REPORT NO. 2011-078
JANUARY 2011

BAY COUNTY
DISTRICT SCHOOL BOARD

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2010

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

BOARD MEMBERS AND SUPERINTENDENT

Bay County District School Board members and the Superintendent of Schools who served during the 2009-10 fiscal year are listed below:

	District No.
Pat Sabiston	*1*
Ryan Neves	*2*
Ginger Littleton, Chair	*3*
Jerry L. Register	*4*
Donna Allen, Vice Chair	*5*

William V. Husfelt III, Superintendent

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

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9175; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Bay County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2010

CELLA – Comprehensive English Language Learner Assessment

ELL – English Language Learner

ESE – Exceptional Student Education

ESOL – English for Speakers of Other Languages

FES – Fluent English Speaker

IDEA – Individuals with Disabilities Education Act

IEP – Individual Educational Plan

OJT – On-the-Job Training

PK – Prekindergarten

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

TABLE OF CONTENTS

For the Fiscal Year Ended June 30, 2010

PAGE NO.

EXECUTIVE SUMMARY i

FULL-TIME EQUIVALENT (FTE) STUDENTS

Independent Auditor's Report 1

Schedule A – Populations, Samples, and Test Results 4

Schedule B – Effect of Audit Adjustments on Weighted FTE 6

Schedule C – Audit Adjustments by School 7

Schedule D – Findings and Audit Adjustments 13

Schedule E – Recommendations and Regulatory Citations 37

Notes to Schedules 40

STUDENT TRANSPORTATION

Independent Auditor's Report 44

Schedule F – Populations, Samples, and Test Results 47

Schedule G – Findings and Audit Adjustments 48

Schedule H – Recommendations and Regulatory Citations 57

Notes to Schedules 58

MANAGEMENT'S RESPONSE

Exhibit A – Management's Response 60

EXECUTIVE SUMMARY

Summary of Attestation Examination

Except for the material noncompliance mentioned below involving teachers and the reporting of, and preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), and student transportation, the Bay County District School Board complied, in all material respects, with State requirements regarding the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) and the number of students transported for the fiscal year ended June 30, 2010.

- **Of the 175 teachers in our sample, 26 did not meet State requirements governing certification, School Board approval of out-of-field teacher assignments, notification to parents regarding teachers' out-of-field status, or the earning of required in-service training points in ESOL strategies.**
- **Seventy-nine of the 112 students in our ESOL sample, 27 of the 287 students in our ESE Support Levels 4 and 5 sample, and 17 of the 94 students in our Career Education 9-12 (OJT) sample had exceptions involving reporting errors or records that were not properly and accurately prepared or were missing and could not be located.**
- **Of the 286 students in our student transportation sample, 62 had exceptions involving their reported ridership category or eligibility for State transportation funding.**

Noncompliance related to FTE resulted in 72 findings. The resulting audit adjustments to the District's reported, unweighted FTE totaled to a negative 4.0382 FTE but have a potential impact on the District's weighted FTE of a negative 44.1198 FTE. Noncompliance related to student transportation resulted in 12 findings and a net audit adjustment of a negative 395 students.

Weighted FTE adjustments are presented in our report for illustrative purposes only. They do not take special program caps and allocation factors into account and are not intended to indicate the weighted FTE used to compute the dollar value of audit adjustments, which is the responsibility of the Department of Education (DOE). However, the gross dollar effect of our FTE audit adjustments may be estimated by multiplying the net weighted FTE audit adjustment by the base student allocation amount. For the Bay County District School Board, the estimated gross dollar effect of our FTE audit adjustments is a negative $160,182 (negative 44.1198 times $3,630.62).

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

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

School District of Bay County

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

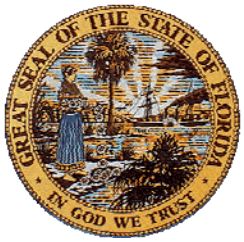
The governing body of the District is the District School Board, which is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. For the fiscal year ended June 30, 2010, the District operated 41 schools serving prekindergarten through twelfth grade students, reported 25,152.79 unweighted FTE for those students, and received approximately $29.2 million in State funding for those FTE.

Florida Education Finance Program (FEFP)

Florida school districts receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of an educational environment appropriate to the student's educational needs which is substantially equal to that available to any similar student notwithstanding geographic differences and varying local economic factors. To provide equalization of educational opportunity in Florida, the FEFP formula recognizes: (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per student cost for equivalent educational programs due to sparsity and dispersion of student population. The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an unweighted FTE (full-time equivalent student). For example, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week, which equals one FTE).

Student Transportation

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live two or more miles from school, be physically handicapped, be a Career Education 9-12 or ESE 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. The District received approximately $4.45 million in State transportation funding.



AUDITOR GENERAL
STATE OF FLORIDA

DAVID W. MARTIN, CPA
AUDITOR GENERAL

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

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

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

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

We have examined management's assertion, included in its representation letter dated August 17, 2010, that the Bay County District School Board complied with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2010. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Compliance

Our examination procedures disclosed the following material noncompliance:

1. Teachers

   Of the 175 teachers in our sample, 26 did not meet State requirements governing certification, School Board approval of out-of-field teacher assignments, notification of parents regarding teachers' out-of-field status, or the earning of required in-service training points in ESOL strategies.[1]

2. Students

   We noted exceptions involving 79 of the 112 students in our ESOL sample[2], 27 of the 287 students in our ESE Support Levels 4 and 5 sample[3], and 17 of the 94 students in our Career Education 9-12 (OJT) sample.[4] These exceptions involved reporting errors or records that were not properly and accurately prepared or were missing and could not be located.

In our opinion, except for the material noncompliance mentioned above involving teachers and the reporting of, and preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), the Bay County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2010.

The results of our examination disclosed other noncompliance with the State requirements mentioned above. We considered this other noncompliance in forming our opinion regarding the District's compliance and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE D. The impact of this noncompliance on the District's reported FTE is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

---

[1]*For teachers, see SCHEDULE D, Finding Nos. 3, 6, 13, 16, 17, 26, 27, 36, 47, 50, 63, 64, 65, and 69.*

[2]*For ESOL, see SCHEDULE D, Finding Nos. 2, 4, 5, 7, 8, 9, 10, 11, 14, 18, 19, 20, 21, 22, 25, 28, 29, 30, 43, 44, 45, 48, 51, 52, 53, 57, 58, 67, 68, and 70.*

[3]*For ESE Support Levels 4 and 5, see SCHEDULE D, Finding Nos. 12, 15, 24, 31, 32, 33, 34, 35, 37, 38, 39, 40, 41, 42, 46, 54, 55, and 72.*

[4]*For Career Education 9-12 (OJT), see SCHEDULE D, Finding Nos. 49, 59, 60, 61, and 62.*

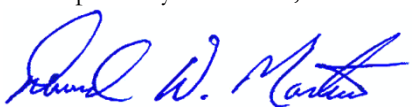
Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.[5] However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to teachers and the reporting of, and preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT). Other noncompliance disclosed by our examination procedures is indicative of control deficiencies,[5] and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULE A and SCHEDULE D.

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

Pursuant to Section 11.45(4)(c), Florida Statutes, this report is a public record and its distribution is not limited. Attestation standards established by the AICPA require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and applicable District management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
January 18, 2011

[5] *A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the aforementioned State requirements such that there is more than a remote likelihood that noncompliance that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more-than-remote likelihood that material noncompliance will not be prevented or detected by the entity's internal control.*

SCHEDULE A

Bay County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2010

Description[1]	Number of Schools	% of Pop.	Number of Students (w/Exceptions)	% of Population (Sample)	Number of Unweighted FTE[2]	% of Population (Sample)
1. Basic						
Population[3]	38	100.00%	12,305	100.00%	19,633.7600	100.00%
Sample Size[4]	18	47.37%	197	1.60%	162.2152	0.83%
Students w/Exceptions	-	-	(1)	(0.51%)	-	-
Net Audit Adjustments[5]	-	-	-	-	63.7779	-
2. Basic with ESE Services						
Population[3]	39	100.00%	2,284	100.00%	4,103.8300	100.00%
Sample Size[4]	19	48.72%	133	5.82%	118.9541	2.90%
Students w/Exceptions	-	-	(2)	(1.50%)	-	-
Net Audit Adjustments[5]	-	-	-	-	5.9700	-
3. ESOL						
Population[3]	30	100.00%	269	100.00%	321.8000	100.00%
Sample Size[4]	16	53.33%	112	41.64%	92.0552	28.61%
Students w/Exceptions	-	-	(79)	(70.54%)	-	-
Net Audit Adjustments[5]	-	-	-	-	(48.0500)	-
4. ESE Support Levels 4 and 5						
Population[3]	26	100.00%	508	100.00%	472.8500	100.00%
Sample Size[4]	16	61.54%	287	56.50%	237.3442	50.19%
Students w/Exceptions	-	-	(27)	(9.41%)	-	-
Net Audit Adjustments[5]	-	-	-	-	(11.7795)	-
5. Career Education 9-12						
Population[3]	10	100.00%	181	100.00%	620.5500	100.00%
Sample Size[4]	3	30.00%	94	51.93%	12.9371	2.08%
Students w/Exceptions	-	-	(17)	(18.09%)	-	-
Net Audit Adjustments[5]	-	-	-	-	(13.9566)	-
All Programs						
Population[3]	41	100.00%	15,547	100.00%	25,152.7900	100.00%
Sample Size[4]	20	48.78%	823	5.29%	623.5058	2.48%
Students w/Exceptions	-	-	(126)	(15.31%)	-	-
Net Audit Adjustments[5]	-	-	-	-	(4.0382)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Bay County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2010

