



AUDITOR GENERAL
WILLIAM O. MONROE, CPA



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, 2004

The governing body of the District is the District School Board, which is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. The Board members and Superintendent of Schools who served during the examination period were: Lucinda J. Frakes, Chairman; Catherine S. Thigpen, Vice-Chairman; Howard Hill; Lloyd Taylor; Rodney L. Walker; and Don Gaetz, Superintendent.

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

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

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

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WILLIAM O. MONROE, CPA
AUDITOR GENERAL

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

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

We have examined management's assertion, included in its representation letter dated August 18, 2004, that the Okaloosa County District School Board complied with the requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2004. These requirements are found primarily in Chapter 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-1, Florida Administrative Code, and secondarily in Chapters 1000 through 1010, 1012, and 1013, Florida Statutes, and State Board of Education Rules, Chapters 6A-4 and 6A-6, Florida Administrative Code. As discussed in the representation letter, management is responsible for the District's compliance with those statutes and rules. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Our examination procedures disclosed the following instances of material noncompliance involving teachers and the reporting of, and the preparation and maintenance of supporting documentation for students in the English for Speakers of Other Languages (ESOL), Exceptional, and Vocational on-the-job-training (OJT) programs.

Teachers

Thirty of the 156 teachers in our sample did not meet applicable provisions of Florida Statutes or State Board of Education Rules regarding qualified instructional personnel and School Board approval of out-of-field teacher assignments; notification of parents regarding out-of-field teachers, or the earning of in-service training points in ESOL strategies.¹

Students

We noted exceptions involving 16 of the 64 students in our ESOL student sample;² 47 of the 337 students in our Exceptional student sample for Basic with ESE Services;³ 78 of the 262 students in our Exceptional student sample for ESE Support Levels 4 and 5;⁴ and 12 of the 52 students in our Vocational OJT student sample.⁵ These exceptions included reporting errors and records that were not properly and accurately prepared or were missing and could not be located.

In our opinion, except for the instances of material noncompliance mentioned above involving teachers and the reporting of, and the preparation and maintenance of supporting documentation for, students in the English for Speakers of Other Languages (ESOL), Exceptional, and Vocational on-the-job-training (OJT) programs, the Okaloosa County District School Board complied, in all material respects, with the aforementioned requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2004.

¹For teacher findings, see SCHEDULE D, finding nos. 7, 8, 12, 18, 20, 21, 25, 26, 27, 28, 39, 40, 41, 42, 52, 59, 62, and 68.

²For ESOL student findings, see SCHEDULE D, finding nos. 4, 29, 30, 31, 32, 43, and 48.

³For Basic with ESE Services findings, see SCHEDULE D, finding nos. 5, 6, 15, 23, 24, 33, 44, 49, 51, 53, 55, 57, 58, 60, and 67.

⁴For ESE Support Levels 4 and 5 findings, see SCHEDULE D, finding nos. 2, 3, 5, 9, 10, 11, 13-17, 19, 22, 34, 35, 36, 45, 46, 50, 54, 56, 60, 61, 63, 64, 65, 66, and 67.

⁵For Vocational student findings, see SCHEDULE D, finding nos. 6, 37, 38, 46, and 51.

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

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

Respectfully submitted,



William O. Monroe, CPA
February 23, 2005

SCHEDULE A

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

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Students</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE²</u>	<u>% of Pop. (Sample)</u>
1. Basic						
Population ³	54	100.00%	13,620	100.00%	23,262.9400	100.00%
Sample Size ⁴	20	37.04%	420	3.08%	364.8152	1.57%
Net Audit Adjustments ⁵	-	-	(1)	(0.24%)	59.7913	-
2. English for Speakers of Other Languages (ESOL)						
Population ³	11	100.00%	188	100.00%	130.7000	100.00%
Sample Size ⁴	9	81.82%	64	34.04%	43.9291	33.61%
Net Audit Adjustments ⁵	-	-	(16)	(25.00%)	(4.1628)	-
3. Exceptional - Basic with ESE Services						
Population ³	55	100.00%	3,503	100.00%	6,210.6500	100.00%
Sample Size ⁴	20	36.36%	337	9.62%	298.4452	4.81%
Net Audit Adjustments ⁵	-	-	(47)	(13.95%)	(22.2080)	-
4. Exceptional - ESE Support Levels 4 and 5						
Population ³	42	100.00%	414	100.00%	377.7700	100.00%
Sample Size ⁴	19	45.24%	262	63.29%	190.1960	50.35%
Net Audit Adjustments ⁵	-	-	(78)	(29.77%)	(35.3873)	-
5. Vocational 9-12						
Population ³	16	100.00%	178	100.00%	664.6000	100.00%
Sample Size ⁴	4	25.00%	52	29.21%	13.0902	1.97%
Net Audit Adjustments ⁵	-	-	(12)	(23.08%)	(1.3672)	-

