

**OKALOOSA 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



BOARD MEMBERS AND SUPERINTENDENT

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

	<u>District No.</u>
<i>Lucinda J. Frakes, Vice Chair</i>	1
<i>Charles R. Kelley, Jr.</i>	2
<i>Rodney L. Walker, Chair</i>	3
<i>Catherine S. Thigpen</i>	4
<i>Howard Hill</i>	5

Dr. Alexis Tibbetts, Superintendent

The examination team leader was Alice Pounds, CPA, and the examination was supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Nancy M. Reeder, CPA, Audit Manager, via e-mail at nancyreeder@aud.state.fl.us or by telephone at (850) 414-9941.

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

Okaloosa 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 Learning 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

Okaloosa County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
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EXECUTIVE SUMMARY

Summary of Attestation Examination

Except for the material noncompliance mentioned below involving the reporting of, and preparation and maintenance of supporting documentation for, students in ESOL and ESE Support Levels 4 and 5 and students transported, the Okaloosa 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.

- We noted exceptions involving 48 of the 144 students in our sample for ESOL and 25 of the 180 students in our sample for ESE Support Levels 4 and 5. These exceptions involved reporting errors or records that were not properly and accurately prepared or were missing and could not be located.
- Of the 463 students in our student transportation sample, 107 had exceptions involving their reported ridership classification or eligibility for State transportation funding.

Noncompliance related to FTE resulted in 48 findings. The resulting audit adjustments to the District's reported, unweighted FTE totaled to a negative 6.4169 but have a potential impact on the District's weighted FTE of a negative 30.1301. Noncompliance related to student transportation resulted in 8 findings and a net audit adjustment of a negative 111 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 Okaloosa County District School Board, the estimated gross dollar effect of our FTE audit adjustments is a negative \$109,391 (negative 30.1301 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 Okaloosa County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Okaloosa 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 Okaloosa 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 52 schools and educational centers serving prekindergarten through twelfth grade students, reported 28,702.67 unweighted FTE for those students, and received approximately \$49 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 Vocational or Exceptional student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes. The District received approximately \$5.4 million in State transportation funding.



DAVID W. MARTIN, CPA
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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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

We have examined management's assertion, included in its representation letter dated October 15, 2010, that the Okaloosa 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: 48 of the 144 students in our ESOL sample¹ and 25 of the 180 students in our ESE Support Levels 4 and 5 sample² had exceptions involving 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 the reporting of, and preparation and maintenance of supporting documentation for, students in ESOL and ESE Support Levels 4 and 5, the Okaloosa 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.

¹For ESOL, see SCHEDULE D, Finding Nos. 4, 6, 7, 10, 19, 20, 24, 26, 27, 28, 30, 35, 40, 42, and 47.

²For ESE Support Levels 4 and 5, see SCHEDULE D, Finding Nos. 2, 3, 5, 9, 14, 16, 17, 18, 21, 23, 31, 36, and 41.

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.³ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the reporting of, and preparation and maintenance of supporting documentation for, students in ESOL and ESE Support Levels 4 and 5. Other noncompliance disclosed by our examination procedures is indicative of control deficiencies,³ and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in 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
April 27, 2011

³ A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the aforementioned State requirements such that there is more than a remote likelihood that noncompliance that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more-than-remote likelihood that material noncompliance will not be prevented or detected by the entity's internal control.

SCHEDULE A

Okaloosa 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

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Students (w/Exceptions)</u>	<u>% of Population (Sample)</u>	<u>Number of Unweighted FTE²</u>	<u>% of Population (Sample)</u>
1. Basic						
Population ³	52	100.00%	14,435	100.00%	21,971.1500	100.00%
Sample Size ⁴	22	42.31%	244	1.69%	209.3181	0.95%
Students w/Exceptions	-	-	(3)	(1.23%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	41.7193	-
2. Basic with ESE Services						
Population ³	51	100.00%	3,121	100.00%	5,178.1800	100.00%
Sample Size ⁴	22	43.14%	160	5.13%	137.4274	2.65%
Students w/Exceptions	-	-	(4)	(2.50%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	3.5475	-
3. ESOL						
Population ³	35	100.00%	396	100.00%	434.9300	100.00%
Sample Size ⁴	19	54.29%	144	36.36%	117.6889	27.06%
Students w/Exceptions	-	-	(48)	(33.33%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(36.9275)	-
4. ESE Support Levels 4 and 5						
Population ³	32	100.00%	266	100.00%	265.6200	100.00%
Sample Size ⁴	17	53.13%	180	67.67%	134.2218	50.53%
Students w/Exceptions	-	-	(25)	(13.89%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(7.7541)	-
5. Career Education 9-12						
Population ³	13	100.00%	98	100.00%	852.7900	100.00%
Sample Size ⁴	2	15.38%	54	55.10%	14.9205	1.75%
Students w/Exceptions	-	-	(3)	(5.56%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(7.0021)	-

All Programs						
Population ³	52	100.00%	18,316	100.00%	28,702.6700	100.00%
Sample Size ⁴	22	42.31%	782	4.27%	613.5767	2.14%
Students w/Exceptions	-	-	(83)	(10.61%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(6.4169)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Okaloosa 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

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Population</u>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Population (Sample)</u>
<u>Teachers</u>				
Population ³	52	100.00%	550	100.00%
Sample Size ⁴	22	42.31%	200	36.36%
Teachers w/Exceptions	-	-	(17)	(8.50%)

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 and educational centers 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

Okaloosa 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

<u>No. Program¹</u>	<u>Net Audit Adjustment²</u>	<u>Cost Factor</u>	<u>Weighted FTE³</u>
101 Basic K-3	16.9437	1.074	18.1975
102 Basic 4-8	8.5338	1.000	8.5338
103 Basic 9-12	16.2418	1.033	16.7778
111 Grades K-3 with ESE Services	4.0475	1.074	4.3470
112 Grades 4-8 with ESE Services	.5000	1.000	.5000
113 Grades 9-12 with ESE Services	(1.0000)	1.033	(1.0330)
130 ESOL	(36.9275)	1.124	(41.5065)
254 ESE Support Level 4	(6.7795)	3.520	(23.8638)
255 ESE Support Level 5	(.9746)	4.854	(4.7307)
300 Career Education 9-12	<u>(7.0021)</u>	1.050	<u>(7.3522)</u>
Total	<u>(6.4169)</u>		<u>(30.1301)</u>

¹ See NOTE A6.