Description[1]	Number of Schools	% of Population	Number of Teachers (w/Exceptions)	% of Population (Sample)
Teachers				
Population[3]	41	100.00%	449	100.00%
Sample Size[4]	20	48.78%	175	38.98%
Teachers w/Exceptions	-	-	(26)	(14.86%)

[1] *See NOTE A6.*

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

[3] *The population shown for the number of schools is the total number of schools in the District which offered the courses in the program specified (i.e., Basic, ESOL, ESE, and Career Education 9-12). The population shown for the number of students is the total number of students in each program at the schools in our sample. Our Career Education 9-12 population and sample data for students reflects only those students who participated in 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, 2010. The population shown for teachers is the total number of teachers at schools in our sample who taught courses in ESE Support Levels 4 and 5 or Career Education 9-12 or taught courses to ELL students. (See NOTE A5.)*

[4] *See NOTE B.*

[5] *Our audit adjustments present the net effects of noncompliance disclosed by our examination procedures, including those related to our tests of teacher certification. Our audit adjustments generally reclassify reported FTE to Basic education, except for noncompliance involving a student's enrollment or attendance, in which case the reported FTE is taken to zero.*

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Bay 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, 2010

No.	Program[1]	Net Audit Adjustment[2]	Cost Factor	Weighted FTE[3]
101	Basic K-3	20.7350	1.074	22.2694
102	Basic 4-8	12.5895	1.000	12.5895
103	Basic 9-12	30.4534	1.033	31.4584
111	Grades K-3 with ESE Services	1.0000	1.074	1.0740
112	Grades 4-8 with ESE Services	3.5000	1.000	3.5000
113	Grades 9-12 with ESE Services	1.4700	1.033	1.5185
130	ESOL	(48.0500)	1.124	(54.0082)
254	ESE Support Level 4	(6.9795)	3.520	(24.5678)
255	ESE Support Level 5	(4.8000)	4.854	(23.2992)
300	Career Education 9-12	(13.9566)	1.050	(14.6544)
Total		(4.0382)		(44.1198)

[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

Bay 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, 2010

		Audit Adjustments[1]			
No.	Program	District-Wide	#0061	#0081	Balance Forward
101	Basic K-3	.....	.....	.9236	.9236
102	Basic 4-8	.1668	.....	1.2472	1.4140
103	Basic 9-12	1.0758	6.2550	.....	7.3308
111	Grades K-3 with ESE Services	.....	.....	.....	.0000
112	Grades 4-8 with ESE Services	.....	.....	.....	.0000
113	Grades 9-12 with ESE Services	.....	.....	.....	.0000
130	ESOL	(1.2426)	(6.2550)	(2.1708)	(9.6684)
254	ESE Support Level 4	.....	.....	.....	.0000
255	ESE Support Level 5	.....	.....	.....	.0000
300	Career Education 9-12	.....	.....	.....	.0000
Total		.0000	.0000	.0000	.0000

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Bay 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, 2010

Program No.	Brought Forward	Audit Adjustments[1] #0091	#0111	#0131	#0141	Balance Forward
101	.9236	1.2505	1.5306	5.2372	.....	8.9419
102	1.4140	.....	.....	1.1208	2.0880	4.6228
103	7.3308	.....	.....	.....	.....	7.3308
111	.0000	.....	.....	1.0000	.....	1.0000
112	.0000	.....	.....	.....	1.0000	1.0000
113	.0000	.....	.....	.....	.....	.0000
130	(9.6684)	(1.2505)	(1.5306)	(6.3580)	(2.0880)	(20.8955)
254	.0000	.....	.....	(1.0000)	(1.0000)	(2.0000)
255	.0000	.....	.....	.....	.....	.0000
300	.0000	.....	.....	.....	.....	.0000
Total	.0000	.0000	.0000	.0000	.0000	.0000

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Bay 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, 2010

Program No.	Brought Forward	Audit Adjustments[1] #0151	#0191	#0201	#0231	Balance Forward
101	8.9419	.4402	1.5039	.....	1.6334	12.5194
102	4.6228	.....	.9170	6.0696	.5000	12.1094
103	7.3308	.....	.....	.....	.....	7.3308
111	1.0000	.....	.....	.....	(.5000)	.5000
112	1.0000	.....	.....	.....	.5000	1.5000
113	.0000	.....	.....	.....	.....	.0000
130	(20.8955)	(.9402)	(2.4209)	(6.0696)	(2.1334)	(32.4596)
254	(2.0000)	.....	.....	.....	(1.0000)	(3.0000)
255	.0000	.....	.....	(.0800)	.9000	.8200
300	.0000	.....	.....	.....	.....	.0000
Total	.0000	(.5000)	.0000	(.0800)	(.1000)	(.6800)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Bay 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, 2010

Program No.	Brought Forward	Audit Adjustments[1] #0241	#0281	#0341	#0491	Balance Forward
101	12.5194	4.5045	.....	.....	.....	17.0239
102	12.1094	.....	.....	.....	.....	12.1094
103	7.3308	.....	.....	6.6000	.3750	14.3058
111	.5000	.5000	1.0000	.....	.....	2.0000
112	1.5000	1.0000	1.0000	.....	.....	3.5000
113	.0000	.....	1.5400	.0800	.....	1.6200
130	(32.4596)	.....	.....	(6.6000)	(.3750)	(39.4346)
254	(3.0000)	(6.0045)	1.0000	.....	.....	(8.0045)
255	.8200	.....	(5.0400)	(.0800)	.....	(4.3000)
300	.0000	.....	.....	.....	(.1332)	(.1332)
Total	(.6800)	.0000	(.5000)	.0000	(.1332)	(1.3132)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Bay 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, 2010

Program No.	Brought Forward	Audit Adjustments[1] #0501	#0531	#0551	#0571	Balance Forward
101	17.0239	2.1441	.....	.....	1.5670	20.7350
102	12.1094	.4801	.....	.....	.....	12.5895
103	14.3058	.....	.....	15.4250	.....	29.7308
111	2.0000	.....	.....	.....	(1.0000)	1.0000
112	3.5000	.....	.....	.....	.....	3.5000
113	1.6200	.....	.5000	(.1500)	.....	1.9700
130	(39.4346)	(2.6242)	.....	(3.0500)	(1.5670)	(46.6758)
254	(8.0045)	.....	(.4750)	.....	1.0000	(7.4795)
255	(4.3000)	.....	.....	.....	.....	(4.3000)
300	(.1332)	.....	.....	(13.4750)	.....	(13.6082)
Total	(1.3132)	.0000	.0250	(1.2500)	.0000	(2.5382)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Bay 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, 2010

Program No.	Brought Forward	Audit Adjustments[1] #0771	#0781	Total
101 Basic K-3	20.7350	.....	.....	20.7350
102 Basic 4-8	12.5895	.....	.....	12.5895
103 Basic 9-12	29.7308	.7226	.....	30.4534
111 Grades K-3 with ESE Services	1.0000	.....	.....	1.0000
112 Grades 4-8 with ESE Services	3.5000	.....	.....	3.5000
113 Grades 9-12 with ESE Services	1.9700	(.5000)	.....	1.4700
130 ESOL	(46.6758)	(1.3742)	.....	(48.0500)
254 ESE Support Level 4	(7.4795)	.....	.5000	(6.9795)
255 ESE Support Level 5	(4.3000)	.....	(.5000)	(4.8000)
300 Career Education 9-12	(13.6082)	(.3484)	.....	(13.9566)
Total	(2.5382)	(1.5000)	.0000	(4.0382)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Bay 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, 2010

Overview

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. Except for material noncompliance involving teachers and the reporting of, and preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), the Bay County District School Board complied, in all material respects, with State requirements governing the determination and reporting of FTE for the fiscal year ended June 30, 2010. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 37.

