1	1	1	1
ASST. PRIN. MIDDLE	1	1				2	2	2	2
ASST. PRIN. GR. HIGH	2	1	1	2	2	3	2	1	1
ASST. PRIN. OTHER									
ASST. PRIN. TOTAL	4	3	2	3	3	5	4	3	3
GRANS, CURRIC. COORD.	0	0	0	0	0	0	0	0	0
EDUC. SCHOOLS COORD.									
PRAX TEACHER	1	1	1	1	1	1	1	1	1
KINDERGARTEN TEACHER	13	10	1	10	11	10	12	12	12
ELEMENTARY K-3	37	34	28	29	26	20	21	25	28
ELEMENTARY 4-6	10	15	16	21	18	12	13	12	13
PRIMARY ED. SPEC.					10				
OTHER ELEMENT. TEACHER	0	0	0	0	0	0	0	0	0
ELEMENTARY TOTAL	60	60	54	60	55	42	46	50	53
SECONDARY 7-8	43	40	39	41	40	29	32	28	30
SECONDARY 9-12	45	44	46	43	41	30	34	40	40
SECONDARY TOTAL	88	84	85	84	81	59	66	68	70
EX. CHILD TEACHER	20	24	27	24	24	28	31	28	31
OTHER TEACHERS	3	2						3	
GUIDANCE, ELEMENTARY	1	1	1	1	1	1	1	1	1
GUIDANCE, MIDDLE	1	1	1	1	1	1	1	2	1
GUIDANCE, GR. HIGH	2	2	2	2	2	1	1	2	2
GUIDANCE, OTHER					1			1	
GUIDANCE TOTAL	4	4	4	4	4	3	3	6	4
OCCUPATIONAL SPEC.									
VIS. TECHNICAL WRK		1	1	1	1	1	1	1	1
PSYCHOLOGICAL									
LIBRARIAN/AV	0	0	0	0	0	0	0	0	0
DEP. NON-ADMIN. INST.	1	0	0	0	0	0	0	0	0
DEP. NON-ADMIN. INST.	17	15	14	14	11	10	12	11	10
CLASSROOM AIDES K-3	25	21	27	18	8	10	5	5	5
CLASSROOM AIDES 4-12	8	10	7	1	8	7	6	0	0
EX. CHILD AIDES	22	22	24	24	23	25	22	27	19
OTHER AIDES	11	15	14	12	13	12	14	11	5
AIDS TOTAL	61	64	72	54	54	55	48	48	27
TECHNICIANS	1	1	1	1	1	1	1	1	1
CLERICAL/SECRETARIAL	20	27	31	29	33	32	35	34	37
SERVICE WORKERS	20	27	31	23	23	21	20	20	20
SKILLED CRAFTS	1	1	1	0	0	0	0	0	0
LABORERS, UNENL.									
TOTAL, LINES 1-31	441	437	434	500	504	392	410	407	391
MADISON	1999-01	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08

TAVIAC	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
SUPERINTENDENT									
DEP. ASST. ASSOCINST									
DIR. SUPERVISOR, COORD	4	4	4	4	4	5	4	3	3
DIR. ADMIN. SUPERVISOR	4	2	1	1	1	2	1	2	2
DEP. ASST. NON-INSTR.									
DIR. SUPERVISOR, COORD	6	5	6	5	7	7	6	5	7
DIR. NON-INSTR. TOTAL	6	5	6	5	7	7	6	6	7
CONS. SUPERVISOR/INSTR.	5	2	3	4	5	5	5	4	4
PRINCIPAL, ELEM	3	3	3	3	3	2	2	2	4
PRINCIPAL, MIDDLE	1	1	1	1	1	1	1	1	1
PRINCIPAL, SENIOR	1	1	1	1	1	1	1	1	1
PRINCIPAL, OTHER	1	1	1	1	1	1	1	1	1
PRINCIPAL, TOTAL	2	2	2	2	2	2	2	2	2
ASST PRIN, ELEM	2	2	0	2	2	2	2	2	1
ASST PRIN, MIDDLE	1	1	1	1	1	1	1	1	1
ASST PRIN, SENIOR	1	1	1	1	1	2	1	1	1
ASST PRIN, OTHER									
ASST PRINCIPAL	5	4	4	4	4	5	4	4	4
DEANS, CURRIC. COORD	1			1	1	1	1	1	1
COMM. SCHOOL COORD.									