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Okaloosa 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

<u>No. Program</u>	<u>District- Wide</u>	<u>Audit Adjustments¹</u>		<u>Balance Forward</u>
		<u>#0031</u>	<u>#0131</u>	
101 Basic K-3	.....	1.0000	2.0000	3.0000
102 Basic 4-8	.....	.....	1.8000	1.8000
103 Basic 9-12	.....	.....	.....	.0000
111 Grades K-3 with ESE Services	(.0025)	3.0000	.....	2.9975
112 Grades 4-8 with ESE Services	.....	.5000	.....	.5000
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	.....	(1.0000)	(3.8000)	(4.8000)
254 ESE Support Level 4	.....	(3.5000)	(.9875)	(4.4875)
255 ESE Support Level 5	(.0150)	.....	.8126	.7976
300 Career Education 9-12	.....	.....	.....	<u>.0000</u>
Total	<u>(.0175)</u>	<u>.0000</u>	<u>(.1749)</u>	<u>(.1924)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa 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

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>				<u>Balance Forward</u>
		<u>#0161</u>	<u>#0201</u>	<u>#0211</u>	<u>#0241</u>	
101	3.0000	1.0000	.....	.....	(.0250)	3.9750
102	1.8000	.....	.....	.....	.....	1.8000
103	.0000	.....	.0867	2.5846	.....	2.6713
111	2.9975	.....	.....	.....	.0500	3.0475
112	.5000	.....	.....	.....	(.5000)	.0000
113	.0000	.....	.....	.....	.....	.0000
130	(4.8000)	(1.0000)	.....	(2.1676)	.....	(7.9676)
254	(4.4875)	.....	.....	(.4170)	(.3750)	(5.2795)
255	.7976	.....	.....	(.5200)	(.0850)	.1926
300	<u>.0000</u>	<u>.....</u>	<u>(.0867)</u>	<u>.....</u>	<u>.....</u>	<u>(.0867)</u>
Total	<u>(.1924)</u>	<u>.0000</u>	<u>.0000</u>	<u>(.5200)</u>	<u>(.9350)</u>	<u>(1.6474)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa 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

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>				<u>Balance Forward</u>
		<u>#0251</u>	<u>#0261</u>	<u>#0281</u>	<u>#0431</u>	
101	3.9750	1.0000	.7187	4.0000	1.0000	10.6937
102	1.8000	.....	.....	.2832	.....	2.0832
103	2.6713	.....	.....	.....	.....	2.6713
111	3.0475	.....	.....	.....	.....	3.0475
112	.0000	.....	.....	.5000	.....	.5000
113	.0000	.....	.....	.....	.....	.0000
130	(7.9676)	(1.0000)	(.7187)	(4.2832)	(1.0000)	(14.9695)
254	(5.2795)	.....	.....	(.5000)	.....	(5.7795)
255	.1926	.....	.0100	.....	.....	.2026
300	<u>(.0867)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(.0867)</u>
Total	<u>(1.6474)</u>	<u>.0000</u>	<u>.0100</u>	<u>.0000</u>	<u>.0000</u>	<u>(1.6374)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa 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

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>				<u>Balance Forward</u>
		<u>#0541</u>	<u>#0561</u>	<u>#0581</u>	<u>#0601</u>	
101	10.6937	.....	1.2500	.....	.....	11.9437
102	2.0832	.9834	.5000	.....	.....	3.5666
103	2.6713	.....	.....	7.1536	.3348	10.1597
111	3.0475	.....	.....	.....	.....	3.0475
112	.5000	.....	.....	.....	.....	.5000
113	.0000	.....	.....	.....	(1.0000)	(1.0000)
130	(14.9695)	(.9834)	(1.7500)	(7.9230)	(1.0008)	(26.6267)
254	(5.7795)	.....	.....	.....	.....	(5.7795)
255	.2026	.....	.....	(.9472)	(.2300)	(.9746)
300	(.0867)	.....	.....	(.0834)	(1.0835)	(1.2536)
Total	<u>(1.6374)</u>	<u>.0000</u>	<u>.0000</u>	<u>(1.8000)</u>	<u>(2.9795)</u>	<u>(6.4169)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa 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

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments</u> ¹				<u>Balance Forward</u>
		<u>#0621</u>	<u>#0631</u>	<u>#0641</u>	<u>#0761</u>	
101	11.9437	2.5000	2.5000	.....	.....	16.9437
102	3.5666	1.9336	2.3000	.....	.7336	8.5338
103	10.1597	.....	.....	5.0874	.....	15.2471
111	3.0475	1.0000	.....	.....	.....	4.0475
112	.5000	.....	.....	.....	.....	.5000
113	(1.0000)	.....	.....	.....	.....	(1.0000)
130	(26.6267)	(4.4336)	(4.8000)	(.3336)	(.7336)	(36.9275)
254	(5.7795)	(1.0000)	.....	.....	.....	(6.7795)
255	(.9746)	.....	.....	.....	.....	(.9746)
300	<u>(1.2536)</u>	<u>.....</u>	<u>.....</u>	<u>(4.7538)</u>	<u>.....</u>	<u>(6.0074)</u>
Total	<u>(6.4169)</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>(6.4169)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa 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

<u>No. Program</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>	
		<u>#9810</u>	<u>Total</u>
101 Basic K-3	16.9437	.....	16.9437
102 Basic 4-8	8.5338	.....	8.5338
103 Basic 9-12	15.2471	.9947	16.2418
111 Grades K-3 with ESE Services	4.0475	.....	4.0475
112 Grades 4-8 with ESE Services	.5000	.....	.5000
113 Grades 9-12 with ESE Services	(1.0000)	.....	(1.0000)
130 ESOL	(36.9275)	.....	(36.9275)
254 ESE Support Level 4	(6.7795)	.....	(6.7795)
255 ESE Support Level 5	(.9746)	.....	(.9746)
300 Career Education 9-12	<u>(6.0074)</u>	<u>(.9947)</u>	<u>(7.0021)</u>
Total	<u>(6.4169)</u>	<u>.0000</u>	<u>(6.4169)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Okaloosa 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 the reporting of, and preparation and maintenance supporting documentation for, students in ESOL and ESE Support Levels 4 and 5, the Okaloosa 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 30.