<u>All Programs</u>						
Population ³	57	100.00%	17,903	100.00%	30,646.6600	100.00%
Sample Size ⁴	21	36.84%	1,135	6.34%	910.4757	2.97%
Net Audit Adjustments ⁵	-	-	(154)	(13.57%)	(3.3340)	-

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 AUDIT ADJUSTMENTS**
 For the Fiscal Year Ended June 30, 2004

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Teachers</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE²</u>
<u>Teacher Certification</u>					
Population	57	100.00%	368	100.00%	-
Sample Size ⁴	21	36.84%	156	42.39%	-
Net Audit Adjustments ⁵	-	-	30	(19.23%)	-
Basic	-	-	-	-	43.0773
ESOL	-	-	-	-	(15.3372)
Basic with ESE Services	-	-	-	-	(18.0233)
ESE Support Levels 4 and 5	-	-	-	-	(1.0486)
Vocational 9-12	-	-	-	-	<u>(8.6682)</u>
					<u>.0000</u>
<u>District-Wide (Finding No. 1)</u>					
Net Audit Adjustments ⁵				<u>District-Wide</u>	
Basic	-	-	-	.0834	.0834
ESOL	-	-	-	<u>(.0834)</u>	<u>(.0834)</u>
				<u>.0000</u>	<u>.0000</u>
Net Audit Adjustments					<u>(3.3340)</u>

¹ See NOTE A6.

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

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

⁴ See NOTE B.

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

The accompanying notes are an integral part of this schedule.

SCHEDULE B

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, 2004

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	9.7018	1.002	9.7212
102 Basic 4-8	22.9842	1.000	22.9842
103 Basic 9-12	70.2660	1.140	80.1032
111 Grades K-3 with ESE Services	.7982	1.002	.7998
112 Grades 4-8 with ESE Services	(9.7798)	1.000	(9.7798)
113 Grades 9-12 with ESE Services	(31.2497)	1.140	(35.6247)
130 ESOL	(19.5834)	1.298	(25.4193)
254 ESE Support Level 4	(21.5390)	3.948	(85.0360)
255 ESE Support Level 5	(14.8969)	5.591	(83.2886)
300 Vocational 9-12	<u>(10.0354)</u>	1.190	<u>(11.9421)</u>
Total	<u>(3.3340)</u>		<u>(137.4821)</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, 2004

<u>No. Program</u>	<u>District Wide</u>	<u>Audit Adjustments¹</u>		<u>Balance Forward</u>
		<u>#0051</u>	<u>#0082</u>	
101 Basic K-3	.....	.....	.....	.0000
102 Basic 4-8	.....	.....	.9102	.9102
103 Basic 9-12	.0834	.....	.....	.0834
111 Grades K-3 with ESE Services	.....	1.0000	.....	1.0000
112 Grades 4-8 with ESE Services	.....	.....	.5000	.5000
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	(.0834)	.....	(.9102)	(.9936)
254 ESE Support Level 4	.....	(1.0000)	.....	(1.0000)
255 ESE Support Level 5	.....	.....	(.5000)	(.5000)
300 Vocational 9-12	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.0000</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

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, 2004

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>				<u>Balance Forward</u>
		<u>#0211</u>	<u>#0241</u>	<u>#0251</u>	<u>#0261</u>	
101	.0000	.....	.....	2.0000	(.5000)	1.5000
102	.9102	.0834	.....	1.5000	.....	2.4936
103	.0834	7.1716	.....	.....	.....	7.2550
111	1.0000	.....	.....	.0000	.0000	1.0000
112	.5000	(.0834)	.....	.....	.5000	.9166
113	.0000	(.4176)	.....	.....	.....	(.4176)
130	(.9936)	.....	.....	(3.5000)	.....	(4.4936)
254	(1.0000)	(2.2498)	.5000	.0000	1.5000	(1.2498)
255	(.5000)	.....	(.5501)	.....	(2.5000)	(3.5501)
300	<u>.0000</u>	<u>(5.2374)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(5.2374)</u>
Total	<u>.0000</u>	<u>(.7332)</u>	<u>(.0501)</u>	<u>.0000</u>	<u>(1.0000)</u>	<u>(1.7833)</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, 2004

