



AUDITOR GENERAL
WILLIAM O. MONROE, CPA



WALTON COUNTY DISTRICT SCHOOL BOARD
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation

For the Fiscal Year Ended June 30, 2004

The governing body of the District is the District School Board, which is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. The Board members and Superintendent of Schools who served during the examination period were: Donnie Richardson; Mildred T. Wilkerson, Vice-Chair; Darrell Barnhill, Chair to 11-17-03; Mark D. Davis, Chair from 11-18-03; William E. Laird; and Coy M. Yates, Superintendent.

This examination was conducted by Alice Pounds, CPA, and supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Joe Williams, CPA, Audit Manager, via e-mail at joewilliams@aud.state.fl.us or by telephone at (850) 414-9941.

This report, as well as other audit reports prepared by the Auditor General, can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS AND STUDENT TRANSPORTATION
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 For the Fiscal Year Ended June 30, 2004

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WILLIAM O. MONROE, CPA
AUDITOR GENERAL

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

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

We have examined management's assertion, included in its representation letter dated February 28, 2005, that the Walton County District School Board complied with the requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2004. These requirements are found primarily in Chapter 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-1, Florida Administrative Code, and secondarily in Chapters 1000 through 1010, 1012, and 1013, Florida Statutes, and State Board of Education Rules, Chapters 6A-4 and 6A-6, Florida Administrative Code. As discussed in the representation letter, management is responsible for the District's compliance with those statutes and rules. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Our examination procedures disclosed the following instances of material noncompliance:

1. Teachers

Eight of the 82 teachers in our sample did not meet applicable provisions of Florida Statutes or State Board of Education Rules regarding qualified instructional personnel; School Board approval of out-of-field teacher assignments; notification of parents regarding out-of-field teachers; or the earning of college credits in out-of-field subject areas. (See SCHEDULE D, finding nos. 8, 9, 10, 11, and 14.)

2. Students

We noted exceptions involving 6 of the 13 students in our Exceptional student sample for ESE Support Levels 4 and 5, and all 8 of the students in our Vocational on-the-job-training (OJT) sample. These exceptions included reporting errors and records that were not properly and accurately prepared or were missing and could not be located. (For Exceptional, see SCHEDULE D, finding nos. 2, 4, 5, 12, 15, and 16. For Vocational OJT, see SCHEDULE D, finding no. 13.)

In our opinion, except for the instances of material noncompliance mentioned above involving teachers and certain students in the Exceptional (ESE Support Levels 4 and 5) and Vocational on-the-job-training (OJT) programs, the Walton County District School Board complied, in all material respects, with the aforementioned requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2004.

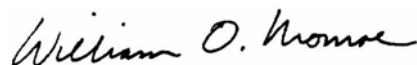
The results of our examination disclosed other instances of noncompliance with FEFP requirements, in addition to those of a material nature discussed under item nos. 1 and 2 above. We considered these other instances of noncompliance in forming our opinion regarding management's assertion and these items did not affect our opinion as stated above. All of the instances of noncompliance disclosed by our examination procedures are discussed in SCHEDULE D. The impact of those instances of noncompliance on the District's reported number of full-time equivalent (FTE) students is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

In accordance with *Government Auditing Standards*, we are required to report deficiencies in internal control that are material to management's assertion. The instances of material noncompliance mentioned under item nos. 1 and 2 above, and identified by finding number therein, are indicative of such deficiencies in the District's internal controls related to teacher assignments and the reporting of, and the preparation and maintenance of supporting documentation for, students in the Exceptional (ESE Support Levels 4 and 5) and Vocational on-the-job-training (OJT) programs. The relevant populations, samples, and exception totals that pertain to item nos. 1 and 2 are presented in SCHEDULE A herein. We performed our examination to express an opinion on the District's

compliance with the FEFPP requirements previously mentioned and not for the purpose of expressing an opinion on the District's related internal controls; accordingly, we express no such opinion.

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and the Walton County District School Board. Copies of this report are available pursuant to Section 11.45(4)(c), Florida Statutes, and its distribution is not limited.

Respectfully submitted,

A handwritten signature in cursive script that reads "William O. Monroe".

William O. Monroe, CPA
June 6, 2005

SCHEDULE A

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

Description¹	Number of Schools	% of Pop.	Number of Students (w/Exceptions)	% of Pop. (Sample)	Number of Unweighted FTE²	% of Pop. (Sample)
<u>1. Basic</u>						
<u>2.</u>						
Population ³	16	100.00%	4,721	100.00%	4,805.8990	100.00%
Sample Size ⁴	9	56.25%	213	4.51%	199.6158	4.15%
Net Audit Adjustments ⁵	-	-	(1)	(0.47%)	.2112	-
<u>2. English for Speakers of Other Languages (ESOL)</u>						
Population ³	9	100.00%	84	100.00%	62.2620	100.00%
Sample Size ⁴	8	88.89%	39	46.43%	27.1132	43.55%
Net Audit Adjustments ⁵	-	-	(5)	(12.82%)	(.2826)	-
<u>3. Exceptional - Basic with ESE Services</u>						
Population ³	16	100.00%	1,169	100.00%	1,244.2015	100.00%
Sample Size ⁴	9	56.25%	139	11.89%	122.5647	9.85%
Net Audit Adjustments ⁵	-	-	(3)	(2.16%)	1.7058	-
<u>4. Exceptional - ESE Support Levels 4 and 5</u>						
Population ³	9	100.00%	13	100.00%	9.7763	100.00%
Sample Size ⁴	7	77.78%	13	100.00%	8.0963	82.82%
Net Audit Adjustments ⁵	-	-	(6)	(46.15%)	(1.8218)	-
<u>5. Vocational 9-12</u>						
Population ³	8	100.00%	15	100.00%	228.9210	100.00%
Sample Size ⁴	1	12.50%	8	53.33%	1.2762	0.56%
Net Audit Adjustments ⁵	-	-	(8)	(100.00%)	(.8024)	-