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

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**Progress Monitoring Plans Versus ELL Student Plans**

1. [Ref. 1] Section 1003.56, Florida Statutes, governs the provision of English language instruction for limited English proficient students and provides that each district school board shall maintain student plans for such students. Pursuant to the Statute, the Department of Education has adopted rules for the purpose of implementing the Statute's provisions, including, with regard to student plans, State Board of Education Rule 6A-6.0901(6), Florida Administrative Code, which specifies the various data elements to be contained in an "ELL Student Plan."

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings**District-Wide** (Continued)**Progress Monitoring Plans Versus ELL Student Plans** (Continued)

Our examination disclosed that: (a) the District used a student plan entitled *Progress Monitoring Plan* and did not have a document called *ELL Student Plan*, and (b) the District's *Progress Monitoring Plan* did not contain all of the data elements required by the Rule to be contained in an *ELL Student Plan*.

In particular, we noted that the District's *Progress Monitoring Plan* was generally missing the following data elements required by the Rule: instruction by program, including programs other than the ESOL provided, amount of instructional time or the instructional schedule, the date the student's limited English proficiency was identified, assessment data used to classify or reclassify the student as an English Language Learner, student's date of exit, and assessment data used to exit students as English proficient."

We also noted, however, that the District's ESOL student files generally included other documents that had the required data elements that were missing from the District's *Progress Monitoring Plan*. We considered the circumstances described above and concluded that we could use this other file documentation, in conjunction with the *Progress Monitoring Plan*, to perform our standard examination procedures. Accordingly, we considered a student in our ESOL sample to be in compliance with the requirements of the aforementioned Rule if the student's file contained both a completed *Progress Monitoring Plan* and other documentation containing the data elements required by the Rule but missing from the *Progress Monitoring Plan* itself.

All of the ESOL-related exceptions disclosed by our examination procedures are presented herein with their associated audit adjustments: See Finding Nos. 4, 6, 7, 10, 19, 20, 24, 26, 27, 28, 30, 35, 40, 42, and 47. We made no audit adjustments here for the matters discussed above.

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The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

District-Wide (Continued)

Computation of FTE for PK and Grades K-3 Students: 720 Hours Versus 900 Hours

2. [Ref. 101] The District based its FTE calculations for PK-3 students on a 720-hour instructional year even if those students were provided a 900-hour instructional year by their particular schools. The Department of Education has advised us that the FTE calculations for PK-3 students should be based on the actual instructional hours scheduled to be provided to those students in any given school year, whether 720 or 900 hours, as supported by the students' individual school bell schedules. The reported FTE calculations for the District's PK-3 students would have been different if the FTE calculations had been based on 900 hours *only* for those students whose courses were reported under multiple FEFP program numbers. Conversely, there would have been no FTE difference for those students whose course schedules were reported under just one FEFP program number for all courses in that schedule. Our examination procedures disclosed only two students whose reported FTE would have been different had 900 hours been used to calculate their FTE and for whom we made the following audit adjustment:

111 Grades K-3 with ESE Services	(.0025)	
255 ESE Support Level 5	(.0150)	(.0175)

Follow-Up to Management's Response:

In response to this Finding, the Superintendent contends that the calculation of FTE for PK and Grades K-3 students should be based upon 720 hours as opposed to 900 hours. The Superintendent further asked that the Department of Education provide clarification on this matter and update the FTE General Instructions accordingly. Our recent conversations with the Department of Education and our review of the FTE General Instructions 2009-10 confirmed our understanding of the calculation as provided in the Finding. Accordingly, our Finding stands as presented.

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(.0175)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Annette P. Edwins Elementary School (#0031)

3. [Ref. 3101] We noted the following exceptions involving five ESE students: (a) the Matrix of Services forms for two ESE students had various revisions and editing marks throughout the forms; consequently, we could not determine the validity or rating scores of the Matrix forms, and (b) three 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	3.0000	
112 Grades 4-8 with ESE Services	.5000	
254 ESE Support Level 4	<u>(3.5000)</u>	.0000

4. [Ref. 3102] One student was reported incorrectly in ESOL. The student had proficient scores on CELLA and an ELL Committee was not convened to determine whether the student needed ESOL services. (See Finding No. 1.) We made the following audit adjustment:

101 Basic K-3	1.0000	
130 ESOL	<u>(1.0000)</u>	.0000
		<u>.0000</u>

Destin Elementary School (#0131)

5. [Ref. 13101] The reported FTE for three part-time ESE students was overstated. The students were reported for weekly instructional minutes of 1,065 minutes, 1,170 minutes, and 1,110 minutes, respectively. They should have been reported for only 975 minutes. We also noted that the Matrix of Services forms for two of these students were incorrectly scored as follows: the ratings totals for the students should have included the three Special Consideration points designated for PK students who earned less than .5000 FTE and the ratings total for one of the students should also have included the three Special Consideration points designated for students who are Visually Impaired. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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)
<u>Destin Elementary School (#0131)</u> (Continued)	
254 ESE Support Level 4	(.9875)
255 ESE Support Level 5	<u>.8126</u>
	(.1749)
<p>6. [Ref. 13102] <u>We noted the following exceptions involving four students in ESOL: (a) the file for one student did not contain documentation justifying the student's ESOL placement for a fourth year, and (b) an ELL Committee was not convened to determine whether three students, who had proficient scores on CELLA, needed ESOL services. (See Finding No. 1.) We made the following audit adjustment:</u></p>	
101 Basic K-3	2.0000
102 Basic 4-8	1.8000
130 ESOL	<u>(3.8000)</u>
	<u>.0000</u>
<u>Eglin Elementary School (#0161)</u>	
<p>7. [Ref. 16101] <u>One student was reported incorrectly in ESOL. The student was FES and an ELL Committee was not convened to determine whether the student needed ESOL services. (See Finding No. 1.) We made the following audit adjustment:</u></p>	
101 Basic K-3	1.0000
130 ESOL	<u>(1.0000)</u>
	<u>.0000</u>
	<u>.0000</u>
<u>Laurel Hill School (#0201)</u>	
<p>8. [Ref. 20171] <u>One Career Education 9-12 teacher did not have a college degree but taught a course that required a Bachelor's degree or higher. We made the following audit adjustment:</u></p>	
103 Basic 9-12	.0867
300 Career Education 9-12	<u>(.0867)</u>
	<u>.0000</u>
	<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