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>				<u>Balance Forward</u>
		<u>#0281</u>	<u>#0441</u>	<u>#0541</u>	<u>#0551</u>	
101	1.5000	.2400	5.0000	.....	2.9618	9.7018
102	2.4936	.2900	.....	.....	2.1497	4.9333
103	7.2550	.....	.....	.....	.....	7.2550
111	1.0000	(.2400)	1.0000	.5000	(1.9618)	.2982
112	.9166	(.4000)	.....	.5000	(1.6497)	(.6331)
113	(.4176)	.....	.....	.....	.....	(.4176)
130	(4.4936)	.....	(5.0000)	.....	(2.0000)	(11.4936)
254	(1.2498)	.....	(1.0000)	(1.0000)	.5000	(2.7498)
255	(3.5501)	.....	.....	.....	.....	(3.5501)
300	<u>(5.2374)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(5.2374)</u>
Total	<u>(1.7833)</u>	<u>(.1100)</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>(1.8933)</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, 2004

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>				<u>Balance Forward</u>
		<u>#0581</u>	<u>#0601</u>	<u>#0641</u>	<u>#0651</u>	
101	9.7018	.....	.....	.....	.....	9.7018
102	4.9333	.....	.....	.....	.0368	4.9701
103	7.2550	11.0680	4.8434	2.3373	.....	25.5037
111	.2982	.....	.....	.....	.....	.2982
112	(.6331)	.....	.....	.....	.....	(.6331)
113	(.4176)	(2.3352)	(3.4498)	(2.1668)	.....	(8.3694)
130	(11.4936)	(7.4226)	(.3336)	(.3336)	.....	(19.5834)
254	(2.7498)	(1.0000)	(.5000)	.....	(.0368)	(4.2866)
255	(3.5501)	(.1434)	(.5600)	(.1434)	.....	(4.3969)
300	<u>(5.2374)</u>	<u>(.6661)</u>	<u>(.4784)</u>	<u>(.2395)</u>	<u>.....</u>	<u>(6.6214)</u>
Total	<u>(1.8933)</u>	<u>(.4993)</u>	<u>(.4784)</u>	<u>(.5460)</u>	<u>.0000</u>	<u>(3.4170)</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, 2004

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>				<u>Balance Forward</u>
		<u>#0751</u>	<u>#0761</u>	<u>#9810</u>	<u>#9812</u>	
101	9.7018	.....	.....	.....	.....	9.7018
102	4.9701	.5000	5.5000	3.5807	2.5718	17.1226
103	25.5037	.....	.....	12.8362	15.6825	54.0224
111	.2982	.5000	.....	.....	.....	.7982
112	(.6331)	(.5000)	(2.5000)	(3.5807)	(.7768)	(7.9906)
113	(8.3694)	.....	.....	(12.8362)	(8.7849)	(29.9905)
130	(19.5834)	.....	.....	.....	.....	(19.5834)
254	(4.2866)	1.0000	(3.0000)	.....	(5.2786)	(11.5652)
255	(4.3969)	(1.5000)	.....	.....	.....	(5.8969)
300	<u>(6.6214)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(3.4140)</u>	<u>(10.0354)</u>
Total	<u>(3.4170)</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>(3.4170)</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, 2004

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>		<u>Total</u>
		<u>#9816</u>	<u>#9817</u>	
101 Basic K-3	9.7018	.....	.....	9.7018
102 Basic 4-8	17.1226	1.5830	4.2786	22.9842
103 Basic 9-12	54.0224	6.5000	9.7436	70.2660
111 Grades K-3 with ESE Services	.7982	.....	.....	.7982
112 Grades 4-8 with ESE Services	(7.9906)	.....	(1.7892)	(9.7798)
113 Grades 9-12 with ESE Services	(29.9905)	.....	(1.2592)	(31.2497)
130 ESOL	(19.5834)	.....	.....	(19.5834)
254 ESE Support Level 4	(11.5652)	1.0000	(10.9738)	(21.5390)
255 ESE Support Level 5	(5.8969)	(9.0000)	.....	(14.8969)
300 Vocational 9-12	<u>(10.0354)</u>	.....	.....	<u>(10.0354)</u>
Total	<u>(3.4170)</u>	<u>.0830</u>	<u>.0000</u>	<u>(3.3340)</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, 2004