Findings		Net Audit Adjustments (Unweighted FTE)

Our examination included the July and October 2009 surveys and the February and June 2010 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2009 survey or the February 2010 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

District-Wide -- Ineligible Courses Reported in ESOL

1. [Ref. 149] Our examination procedures include an automated test that compared the course numbers reported in ESOL by the District to the courses that have been designated for that program by the Department of Education. The results of this test disclosed that four of the District's schools reported five courses in ESOL that were ineligible for such reporting. We made the following audit adjustment:

102 Basic 4-8	.1668	
103 Basic 9-12	1.0758	
130 ESOL	(1.2426)	.0000
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Bay High School (#0061)		
2. [Ref. 6101] The *ELL Student Plans* for 11 students authorized 450 minutes of instruction using ESOL strategies; however, the students were reported for 863 to 1,500 minutes of such instruction. We also noted that: (a) the course schedules maintained in the students' ESOL files did not specify what courses, if any, would employ ESOL strategies, and (b) an English language assessment due by February 2009 for one of the students was not conducted until March 2009. We made the following audit adjustment:		
103 Basic 9-12	4.9882	
130 ESOL	(4.9882)	.0000
3. [Ref. 6171/72/73] Three teachers, whose classes included ELL students, had not earned the in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. One teacher had earned 18 of 60 points (Ref. 6171), one teacher had earned none of 60 points (Ref. 6172), and one teacher had earned 90 of 180 points (Ref. 6173). We made the following audit adjustments:		
Ref. 6171		
103 Basic 9-12	.5834	
130 ESOL	(.5834)	.0000
Ref. 6172		
103 Basic 9-12	.2834	
130 ESOL	(.2834)	.0000
Ref. 6173		
103 Basic 9-12	.4000	
130 ESOL	(.4000)	.0000
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Hutchison Beach Elementary School (#0081)		
4. [Ref. 8101] Two students were reported incorrectly in ESOL. The students were FES and Competent English Readers and Writers and an ELL Committee was not convened to consider the students' continued ESOL placement. We made the following audit adjustment:		
101 Basic K-3	.9236	
102 Basic 4-8	.9236	
130 ESOL	(1.8472)	.0000
5. [Ref. 8102] The *ELL Student Plan* for one student authorized 900 minutes of instruction using ESOL strategies; however, the student was reported for 1,385 minutes of such instruction. We made the following audit adjustment:		
102 Basic 4-8	.3236	
130 ESOL	(.3236)	.0000
		.0000
Cedar Grove Elementary School (#0091)		
6. [Ref. 9171] One teacher in the February 2010 survey was not properly certified and was not approved by the School Board to teach ELL students out of field until May 12, 2010. We also noted that: (a) the parents of the student concerned were not notified of the teacher's out-of-field status until May 13, 2010, and (b) the teacher had earned none of the 120 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. Since the affected ELL student is adjusted in Finding No. 8 (Ref. 9102), no audit adjustment was made here.		
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Cedar Grove Elementary School (#0091) (Continued)		
7. [Ref. 9101] The *ELL Student Plan* for one student authorized 600 minutes of instruction using ESOL strategies; however, the student was reported for 1,450 minutes of such instruction. We made the following audit adjustment:		
101 Basic K-3	.2835	
130 ESOL	(.2835)	.0000
8. [Ref. 9102] One student's reporting in ESOL was not adequately supported. The student was FES and the student's ELL Committee, which recommended the student's ESOL placement, did not document its consideration of at least two of the five ESOL placement criteria specified by State Board of Education Rule 6A-6.0902(2)3., Florida Administrative Code. We also noted that the student's *ELL Student Plan* authorized 550 minutes of instruction using ESOL strategies; however, the student was reported for 1,450 minutes of such instruction. We made the following audit adjustment:		
101 Basic K-3	.4835	
130 ESOL	(.4835)	.0000
9. [Ref. 9103] One second grade FES student in the February 2010 survey was incorrectly placed in ESOL based on an assessment of the student's reading and writing competency. Reading and writing assessments are appropriate only for students in third grade and above. We also noted that: (a) an ELL Committee was not convened to consider the student's ESOL placement, (b) the student's *ELL Student Plan* was not completed until March 4, 2010, after the February 2010 survey, and (c) the student's *ELL Student Plan* authorized 300 minutes of instruction using ESOL strategies; however, the student was reported for 1,450 minutes of such instruction. We made the following audit adjustment:		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
101 Basic K-3	.4835	
130 ESOL	(.4835)	.0000
		.0000

Merriam Cherry Street Elementary (#0111)

10. [Ref. 11101] The *ELL Student Plans* for three students authorized instructional time using ESOL strategies ranging from 600 to 975 minutes; however, the students were reported for 1,440 minutes of such instruction. We also noted that the *Plan* for one of the students, who was in the October 2009 survey, was not prepared until October 21, 2009, after that survey. We made the following audit adjustment:

101 Basic K-3	1.5306	
130 ESOL	(1.5306)	.0000
		.0000

Lucille Moore Elementary School (#0131)

11. [Ref. 13101] The *ELL Student Plans* for 11 students authorized instructional time using ESOL strategies ranging from 850 to 1,200 minutes; however, the students were reported for 1,410 minutes of such instruction. We also noted that one of the students was FES and a Competent English Reader and Writer and was not eligible for ESOL placement. We made the following audit adjustment:

101 Basic K-3	2.6166	
102 Basic 4-8	1.1208	
130 ESOL	(3.7374)	.0000

12. [Ref. 13102] The *Matrix of Services* forms for two ESE students were not reviewed and updated when the students' new IEPs were prepared. We made the following audit adjustment:

111 Grades K-3 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)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Lucille Moore Elementary School (#0131) (Continued)		
13. [Ref. 13171] One Primary Language Arts teacher, whose class included ELL students, had earned only 111 of the 180 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We made the following audit adjustment:		
101 Basic K-3	2.6206	
130 ESOL	(2.6206)	.0000
		.0000
Everitt Middle School (#0141)		
14. [Ref. 14101] The *ELL Student Plans* for three students authorized 1,375 minutes of instruction using ESOL strategies; however, the students were reported for 1,430 minutes of such instruction. We made the following audit adjustment:		
102 Basic 4-8	.0925	
130 ESOL	(.0925)	.0000
15. [Ref. 14102] The *Matrix of Services* form for one ESE student was missing and could not be located. We made the following audit adjustment:		
112 Grades 4-8 with ESE Services	1.0000	
254 ESE Support Level 4	(1.0000)	.0000
16. [Ref. 14171/72/74] Three teachers, whose classes included ELL students, had earned none of the 60 in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. We made the following audit adjustments:		
Ref. 14171		
102 Basic 4-8	.0917	
130 ESOL	(.0917)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Everitt Middle School (#0141) (Continued)		
Ref. 14172		
102 Basic 4-8	.1800	
130 ESOL	(.1800)	.0000
Ref. 14174		
102 Basic 4-8	.1834	
130 ESOL	(.1834)	.0000
17. [Ref. 14173] One Primary Language Arts teacher, whose class included ELL students, had earned none of the 120 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We made the following audit adjustment:		
102 Basic 4-8	1.5404	
130 ESOL	(1.5404)	.0000
		.0000
Hiland Park Elementary School (#0151)		
18. [Ref. 15101] One student in ESOL had withdrawn from school prior to the reporting survey. We also noted that the student's *ELL Student Plan* was missing and could not be located. We made the following audit adjustment:		
101 Basic K-3	(.0299)	
130 ESOL	(.4701)	(.5000)
19. [Ref. 15102] The file for one ELL student did not contain documentation supporting the student's continued placement in ESOL for a fourth year. We made the following audit adjustment:		
101 Basic K-3	.4701	
130 ESOL	(.4701)	.0000
		(.5000)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Oakland Terrace School (#0191)		
20. [Ref. 19101] The *ELL Student Plans* for eight students authorized instruction using ESOL strategies ranging from 1,050 to 1,350 minutes; however, the students were reported for 1,430 minutes of such instruction. We made the following audit adjustment:		
101 Basic K-3	1.0272	
130 ESOL	(1.0272)	.0000
21. [Ref. 19102] One student was reported incorrectly in ESOL. The student was FES and a Competent English Reader and Writer and had achieved a proficient score on FCAT (i.e., a Level 3 FCAT score). We also noted that the student's *ELL Student Plan* authorized 1,050 minutes of instruction using ESOL strategies; however the student was reported for 1,375 minutes of such instruction. We made the following audit adjustment:		
102 Basic 4-8	.9170	
130 ESOL	(.9170)	.0000
22. [Ref. 19103] The *ELL Student Plan* for one student in the February 2010 survey was not prepared until February 22, 2010, after that survey. We made the following audit adjustment:		
101 Basic K-3	.4767	
130 ESOL	(.4767)	.0000
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Surfside Middle School (#0201)		
23. [Ref. 20101] One Basic student had withdrawn from school prior to the reporting survey and should not have been reported with the survey's results. We made the following audit adjustment:		
102 Basic 4-8	(.5000)	(.5000)
24. [Ref. 20102] The course schedules for two ESE students in the Hospital and Homebound program were incorrectly reported. Each student was reported for two hours each of homebound instruction that did not occur until after the reporting survey. We also noted that one of the students received full-time instruction on-campus during the reporting survey but was not reported for that instruction. We made the following audit adjustment:		
102 Grades 4-8	.5000	
255 ESE Support Level 5	(.0800)	.4200
25. [Ref. 20103] The *ELL Student Plans* for five students authorized 450 minutes of instruction using ESOL strategies; however, the students were reported for either 1,225 minutes (one student) or 1,476 minutes (four students) of such instruction. We made the following audit adjustment:		
102 Basic 4-8	3.2522	
130 ESOL	(3.2522)	.0000
26. [Ref. 20171/74] Two teachers, whose classes included ELL students, had earned none of the 60 in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. We made the following audit adjustments:		
Ref. 20171		
102 Basic 4-8	.3502	
130 ESOL	(.3502)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Surfside Middle School (#0201) (Continued)		
Ref. 20174		
102 Basic 4-8	1.5000	
130 ESOL	(1.5000)	.0000