<u>All Programs</u>						
Population ³	16	100.00%	6,002	100.00%	6,351.0598	100.00%
Sample Size ⁴	9	56.25%	412	6.86%	358.6662	5.65%
Net Audit Adjustments ⁵	-	-	(23)	(5.58%)	(.9898)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

Description¹	Number of Schools	% of Pop.	Number of Teachers (w/Exceptions)	% of Pop. (Sample)	Number of Unweighted FTE²
<u>Teacher Certification</u>					
Population	16	100.00%	194	100.00%	-
Sample Size ⁴	9	56.25%	82	42.27%	-
Net Audit Adjustments ⁵	-	-	(8)	(9.76%)	-
Basic	-	-	-	-	23.2753
ESOL	-	-	-	-	(.5838)
Basic with ESE Services	-	-	-	-	(9.8645)
ESE Support Levels 4 and 5	-	-	-	-	(.8332)
Vocational 9-12	-	-	-	-	<u>(11.9938)</u>
					<u>.0000</u>
<u>District-Wide – Ineligible ESOL Courses (Finding No. 1)</u>					
Net Audit Adjustments ⁵					
Basic	-	-			.7256
ESOL	-	-			<u>(.7256)</u>
					<u>.0000</u>
Net Audit Adjustments					<u>(.9898)</u>

¹ See NOTE A6.

² Unweighted full-time equivalent (FTE) students represents FTE prior to the application of the applicable cost factor for each program. (See SCHEDULE B and NOTE A4.)

³ The population shown for the number of schools is the total number of schools in the District which offered the courses in the program specified (i.e., Basic, English for Speakers of Other Languages (ESOL), Exceptional, and Vocational). The population shown for the number of students is the total number of students in each program at the schools in our sample. Our Vocational sample was limited to only those students who participated in on-the-job-training (OJT). The population shown for full-time equivalent (FTE) students is the total FTE for all of the District's schools (sample schools plus nonsample schools) as reported for each survey conducted for the fiscal year ended June 30, 2004. The population shown for teachers is the total number of teachers at schools in our sample who taught courses in Exceptional education or Vocational education or taught courses to Limited English Proficient (LEP) students. (See NOTE A5.)

⁴ See NOTE B.

⁵ Our audit adjustments generally reclassify reported FTE to Basic education for all exceptions except for those involving a student's attendance or enrollment (the audit adjustments for which take the reported FTE to zero).

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
 For the Fiscal Year Ended June 30, 2004

No. Program¹	<u>Net Audit Adjustment²</u>	<u>Cost Factor</u>	<u>Weighted FTE³</u>
101 Basic K-3	(.5000)	1.002	(.5010)
102 Basic 4-8	8.0536	1.000	8.0536
103 Basic 9-12	16.6585	1.140	18.9907
112 Grades 4-8 with ESE Services	(6.5200)	1.000	(6.5200)
113 Grades 9-12 with ESE Services	(1.6387)	1.140	(1.8681)
130 ESOL	(1.5920)	1.298	(2.0664)
254 ESE Support Level 4	(1.0832)	3.948	(4.2765)
255 ESE Support Level 5	(1.5718)	5.591	(8.7879)
300 Vocational 9-12	<u>(12.7962)</u>	1.190	<u>(15.2275)</u>
Total	<u>(.9898)</u>		<u>(12.2031)</u>

¹ See NOTE A6.

² These adjustments are for unweighted FTE. (See SCHEDULE C.)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2004

<u>No. Program</u>	<u>District- Wide</u>	<u>Audit Adjustments:</u>		<u>Balance Forward</u>
		<u>#0101</u>	<u>#0146</u>	
101 Basic K-3	.....	.....	.....	.0000
102 Basic 4-8	.0834	.....	.3668	.4502
103 Basic 9-12	.6422	.....	.....	.6422
112 Grades 4-8 with ESE Services	.....	.....	.....	.0000
113 Grades 9-12 with ESE Services	.....	.3468	.....	.3468
130 ESOL	(.7256)	.....	(.3668)	(1.0924)
254 ESE Support Level 4	.....	.....	.....	.0000
255 ESE Support Level 5	.....	(.3468)	.....	(.3468)
300 Vocational 9-12	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.0000</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2004

Program No.	Brought Forward	Audit Adjustments¹				Balance Forward
		#0151	#0153	#0201	#0271	
101	.0000	.....	.....	.....	.....	.0000
102	.4502	.....	1.7176	6.3858	.....	8.5536
103	.6422	.....	5.9448	2.4896	7.5819	16.6585
112	.0000	.....	(1.4678)	(6.0522)	.....	(7.5200)
113	.3468	.....	.2260	(1.6564)	(.5551)	(1.6387)
130	(1.0924)	.....	(.6660)	(.3336)	.....	(2.0920)
254	.0000	.7500	.....	(.8332)	.....	(.0832)
255	(.3468)	(.7500)	(.3332)	.....	(.1418)	(1.5718)
300	<u>.0000</u>	<u>.....</u>	<u>(5.7546)</u>	<u>.....</u>	<u>(7.0416)</u>	<u>(12.7962)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>(.3332)</u>	<u>.0000</u>	<u>(.1566)</u>	<u>(.4898)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2004

Program No.	Brought Forward	Audit Adjustments¹		Total
		#0281	#0291	
101 Basic K-3	.0000	(.5000)	.....	(.5000)
102 Basic 4-8	8.5536	.....	(.5000)	8.0536
103 Basic 9-12	16.6585	.....	.....	16.6585
112 Grades 4-8 with ESE Services	(7.5200)	.....	1.0000	(6.5200)
113 Grades 9-12 with ESE Services	(1.6387)	.....	.....	(1.6387)
130 ESOL	(2.0920)	.....	.5000	(1.5920)
254 ESE Support Level 4	(.0832)	.....	(1.0000)	(1.0832)
255 ESE Support Level 5	(1.5718)	.....	.....	(1.5718)
300 Vocational 9-12	<u>(12.7962)</u>	<u>.....</u>	<u>.....</u>	<u>(12.7962)</u>
Total	<u>(.4898)</u>	<u>(.5000)</u>	<u>.0000</u>	<u>(.9898)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