Overview

The management of the Okaloosa County District School Board is responsible for determining and reporting the number of full-time equivalent (FTE) students in compliance with requirements of the Florida Education Finance Program (FEFP). These requirements are found primarily in Chapter 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-1, Florida Administrative Code, and secondarily in Chapters 1000 through 1010, 1012, and 1013, Florida Statutes, and State Board of Education Rules, Chapters 6A-4 and 6A-6, Florida Administrative Code. In our opinion, except for the instances of material noncompliance involving teachers and the reporting of, and the preparation and maintenance of supporting documentation for, students in the English for Speakers of Other Languages (ESOL), Exceptional, and Vocational on-the-job-training (OJT) programs, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2004. The instances of noncompliance disclosed by our examination procedures require management's attention and action, as recommended on page 44.

Findings

**Net Audit
 Adjustment
 (Unweighted FTE)**

Ineligible ESOL Courses

1. [Ref. 101] Our examination procedures included an automated test that compared the course numbers reported in the English for Speakers of Other Languages (ESOL) program to the course numbers that have been designated for that program by the Department of Education. The results of this test disclosed that one student who was enrolled in an English Honors class in the February survey was reported incorrectly in ESOL. We made the following audit adjustments:

103 Basic 9-12	.0834	
130 ESOL	<u>(.0834)</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, 2004

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<u>Bob Sikes Elementary School (#0051)</u>	
2. [Ref. 5101] <u>One Exceptional student in the October and February surveys was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustments:</u>	
111 Grades K-3 with ESE Services	1.0000
254 ESE Support Level 4	<u>(1.0000)</u>
	<u>.0000</u>
	<u>.0000</u>
<u>Clifford Meigs Middle School (#0082)</u>	
3. [Ref. 8201] <u>The file for one Exceptional student in the February survey did not contain a valid Matrix of Services form. We made the following audit adjustments:</u>	
112 Grades 4-8 with ESE Services	.5000
255 ESE Support Level 5	<u>(.5000)</u>
	<u>.0000</u>
4. [Ref. 8202] <u>The Limited English Proficient (LEP) Student Plan for one student in the October and February surveys was not reviewed and updated for the 2003-04 school year; consequently, the student's reporting in ESOL was not adequately supported. We made the following audit adjustments:</u>	
102 Basic 4-8	.9102
130 ESOL	<u>(.9102)</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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Niceville Senior High School (#0211)

5. [Ref. 21101] We noted the following exceptions involving seven Exceptional students in the October and February surveys (three in our Basic with ESE Services sample and four in our Exceptional sample):

- a. The file for one student did not contain a valid *Individual Educational Plan (IEP)* covering the October and February surveys. We also noted that the student was not in attendance during the February survey period and should not have been reported with that survey's results.
- b. The file for one student did not contain a valid *Educational Plan (EP)* covering the February survey.
- c. The file for one student in the February survey indicated that the student had been dismissed from Exceptional education prior to that survey.
- d. Three students in the October and February surveys were not reported in accordance with their *Matrix of Services* forms.
- e. The IEP Interim Review dated 9/19/03 for one student in the October survey indicated that the student had a change in Exceptional program placement and service and thus needed a new *Matrix of Services* form; however, a new *Matrix* form was not completed.

We made the following audit adjustments:

102 Basic 4-8	.0834	
103 Basic 9-12	1.0000	
112 Grades 4-8 with ESE Services	(.0834)	
113 Grades 9-12 with ESE Services	.7498	
254 ESE Support Level 4	<u>(2.2498)</u>	(.5000)

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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Niceville Senior High School (#0211) (Continued)

6. [Ref. 21102] We noted the following exceptions for five students in on-the-job-training (OJT) programs during the October and February surveys (one was in our Exceptional sample and four were in our Vocational sample):

- a. The timecards for two students were missing and could not be located. One of the students was reported in Exceptional education for 12.5 hrs or .2500 FTE and the other was reported in Vocational education for 12.32 hours or .1664 FTE.
- b. The FTE in the course schedules for two Vocational students (one in the October survey and one in the October and February surveys) was understated, being reported as .4168 rather than the maximum allowable .5000 FTE, which was supported by the students' timecards and course schedules. We added the students' unreported FTE to program no. 300 (Vocational 9-12).
- c. The timecard for one student supported less time worked than was reported. The student was reported for 8.32 hours or .1664 FTE; however, the timecard supported only 5 hours worked or .1000 FTE.