27. [Ref. 20172/73] Two Primary Language Arts teachers, whose classes included ELL students, had not earned the in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. One teacher had earned none of the 120 points (Ref. 20172) and one teacher had earned only 119 of the 180 points (Ref. 20173). We made the following audit adjustments:

Ref. 20172		
102 Basic 4-8	.3336	
130 ESOL	(.3336)	.0000
Ref. 20173		
102 Basic 4-8	.6336	
130 ESOL	(.6336)	.0000
		(.0800)

Springfield Elementary School (#0231)

28. [Ref. 23101] The *ELL Student Plans* for two students authorized instructional time using ESOL strategies ranging from 1,000 to 1,050 minutes; however, the students were reported for 1,500 minutes of such instruction. We made the following audit adjustment:

101 Basic K-3	.6334	
130 ESOL	(.6334)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Springfield Elementary School (#0231) (Continued)		
29. [Ref. 23102] The *ELL Student Plan* for one student in the October 2009 survey did not adequately describe the instruction to be provided to the student using ESOL strategies. The *Plan's* description indicated "services as outlined on the IEP;" however, the student was not staffed into an ESE program and an IEP written until October 30, 2009, after that survey. We made the following audit adjustment:		
102 Basic 4-8	.5000	
130 ESOL	(.5000)	.0000
30. [Ref. 23103] The *ELL Student Plan* covering the 2009-10 fiscal year for one student was missing and could not be located. We made the following audit adjustment:		
101 Basic K-3	1.0000	
130 ESOL	(1.0000)	.0000
31. [Ref. 23104] Four ESE students were not reported in accordance with their *Matrix of Services* forms. We made the following audit adjustment:		
111 Grades K-3 with ESE Services	(.5000)	
254 ESE Support Level 4	(1.5000)	
254 ESE Support Level 4	1.0000	
255 ESE Support Level 5	1.0000	.0000
32. [Ref. 23105] The *Matrix of Services* form for one ESE student was missing and could not be located. We made the following audit adjustment:		
112 Grades 4-8 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Springfield Elementary School (#0231) (Continued)		
33. [Ref. 23106] One ESE student in the October 2009 survey was reported incorrectly for instruction in the Hospital and Homebound program. The homebound instructor's log indicated that no instruction was provided from September 30 to October 19, 2009. We made the following audit adjustment:		
255 ESE Support Level 5	(.1000)	(.1000)
		(.1000)
St. Andrew School (#0241)		
34. [Ref. 24101] The *Matrix of Services* form for one ESE student was missing and could not be located. We made the following audit adjustment:		
111 Grades K-3 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000
35. [Ref. 24102] The IEP for one student was signed only by the student's parent and the Local Educational Agency representative. At least two District personnel should have be involved in a student's IEP development. We made the following audit adjustment:		
112 Grades 4-8 with ESE Services	1.0000	
254 ESE Support Level 4	(1.0000)	.0000
36. [Ref. 24171] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Mentally Handicapped but taught courses that required certification in Emotionally Handicapped. We also noted that the parents of the ESE students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:		
101 Basic K-3	4.5045	
254 ESE Support Level 4	(4.5045)	.0000
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Margaret K. Lewis School in Millville (#0281)		
37. [Ref. 28101] The *Matrix of Services* form for one ESE student in program No. 255 (ESE Support Level 5) was incorrectly added to 22 points. It should have reflected only 21 points. We made the following audit adjustment:		
254 ESE Support Level 4	.5000	
255 ESE Support Level 5	(.5000)	.0000
38. [Ref. 28102/05] The *Matrix of Services* forms for four ESE students were not reviewed and updated when the students' new IEPs were prepared. We made the following audit adjustments:		
Ref. 28102		
112 Grades 4-8 with ESE Services	1.0000	
113 Grades 9-12 with ESE Services	1.0400	
255 ESE Support Level 5	(2.0400)	.0000
Ref. 28105		
113 Grades 9-12 with ESE Services	.5000	
255 ESE Support Level 5	(.5000)	.0000
39. [Ref. 28103] The *Matrix of Services* form for one ESE student incorrectly included one Special Considerations point for which the student was not eligible. The point was designated for students with a Matrix score of 17 points and a Level 5 rating in three Domains. This student had a score of 21 points. We made the following audit adjustment:		
254 ESE Support Level 4	.5000	
255 ESE Support Level 5	(.5000)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Margaret K. Lewis School in Millville (#0281) (Continued)		
40. [Ref. 28104] The *Matrix of Services* form for one ESE student in program No. 255 (ESE Support Level 5) did not indicate the services to be provided to the student under Domain E. We made the following audit adjustment:		
254 ESE Support Level 4	1.0000	
255 ESE Support Level 5	(1.0000)	.0000
41. [Ref. 28106] The *Matrix of Services* form for one ESE student was not dated and we were otherwise unable to determine whether it had been prepared prior to the reporting survey. We made the following audit adjustment:		
111 Grades K-3 with ESE Services	1.0000	
254 ESE Support Level 4	(1.0000)	.0000
42. [Ref. 28107] One ESE student was absent from school during the 11-day window of the reporting survey and should not have been included with the survey's results. We made the following audit adjustment:		
255 ESE Support Level 5	(.5000)	(.5000)
		(.5000)
Rutherford High School (#0341)		
43. [Ref. 34101] The *ELL Student Plans* for three students were missing and could not be located. We also noted that evidence of parental notification was missing for two of the students as was documentation necessary to support the ESOL placement of one of these two students. We made the following audit adjustment:		
103 Basic 9-12	2.7500	
130 ESOL	(2.7500)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Rutherford High School (#0341) (Continued)		
44. [Ref. 34102] Four ELL students were reported for more ESOL-related instruction than was authorized by their *ELL Student Plans*. The *Plans* for two of the students authorized 450 minutes of such instruction and the *Plans* for the remaining two students did not authorize any. The students were reported for 1,275 minutes (three students) and 1,500 minutes (one student). We made the following audit adjustment:		
103 Basic 9-12	2.9500	
130 ESOL	(2.9500)	.0000
45. [Ref. 34103] We noted the following exceptions for one ELL student in the October 2009 and February 2010 surveys:		
a. The file did not contain documentation to support the student's continued ESOL placement for a sixth year during the October 2009 survey.		
b. The *ELL Student Plan* authorized 450 minutes of instruction using ESOL strategies; however, the student was reported for 1,125 minutes of such instruction.		
c. The student was reported beyond the maximum six-year period allowed for State funding of ESOL as of the February 2010 reporting survey.		
We made the following audit adjustment:		
103 Basic 9-12	.7500	
130 ESOL	(.7500)	.0000
46. [Ref. 34104] The *Matrix of Services* form for one ESE student in the Hospital and Homebound program, who was reported for four hours of homebound instruction, was not dated and we were otherwise unable to determine whether it had been prepared prior to the reporting surveys. We made the following audit adjustment:		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Rutherford High School (#0341) (Continued)		
113 Grades 9-12 with ESE Services	.0800	
255 ESE Support Level 5	(.0800)	.0000

47. [Ref. 34171] One teacher, whose class included ELL students, had earned none of the 60 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We made the following audit adjustment:

103 Basic 9-12	.1500	
130 ESOL	(.1500)	.0000
		.0000

A. Crawford Mosley High School (#0491)

48. [Ref. 49101] The *ELL Student Plans* for three students authorized 1,350 minutes of instructional time using ESOL strategies; however, the students were reported for 1,500 minutes of such instruction. We made the following audit adjustment:

103 Basic 9-12	.1500	
130 ESOL	(.1500)	.0000

49. [Ref. 49102] Two Career Education 9-12 (OJT) students did not work during the February 2010 reporting survey week and there was insufficient evidence that they were otherwise engaged in job search activities. We also noted that their timecards were not appropriately signed (i.e., one was not signed by the student and one was not signed by the employer). We made the following audit adjustment:

300 Career Education 9-12	(.1332)	(.1332)

50. [Ref. 49172/73] Two teachers, whose classes included ELL students, had earned none of the 60 in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. We made the following audit adjustments:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
A. Crawford Mosley High School (#0491) (Continued)		
Ref. 49172		
103 Basic 9-12	.1500	
130 ESOL	(.1500)	.0000
Ref. 49173		
103 Basic 9-12	.0750	
130 ESOL	(.0750)	.0000
		(.1332)
Tyndall Elementary School (#0501)		
51. [Ref. 50101] The *ELL Student Plans* for three students authorized instructional time using ESOL strategies ranging from 300 to 850 minutes; however, the students were reported for 1,440 minutes of such instruction. We made the following audit adjustment:		
101 Basic K-3	1.1839	
130 ESOL	(1.1839)	.0000
52. [Ref. 50102] The file for one ELL student was missing and could not be located. We made the following audit adjustment:		
102 Basic 4-8	.4801	
130 ESOL	(.4801)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Tyndall Elementary School (#0501) (Continued)		
53. [Ref. 50103] One second grade FES student was incorrectly placed in ESOL based on an assessment of the student's reading and writing competency. Reading and writing assessments are appropriate only for students in third grade and above. We also noted that: (a) the student's ELL Committee recommended that the student continue in ESOL based solely (and incorrectly) on the student's reading and writing assessment, and (b) the student's *ELL Student Plan* authorized 850 minutes of instruction using ESOL strategies; however, the student was reported for 1,440 minutes of such instruction. We made the following audit adjustment:		
101 Basic K-3	.9602	
130 ESOL	(.9602)	.0000
		.0000
New Horizons Learning Center (#0531)		
54. [Ref. 53101] The FTE for the course schedules for two ESE students was incorrectly reported. The students received 1,500 instructional minutes or .5000 FTE but were only reported for .4875 FTE. We made the following audit adjustment:		
254 ESE Support Level 4	.0250	.0250
55. [Ref. 53102] The *Matrix of Services* form for one ESE student was incorrectly prepared: Domain A and Domain B were shown having two different levels of service. Each Domain should reflect only one level of service. We made the following audit adjustment:		
113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000
		.0250

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
J.R. Arnold High School (#0551)		
56. [Ref. 55101] One ESE student was reported incorrectly in OJT in program No. 113 (Grades 9-12 with ESE Services) for 25 hours (.5000 FTE). The student's timecard supported only 17.5 hours (.3500 FTE). We made the following audit adjustment:		
113 Grades 9-12 with ESE Services	(.1500)	(.1500)
57. [Ref. 55102] Two students were reported incorrectly in ESOL. The students were FES and Competent English Readers and Writers, and an ELL Committee was not convened to consider the students' ESOL placement. We made the following audit adjustment:		
103 Basic 9-12	1.2500	
130 ESOL	(1.2500)	.0000
58. [Ref. 55103] The *ELL Student Plan* for one student in the February 2010 survey was not prepared until March 29, 2010. We made the following audit adjustment:		
103 Basic 9-12	.4500	
130 ESOL	(.4500)	.0000
59. [Ref. 55104] The timecards for two Career Education 9-12 (OJT) students were signed by the students' employers before the end of the work periods covered by those timecards; consequently, the students' reported OJT time was not adequately supported. We made the following audit adjustment:		
300 Career Education 9-12	(.1000)	(.1000)
60. [Ref. 55105] The timecards for nine OJT students were missing and could not be located. We made the following audit adjustment:		
300 Career Education 9-12	(.8000)	(.8000)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
J.R. Arnold High School (#0551) (Continued)		
61. [Ref. 55106] The timecards for two Career Education 9-12 (OJT) students were not appropriately signed by the students' employers and one was also missing the signature of the student. We made the following audit adjustment:		
300 Career Education 9-12	(.1000)	(.1000)
62. [Ref. 55107] Two Career Education 9-12 (OJT) students did not work during the reporting survey weeks. We made the following audit adjustment:		
300 Career Education 9-12	(.1000)	(.1000)
63. [Ref. 55171/72/73/74/76/77] Six teachers, whose classes included ELL students, had not earned the number of in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. Five teachers had earned none of the 60 points (Ref. 55171/73/74/76/77) and one teacher had earned none of the 180 points (Ref. 55172). We made the following audit adjustments:		
Ref. 55171		
103 Basic 9-12	.1500	
130 ESOL	(.1500)	.0000
Ref. 55172		
103 Basic 9-12	.1500	
130 ESOL	(.1500)	.0000
Ref. 55173		
103 Basic 9-12	.3000	
130 ESOL	(.3000)	.0000
Ref. 55174		
103 Basic 9-12	.1500	
130 ESOL	(.1500)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
J.R. Arnold High School (#0551) (Continued)		
Ref. 55176		
103 Basic 9-12	.1500	
130 ESOL	(.1500)	.0000
Ref. 55177		
103 Basic 9-12	.3000	
130 ESOL	(.3000)	.0000

64. [Ref. 55175] One teacher in the October 2009 survey was appropriately approved to teach ELL students out of field; however, the parents of the students concerned were not notified of the teacher's out-of-field status until January 29, 2010. We made the following audit adjustment:

103 Basic 9-12	.1500	
130 ESOL	(.1500)	.0000

65. [Ref. 55178] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Business Education but taught courses that also required the Teacher of Cooperative Education endorsement. We also noted that the parents of the Career Education 9-12 students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

103 Basic 9-12	12.3750	
300 Career Education 9-12	(12.3750)	.0000
		(1.2500)

Breakfast Point Academy (#0571)

66. [Ref. 57101] One ESE student, who was in our Basic with ESE Services sample, was not reported in accordance with his *Matrix of Services* form. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Breakfast Point Academy (#0571) (Continued)		
111 Grades K-3 with ESE Services	(1.0000)	
254 ESE Support Level 4	1.0000	.0000

67. [Ref. 57102] Two students were reported incorrectly in ESOL. The students had achieved proficient scores on CELLA and should have been exited from ESOL. We made the following audit adjustment:

101 Basic K-3	1.4202	
130 ESOL	(1.4202)	.0000

68. [Ref. 57103] The *ELL Student Plan* for one student authorized 1,200 minutes of instruction using ESOL strategies; however, the student was reported for 1,420 minutes of such instruction. We made the following audit adjustment:

101 Basic K-3	.1468	
130 ESOL	(.1468)	.0000
		.0000

Newpoint Bay High School (#0771)

69. [Ref. 77172] One teacher, whose class included an ELL student, had earned none of the 60 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. Since the student concerned is adjusted in Finding No. 70 (Ref. 77101), no audit adjustment was made here.

.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Newpoint Bay High School (#0771) (Continued)		
70. [Ref. 77101] The files for two ELL students did not contain *ELL Student Plans* that were valid during the 2009-10 school year. We also noted the following exceptions: (a) the parental notification letter for one of the students was not dated, and (b) the English language proficiency of one student in a fourth year of ESOL placement at the time of the October 2009 survey was not assessed until after the survey on October 26, 2009. We made the following audit adjustment:		
103 Basic 9-12	1.3742	
130 ESOL	(1.3742)	.0000
71. [Ref. 77103] The attendance of three non-sample students was not adequately supported. The students were clearly shown on the supporting attendance records as being absent for 10 days of the 11-day window of the reporting survey. Two of the students were shown as in attendance for one day but the students' parent advised us that they did not attend school on that day. The remaining student was shown as in attendance for one period on one day by some records but not on others and we concluded from our inquiries that this attendance indication was most probably erroneous. We made the following audit adjustment:		
103 Basic 9-12	(.6516)	
113 Grades 9-12 with ESE Services	(.5000)	
300 Career Education 9-12	(.3484)	(1.5000)
		(1.5000)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Bay 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, 2010

Findings		Net Audit Adjustments (Unweighted FTE)
Chautauqua Learn & Serve Charter School (#0781)		
72. [Ref. 78101] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We made the following audit adjustment:		
254 ESE Support Level 4	.5000	
255 ESE Support Level 5	(.5000)	.0000
		.0000
		(4.0382)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Bay 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, 2010

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only ESOL-eligible courses are reported in ESOL; (2) only students who are in membership and in attendance at least one of the eleven days of a survey window are reported with that survey's results; (3) students are reported in the proper funding categories for the correct FTE and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE Support Levels 4 and 5; (4) the supporting timecards for Career Education 9-12 students and ESE students who are enrolled in OJT are properly completed and retained in readily accessible files; (5) the FTE reported for students in the Hospital and Homebound program is based on the homebound instructors' contact logs and the time authorized on the students' IEPs; (6) ESE students are reported in accordance with their *Matrix of Services* forms; (7) teachers are properly certified or, if out of field, are approved to teach out of field by the School Board; (8) parents are appropriately notified of teachers' out-of-field status; and (9) teachers earn in-service training points in ESOL strategies on a timely basis as required by rule and their in-service training timelines.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all State requirements governing FTE and FEFP.