<u>Findings</u>	Net Audit Adjustments (Unweighted FTE)	
<u>Niceville Senior High School (#0211)</u>		
9. [Ref. 21101] <u>We noted the following exceptions involving three Hospital and Homebound students: (a) one student was reported for more homebound instruction than was provided, and (b) two students were not provided homebound instruction during the reporting survey. We made the following audit adjustment:</u>		
255 ESE Support Level 5	(.5200)	(.5200)
10. [Ref. 21103] <u>The documentation in the files for three ELL students did not include the ESOL instructional strategies that were to be used for those students. (See Finding No. 1.) We made the following audit adjustment:</u>		
103 Basic 9-12	2.0008	
130 ESOL	(2.0008)	.0000
11. [Ref. 21171] <u>One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in ESE but taught courses that required certification in Industrial Arts. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:</u>		
103 Basic 9-12	.4170	
254 ESE Support Level 4	(.4170)	.0000
12. [Ref. 21172] <u>The parents of an ELL student taught by an out-of-field teacher were not notified of the teacher's out-of-field status. We made the following audit adjustment:</u>		
103 Basic 9-12	.0834	
130 ESOL	(.0834)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Niceville Senior High School (#0211) (Continued)

13. [Ref. 21173] One teacher taught classes that included ELL students but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents of the ELL students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

103 Basic 9-12	.0834	
130 ESOL	(.0834)	.0000
		(.5200)

Silver Sands School (#0241)

14. [Ref. 24101] Two ESE students were not eligible for FEFP reporting. One was not enrolled in school during the week of the reporting survey and one was not in attendance for at least one day during the 11-day window of the reporting survey. We made the following audit adjustment:

255 ESE Support Level 5	(1.0000)	(1.0000)
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15. [Ref. 24102] The course schedule for one ESE student incorrectly included a portion of the student's instructional time in program No. 101 (Basic K-3). The course schedules of ESE students should be reported entirely in ESE. We also noted that the student's scheduled instructional time was underreported. The student was scheduled for 300 minutes of weekly instruction but was reported for only 240 minutes. We made the following audit adjustment:

101 Basic K-3	(.0250)	
111 Grades K-3 with ESE Services	.0500	.0250

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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)
Silver Sands School (#0241) (Continued)	
16. [Ref. 24103] <u>Two ESE students were not reported in accordance with their Matrix of Services forms. We made the following audit adjustment:</u>	
112 Grades 4-8 with ESE Services	(.5000)
254 ESE Support Level 4	.5000
254 ESE Support Level 4	(.5000)
255 ESE Support Level 5	<u>.5000</u>
	.0000
17. [Ref. 24104] <u>One student in the Hospital and Homebound Program was reported for less instructional time than was provided. We made the following audit adjustment:</u>	
255 ESE Support Level 5	<u>.0400</u>
	.0400
18. [Ref. 24105] <u>The Matrix of Services form for one ESE student did not include three Special Consideration points for which the student was eligible. We made the following audit adjustment:</u>	
254 ESE Support Level 4	(.3750)
255 ESE Support Level 5	<u>.3750</u>
	.0000
	<u>(.9350)</u>
Southside Elementary School (#0251)	
19. [Ref. 25101] <u>One student was reported incorrectly in ESOL. The student had proficient scores on CELLA and an ELL Committee was not convened to determine whether the student needed ESOL services. (See Finding No. 1.) We made the following audit adjustment:</u>	
101 Basic K-3	1.0000
130 ESOL	<u>(1.0000)</u>
	.0000
	<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Valparaiso Elementary School (#0261)

20. [Ref. 26101] The Progress Monitoring Plan for one ELL student in the October 2009 survey was not completed until November 12, 2009. (See Finding No. 1.) We made the following audit adjustment:

101 Basic K-3	.5000	
130 ESOL	(.5000)	.0000

21. [Ref. 26102] One student in the Hospital and Homebound Program was reported for less homebound instruction than was provided. We made the following audit adjustment:

255 ESE Support Level 5	.0100	.0100
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22. [Ref. 26171] The parents of an ELL student taught by an out-of-field teacher were not notified of the teacher's out-of-field status. We made the following audit adjustment:

101 Basic K-3	.2187	
130 ESOL	(.2187)	.0000
		.0100

Wright Elementary School (#0281)

23. [Ref. 28101] One ESE student was not reported in accordance with the student's Matrix of Services form. 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)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Wright Elementary School (#0281) (Continued)

24. [Ref. 28102] We noted the following exceptions involving four students in ESOL: (a) one student's file did not contain documentation justifying the student's continued ESOL placement for a fourth year, and (b) ELL Committees were not convened for three students, who had proficient scores on CELLA, to determine whether the students needed ESOL services. (See Finding No. 1.) We made the following audit adjustment:

101 Basic K-3	4.0000	
130 ESOL	<u>(4.0000)</u>	.0000

25. [Ref. 28171] One teacher, whose class included ELL students, had earned only 120 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:

102 Basic 4-8	.2832	
130 ESOL	<u>(.2832)</u>	.0000
		<u>.0000</u>

Shalimar Elementary School (#0431)