We made the following audit adjustments:

113 Grades 9-12 with ESE Services	(.2500)	
300 Vocational 9-12	<u>.0168</u>	(.2332)

7. [Ref. 21171] One teacher was not properly certified and was not approved by the School Board to teach out-of-field during the school terms covered by the October and February surveys. The teacher held certification in Biology, but taught courses that required certification in Networking. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:

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, 2004

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<u>Niceville Senior High School (#0211)</u> (Continued)	
103 Basic 9-12	2.1684
113 Grades 9-12 with ESE Services	(.2502)
300 Vocational 9-12	<u>(1.9182)</u>
	.0000

8. [Ref. 21172] One teacher taught Business Education out-of-field during the school terms covered by the October and February surveys, but had not earned the required number of college credits related to a previous year's out-of-field appointment in History. Consequently, the teacher was not eligible to be assigned out-of-field for the 2003-04 school year. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:

103 Basic 9-12	4.0032	
113 Grades 9-12 with ESE Services	(.6672)	
300 Vocational 9-12	<u>(3.3360)</u>	<u>.0000</u>
		<u>(.7332)</u>

Silver Sands School for Exceptional Children (#0241)

9. [Ref. 24101] The course schedules for two Exceptional students (one in the October survey and one in the February survey) were incorrectly reported. One student was reported for 1,200 Class Minutes, Weekly (CMW) or .4000 FTE; however, the student had actually received only 900 CMW or .3000 FTE. The other student was incorrectly reported for less than .5000 FTE (.4501 FTE). We made the following audit adjustment:

255 ESE Support Level 5	<u>(.0501)</u>	(.0501)
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10. [Ref. 24102] Two Exceptional students were not reported in accordance with their Matrix of Services forms. We made the following audit adjustments:

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, 2004

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
Silver Sands School for Exceptional Children (#0241) (Continued)	
254 ESE Support Level 4	.5000
255 ESE Support Level 5	(.5000)
	.0000
	(.0501)

Southside Elementary School (#0251)

11. [Ref. 25101] One Exceptional student in the October and February surveys was not reported in accordance with the student's Matrix of Services form. The student was reported in program no. 111 (Grades K-3 with ESE Services) in the October survey and program no. 254 (ESE Support Level 4) in the February survey; however, the Matrix form indicated that the student should have been reported in program no. 254 in the October survey and program no. 111 in the February survey. We made the following audit adjustments:

111 Grades K-3 with ESE Services	(.5000)	
111 Grades K-3 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	
254 ESE Support Level 4	.5000	.0000

12. [Ref. 25171/72/73/74] We noted the following exceptions involving four teachers who taught Primary Language Arts to classes that included Limited English Proficient (LEP) students during the school terms covered by the October and February surveys:

- a. One teacher was not approved by the School Board to teach LEP students out-of-field. We also noted that the parents of the LEP students taught by this teacher were not notified of the teacher's out-of-field status until November 2003, after the October survey.

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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Southside Elementary School (#0251) (Continued)

- b. One teacher was not approved by the School Board to teach LEP students out-of-field until January 26, 2004, after the October survey. We also noted that the parents of the students taught by this teacher were not provided notification of the teacher's out-of-field status.
- c. The parents of the LEP students taught by two teachers were not notified of the teachers' out-of-field status until November 2003, after the October survey.