Overview

The management of the Walton County District School Board is responsible for determining and reporting the number of full-time equivalent (FTE) students in compliance with requirements of the Florida Education Finance Program (FEFP). These requirements are found primarily in Chapter 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-1, Florida Administrative Code, and secondarily in Chapters 1000 through 1010, 1012, and 1013, Florida Statutes, and State Board of Education Rules, Chapters 6A-4 and 6A-6, Florida Administrative Code. In our opinion, except for instances of material noncompliance involving teachers and the reporting of and the maintenance of supporting documentation for students in the Exceptional and Vocational on-the-job-training (OJT) programs, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2004. The instances of noncompliance disclosed by our examination procedures require management's attention and action, as recommended on page 18.

Findings

**Net Audit
 Adjustment
 (Unweighted FTE)**

Ineligible ESOL Courses

1. [Ref. 101] Our examination procedures included an automated test that compared the course numbers reported in the English for Speakers of Other Languages (ESOL) program to the course numbers that have been designated for that program by the Department of Education. The results of this test disclosed that five students in five Basic subject area courses in the October and February surveys were reported incorrectly in ESOL. Section 1003.56 (3) (d), Florida Statutes, permits such reporting only for courses in the Basic subject areas of Reading, Mathematics, Science, Social Studies, and Computer Literacy. We made the following audit adjustments to reduce the courses and students in question to Basic funding.

102 Basic 4-8	.0834	
103 Basic 9-12	.6422	
130 ESOL	(.7256)	<u>.0000</u>
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Paxton High School (#0101)

2. [Ref. 10101] One Exceptional student in the October survey was reported incorrectly in program no. 255 (ESE Support Level 5) for the student's on-campus instruction. The student's Matrix of Services form authorized program no. 113 (Grades 9-12 with ESE Services) for the student's on-campus instruction. We made the following audit adjustments:

113 Grades 9-12 with ESE Services	.3468	
255 ESE Support Level 5	(.3468)	.0000
		.0000

Freeport Middle School (#0146)

3. [Ref. 14601] The Limited English Proficient (LEP) Student Plan for one student in the October survey was not reviewed and updated for the 2003-04 school year until January 12, 2004, after the October survey. We made the following audit adjustments:

102 Basic 4-8	.3668	
130 ESOL	(.3668)	.0000
		.0000

Van R. Butler Elementary School (#0151)

4. [Ref. 15101] One Exceptional student in the October and February surveys was reported incorrectly in program no. 255 (ESE Support Level 5) for the student's on-campus instruction. The student's Matrix of Services form authorized program no. 254 (ESE Support Level 4) for on-campus instruction. We made the following audit adjustments:

254 ESE Support Level 4	.7500	
255 ESE Support Level 5	(.7500)	.0000
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

South Walton High School (#0153)

5. [Ref. 15301] The number of Class Minutes, Weekly (CMW) for one Exceptional student in the October and February surveys was incorrectly reported. The student was reported for 1,500 CMW or .5000 FTE; however, the student was only part-time and should have been reported for 1,000 CMW or .3334 FTE. We made the following audit adjustment:

255 ESE Support Level 5	(.3332)	(.3332)
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6. [Ref. 15302] The *Limited English Proficient (LEP) Student Plans* for two students in the October survey were not reviewed and updated for the 2003-04 school year until after the October survey (on October 30, 2003, and January 28, 2004, respectively). We made the following audit adjustments:

102 Basic 4-8	.2498	
103 Basic 9-12	.2498	
130 ESOL	(.4996)	.0000

7. [Ref. 15303] The course schedules for three students in on-the-job-training (OJT) programs in the October and February surveys (two in our Exceptional Basic with ESE Services sample and one in our ESOL sample) were funded using an incorrect priority. The students' off-campus, on-the-job-training (OJT) courses were funded prior to the students' on-campus courses. We made the following audit adjustments:

103 Basic 9-12	(.3344)	
113 Grades 9-12 with ESE Services	.2506	
130 ESOL	.0838	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

South Walton High School (#0153) (Continued)

8. [Ref. 15371/73/75] Three teachers were not properly certified and were not approved by the School Board to teach out-of-field during the school terms covered by the October and February surveys. The teachers held certification in Biology, Math, and Social Science, respectively, but taught courses that required certification in Reading. We also noted that the parents of the students taught by these teachers were not notified of the teachers' out-of-field status. We made the following audit adjustments:

<u>Ref. 15371</u>		
102 Basic 4-8	.3336	
112 Grades 4-8 with ESE Services	<u>(.3336)</u>	.0000
<u>Ref. 15373</u>		
102 Basic 4-8	.8006	
112 Grades 4-8 with ESE Services	<u>(.8006)</u>	.0000
<u>Ref. 15375</u>		
102 Basic 4-8	.3336	
112 Grades 4-8 with ESE Services	<u>(.3336)</u>	.0000

9. [Ref. 15372] One teacher had been appropriately approved by the School Board in a prior year to teach Marketing out-of-field; however, the parents of the students taught by this teacher during the 2003-04 school year were not notified of the teacher's out-of-field status. We made the following audit adjustments:

103 Basic 9-12	5.7792	
113 Grades 9-12 with ESE Services	<u>(.0246)</u>	
300 Vocational 9-12	<u>(5.7546)</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

South Walton High School (#0153) (Continued)

10. [Ref. 15374] One teacher had been appropriately approved by the School Board in a prior year to teach Limited English Proficient (LEP) students out-of-field; however, the parents of the students taught by this teacher during the school term covered by the October 2003 survey were not notified of the teacher's out-of-field status until January 2004. We made the following audit adjustments:

103 Basic 9-12	.2502	
130 ESOL	(.2502)	.0000
		<u>(.3332)</u>

Walton Middle School (#0201)

11. [Ref. 20171/72] Two teachers were properly approved by the School Board to teach Exceptional and Limited English Proficient (LEP) students out-of-field (one in Exceptional Student Education and one for Language Arts to LEP students) during the school terms covered by the October and February surveys; however, the parents of the students taught by these teachers were not notified of the teachers' out-of-field status. We made the following audit adjustments:

<u>Ref. 20171</u>		
102 Basic 4-8	6.0522	
103 Basic 9-12	2.4896	
112 Grades 4-8 with ESE Services	(6.0522)	
113 Grades 9-12 with ESE Services	(1.6564)	
254 ESE Support Level 4	(.8332)	.0000
 <u>Ref. 20172</u>		
102 Basic 4-8	.3336	
130 ESOL	(.3336)	.0000
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

Findings

**Net Audit
 Adjustment
 (Unweighted FTE)**

Walton Senior High School (#0271)

12. [Ref. 27101] One student in the October and February surveys was reported incorrectly in program no. 255 (ESE Support Level 5) for the student's on-campus Basic education instruction. The student should have been reported in program no. 103 (Basic 9-12) for this instruction. We made the following audit adjustments:

103 Basic 9-12	.1418	
255 ESE Support Level 5	<u>(.1418)</u>	.0000

13. [Ref. 27102/03] The course schedules for nine students in the October and February surveys (one in our Basic sample and eight in our Vocational sample) were funded using an incorrect priority. The students' off-campus, on-the-job-training (OJT) courses were funded prior to the students' on-campus courses. We also noted that the timecards for three of the Vocational sample students were missing and could not be located. We made the following audit adjustments:

<u>Ref. 27102</u>		
103 Basic 9-12	.2688	
300 Vocational 9-12	<u>(.4254)</u>	(.1566)
 <u>Ref. 27103</u>		
103 Basic 9-12	.3236	
113 Grades 9-12 with ESE Services	.0534	
300 Vocational 9-12	<u>(.3770)</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Walton Senior High School (#0271) (Continued)

14. [Ref. 27171] One teacher had been appropriately approved by the School Board in a prior year to teach Home Economics out-of-field, but earned none of the required six hours of college credit towards certification in that out-of-field subject area prior to the 2003-04 school year. We noted that the teacher was assigned out-of-field in both Home Economics and Physical Education for the school terms covered by the October and February surveys. We also noted that the parents of the students who were taught by this teacher were not notified of the teacher's out-of-field status in either subject area. We made the following audit adjustments:

103 Basic 9-12	6.9027	
113 Grades 9-12 with ESE Services	(.6635)	
300 Vocational 9-12	(6.2392)	.0000
		(.1566)

Maude Saunders Elementary School (#0281)

15. [Ref. 28101] One Exceptional student in the October survey was absent during the entire survey period and should not have been reported with the survey's results. We made the following audit adjustment:

101 Basic K-3	(.5000)	(.5000)
		(.5000)

Freeport Elementary School (#0291)

16. Ref. 29101] One Exceptional student in the October and February surveys was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustments:

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Freeport Elementary School (#0291) (Continued)

17. Ref. 29102] One Limited English Proficient (LEP) student in the October survey was incorrectly reported in program no. 102 (Basic 4-8). The student was eligible for, and was served in, the English for Speakers of Other Languages (ESOL) program and should have been reported in that program. We made the following audit adjustments:

102 Basic 4-8	(.5000)	
130 ESOL	<u>.5000</u>	<u>.0000</u>
		<u>.0000</u>
		<u>(.9898)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2004

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only eligible courses are reported for funding in the English for Speaker of Other Languages (ESOL) program; (2) only eligible students who are in attendance for a particular survey are reported for FTE funding; (3) timecards for students in the on-the-job-training (OJT) program are retained in readily accessible files; (4) students' course schedules are reported using the correct funding priority; (5) students are reported in the proper FEFP funding categories and have adequate documentation to support that reporting; (6) teachers are properly certified or, if out-of-field, have timely School Board approval to teach out-of-field and earn all required college credits in their out-of-field subject area; and (7) the parents of students taught by out-of-field teachers are properly notified of the teachers' out-of-field status prior to survey.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all of the statutory and rule provisions governing the Florida Education Finance Program (FEFP).

Regulatory Citations

Reporting

- Section 1011.60, F.S. Minimum Requirements of Florida Education Finance Program (FEFP)
- Section 1011.61, F.S. Definitions
- Section 1011.62, F.S. Funds for Operation of Schools
- Rule 6A-1.0451, F.A.C. FEFP Student Membership Surveys
- Rule 6A-1.04513, F.A.C. Maintaining Auditable FTE Records
- FTE General Instructions 2003-2004

Attendance

- Section 1003.23, F.S. Attendance Records and Reports
- Rules 6A-1.044(3)&(6)(c), F.A.C. . Pupil Attendance Records
- Rule 6A-1.04513, F.A.C. Maintaining Auditable FTE Records
- FTE General Instructions 2003-2004
- Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Walton County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2004

Regulatory Citations (Continued)

English for Speakers of Other Languages (ESOL)

- Section 1003.56, F.S.English Language Instruction for Limited English Proficient Students
- Section 1011.62(1)(g), F.S.Education for Speakers of Other Languages
- Rule 6A-6.0901, F.A.C.Definitions Which Apply to Programs for Limited English Proficient Students
- Rule 6A-6.0902, F.A.C.Requirements for Identification, Assessment, and Programmatic Assessment of Limited English Proficient Students
- Rule 6A-6.0904, F.A.C.Equal Access to Appropriate Programming for Limited English Proficient Students