26. [Ref. 43102] One student was reported incorrectly in ESOL. The student had proficient scores on CELLA and an ELL Committee was not convened to determine whether the student needed ESOL services. (See Finding No. 1.) We made the following audit adjustment:

101 Basic K-3	1.0000	
130 ESOL	<u>(1.0000)</u>	.0000
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Elliott Point Elementary School (#0541)

27. [Ref. 54101] The ELL Committee for one student, who was placed in ESOL based solely on the Committee’s recommendation, did not consider at least two of the five ESOL-placement criteria specified in State Board of Education Rule 6A-6.0902(2)(a)4., Florida Administrative Code. (See Finding No. 1.) We made the following audit adjustment:

102 Basic 4-8	.9834	
130 ESOL	<u>(.9834)</u>	<u>.0000</u>
		<u>.0000</u>

Mary Esther Elementary School (#0561)

28. [Ref. 56101] We noted the following exceptions involving three ELL students: (a) the file for one student did not contain a Progress Monitoring Plan for the 2009-10 school year, (b) the Progress Monitoring Plan for one student in the October 2009 survey was not signed and printed until February 9, 2010, and (c) the file for one ELL student did not contain documentation justifying the student’s continued ESOL placement for a fifth year. (See Finding No. 1.) We made the following audit adjustment:

101 Basic K-3	1.0000	
102 Basic 4-8	.5000	
130 ESOL	<u>(1.5000)</u>	<u>.0000</u>

29. [Ref. 56171] The parents of various ELL students taught by an out-of-field teacher during the school term covered by the October 2009 survey were not notified of the teacher's out-of-field status until January 5, 2010. We made the following audit adjustment:

101 Basic K-3	.2500	
130 ESOL	<u>(.2500)</u>	<u>.0000</u>
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Choctawhatchee Senior High School (#0581)

30. [Ref. 58101] We noted one or more of the following exceptions involving 15 students in ESOL. (See Finding No. 1.) We made the following audit adjustments: (a) the Progress Monitoring Plan was incomplete, (b) no documentation justifying initial or continued ESOL placement, (c) ELL Committee was not convened to determine whether the student with proficient CELLA scores needed ESOL services, and (d) the student was beyond the six-year period allowed for State funding of ESOL. We made the following audit adjustment:

103 Basic 9-12	7.5894	
130 ESOL	(7.5894)	.0000

31. [Ref. 58102] We noted the following exceptions involving four Hospital and Homebound students: (a) three students were provided only homebound instruction but were reported for on-campus instruction, and (b) the on-campus portion of one student's schedule that should have been reported in program No. 103 (Basic 9-12) was incorrectly reported in program No. 255 (ESE Support Level 5). We made the following audit adjustment:

103 Basic 9-12	(.7694)	
255 ESE Support Level 5	(.9472)	
300 Career Education 9-12	(.0834)	(1.8000)

32. [Ref. 58171/72] Two teachers in the October 2009 survey taught Basic subject area classes that included ELL students but had not earned any 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. 58171		
103 Basic 9-12	.2502	
130 ESOL	(.2502)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

<u>Findings</u>	<u>Net Audit Adjustments (Unweighted FTE)</u>
<u>Choctawhatchee Senior High School (#0581)</u> (Continued)	
<u>Ref. 58172</u>	
103 Basic 9-12	.0834
130 ESOL	<u>(.0834)</u>
	.0000
33. [Ref. 58173] <u>One out-of-field Chemistry teacher had earned none of the 12 college credit hours required by the teacher's education timeline. Because the FTE for the students concerned has been adjusted in Finding No. 30 (Ref. 58101), we made no audit adjustment here.</u>	
	<u>.0000</u>
	<u>(1.8000)</u>
<u>Crestview High School (#0601)</u>	
34. [Ref. 60101] <u>The source attendance records for four students were either missing or indicated that the students were not in attendance for at least one day during the 11-day window of the reporting survey. We made the following audit adjustment:</u>	
103 Basic 9-12	(.6660)
113 Grades 9-12 with ESE Services	(1.0000)
300 Career Education 9-12	<u>(.5000)</u>
	(2.1660)
35. [Ref. 60102] <u>The parents of two ELL students were not notified of the students' placement in ESOL. We also noted that the file for one of the students did not contain a <i>Progress Monitoring Plan</i> for the 2009-10 school year. (See Finding No. 1). We made the following audit adjustment:</u>	
103 Basic 9-12	.7506
130 ESOL	<u>(.7506)</u>
	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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)	
Crestview High School (#0601) (Continued)		
36. [Ref. 60103] <u>One student in the Hospital and Homebound Program was reported for more homebound instruction than was provided. We made the following audit adjustment:</u>		
255 ESE Support Level 5	(.2300)	(.2300)
37. [Ref. 60104] <u>Three Career Education 9-12 (OJT) students did not work during the week of the reporting survey. We made the following audit adjustment:</u>		
300 Career Education 9-12	(.5835)	(.5835)
38. [Ref. 60171] <u>The parents of one ELL student taught by an out-of-field teacher were not notified of the teacher's out-of-field status. We made the following audit adjustment:</u>		
103 Basic 9-12	.1668	
130 ESOL	(.1668)	.0000
39. [Ref. 60172] <u>One teacher who taught Basic subject area classes that included an ELL student had earned only 30 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:</u>		
103 Basic 9-12	.0834	
130 ESOL	(.0834)	.0000
		<u>(2.9795)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Kenwood Elementary School (#0621)

40. [Ref. 62101] We noted the following exceptions involving five students in ESOL (See Finding No. 1.): (a) One student was reported incorrectly in ESOL. The student had proficient scores on CELLA and an ELL Committee was not convened to determine whether the student needed ESOL services, and (b) The files for four students did not contain Progress Monitoring Plans for the 2009-10 school year. We also noted that the parents of two of these four students were not notified of the students' ESOL placements. We made the following audit adjustment:

101 Basic K-3	2.5000	
102 Basic 4-8	1.9336	
130 ESOL	(4.4336)	.0000

41. [Ref. 62102] Two 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	1.0000	
254 ESE Support Level 4	(1.0000)	.0000
		.0000

Florosa Elementary School (#0631)

42. [Ref. 63101] We noted the following exceptions for five students in ESOL: (a) the file for one student did not contain documentation justifying the student's continued placement in ESOL for a fourth year, and (b) ELL Committees were not convened for four students, who had proficient scores on CELLA, to determine whether the students needed ESOL services. (See Finding No. 1.) We made the following audit adjustment:

101 Basic K-3	2.5000	
102 Basic 4-8	2.0000	
130 ESOL	(4.5000)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Florosa Elementary School (#0631) (Continued)

43. [Ref. 63171] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Specific Learning Disabilities but taught a course that required certification in Elementary Education. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

102 Basic 4-8	.3000	
130 ESOL	(.3000)	.0000
		.0000

Fort Walton Beach High School (#0641)

44. [Ref. 64171] One teacher who taught Basic subject area classes that included ELL students had not earned any 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	.2502	
130 ESOL	(.2502)	.0000

45. [Ref. 64172] One teacher, whose class included ELL students, had earned only 120 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:

103 Basic 9-12	.0834	
130 ESOL	(.0834)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa 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

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Fort Walton Beach High School (#0641) (Continued)

46. [Ref. 64173] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Spanish but taught courses that required certification in TV Production Technology. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

103 Basic 9-12	4.7538	
300 Career Education 9-12	(4.7538)	.0000
		.0000

Davidson Middle School (#0761)

47. [Ref. 76101] One student was reported incorrectly in ESOL. The student had proficient scores on CELLA and an ELL Committee was not convened to determine whether the student needed ESOL services. (See Finding No. 1.) We made the following audit adjustment:

102 Basic 4-8	.7336	
130 ESOL	(.7336)	.0000
		.0000

Gulf Coast Youth Academy (#9810)

48. [Ref. 981072] One Career Education 9-12 teacher held a District-issued certificate but was reported for courses that required a DOE-issued certificate covering Business Education. We made the following audit adjustment:

103 Basic 9-12	.9947	
300 Career Education 9-12	(.9947)	.0000
		.0000
		(6.4169)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Okaloosa 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) the District follows and implements the established guidelines in Rule and Statute as it relates to maintaining “ELL Student Plans” and monitors to ensure that all required data elements are included in said Plans; (2) only students who are in membership during survey week and in attendance at least one day during an 11-day survey window are reported with a survey’s results; (3) students are reported in the proper funding categories for the correct number of FTE and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE Support Levels 4 and 5; (4) students in the Hospital and Homebound Program are reported for the correct number of instructional minutes; (5) students in ESE Support Levels 4 and 5 are reported in accordance with their *Matrix of Services* forms; (6) students in Career Education 9-12 (OJT) are reported for the work hours documented on their timecards and those timecards are retained in readily accessible files; (7) the placement of students in ESOL for a fourth, fifth, or sixth year is adequately supported by appropriate assessment documentation, including, if needed, ELL Committee recommendations; (8) teachers are properly certified or if out of field, are approved to teach out of field by the School Board; (9) parents are appropriately notified of teachers’ out-of-field status; (10) teachers earn in-service training points in ESOL strategies as required by rule and their in-service training timelines; and (11) out-of-field teachers earn the required number of college credits toward certification in their out-of-field subject areas in accordance with their educational timelines.

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Okaloosa 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

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

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Okaloosa 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-6.03028, F.A.C.Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities
- Rule 6A-6.03029, F.A.C.Development of Family Support Plans for Children with Disabilities Ages Birth Through Five Years
- Rule 6A-6.0312, F.A.C.Course Modifications for Exceptional Students
- Rule 6A-6.0331, F.A.C.General Education Intervention Procedures, Identification, Evaluation, Reevaluation and the Initial Provision of Exceptional Education Services
- Rule 6A-6.0334, F.A.C.Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students
- Rule 6A-6.03411, F.A.C.Definitions, ESE Policies and Procedures, and ESE Administrators

Career Education On-the-Job Attendance

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

Career Education On-the-Job Funding Hours

- Rule 6A-6.055(3), F.A.C.Definitions of Terms Used in Vocational Education and Adult Programs
FTE General Instructions 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.In-service Requirements for Personnel of Limited English Proficient Students

The accompanying notes are an integral part of this schedule.

Okaloosa 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 Okaloosa County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Okaloosa 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 Okaloosa County.

For the fiscal year ended June 30, 2010, the District operated 52 schools and educational centers serving prekindergarten through twelfth grade students, reported 28,702.67 unweighted FTE, and received approximately \$49 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.

Okaloosa 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.

Okaloosa 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:

Okaloosa 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)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
District-Wide – Progress Monitoring Plans Versus Ell Student Plans	1
District-Wide – Computation of FTE for PK and Grades K-3 Students: 720 Hours Versus 900 Hours	2
1. Annette P. Edwins Elementary School	3 and 4
2. Destin Elementary School	5 and 6
3. Eglin Elementary School	7
4. Laurel Hill School	8
5. Niceville Senior High School	9 through 13
6. Silver Sands School	14 through 18
7. Southside Elementary School	19
8. Valparaiso Elementary School	20 through 22
9. Wright Elementary School	23 through 25
10. Shalimar Elementary School	26
11. Elliott Point Elementary School	27
12. Mary Esther Elementary School	28 and 29
13. Choctawhatchee Senior High School	30 through 33
14. Crestview High School	34 through 39
15. Kenwood Elementary School	40 and 41
16. Florosa Elementary School	42 and 43
17. Fort Walton Beach High School	44 through 46
18. Antioch Elementary School	NA
19. Davidson Middle School	47
20. Destin Middle School	NA
21. Gulf Coast Youth Academy	48
22. Okaloosa Youth Academy	NA



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

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

We have examined management's assertion, included in its representation letter dated October 15, 2010, that the Okaloosa 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 follow: 107 of the 463 students in our sample had exceptions involving their reported ridership classification or eligibility for State transportation funding. (See SCHEDULE G, Finding Nos. 2, 3, 4, 5, 6, 7, and 8.)