Regulatory Citations

Reporting

Section 1011.60, F.S. ..... Minimum Requirements of the Florida Education Finance Program
Section 1011.61, F.S. ..... Definitions
Section 1011.62, F.S. ..... Funds for Operation of Schools
Rule 6A-1.0451, F.A.C. ..... FEFP Student Membership Surveys
Rule 6A-1.04513, F.A.C. ..... Maintaining Auditable FTE Records
FTE General Instructions 2009-10

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Bay 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, 2010

Regulatory Citations (Continued)

Attendance

Section 1003.23, F.S. .....Attendance Records and Reports

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

Rule 6A-1.04513, F.A.C. .....Maintaining Auditable FTE Records

FTE General Instructions 2009-10

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

English for Speakers of Other Languages (ESOL)

Section 1003.56, F.S. .....English Language Instruction for Limited English Proficient Students

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

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

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

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

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

Career Education On-the-Job Attendance

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

Exceptional Education

Section 1003.57, F.S. .....Exceptional Students Instruction

Section 1011.62, F.S. .....Funds for Operation of Schools

Section 1011.62(1)(e), F.S. .....Funding Model for Exceptional Student Education Programs

Rule 6A-6.03028, F.A.C. .....Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities

Rule 6A-6.03029, F.A.C. .....Development of Family Support Plans for Children with Disabilities Ages Birth Through Five Years

Rule 6A-6.0312, F.A.C. .....Course Modifications for Exceptional Students

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Bay 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, 2010

Regulatory Citations (Continued)

Exceptional Education (Continued)

Rule 6A-6.0331, F.A.C. ..... General Education Intervention Procedures, Identification, Evaluation, Reevaluation and the Initial Provision of Exceptional Education Services

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

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

Career Education On-the-Job Funding Hours

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

FTE General Instructions 2009-10

Teacher Certification

Section 1012.42(2), F.S. ..... Teacher Teaching Out-of-Field; Notification Requirements

Section 1012.55, F.S. ..... Positions for Which Certificates Required

Rule 6A-1.0502, F.A.C. ..... Non-certificated Instructional Personnel

Rule 6A-1.0503, F.A.C. ..... Definition of Qualified Instructional Personnel

Rule 6A-4.001, F.A.C. ..... Instructional Personnel Certification

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

The accompanying notes are an integral part of this schedule.

Bay County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

NOTE A - SUMMARY

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

1. School District of Bay County

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

For the fiscal year ended June 30, 2010, the District operated 41 schools serving prekindergarten through twelfth grade students, reported 25,152.79 unweighted FTE, and received approximately $29.2 million in State funding for those FTE. The primary sources of funding for the District are funds from FEFP, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of an educational environment appropriate to the student's educational needs which is substantially equal to that 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.

Bay County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

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

4. Calculation of FEFP Funds

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

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys that are conducted under the direction of district and school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2009-10 school year were conducted during and for the following weeks: survey one was performed for July 13 through 17, 2009; survey two was performed for October 12 through 16, 2009; survey three was performed for February 8 through 12, 2010; and survey four was performed for June 14 through 18, 2010.

Bay County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

NOTE A - SUMMARY (Continued)

6. Educational Programs

FEFP funds ten specific programs under which instruction may be provided as authorized by the Florida Legislature. The general program titles under which these specific programs fall are as follows: (1) Basic, (2) ESOL, (3) ESE, and (4) Career Education 9-12.

7. Statutes and Rules

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

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

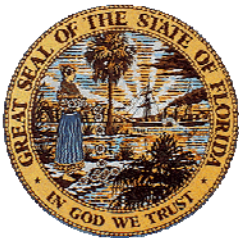
NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers, using statistical and judgmental methods, for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2010. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing FTE and FEFP. The following schools were in our sample:

Bay County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

NOTE B - SAMPLING (Continued)

	School Name/Description	Finding Number(s)
	District Wide--Ineligible Courses Reported in ESOL	1
1.	Bay High School	2 and 3
2.	Hutchison Beach Elementary School	4 and 5
3.	Cedar Grove Elementary School	6 through 9
4.	Merriam Cherry Street Elementary	10
5.	Lucille Moore Elementary School	11 through 13
6.	Everitt Middle School	14 through 17
7.	Hiland Park Elementary School	18 and 19
8.	Oakland Terrace School	20 through 22
9.	Surfside Middle School	23 through 27
10.	Springfield Elementary School	28 through 33
11.	St. Andrew School	34 through 36
12.	Margaret K. Lewis School in Millville	37 through 42
13.	Rutherford High School	43 through 47
14.	A. Crawford Mosley High School	48 through 50
15.	Tyndall Elementary School	51 through 53
16.	New Horizons Learning Center	54 and 55
17.	J.R. Arnold High School	56 through 65
18.	Breakfast Point Academy	66 through 68
19.	Newpoint Bay High School	69 through 71
20.	Chautauqua Learn & Serve Charter School	72



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL
STATE OF FLORIDA

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

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

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

INDEPENDENT AUDITOR'S REPORT
BAY COUNTY DISTRICT SCHOOL BOARD
STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated August 17, 2010, that the Bay County District School Board complied with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2010. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Compliance

Our examination procedures disclosed material noncompliance with the District's reported student ridership data as follows: 62 of the 286 students in our sample had exceptions involving their reported ridership category or eligibility for State transportation funding. (See SCHEDULE G, Finding Nos. 7, 8, 9, 10, 11, and 12.)

In our opinion, except for the material noncompliance mentioned above involving the classification and reporting of transported students, the Bay County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2010.

The results of our examination disclosed other noncompliance with the State requirements mentioned above. We considered this other noncompliance in forming our opinion regarding the District's compliance and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE G. The impact of this noncompliance on the District's reported number of transported students is presented in SCHEDULE F and SCHEDULE G.

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.[1] However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the classification and reporting of transported students. Other noncompliance disclosed by our examination procedures is indicative of control deficiencies[1], and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULE F and SCHEDULE G.

---

[1] *A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the aforementioned State requirements such that there is more than a remote likelihood that noncompliance that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more-than-remote likelihood that material noncompliance will not be prevented or detected by the entity's internal control.*

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

Pursuant to Section 11.45(4)(c), Florida Statutes, this report is a public record and its distribution is not limited. Attestation standards established by the AICPA require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and applicable District management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

David W. Martin, CPA
January 18, 2011

SCHEDULE F

Bay County District School Board
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2010

Description	Number of Vehicles	% of Population	No. of Students Transported	% of Population (Sample)
Population[1]	314	100.00%	21,760	100.00%
Sample[2]	-	-	286	1.31%
Sample Students				
With Exceptions[3]	-	-	62	(21.68%)
Net Audit Adjustments	-	-	(53)	(18.53%)
Non-Sample Students				
With Exceptions[3]	-	-	497	2.28%
Net Audit Adjustments	-	-	(342)	1.57%
Sample and Non-Sample Students				
Net Audit Adjustments	-	-	(395)	1.82%

[1] *The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2010. The District reported 21,760 students in the following ridership categories: 894 in IDEA (K-12), Weighted; 125 in IDEA (K-12), Unweighted; 66 in IDEA (PK), Weighted; 113 in IDEA (PK), Unweighted; 6 in Teenage Parents and Infants; and 20,556 in Two Miles or More. The District also reported operating a total of 314 buses. (IDEA stands for Individuals with Disabilities Education Act.)*

[2] *See NOTE B.*

[3] *Students with exceptions are students with exceptions affecting their ridership classification. Students cited only for incorrect reporting of days-in-term in Finding No. 2 are not included.*

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Bay County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2010

Overview

Management is responsible for determining and reporting the number of students transported in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. Except for material noncompliance involving the classification and reporting of transported students, the Bay County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported for the fiscal year ended June 30, 2010. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 57.

Findings	**Students Transported Net Audit Adjustments**

Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey. Our detailed tests involved verification of the specific ridership categories reported for students sampled from the July and October 2009 surveys and the February and June 2010 surveys. Adjusted students who were in more than one survey are accounted for by survey. For example, a student sampled twice (i.e., once for the October 2009 survey and once for the February 2010 survey) will be presented in our findings as two sample students.

1. [Ref. 52] Six vans and one passenger car that were used by the District to transport students were reported incorrectly as buses. We made the following audit adjustments:

October 2009 Survey		
Buses Operated (Vehicle Type B)	(2)	--
Vans Operated (Vehicle Type E)	2	--
February 2010 Survey		
Buses Operated (Vehicle Type B)	(4)	--
Vans Operated (Vehicle Type E)	3	--
Passenger Cars Operated (Vehicle Type P)	1	--

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Bay County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2010

Findings		Students Transported Net Audit Adjustments
June 2010 Survey		
Buses Operated (Vehicle Type B)	(1)	--
Vans Operated (Vehicle E)	1	--

2. [Ref. 51] The number of days-in-term for 313 students (187 in the July 2009 survey and 126 in the June 2010 survey) was reported incorrectly, as follows:

a. The reported number of days-in-term for 187 students in the July 2009 survey ranged from 3 days to 14 days; however, according to the District's supporting instructional schedules for summer school, the students should have been reported for a term of either 8 days (39 students) or 14 days (148 students).

b. The reported number of days-in-term for 126 students in the June 2010 survey was 90 days; however, according to the District's supporting instructional schedules for summer school, the students should have been reported for a term of either 4 days (101 students) or 37 days (25 students).