Vocational On-the-Job Attendance

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

Exceptional Education

- Section 1003.57(5), F.S.Exceptional Students Instruction
- Section 1011.62, F.S.Funds for Operation of Schools
- Section 1011.62(1)(e), F.S.Funding Model for Exceptional Student Education Programs
- Rule 6A-6.03028, F.A.C.Development of Individual Educational Plans for Exceptional Students
- Rule 6A-6.03029, F.A.C.Development of Family Support Plans for Children with Disabilities Ages Birth Through Five Years
- Rule 6A-6.0312, F.A.C.Course Modification for Exceptional Students
- Rule 6A-6.0331, F.A.C.Identification and Assignment of Exceptional Students to Special Programs
- Rule 6A-6.0334, F.A.C.Temporary Assignment of Transferring Exceptional Students
- Rule 6A-6.03411, F.A.C.Special Programs and Procedures for Exceptional Students

Vocational On-the-Job Funding Hours

- Rule 6A-6.055(3), F.A.C.Definitions of Terms in Vocational Education Program
- FTE General Instructions 2003-2004

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Walton County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2004

Regulatory Citations (Continued)

Teacher Certification

- Section 1003.56, F.S. English Language Instruction for Limited English Proficient Students
- Section 1011.62(1)(g), F.S. Education For Speakers of Other Languages
- Section 1012.42(2), F.S. Teacher Teaching Out-of-Field; Notification Requirements
- Section 1012.55, F.S. Positions for Which Certificates Required
- Rule 6A-1.0502, F.A.C. Noncertificated Instructional Personnel
- Rule 6A-1.0503, F.A.C. Qualified Instructional Personnel
- Rule 6A-4.001, F.A.C. Instructional Personnel Certification
- Rule 6A-6.0521, F.A.C. Definitions and Requirements Which Apply to All Dropout Prevention Programs

The accompanying notes are an integral part of this schedule.

SCHEDULE F

Walton County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2004

Management agreed with our findings and recommendations.

A copy of management's response may be found on page 41 of this report.

The accompanying notes are an integral part of this schedule.

Walton County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2004

NOTE A - SUMMARY

A summary discussion of the essential features of the Walton County District School Board, the Florida Education Finance Program (FEFP), full-time equivalent (FTE) students, and related areas follows:

1. Walton County District School Board

The Walton County District School Board was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Walton County, Florida. Those services are provided primarily to students attending kindergarten through high school, but also to adults seeking vocational-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Walton County. For the fiscal year ended June 30, 2004, the District operated 16 schools, reported 6,351.0598 unweighted full-time equivalent (FTE) students, and received approximately \$3.1 million in State FEFP funding for those FTE. The primary sources of funding for the District are funds from the Florida Education Finance Program, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through the Florida Education Finance Program (FEFP), which was established by the Florida Legislature in 1973. It is the intent of the law "to guarantee to each student in the Florida public school system the availability of programs and services appropriate to his educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors." To provide equalization of educational opportunity in Florida, the FEFP formula recognizes (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per student cost for equivalent educational programs due to sparsity and dispersion of student population.

Walton County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2004

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an unweighted FTE (full-time equivalent) student. For example, for kindergarten through third grade, one FTE is defined as one student in membership in a program or a group of programs for 20 hours per week for 180 days; for grade levels four through twelve, one FTE is defined as one student in membership in a program or a group of programs for 25 hours per week for 180 days.

4. Calculation of FEFP Funds

The amount of State and local FEFP funds is calculated by the Department of Education by multiplying the number of unweighted full-time equivalent (FTE) students in each educational program by the specific cost factor of each program to obtain weighted FTEs. Weighted FTEs are multiplied by the base student allocation amount and that product is multiplied by the appropriate cost differential factor. Various adjustments are then added to this product to obtain the total State and local FEFP dollars. All cost factors, the base student allocation amount, cost differential factors, and various adjustment figures are established by the Florida Legislature.

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys, which are conducted under the direction of district and school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2003-2004 school year were conducted during and for the following weeks: survey one was performed for July 14-18, 2003; survey two was performed for October 13-17, 2003; survey three was performed for February 2-6, 2004; and survey four was performed for June 14-18, 2004.

Walton County District School Board
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2004

NOTE A - SUMMARY (Continued)

6. Educational Programs

FEFP funds ten specific programs under which instruction may be provided as authorized by the Florida Legislature. The general program titles under which these specific programs fall are as follows: (1) Basic; (2) English for Speakers of Other Languages (ESOL); (3) Exceptional; and (4) Vocational (9-12).

7. Statutes and Rules

The following statutes and rules are of significance to the administration of Florida public education and the Florida Education Finance Program (FEFP):

- Chapter 1000, F.S. K-20 General Provisions
- Chapter 1001, F.S. K-20 Governance
- Chapter 1002, F.S. Student and Parental Rights and Educational Choices
- Chapter 1003, F.S. Public K-12 Education
- Chapter 1006, F.S. Support for Learning
- Chapter 1007, F.S. Articulation and Access
- Chapter 1010, F.S. Financial Matters
- Chapter 1011, F.S. Planning and Budgeting
- Chapter 1012, F.S. Personnel
- Chapter 6A-1, F.A.C. Finance and Administration
- Chapter 6A-3, F.A.C. Transportation
- Chapter 6A-4, F.A.C. Certification
- Chapter 6A-6, F.A.C. Special Programs I

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers, using statistical and judgmental methods, for testing of FTE membership as reported to the Department of Education for the fiscal year ended June 30, 2004. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with applicable Florida Statutes and State Board of Education Administrative Rules. The following schools were in our sample:

Walton County District School Board
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2004

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
- Ineligible ESOL Courses	1
1. West Defuniak Elementary School	NA
2. Paxton High School	2
3. Freeport Middle School	3
4. Van R. Butler Elementary School	4
5. South Walton High School	5 through 10
6. Walton Middle School	11
7. Walton Senior High School	12 through 14
8. Maude Saunders Elementary School	15
9. Freeport Elementary School	16 and 17



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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 WALTON COUNTY DISTRICT SCHOOL BOARD FLORIDA EDUCATION FINANCE PROGRAM (FEFP) STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated February 28, 2005, that the Walton County District School Board complied with the requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of students transported for the fiscal year ended June 30, 2004. These requirements are found in Chapters 1006 and 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-3, Florida Administrative Code. As discussed in the representation letter, management is responsible for the District's compliance with those statutes and rules. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Our examination procedures disclosed instances of material noncompliance with the District's reported student ridership data, as follows: 91 of the 257 students in our student sample had exceptions involving their reported ridership category or eligibility for ridership. (See SCHEDULE A and SCHEDULE B.)