In our opinion, except for the material noncompliance mentioned above involving their reported ridership classification or eligibility for State transportation funding, the Okaloosa 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
April 27, 2011

SCHEDULE F

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

<u>Description</u>	<u>Number of Buses</u>	<u>% of Population</u>	<u>No. of Students Transported</u>	<u>% of Population (Sample)</u>
Population ¹	513	100.00%	26,647	100.00%
Sample ²	-	-	463	1.74%
<u>Sample Students</u>				
With Exceptions ³	-	-	107	(23.11%)
Net Audit Adjustments	-	-	(92)	(19.87%)
<u>Non-Sample Students</u>				
With Exceptions ³	-	-	19	0.07%
Net Audit Adjustments	-	-	(19)	0.07%
<u>Sample and Non-Sample Students</u>				
Net Audit Adjustments	-	-	(111)	0.42%

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 26,647 students in the following ridership categories: 1,161 in IDEA (K-12), Weighted; 16 in IDEA (K-12), Unweighted; 370 in IDEA (PK), Weighted; 55 in Teenage Parents and Infants; 1,562 in Hazardous Walking; 23,375 in Two Miles or More; and 108 in Center to Center (Vocational and Dual Enrollment). The District also reported operating a total of 513 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. 1 are not included.

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Okaloosa 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 their reported ridership classification or eligibility for State transportation funding, the Okaloosa 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 47.

Findings

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.

**Students
 Transported
 Net Audit
 Adjustments**

1. [Ref. 57] The number of days-in-term for the school terms covered by the July 2009 and June 2010 surveys were incorrectly reported based on the number of days that the students were in attendance during those terms. The number of days-in-term should have been reported based on the number of scheduled school days in each term. We made the following audit adjustments:

July 2009 Survey

16 Days-in-Term

Hazardous Walking	3
Two Miles or More	43

15 Days-in-Term

Hazardous Walking	(1)
Two Miles or More	(28)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

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

<u>Findings</u>	<u>Students Transported Net Audit Adjustments</u>
<u>July 2009 Survey</u> (Continued)	
<u>14 Days-in-Term</u>	
Hazardous Walking	(2)
Two Miles or More	(5)
<u>13 Days-in-Term</u>	
Two Miles or More	(4)
<u>11 Days-in-Term</u>	
Two Miles or More	(1)
<u>10 Days-in-Term</u>	
Two Miles or More	(2)
<u>9 Days-in-Term</u>	
IDEA (K-12), Weighted	1
<u>8 Days-in-Term</u>	
Two Miles or More	(3)
<u>4 Days-in-Term</u>	
IDEA (K-12), Weighted	(1)
<u>June 2010 Survey</u>	
<u>15 Days-in-Term</u>	
Two Miles or More	1
<u>12 Days-in-Term</u>	
Hazardous Walking	1
Two Miles or More	3
<u>11 Days-in-Term</u>	
Hazardous Walking	(1)
Two Miles or More	(4)
<u>8 Days-in-Term</u>	
IDEA (K-12), Weighted	9
IDEA (PK), Weighted	4
<u>7 Days-in-Term</u>	
IDEA (K-12), Weighted	(7)
IDEA (PK), Weighted	(4)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

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

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustments</u>
<u>June 2010 Survey</u> (Continued)		
<u>6 Days-in-Term</u>		
IDEA (K-12), Weighted	(2)	0
2. [Ref. 51] <u>Seven students were not transported by bus at least one time during the 11-day window of the reporting survey; consequently, they should not have been reported for State transportation funding. We made the following audit adjustments:</u>		
<u>October 2009 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	
IDEA (PK), Weighted (<i>Sample Student</i>)	(1)	
Teen Parent (<i>Sample Student</i>)	(1)	
Two Miles or More (<i>Sample Student</i>)	(1)	
<u>February 2010 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	
Teen Parent (<i>Sample Student</i>)	(1)	
Two Miles or More (<i>Sample Student</i>)	(1)	(7)
3. [Ref. 52] <u>The reporting of five students in IDEA (K-12), Weighted was not adequately supported: (a) the IEPs for three of the students did not indicate that the students met at least one of the five criteria required for IDEA-weighted classification (the students were eligible for IDEA [K-12], Unweighted), and (b) the IEPs for the remaining two students were missing and could not be located (one of these students was eligible for Two Miles or More). We made the following audit adjustments:</u>		
<u>July 2009 Survey</u>		
<u>9 Days-in-Term</u>		
IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	
<u>October 2009 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	
IDEA (K-12), Unweighted (<i>Sample Student</i>)	1	

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

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

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustments</u>
February 2010 Survey		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted (<i>Sample Students</i>)	(2)	
IDEA (K-12), Unweighted (<i>Sample Students</i>)	2	
June 2010 Survey		
<u>8 Days-in-Term</u>		
IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	
Two Miles or More (<i>Sample Student</i>)	<u>1</u>	(1)
4. [Ref. 53] <u>Ninety-one students (72 in our sample) were reported incorrectly in Two Miles or More. The students lived less than two miles from school and should not have been reported for State transportation funding. We made the following audit adjustments:</u>		
July 2009 Survey		
<u>16 Days-in-Term</u>		
Two Miles or More (<i>Sample Student</i>)	(1)	
October 2009 Survey		
<u>90 Days-in-Term</u>		
Two Miles or More (<i>Sample Students</i>)	(33)	
Two Miles or More (<i>Non-Sample Students</i>)	(9)	
February 2010 Survey		
<u>90 Days-in-Term</u>		
Two Miles or More (<i>Sample Students</i>)	(38)	
Two Miles or More (<i>Non-Sample Students</i>)	<u>(10)</u>	(91)
5. [Ref. 54] <u>Eleven students reported in Hazardous Walking were ineligible to be reported in that ridership category as follows: (a) five students did not have to cross a hazardous route to walk to school, and (b) six students lived more than two miles from school and should have been reported in Two Miles or More. We made the following audit adjustments:</u>		
July 2009 Survey		
<u>16 Days-in-Term</u>		
Hazardous Walking (<i>Sample Students</i>)	(2)	