We made the following audit adjustments:

<u>Ref. 25171</u>		
101 Basic K-3	1.0000	
130 ESOL	<u>(1.0000)</u>	.0000
<u>Ref. 25172</u>		
101 Basic K-3	1.0000	
130 ESOL	<u>(1.0000)</u>	.0000
<u>Ref. 25173</u>		
102 Basic 4-8	1.0000	
130 ESOL	<u>(1.0000)</u>	.0000
<u>Ref. 25174</u>		
102 Basic 4-8	.5000	
130 ESOL	<u>(.5000)</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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Valparaiso Elementary School (#0261)

13. [Ref. 26101] Two students in the February survey (one Basic and one Exceptional) were not eligible to be reported with the survey's results. One student had withdrawn from school prior to that survey. The other student was not in attendance during the 11-day survey period. This later student was assigned to the Hospital and Homebound program on February 4, 2004, but did not receive homebound instruction, according to the homebound instructor's contact log, until February 10, 2004, after the February survey had ended. We made the following audit adjustments:

101 Basic K-3	(.5000)	
255 ESE Support Level 5	(.5000)	(1.0000)

14. [Ref. 26102] The point totals on the Matrix of Services forms for two Exceptional students in the October and February surveys were incorrectly computed. A Special Consideration's point was incorrectly added to each student's score for which neither student was eligible. The Special Consideration point requires that the students be rated Level 5 in four of the five domains; however, both students were rated Level 5 in only three of the five domains. We made the following audit adjustments:

254 ESE Support Level 4	1.5000	
255 ESE Support Level 5	(1.5000)	.0000

15. [Ref. 26103] Six Exceptional students in the October and February surveys were not reported in accordance with the students' Matrix of Services forms. We made the following audit adjustments:

111 Grades K-3 with ESE Services	(.5000)	
111 Grades K-3 with ESE Services	.5000	
112 Grades 4-8 with ESE Services	.5000	
254 ESE Support Level 4	1.0000	
254 ESE Support Level 4	(2.0000)	
255 ESE Support Level 5	.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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Valparaiso Elementary School (#0261) (Continued)

16. [Ref. 26104] The last page of the Matrix of Services form for one Exceptional student in program no. 255 (ESE Support Level 5) in the October and February surveys was not in the student's file; consequently, we could only verify that the student was eligible for program no. 254 (ESE Support Level 4). We made the following audit adjustments:

254 ESE Support Level 4	1.0000	
255 ESE Support Level 5	(1.0000)	.0000
		(1.0000)

Wright Elementary School (#0281)

17. [Ref. 28101] The course schedule for one student in the October survey, who was enrolled in both a Hospital and Homebound Exceptional education program and a school-based Basic education program, was reported incorrectly. The student was reported for 930 Class Minutes, Weekly (CMW) or .3100 FTE of school-based instruction, but received only 600 CMW or .2000 FTE of such instruction. We made the following audit adjustment:

102 Basic 4-8	(.1100)	(.1100)
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18. [Ref. 28171] One teacher was appropriately approved by the School Board in a prior year to teach Gifted students out-of-field; however, the teacher did not subsequently earn the required number of college credits in the area of that out-of-field assignment. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:

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, 2004

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<u>Wright Elementary School (#0281)</u> (Continued)	
101 Basic K-3	.2400
102 Basic 4-8	.4000
111 Grades K-3 with ESE Services	(.2400)
112 Grades 4-8 with ESE Services	(.4000)
	<u>.0000</u>
	<u>(.1100)</u>

Oak Hill Elementary School (#0441)

19. [Ref. 44101] Two Exceptional pre-kindergarten students in the October survey were not reported in accordance with their Matrix of Services forms. We made the following audit adjustments:

111 Grades K-3 with ESE Services	1.0000	
254 ESE Support Level 4	(1.0000)	.0000

20. [Ref. 44171] One teacher taught Primary Language Arts to a class that included Limited English Proficient (LEP) students during the school terms covered by the October and February surveys; however, the teacher was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field until January 26, 2004, after the October survey. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status until January 23, 2004, also after the October survey. Consequently, the teacher was not in compliance with applicable statutory requirements for the October survey. We made the following audit adjustments:

101 Basic K-3	2.0000	
130 ESOL	(2.0000)	.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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Oak Hill Elementary School (#0441) (Continued)

21. [Ref. 44172/73/74] Three teachers taught Primary Language Arts to classes that included Limited English Proficient (LEP) students during the school terms covered by the October and February surveys and were appropriately approved by the School Board to teach such students out-of-field; however, the parents of the students taught by these teachers were not notified of the teachers' out-of-field status until January 23, 2004, after the October survey. Consequently, the notifications were not effective for the October survey. We made the following audit adjustments:

<u>Ref. 44172</u>		
101 Basic K-3	1.0000	
130 ESOL	<u>(1.0000)</u>	.0000
<u>Ref. 44173</u>		
101 Basic K-3	1.0000	
130 ESOL	<u>(1.0000)</u>	.0000
<u>Ref. 44174</u>		
101 Basic K-3	1.0000	
130 ESOL	<u>(1.0000)</u>	<u>.0000</u>
		<u>.0000</u>