In our opinion, except for the instances of material noncompliance mentioned above involving the classification and reporting of transported students, the Walton County District School Board complied, in all material respects, with the aforementioned requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of students transported for the fiscal year ended June 30, 2004.

The results of our examination disclosed other instances of noncompliance with the aforementioned FEFP requirements, in addition to those mentioned above. We considered these other instances of noncompliance in forming our opinion regarding management's assertion and these items did not affect our opinion as stated above. All of the instances of noncompliance disclosed by our examination procedures are discussed in SCHEDULE B. The impact of those instances of noncompliance on the District's reported number of transported students is presented in SCHEDULE A and SCHEDULE B.

In accordance with *Government Auditing Standards*, we are required to report deficiencies in internal control that are material to management's assertion. The instances of material noncompliance mentioned above are indicative of such deficiencies in the District's internal controls over the classification and reporting of transported students. The relevant populations, samples, and exception totals that pertain to these instances of noncompliance are presented in SCHEDULE A herein. We performed our examination to express an opinion on the District's compliance with the FEFP requirements previously mentioned and not for the purpose of expressing an opinion on the District's related internal controls; accordingly, we express no such opinion.

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and the Walton County District School Board. Copies of this report are available pursuant to Section 11.45(4)(c), Florida Statutes, and its distribution is not limited.

Respectfully submitted,



William O. Monroe, CPA
June 6, 2005

SCHEDULE A

Walton County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

Description	Number of Vehicles	% of Pop.	No. of Students Transp.	% of Pop. (Sample)
Population ¹	164	100.00%	8,759	100.00%
Sample ²	50	30.49%	257	2.93%
General Tests				
Students w/ Exceptions ³	-	-	-	-
Net Audit Adjustments	-	-	(195)	2.23%
Detailed Tests				
Students w/ Exceptions	-	-	91	(25.41%)
Net Audit Adjustments	-	-	(50)	NA

NA - Not Applicable

¹ The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2004. The District reported 8,759 students in the following ridership categories: 69 in IDEA (K-12), Weighted; 18 in IDEA (PK), Weighted; 123 in PK Other; 8,343 in Two Miles or More; and 206 in Center to Center (Vocational). The District also reported operating a total of 164 vehicles (159 buses and 5 Vans). (IDEA stands for Individuals with Disabilities Education Act.)

² See NOTE B.

³ Our General Tests do not include the selection and testing of individual students; consequently, there are no test results presented above for General Tests/Students with Exceptions.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Walton County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

Overview

The management of the Walton County District School Board is responsible for determining and reporting the number of students transported in compliance with requirements of the Florida Education Finance Program (FEFP). These requirements are found in Chapters 1006 and 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-3, Florida Administrative Code. In our opinion, except for instances of material noncompliance involving the classification and reporting of transported students, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2004. The instances of noncompliance disclosed by our examination procedures require management's attention and action, as recommended on page 37.

**Students
 Transported
 Net Audit
 Adjustment**

Findings

Our examination procedures included both general tests and detailed tests. For our general tests, we made inquiries concerning the District's transportation of students and reconciled the District's reported ridership totals for the fiscal year ended June 30, 2004, to the supporting records. Our general tests disclosed the instances of noncompliance discussed in finding nos. 1, 2, 3, and 4. Our detailed tests of the specific ridership categories for students sampled from the July, October, February, and June surveys disclosed the instances of noncompliance discussed in finding nos. 5 through 10.

General Tests

1. [Ref. 51] Our reconciliation of the District's reported transportation data for the July, October, February and June surveys to the supporting records disclosed the following exceptions:
 - a. The reported student ridership in Two Miles or More for 6 of our 46 sampled buses (2 in October, 3 in February, and 1 in June) was overstated by 23 students.
 - b. Three students in the October survey, who were transported by van, were incorrectly reported as being transported by bus.

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Students
 Transported
 Audit
 Adjustment**

Findings

General Tests (Continued)

- c. The number of days-in-term for five students in the July survey was overstated by 7 days (16 days were reported rather than 9 days) and the number of days-in-term for two Exceptional students attending West Defuniak Elementary in the June survey was understated by one day (11 days were reported rather than 12 days).
- d. The number of buses reported in the February survey was understated by one bus.