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

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

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustments</u>
<u>October 2009 Survey</u>		
<u>90 Days-in-Term</u>		
Hazardous Walking (<i>Sample Students</i>)	(2)	
Two Miles or More (<i>Sample Students</i>)	2	
<u>February 2010 Survey</u>		
<u>90 Days-in-Term</u>		
Hazardous Walking (<i>Sample Students</i>)	(5)	
Two Miles or More (<i>Sample Students</i>)	3	
<u>June 2010 Survey</u>		
<u>12 Days-in-Term</u>		
Hazardous Walking (<i>Sample Students</i>)	(2)	
<u>11 Days-in-Term</u>		
Two Miles or More (<i>Sample Student</i>)	1	(5)
6. [Ref. 55] <u>Three students were reported incorrectly in Center to Center (Vocational and Dual Enrollment). The students were not transported from one school center to another and should not have been reported for State transportation funding. We made the following audit adjustment:</u>		
<u>February 2010 Survey</u>		
<u>90 Days-in-Term</u>		
Center to Center (Vocational) (<i>Sample Students</i>)	(3)	(3)
7. [Ref. 56] <u>Four students were reported incorrectly in Teenage Parents and Infants. The students were not enrolled in a Teenage Parent Program and should not have been reported for State transportation funding. We made the following audit adjustment:</u>		
<u>February 2010 Survey</u>		
<u>90 Days-in-Term</u>		
Teenage Parents and Infants (<i>Sample Students</i>)	(4)	(4)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

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

**Students
 Transported
 Net Audit
 Adjustments**

Findings

8. [Ref. 58] The reporting of five students in IDEA (PK), Weighted was not adequately supported. The IEPs for these students either did not indicate they needed an aide or indicated the aide was needed due to the students' ages or physical sizes rather than due to the students' individual disabilities. (All of the students were eligible for IDEA [PK], Unweighted.) We made the following audit adjustments:

October 2009 Survey

90 Days-in-Term

IDEA (PK), Unweighted (<i>Sample Students</i>)	4	
IDEA (PK), Weighted (<i>Sample Students</i>)	(4)	

February 2010 Survey

90 Days-in-Term

IDEA (PK), Unweighted (<i>Sample Student</i>)	1	
IDEA (PK), Weighted (<i>Sample Student</i>)	(1)	0

Net Audit Adjustments		<u>(111)</u>
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Summary

Sample Students w/Exceptions	<u>107</u>	--
Sample Students - Net Audit Adjustments	--	(92)
Non-Sample Students w/Exceptions	<u>19</u>	--
Non-Sample Students - Net Audit Adjustments	--	(19)

Net Audit Adjustments		<u>(111)</u>
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The accompanying notes are an integral part of this schedule.

SCHEDULE H

Okaloosa 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) transported students are reported in the correct ridership categories for the correct number of days-in-term; (2) only those students who are transported at least one time during the 11-day survey window are reported with that survey's results; (3) the distance from home to school for students classified in Two Miles or More or Hazardous Walking is verified prior to those students being reported; (4) the IDEA classifications of transported ESE students are supported by the students' IEPs; and (5) PK students who require an aide are only reported in IDEA (PK), Weighted if the need for the aide is due to the students' individual disabilities.

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.

Okaloosa 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 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.

2. Transportation in Okaloosa County

For the fiscal year ended June 30, 2010, the District received approximately \$5.4 million in State transportation funding. The District’s transportation reporting by survey was as follows:

<u>Survey Period</u>	<u>No. of Vehicles</u>	<u>No. of Students</u>
July 2009	58	459
October 2009	212	13,070
February 2010	213	12,913
June 2010	<u>30</u>	<u>205</u>
Total	<u>513</u>	<u>26,647</u>

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

Okaloosa 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**

SCHOOL DISTRICT OF OKALOOSA COUNTY

SUPERINTENDENT OF SCHOOLS
ALEXIS TIBBETTS, Ed.D.

ATTORNEY TO THE BOARD
C. JEFFREY McINNIS, Esq.



BOARD MEMBERS
CINDY FRAKES
CHUCK KELLEY
CATHY THIGPEN
MELISSA THRUSH
RODNEY L. WALKER

April 5, 2011

David W. Martin, CPA
Auditor General
Room 412 C, Claude Pepper Bldg.
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin;

The School Board of Okaloosa County submits this letter in response to the Auditor General's Draft Report of the Florida Education Finance Program for the 2009-2010 school year. We have received and reviewed the findings contained in this draft report and have begun implementing the corrective action necessary to remedy many of the problems noted. We have begun working to bring our "ELL Student Plans" into compliance and ensuring that schools personnel are aware of the established guidelines in Rule and Statute. Schools administrators have been met with individually to review their findings and develop corrective action to ensure accurate reporting of teacher certification and other pertinent FTE information. In addition, the school district will continue to offer one-on-one training and workshops to bolster data entry accuracy in the future. As we continue to examine the report and its recommendations, further corrective actions will be initiated to avoid such findings in the future.

However, the school district continues to disagree with District – Wide finding #2. (Ref. 101) involving the calculation of FTE for PK students receiving instruction less than full time. It is our position and the basis of a former finding in the FEFP Audit for Fiscal year 1992 that the FTE for these students should be based upon 720 hours as opposed to 900 hours. We request that the Department of Education provide clarification on this and update the FTE General Instructions accordingly.

The School District of Okaloosa County appreciates the thorough and professional manner in which the audit was conducted and the assistance provided by the auditor. We appreciate the opportunity for improvement and will continue to evaluate processes for "best practices" to insure compliance with all the statutory and rule provisions governing the Florida Education Finance Program (FEFP).

Please do not hesitate to contact me at 850-833-3110 if you have any questions or if we can provide further information.

Sincerely,

Alexis Tibbetts, Ed.D.
Superintendent of Schools

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