Elliott Point Elementary School (#0541)

22. [Ref. 54101] We noted the following exceptions involving two Exceptional students in the October survey: the file for one Exceptional student did not contain a valid Matrix of Services form and the other Exceptional student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustments:

111 Grades K-3 with ESE Services	.5000	
112 Grades 4-8 with ESE Services	.5000	
254 ESE Support Level 4	<u>(1.0000)</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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Ocean City Elementary School (#0551)

23. [Ref. 55101] One Exceptional student in the February survey was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustments:

111 Grades K-3 with ESE Services	(.5000)	
254 ESE Support Level 4	<u>.5000</u>	.0000

24. [Ref. 55102] The file for one Exceptional student in the February survey did not contain an Individual Educational Plan (IEP) that was valid for that survey. We made the following audit adjustments:

101 Basic K-3	.5000	
111 Grades K-3 with ESE Services	<u>(.5000)</u>	.0000

25. [Ref. 55171] One teacher was appropriately approved by the School Board to teach in the English for Speakers of Other Languages (ESOL) program out-of-field during the school terms covered by the October and February surveys; however, the parents of the student taught by this teacher were not notified of the teacher's out-of-field status until February 2004, after the October survey. Consequently, that notification was not effective for the October survey. We made the following audit adjustments:

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

26. [Ref. 55172] One teacher was not properly certified and was not approved by the School Board to teach out-of-field during the February survey. The teacher held certification in Elementary Education, but taught a course that required certification for Exceptional education. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:

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, 2004

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
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Ocean City Elementary School (#0551) (Continued)

101 Basic K-3	.9618	
102 Basic 4-8	1.6497	
111 Grades K-3 with ESE Services	(.9618)	
112 Grades 4-8 with ESE Services	<u>(1.6497)</u>	.0000

27. [Ref. 55174/76] Two teachers taught Primary Language Arts to classes that included Limited English Proficient (LEP) students during the school term covered by the February survey; however, the teachers were not properly certified to teach LEP students and were not approved by the School Board to teach such students out-of-field. We also noted that the parents of the students taught by these teachers were not notified of the teachers' out-of-field status. We made the following audit adjustments:

<u>Ref. 55174</u>		
101 Basic K-3	.5000	
130 ESOL	<u>(.5000)</u>	.0000
 <u>Ref. 55176</u>		
101 Basic K-3	.5000	
130 ESOL	<u>(.5000)</u>	<u>.0000</u>

28. [Ref. 55175] One teacher taught Primary Language Arts to a class that included Limited English Proficient (LEP) students during the school terms covered by the October and February surveys; however, the teacher was not properly certified to teach such students and was not approved by the School Board to teach such students out-of-field until January 26, 2004, after the October survey. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status until January 23, 2004, after the October survey. Consequently, the teacher was not in compliance with applicable statutory requirements for the October survey. We made the following audit adjustments:

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, 2004

<u>Findings</u>		Net Audit Adjustment (Unweighted FTE)
<u>Ocean City Elementary School (#0551)</u> (Continued)		
101 Basic K-3	.5000	
130 ESOL	(.5000)	.0000
		.0000
<u>Choctawhatchee Senior High School (#0581)</u>		
29. [Ref. 58101] <u>Three students in the English for Speakers of Other Languages (ESOL) program in the October and February surveys had been dismissed from ESOL in a prior school year; consequently, the students should not have been reported in ESOL. We made the following audit adjustments:</u>		
103 Basic 9-12	1.8348	
130 ESOL	(1.8348)	.0000
30. [Ref. 58102] <u>The course schedules for four Limited English Proficient (LEP) students in the October survey were not reported in their entirety. The course number reported for the students' sixth period (course no. 1002330) was not a valid course number and therefore the FTE for this course was not funded by DOE. We determined that the reported course number should have been course no. 1002380 (Development Language Arts through ESOL), which is a valid course number and fundable. We made the following audit adjustment:</u>		
130 ESOL	.3336	.3336
31. [Ref. 58103] <u>The files for two Limited English Proficient (LEP) students who were reported in the English for Speakers of Other Languages (ESOL) program in the October and February surveys did not contain documentation justifying the students' continued placement in ESOL beyond the initial three-year base period. We made the following audit adjustments:</u>		
103 Basic 9-12	1.0008	
130 ESOL	(1.0008)	.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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Choctawhatchee Senior High School (#0581) (Continued)