We made the following audit adjustments:

(Subparagraph a)

<u>October 2003 Survey</u> (90 Days-in-Term)		
Two Miles or More	(4)	
<u>February 2004 Survey</u> (90 Days-in-Term)		
Two Miles or More	(17)	
<u>June 2004 Survey</u> (9 Days-in-Term)		
IDEA (K-12), Weighted	(2)	(23)

(Subparagraph b)

<u>October 2003 Survey</u>		
<u>Vans</u> (Type "E")		
Two Miles or More	3	
<u>Buses</u> (Type "B")		
Two Miles or More	(3)	0

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
**STUDENT TRANSPORTATION
 FINDINGS AND AUDIT ADJUSTMENTS**
 For the Fiscal Year Ended June 30, 2004

Findings			Students Transported Net Audit Adjustment
General Tests (Continued)			
<i>(Subparagraph c)</i>			
July 2003 Survey			
9 Days-in-Term IDEA (K-12), Weighted		5	
16 Days-in-Term IDEA (K-12), Weighted		(5)	
June 2004 Survey			
10 Days-in-Term IDEA (K-12), Weighted		2	
11 Days-in-Term Two Miles or More		(2)	0
<i>(Subparagraph d)</i>			
February 2004 Survey			
Number of Buses	1	-	-
<p>2. [Ref. 52] We noted the following exceptions involving 64 students (29 in the October survey and 35 in the February survey): 62 prekindergarten students in PK Other or Two Miles or More were enrolled in a prekindergarten program that was not eligible for FEFP transportation funding and 2 students in PK Other were reported twice. We made the following audit adjustments:</p>			
October 2003 Survey (90 Days-in-Term)			
PK Other		(26)	
Two Miles or More		(3)	

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Students
 Transported
 Audit
 Adjustment**

Findings

General Tests (Continued)

February 2004 Survey (90 Days-in-Term)

PK Other	(34)	
Two Miles or More	(1)	(64)

3. [Ref. 53] Forty-one students (23 in the October survey and 18 in the February survey) were reported twice. We made the following audit adjustments:

October 2003 Survey (90 Days-in-Term)

Center to Center (Vocational)	(23)	
-------------------------------	------	--

February 2004 Survey (90 Days-in-Term)

Two Miles or More	(1)	
Center to Center (Vocational)	(17)	(41)

4. [Ref. 54] One hundred and twenty-eight kindergarten and prekindergarten students were reported incorrectly in the Center to Center (Vocational) ridership category (49 in the October survey and 79 in the February survey). The students were not transported from one school center to another for Vocational instruction. We also noted the following:

- a. Of the 49 students in the October survey, 18 were reported twice; 2 should not have been reported because they were in a prekindergarten program that was not eligible for FEFP transportation funding; and 29 were eligible to be reported in Two Miles or More.
- b. Of the 79 students in the February survey, 47 were reported based solely on their ridership in the October survey and 32 were eligible to be reported in Two Miles or More.

We made the following audit adjustments:

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustment</u>
General Tests (Continued)		
October 2003 Survey (90 Days-in-Term)		
Two Miles or More	29	
Center to Center (Vocational)	(49)	
February 2004 Survey (90 Days-in-Term)		
Two Miles or More	32	
Center to Center (Vocational)	(79)	(67)
Net Audit Adjustments from General Tests		
Number of Students Transported		(195)
Number of Buses in Operation	<u>1</u>	=

Detailed Tests

5. [Ref. 55] Seven prekindergarten students (three in October and four in February) in PK Other in the February survey were enrolled in a prekindergarten program that was not eligible for FEFP transportation funding. We made the following audit adjustments:

October 2003 Survey (90 Days-in-Term)		
PK Other	(4)	
February 2004 Survey (90 Days-in-Term)		
PK Other	(3)	(7)

6. [Ref. 56] We noted the following exceptions involving three students: two students in the October survey (one in IDEA (PK), Weighted, and one in IDEA (K-12), Weighted) were not enrolled in school during that survey; and one student in the June survey was absent during the entire survey period. Consequently, the students were not eligible to be reported for FEFP transportation funding. We made the following audit adjustments:

October 2003 Survey (90 Days-in-Term)		
IDEA (PK), Weighted	(1)	
Two Miles or More	(1)	

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Students
 Transported
 Audit
 Adjustment**

Findings

Detailed Tests (Continued)

<u>June 2004 Survey</u> (11 Days-in-Term)		
IDEA (K-12), Weighted	(1)	(3)

7. [Ref. 57/58] We noted the following exceptions involving 38 students in IDEA Weighted ridership categories in the October, February, and June surveys:

- a. The Individual Educational Plans (IEPs) for 33 students did not indicate that the students met at least one of the five criteria necessary for classification in an IDEA weighted category. We noted that 21 of the 33 students were eligible to be reported in IDEA (K-12), Unweighted, 1 was eligible to be reported in Two Miles or More, and 11 were eligible to be reported in PK Other.
- b. Two students were not IDEA students; however, they were eligible to be reported in Two Miles or More.
- c. The IEPs for two students did not authorize transportation services for those students; consequently, these students were not eligible to be reported in an IDEA weighted or unweighted ridership category. However, the students were eligible to be reported in Two Miles or More.
- d. One student received only home-based instruction under the Hospital and Homebound program during the February survey and should not have been reported for FEFP Transportation funding.

We made the following audit adjustments:

<u>Ref. 57</u>	
<u>October 2003 Survey</u> (90 Days-in-Term)	
IDEA (K-12), Weighted	(13)
IDEA (K-12), Unweighted	11
Two Miles or More	2

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
**STUDENT TRANSPORTATION
 FINDINGS AND AUDIT ADJUSTMENTS**
 For the Fiscal Year Ended June 30, 2004

<u>Findings</u>	<u>Students Transported Net Audit Adjustment</u>	
<u>Detailed Tests</u> (Continued)		
<u>February 2004 Survey</u> (90 Days-in-Term)		
IDEA (K-12), Weighted	(13)	
IDEA (K-12), Unweighted	10	
Two Miles or More	2	
<u>June 2004 Survey</u> (10 Days-in-Term)		
IDEA (K-12), Weighted	(1)	
Two Miles or More	<u>1</u>	(1)
<u>Ref. 58</u>		
<u>October 2003 Survey</u> (90 Days-in-Term)		
IDEA (PK), Weighted	(3)	
PK Other	3	
<u>February 2004 Survey</u> (90 Days-in-Term)		
IDEA (PK), Weighted	(7)	
PK Other	7	
<u>June 2004 Survey</u> (10 Days-in-Term)		
IDEA (K-12), Weighted	(1)	
PK Other	<u>1</u>	0