We made the following audit adjustments:

a. July 2009 Survey		
14 Days-in-Term		
IDEA (K-12), Weighted	(4)	
Two Miles or More	(34)	
10 Days-in-Term		
IDEA (K-12), Weighted	(110)	
IDEA (PK), Weighted	(6)	
Two Miles or More	(29)	
9 Days-in-Term		
IDEA (K-12), Weighted	(2)	
5 Days-in-Term		
Two Miles or More	(1)	
3 Days-in-Term		
IDEA (K-12), Weighted	(1)	(187)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Bay County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2010

Findings		Students Transported Net Audit Adjustments
12 Days-in-Term		
IDEA (K-12), Weighted	5	
Two Miles or More	34	
8 Days-in-Term		
IDEA (K-12), Weighted	112	
IDEA (PK), Weighted	6	
Two Miles or More	30	187
b. June 2010 Survey		
90 Days-in-Term		
IDEA (K-12), Weighted	(85)	
IDEA (K-12), Unweighted	(1)	
IDEA (PK), Weighted	(13)	
Two Miles or More	(27)	(126)
37 Days-in-Term		
Two Miles or More	25	
4 Days-in-Term		
IDEA (K-12), Weighted	85	
IDEA (K-12), Unweighted	1	
IDEA (PK), Weighted	13	
Two Miles or More	2	126

3. [Ref. 53] The bus drivers' reports for three buses (two in the July 2009 survey and one in the June 2010 survey) were missing and could not be located; consequently, the reported ridership on those buses of 10 non-sample students was not adequately supported. We made the following audit adjustments:

July 2009 Survey	
12 Days-in-Term	
Two Miles or More *(Non-Sample Students)*	(2)
8 Days-in-Term	
Two Miles or More *(Non-Sample Students)*	(2)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Bay County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2010

Findings		Students Transported Net Audit Adjustments
June 2010 Survey		
4 Days-in-Term		
IDEA (K-12), Weighted *(Non-Sample Students)*	(5)	
Two Miles or More *(Non-Sample Student)*	(1)	(10)

4. [Ref. 54] Twenty-nine non-sample students who were transported to the Panama City Marine Institute during the July 2009 survey were not reported for State transportation funding. The students should have been reported in Two Miles or More. We made the following audit adjustment:

July 2009 Survey		
23 Days-in-Term		
Two Miles or More *(Non-Sample Students)*	29	29

5. [Ref. 55] We noted the following exceptions involving 38 non-sample students: (a) 32 students were not in membership during the reporting survey; (b) 2 students were not shown on the supporting bus driver's report as a transported student; and (c) 4 students were reported using identification numbers for which no name or other demographic information could be located in the District's records. We made the following audit adjustments:

October 2009 Survey		
90 Days-in-Term		
IDEA (K-12), Unweighted *(Non-Sample Student)*	(1)	
IDEA (PK), Unweighted *(Non-Sample Student)*	(1)	
Two Miles or More *(Non-Sample Students)*	(17)	
February 2010 Survey		
90 Days-in-Term		
IDEA (K-12), Weighted *(Non-Sample Student)*	(1)	
Two Miles or More *(Non-Sample Students)*	(12)	
June 2010 Survey		
4 Days-in-Term		
IDEA (K-12), Weighted *(Non-Sample Students)*	(6)	(38)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Bay County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2010

Findings		Students Transported Net Audit Adjustments
6. [Ref. 56] Four hundred and twenty non-sample PK students were reported incorrectly (415 in Two Miles or More and 5 in IDEA (K-12), Weighted). We noted that: (a) 323 of the 415 students reported in Two Miles or More were enrolled in a voluntary PK program and, thus, should not have been reported for State transportation funding; (b) 91 of the 415 students reported in Two Miles or More were enrolled in fundable ESE PK programs and should have been reported in IDEA (PK), Unweighted; and (c) 6 students (consisting of 1 of the 415 students reported in Two Miles or More and all 5 of the students reported in IDEA (K-12), Weighted) were enrolled in fundable ESE PK programs and should have been reported in IDEA (PK), Weighted. We made the following audit adjustments:		
a. July 2009 Survey		
90 Days-in-Term		
Two Miles or More *(Non-Sample Students)*	(2)	
October 2009 Survey		
90 Days-in-Term		
Two Miles or More *(Non-Sample Students)*	(153)	
February 2010 Survey		
90 Days-in-Term		
Two Miles or More *(Non-Sample Students)*	(168)	(323)
b. October 2009 Survey		
90 Days-in-Term		
Two Miles or More *(Non-Sample Students)*	(26)	
IDEA (PK), Unweighted *(Non-Sample Students)*	26	
February 2010 Survey		
90 Days-in-Term		
Two Miles or More	(65)	
IDEA (PK), Unweighted *(Non-Sample Students)*	65	0

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Bay County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2010

Findings		Students Transported Net Audit Adjustments
c. July 2009 Survey		
8 Days-in-Term		
IDEA (K-12), Weighted *(Non-Sample Students)*	(5)	
Two Miles or More *(Non-Sample Students)*	(1)	
IDEA (PK), Weighted *(Non-Sample Students)*	6	0

7. [Ref. 57] Thirty-five sample students were either shown on the supporting bus drivers' reports as not having been transported (26 students) or were not listed on the supporting bus drivers' reports (9 students). Consequently, the students should not have been reported for State transportation funding. We made the following audit adjustments:

July 2009 Survey		
8 Days-in-Term		
IDEA (K-12), Weighted *(Sample Student)*	(1)	
Two Miles or More *(Sample Students)*	(2)	
October 2009 Survey		
90 Days-in-Term		
IDEA (PK), Weighted *(Sample Student)*	(1)	
IDEA (PK), Unweighted *(Sample Students)*	(6)	
Two Miles or More *(Sample Students)*	(5)	
February 2010 Survey		
90 Days-in-Term		
IDEA (K-12), Unweighted *(Sample Students)*	(2)	
IDEA (PK), Unweighted *(Sample Students)*	(8)	
Two Miles or More *(Sample Students)*	(6)	
June 2010 Survey		
4 Days-in-Term		
IDEA (K-12), Weighted *(Sample Students)*	(3)	
Two Miles or More *(Sample Student)*	(1)	(35)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Bay County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2010

Findings		Students Transported Net Audit Adjustments
8. [Ref. 58] The IEPs for six sample students in IDEA (K-12), Weighted did not indicate that the students met at least one of the five criteria required for IDEA-weighted classification. We noted that the six students were eligible for IDEA (K-12), Unweighted. We made the following audit adjustments:		
October 2009 Survey		
90 Days-in-Term		
IDEA (K-12), Weighted *(Sample Students)*	(4)	
IDEA (K-12), Unweighted *(Sample Students)*	4	
February 2010 Survey		
90 Days-in-Term		
IDEA (K-12), Weighted *(Sample Students)*	(2)	
IDEA (K-12), Unweighted *(Sample Students)*	2	0
9. [Ref. 59] Seven sample PK students were incorrectly reported in IDEA (PK), Unweighted. The students were enrolled in a voluntary PK program and were not eligible for State transportation funding. We made the following audit adjustments:		
October 2009 Survey		
90 Days-in-Term		
IDEA (PK), Unweighted *(Sample Students)*	(3)	
February 2010 Survey		
90 Days-in-Term		
IDEA (PK), Unweighted *(Sample Students)*	(4)	(7)
10. [Ref. 60] Two students and three babies in our sample were reported incorrectly in Teenage Parents and Infants. Neither the two students nor the parents of the three babies were enrolled in a Teenage Parent program. We noted that the two students lived more than two miles from their assigned school and were eligible to be reported in Two Miles or More. (The student data shown in SCHEDULE F and in our SCHEDULE G summary include the three babies cited here.) We made the following audit adjustments:		

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Bay County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2010

Findings		Students Transported Net Audit Adjustments
October 2009 Survey		
90 Days-in-Term		
Teenage Parents and Infants *(Sample Students/Babies)*	(2)	
Two Miles or More *(Sample Student)*	1	
February 2010 Survey		
90 Days-in-Term		
Teenage Parents and Infants *(Sample Students/Babies)*	(3)	
Two Miles or More *(Sample Student)*	1	(3)

11. [Ref. 61] Seven sample students were reported incorrectly in Two Miles or More. The students lived less than two miles from school and one of the students was not shown on the supporting bus driver's report as having been transported. Consequently, the students were not eligible for State transportation funding. We made the following audit adjustments:

October 2009 Survey		
90 Days-in-Term		
Two Miles or More *(Sample Student)*	(1)	
February 2010 Survey		
90 Days-in-Term		
Two Miles or More *(Sample Students)*	(5)	
June 2010 Survey		
4 Days-in-Term		
Two Miles or More *(Sample Student)*	(1)	(7)

12. [Ref. 62] Two students were reported incorrectly in IDEA (K-12), Unweighted. The students were not IDEA students. We noted that one of the students lived more than two miles from school and was eligible to be reported in Two Miles or More. We made the following audit adjustments:

October 2009 Survey	
90 Days-in-Term	
IDEA (K-12), Unweighted *(Sample Student)*	(1)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Bay County District School Board
Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2010

Findings		Students Transported Net Audit Adjustments
February 2010 Survey		
90 Days-in-Term		
IDEA (K-12), Unweighted *(Sample Student)*	(1)	
Two Miles or More *(Sample Student)*	1	(1)
Net Audit Adjustments		(395)
Summary		
Buses in Operation (Vehicle Type B)	(7)	--
Vans in Operation (Vehicle Type E)	6	--
Passenger Cars in Operation (Vehicle Type P)	1	--
Sample Students w/Exceptions	62	--
Sample Students - Net Audit Adjustments	--	(53)
Non-Sample Students w/Exceptions	(497)	--
Non-Sample Students - Net Audit Adjustments	--	(342)
Net Audit Adjustments		(395)

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Bay County District School Board
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2010

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses and vans used to transport students is accurately reported; (2) transported students are reported in the correct ridership category for the correct number of days-in-term; (3) bus drivers' reports are maintained in readily accessible files; (4) only those students who are documented as enrolled in school during the survey week concerned and are transported by the District at least one time during the 11-day window of the survey period are reported with that survey's results; (5) the distance from home to school for students classified in Two Miles or More is verified prior to those students being reported; and (6) the IDEA classifications of transported ESE students are supported by the students' IEPs.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all State requirements governing student transportation.