PRE-K TEACHER	9	8	9	8	7	7	9	9	8
KINDERGARTEN TEACHER	12	13	9	8	7	6	12	15	14
ELEMENTARY 1-3	21	26	29	22	22	16	30	20	22
ELEMENTARY 4-6	24	22	24	25	14	17	14	15	12
MIDDLE ED. STES		1	1	1	1	1	1	1	1
OTHER ELEM TEACHERS	11	20	12	10	10	14	10	14	11
ELEMENTARY TOTAL	107	120	117	104	96	113	87	108	108
SECONDARY 7-8	30	34	37	29	31	23	22	34	28
SECONDARY 9-12	24	25	27	23	26	21	21	22	21
SECONDARY TOTAL	54	59	64	52	57	44	43	56	49
EX CURR. TEACHER	37	52	52	42	38	35	27	16	42
OTHER TEACHERS	6	3	3	4	4	3	3	3	5
GUIDANCE, ELEMENTARY									
GUIDANCE, ELEM/EL	2	3	2	2	3	2	1	2	2
GUIDANCE, SENIOR	1	2	2	1	1	1	2	2	2
GUIDANCE, OTHER	1	1	1	1	1	1	1	1	1
GUIDANCE, ACC SPEC	1	1	1	1	1	1	1	1	1
GUIDANCE TOTAL	5	7	6	5	6	5	5	6	6
VIS. THERAPEUTICAL	1	2	2	2	2	1	2	2	2
PSYCHOLOGICAL									
LIBRARIAN/AV	4	4	4	3	4	4	3	4	4
NON-ADMIN. INST.	11	12	10	9	11	11	11	10	10
NON-ADMIN. INST.	11	12	10	12	13	12	14	13	14
CLASSROOM AIDES/K-3	25	21	22	19	20	20	16	22	18
CLASSROOM AIDES/4-12	5	7	6	7	7	7	7	7	8
EXC. CHILD AIDES	22	24	25	22	23	20	19	15	13
OTHER AIDES	18	23	21	18	22	20	14	16	15
ADDITIONAL	10	11	11	12	14	10	10	10	10
TECHNICIANS	1	1	1	1			1	1	1
CLERICAL/SECRETARIAL	32	42	42	41	42	42	42	42	43
SERVICE WORKERS	52	49	47	47	42	32	25	31	37
GRUPE/CHAPTS	5	5	3	5	5	5	5	5	7
LABORERS, UNSKILLED	2	2	2	2			1	1	1
TOTAL LINE STAFF	552	520	521	455	501	423	354	340	397
TAVIAC	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08

DISTRICT	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
SUPERINTENDENT	1	1	1	1	1	1	1	1	1
DEP. ASST. ASSO INST									
DEP. SUPERVISOR, COUNSEL	2	2	2	2	2	2	3	3	3
DEP. ADM-INST/PSYCH	2	2	2	2	2	2	3	3	3
DEP. ASST. TECH INSR									
DEP. SUPV MEDICAL CORDR	4	5	3	3	3	4	4	4	4
DEP. NON-INST/PSYCH	4	4	3	3	3	3	4	4	4
CONS. SUPERVISOR/INSR	2	1	2	1				1	1
PRINCIPAL, ELGM	1	1	1	1	1	1	1	1	1
PRINCIPAL, MIDDLE	1	1	1	1	1	1	1	1	1
PRINCIPAL, SR HIGH	1	1	1	1	1	1	1	1	1
PRINCIPAL, OTHER			1	1	1	1	1	1	1
PRINCIPAL TOTAL	2	2	4	4	4	4	4	4	4
ASST PRIN, ELGM		1	1	1	1	1	1	1	1
ASST PRIN, MIDDLE	1	1	1	1	1	1	1	1	1
ASST PRIN, SR HIGH	1	1	1	1	1	1	1	1	1
ASST PRIN, OTHER									
ASST PRIN/TOTAL	2	2	2	2	2	2	2	2	2
DEANS, CURRICUL COORD	2								
COORDINATORS COORD									
REGULAR TEACHERS	2	1			2	2	2	2	4
KINDERGARTEN TEACHER	2	2	2	2	2	2	2	2	2
ELEMENTARY 1-2	22	22	22	21	21	21	21	21	21
ELEMENTARY 3-5	15	9	22	11	8	5	5	2	2
PRIMARY 6-8									
OTHER ELGM TEACHERS	11	15	22	17	14	12	12	12	16
ELEMENTARY TOTAL	50	50	52	51	50	47	44	44	50
SECONDARY 6-8	17	21	27	23	23	27	28	24	27
SECONDARY 9-12	32	31	32	34	34	37	40	41	50
SECONDARY TOTAL	61	61	68	67	67	74	78	75	87
EXCERPT TEACHERS	20	23	27	20	20	15	24	24	24
OTHER TEACHERS	5	7	24	24	31	27	23	27	24
GUIDANCE, ELEMENTARY	2	2	1	1	1	2	2	2	2
GUIDANCE, MIDDLE	2	2	1	1	1	1	1	1	1
GUIDANCE, SR HIGH	1	1	2	1	1	1	1	1	1
GUIDANCE, OTHER									
ON-SITE PLACEMENT	1	1			1	1	1	1	1
GUIDANCE TOTAL	6	6	6	4	4	5	5	5	5
VIS. INTRINSIC/CL. WRK									
PSYCHOLOGICAL									
LIBRARIANSHIP	3	4	4	5	5	5	5	5	5
OPERATION ADMIN/INSTR	1	2	3	6	6	10	10	9	12
OPERATION ADMIN/INSTR	9	11	10	10	12	11	10	11	9
CLASSROOM AIDES (K-1)	7	14	4	2	2	2	8	7	9
CLASSROOM AIDES (K-12)	5	5	4	1	2	2	1	1	1
SEN. CHILD AIDES	25	14	17	12	13	15	16	18	18
OTHER AIDES	2	2	2	2	2	2	2	2	2
AIDES TOTAL	42	42	44	35	37	44	44	45	47
TECHNICIANS	1	1							
CLERICAL/RECREATIONAL	35	36	26	24	25	28	27	30	29
SERVICE WORKERS	50	42	37	32	37	33	32	32	37
SKILLED CRAFTS	4	2	5	1	1	1	1	1	1
UNSKILLED/UNSKILLED	2	1	1	1	1	1	1	1	1
TOTAL LINES 1-34	321	292	324	327	327	326	327	323	327
DISTRICT	(1999-00)	(2000-01)	(2001-02)	(2002-03)	(2003-04)	(2004-05)	(2005-06)	(2006-07)	(2007-08)