8. [Ref. 59] Thirty-eight students in Two Miles or More (20 in the October survey, 16 in the February survey, and 2 in the June survey) lived less than two miles from school and were not eligible to be reported for FEFP transportation funding. We made the following audit adjustment:

<u>October 2003 Survey</u> (90 Days-in-Term)		
Two Miles or More	(20)	
<u>February 2004 Survey</u> (90 Days-in-Term)		
Two Miles or More	(16)	
<u>June 2004 Survey</u> (11 Days-in-Term)		
Two Miles or More	<u>(2)</u>	(38)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2004

**Students
 Transported
 Audit
 Adjustment**

Findings

Detailed Tests (Continued)

9. [Ref. 60] One student in Two Miles or More in the February survey was reported twice. We made the following audit adjustment:

February 2004 Survey (90 Days-in-Term)

Two Miles or More	(1)	(1)
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10. [Ref. 61] Four Vocational students in Center to Center (Vocational) in the October survey were not transported from one school center to another for Vocational instruction and, thus, should not have been reported in that ridership category. However, the students were eligible for Two Miles or More. We made the following audit adjustments:

October 2003 Survey (90 Days-in-Term)

Two Miles or More	4	
Center to Center (Vocational)	(4)	0

Net Audit Adjustments from Detailed Tests		<u>(50)</u>
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The accompanying notes are an integral part of this schedule.

SCHEDULE C

Walton County District School Board
Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2004

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only those prekindergarten students who are transported to prekindergarten programs that are eligible for transportation funding are reported; (2) the number of students reported in each ridership category is in agreement with the supporting bus drivers' reports; (3) the number of days-in-term for each survey is verified and correctly reported; (4) eligible transported students are only reported once, pursuant to the *Student Transportation General Instructions*; (5) Exceptional students are reported for weighted or unweighted IDEA categories as documented by their *Individual Educational Plans*; (6) only eligible transported students who are in membership and attendance during survey are reported with a survey's results; and (7) the distance from a student's home address to school is verified prior to those students being reported in Two Miles or More.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all of the statutory and rule provisions governing the Florida Education Finance Program (FEFP).

Regulatory Citations

- Section 1006.21, F.S.Duties of District School Superintendent and District School Board regarding Transportation
- Section 1006.23, F.S.Hazardous Walking Conditions
- Section 1011.68, F.S.Funds for Student Transportation
- Rule 6A-3.001(3), F.A.C.Basic Principles for Transportation
- Student Transportation General Instructions

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Walton County District School Board
Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2004

Management agreed with our findings and recommendations.

A copy of management's response may be found on page 41 of this report.

The accompanying notes are an integral part of this schedule.

Walton County District School Board
 Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2004

NOTE A - SUMMARY

A summary of the significant features of student transportation under the Florida Education Finance Program (FEFP) and applicable statutes and rules follows:

1. Student Eligibility

Any student who is transported by bus must meet one or more of the following conditions in order to be eligible for funding under FEFP: live two or more miles from school, be physically handicapped, be a Vocational or Exceptional student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes.

2. Transportation in Walton County District School Board

For the fiscal year ended June 30, 2004, the District received approximately \$1.7 million in State FEFP transportation funding. The District’s transportation reporting by survey was as follows:

<u>Survey Period</u>	<u>No. of Vehicles</u>	<u>No. of Students</u>
July 2003	2	5
October 2003	78	4,388
February 2004	77	4,322
June 2004	<u>7</u>	<u>44</u>
Total	<u>164</u>	<u>8,759</u>

3. Statutes and Rules

The following statutes and rules are of significance to the administration of Florida public education and the Florida Education Finance Program (FEFP):

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

Walton County District School Board
Florida Education Finance Program (FEFP)
STUDENT TRANSPORTATION
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2004

NOTE A - SUMMARY (Continued)

Chapter 1010, F.S. Financial Matters
Chapter 1011, F.S. Planning and Budgeting
Chapter 6A-1, F.A.C. Finance and Administration
Chapter 6A-3, F.A.C. Transportation

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of buses and students, using statistical and judgmental methods, for testing of the transportation data reported to the Department of Education for the fiscal year ended June 30, 2004. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with applicable Florida Statutes and State Board of Education Administrative Rules.

MANAGEMENT'S RESPONSE

**WALTON COUNTY SCHOOL DISTRICT**

CARLENE H. ANDERSON - SUPERINTENDENT OF SCHOOLS

145 PARK STREET, DEFUNIAK SPRINGS, FL 32435
 TELEPHONE 850-892-1100
 FAX 850-892-1191

June 29, 2005

William O. Monroe, C.P.A.
 Auditor General
 G74 Claude Pepper Building
 111 West Madison Street
 Tallahassee, FL 32399-1450

Dear Mr. Monroe:

We have reviewed your report on the examination of full-time equivalent (FTE) students and student transportation, as reported by the Walton County District School Board, under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2004. We are appreciative of the courteous and professional manner in which your staff conducted this audit.

We will continue to work toward eliminating our reporting errors. We have made much progress in correcting your first finding, that we had a number of teachers that did not meet DOE rules regarding out-of-field teaching assignments. We will improve documentation procedures in this area, which was the crux of the problem. We also acknowledge the exceptions involving our reporting of FTE for ESE Support Levels 4 and 5, and all 8 of the students in our Vocation on-the-job-training (OJT) sample. These technical requirements should and will receive much more attention in the future.

Thank you for your attention to these matters. If you have any questions, please feel free to call.

Sincerely,

Carlene H. Anderson
 Superintendent of Schools

“COMMITTED TO EXCELLENCE IN STUDENT ACHIEVEMENT”

DONNIE RICHARDSON
 DISTRICT 1

MILDRED WILKERSON
 DISTRICT 2

DARRELL BARNHILL
 DISTRICT 3

MARK D. DAVIS
 DISTRICT 4

WILLIAM LAIRD
 DISTRICT 5