Regulatory Citations

Chapter 1006, Part I, E., F.S. .....Transportation of Public K-12 Students
Section 1011.68, F.S. .....Funds for Student Transportation
Chapter 6A-3, F.A.C. .....Transportation
Student Transportation General Instructions

The accompanying notes are an integral part of this schedule.

Bay County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

NOTE A - SUMMARY

A summary discussion of the significant features of student transportation and related areas follows:

1. Student Eligibility

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

2. Transportation in Bay County

For the fiscal year ended June 30, 2010, the District received approximately $4.45 million in State transportation funding. The District's transportation reporting by survey was as follows:

Survey Period	No. of Vehicles	No. of Students
July 2009	24	190
October 2009	132	10,368
February 2010	138	11,076
June 2010	20	126
Total	314	21,760

3. Statutes and Rules

The following statutes and rules are of significance to the District's administration of student transportation:

Chapter 1006, Part I, E., F.S. .....Transportation of Public K-12 Students
Section 1011.68, F.S. .....Funds for Student Transportation
Chapter 6A-3, F.A.C. .....Transportation

Bay County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of buses and students, using statistical and judgmental methods, for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2010. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing students transported.

EXHIBIT A
MANAGEMENT'S RESPONSE

WILLIAM V. HUSFELT, III
SUPERINTENDENT

1311 Balboa Avenue
Panama City, Florida
32401

(850) 872-4100
Hearing Impaired Access
(800) 955-8770 Voice
(800) 955-8771 TDD

www.bay.k12.fl.us

Board Members:

Joe Walker
District 1

Ryan Neves
District 2

Ginger Littleton
District 3

Jerry Register
District 4

Steve Moss
District 5

January 13, 2011

Mr. David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: FTE/Transportation Audit

Dear Mr. Martin,

In response to the FEFP Audit Summary of Findings pertaining to FTE (Schedule D), I am offering the following summary of findings and corrective actions:

Finding	*Corrective Action*
#1	Training will be provided at the quarterly Guidance Counselor Meetings as well as a printout of Appendix DD - Training provided at monthly data clerk meetings with reference to Appendix DD
#2, 5, 7, 8, 9, 10, 11, 14, 20, 21, 25, 28, 44, 45, 48, 51, 53, 68	Training will be provided at the quarterly Guidance Counselor Meetings - Training provided at monthly data clerk meetings
#9, 10, 18, 22, 29, 30, 43, 52, 58	Training will be provided at the quarterly Guidance Counselor Meetings
#2, 19, 45, 70	Training will be provided at the quarterly Guidance Counselor Meetings
#18	Training will be provided at the quarterly Guidance Counselor Meetings – Training provided at monthly data clerk meetings
#6, 43, 64, 70	Reminder will be provided at the quarterly Guidance Counselor Meetings
#3, 6, 13, 16, 17, 26, 27, 47, 50, 63, 69	Teachers and Principals will receive notification when they are out-of-field for an ELL student and need to take courses toward ESOL endorsement and/or meeting their ESOL course requirements.

EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

Finding	*Corrective Action*
Continued	District will continue to provide ESOL courses through Beacon Learning Center - (currently these classes are offered free of charge to BDS teachers) - BDS continues to pay for the ESOL endorsement to be added to a teacher's certificate for the 2010-2011 school year
#4, 8, 9, 11, 21, 53, 57, 67	Training will be provided at the quarterly Guidance Counselor Meetings
#24, 33	I will continue to remind Principals at the Superintendent's monthly meetings, through the newsletter, and at other staff meetings, that they must monitor homebound services during FTE count. All Hospital/Homebound teachers are required to turn in a monthly log in order to be paid that shows when they provided services. During FTE week, I will remind the principals to ask the Hospital/Homebound teacher if services were provided. Additionally, we will run a report from AS400 prior to FTE count that shows which students are in the Hospital/Homebound program. The ESE resource teacher for those schools with H/HB students will then remind the H/HB teachers that service must be delivered during FTE week in order for credit to be claimed
#12, 15, 31-32, 34, 37-41, 46, 55, 66, 72	To help eliminate matrix problems, this department will again remind ESE teachers through meetings and newsletters that they **MUST** write a new matrix or review existing matrix for every student that is a 254 and a 255 each time a new IEP is developed. Furthermore, I will direct school principals to set up a procedure at their sites where their assigned ESE resource teachers review all 254-255 matrices for completion and accuracy. Copies of all IEPs and matrices are presently required to be sent to the District Office as a back-up. Principals, ESE resource teachers, ESE classroom teachers, and ESE school clerks will be reminded of this requirement through meetings and ESE newsletters
#35	We will review with ESE resource teachers the persons required to attend IEP meetings. The ESE resource teachers will in turn provide the same information to their assigned schools' ESE teachers. We will also publish this information in our ESE newsletters

EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

Finding	*Corrective Action*
#42	Those charged with entering FTE data in the AS400 system at the schools, typically ESE or data clerks, will be reminded that ESE students cannot be counted for weighted funding if they are not in attendance during the FTE count period
#54	School Guidance counselors and data clerks will be re-trained to ensure accuracy in matching student course schedules with FTE reports
#56, 59-62	We will now require the currently enrolled ESE students in Career Education courses to work the state required hours. Course syllabus and requirements will reflect this change effective immediately. In addition, proper documentation for supporting time cards for those students enrolled in such classes will be gathered at the end of each grading period by the OJT instructor and placed in the school vault for retrieval upon request. At the end of each school year, for ESE students, our ESE clerk will place a copy of this documentation in the student's cumulative folder. We feel these steps will enable us to comply with regulations for properly documenting credit issued for students in Career Education classes
#36	This situation involved students who were not correctly coded by the school causing the teacher to be out-of-field. This teacher has since taken and passed the appropriate certification of Exceptional Student Education and is preparing to add this certification to her current teaching certificate
#65	The school has been using two different district codes for the same program and acknowledges the error. This was an oversight on their behalf and they are working to prevent future errors of this nature
#23, 71	At the Superintendent's monthly meetings and at other staff meetings, Principals will continue to be reminded that they must monitor the accurate reporting of attendance. The Principal is responsible for the timely administration of attendance policies and procedures and the accurate reporting of attendance in the school under his/her direction. I will encourage the principals to request their Attendance Data Clerk to regularly provide them with copies of the Attendance Verification reports.

EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

Finding	*Corrective Action*
Continued	In order to help ensure that attendance is reported accurately and in a timely manner, all of the Attendance Data clerks have been advised and trained on how to pull the MIS reports that document attendance. Principals have been asked to identify clerks who need assistance/training in attendance procedures which include running appropriate reports and interpreting the reports. Teachers have been in-serviced on the use of the automated student attendance recordkeeping system (AS400) and on the importance of documenting daily attendance. This department will continue to provide all the above mentioned trainings and services
#49	In response to the findings on our recent FTE audit, we will now require the OJT coordinator to initial paperwork submitted, documenting proper signature and completion. Our course syllabus will reflect this additional measure. In the past only the student and the employer have been required to sign the time cards. To further eliminate any confusion on the signatures, the OJT supervisor will initial the time cards when received to verify both signatures are on the proper document and that the hours are correctly documented. The OJT supervisor will also conduct a thorough explanation with the students on how time cards and other paperwork must be completed properly. Any paperwork not properly filled out will not be counted toward the class requirements. We currently have all proper documentation for supporting time cards for students enrolled in such classes gathered at the end of each grading period by the OJT instructor and placed in the school vault for retrieval upon request. We feel that these steps will help us comply with regulations for properly documenting credit issued for students in Career Education classes

In response to the FEFP Audit Summary of Findings pertaining to Student Transportation (Schedule G), I am offering the following summary of findings and corrective actions:

Finding	*Corrective Action*
#1-12	Transportation will take corrective action as required to ensure that all students transported by buses or vans are accurately classified and reported in the correct ridership category for the number of days-in-term. We will exercise greater responsibility when reporting students in IDEA-

EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

Finding	*Corrective Action*
Continued	weighted classifications, especially PK students enrolled in a voluntary PK program. New practices are now in place to verify that students who are documented as enrolled in school, and meet the two-mile distance requirement are transported at least one time during each survey week. Transportation will ensure that all bus drivers' (FEFP) reports are maintained and secured in files that are only accessible by Transportation Specialists. Extra training has been ordered and implemented by the Executive Director for Operational Support Services and the Supervisor of Transportation to guarantee that verification procedures will be strictly followed before any data is submitted for State transportation funding

Please contact me if you have any additional questions or concerns.

Sincerely,

William V. Husfelt
Superintendent