32. [Ref. 58104] The reported course schedule for one Exceptional student in the October survey incorrectly listed the student’s instructional time under both the English for Speakers of Other Languages (ESOL) program and Exceptional education. The course schedules for Exceptional students should be reported entirely in the Exceptional program. We made the following audit adjustments:

113 Grades 9-12 with ESE Services	.0834	
130 ESOL	<u>(.0834)</u>	.0000

33. [Ref. 58105] The files for two Exceptional students in the February survey did not contain Educational Plans (EPs) that were valid for that survey. We made the following audit adjustments:

103 Basic 9-12	1.0000	
113 Grades 9-12 with ESE Services	<u>(1.0000)</u>	.0000

34. [Ref. 58106] The homebound instructor’s log documenting the instructional time provided to one student in the Hospital and Homebound program in the October survey was missing and could not be located. We also noted that the physician's statement on behalf of this student was not valid for the February survey. We made the following audit adjustments:

103 Basic 9-12	.0600	
255 ESE Support Level 5	<u>(.1200)</u>	(.0600)

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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Choctawhatchee Senior High School (#0581) (Continued)

35. [Ref. 58107] The instructional time for one Exceptional student in the Hospital and Homebound program during the October survey was over-reported. The student was reported for 250 Class Minutes, Weekly (CMW) or .0834; however, the predetermined scheduled time for the student was only 180 CMW or .0600 FTE. We made the following audit adjustment:

255 ESE Support Level 5	(.0234)	(.0234)
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36. [Ref. 58108] The file for one Exceptional student in the October and February surveys did not contain a valid Matrix of Services Form. We made the following audit adjustments:

113 Grades 9-12 with ESE Services	1.0000	
254 ESE Support Level 4	(1.0000)	.0000

37. [Ref. 58109] The timecards for one Vocational student in on-the-job training (OJT) in the October and February surveys indicated that the student did not work during those surveys. We also noted that the timecard for one other OJT student, who was reported in the February survey, indicated that the student was working at the same time that he was reported as attending classes at school. Since the student was documented as attending school, the FTE associated with the off-campus activity was disallowed. We made the following audit adjustment:

300 Vocational 9-12	(.3327)	(.3327)
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38. [Ref. 58110] The attendance card and the timecard for one Vocational student in the February survey (reported for .4168 FTE only) were missing and could not be located. We made the following audit adjustments:

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, 2004

<u>Findings</u>	Net Audit Adjustment (Unweighted FTE)
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Choctawhatchee Senior High School (#0581) (Continued)

103 Basic 9-12	(.0834)	
300 Vocational 9-12	(.3334)	(.4168)

39. [Ref. 58171] One teacher was not properly certified and was not approved by the School Board to teach out-of-field during the school terms covered by the October and February surveys. The teacher held certification in Sociology, but taught a course that required certification in Social Studies. We made the following audit adjustments:

103 Basic 9-12	.3336	
113 Grades 9-12 with ESE Services	(.3336)	.0000

40. [Ref. 58172] One teacher was not properly certified and was not approved by the School Board to teach out-of-field during the school terms covered by the October and February surveys. The teacher held certification in Middle Grade General Science, but taught courses that required certification in Secondary General Science. The teacher also taught Science to a class that included Limited English Proficient (LEP) students during the school terms covered by the October and February surveys; however, the teacher had not earned any of the required 60 in-service training points in English for Speakers of Other Languages (ESOL) strategies, pursuant to the teacher's in-service training timeline. We made the following audit adjustments:

103 Basic 9-12	4.0032	
113 Grades 9-12 with ESE Services	(2.0850)	
130 ESOL	(1.9182)	.0000

41. [Ref. 58173/75/77] Three Basic subject area teachers had Limited English Proficient (LEP) students enrolled in the teachers' assigned classes during the school terms covered by the October and February surveys; however, the teachers had not earned any of the required 60 in-service training points in English for Speakers of Other Languages (ESOL) strategies, pursuant to 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)

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, 2004

<u>Findings</u>		Net Audit Adjustment (Unweighted FTE)
<u>Choctawhatchee Senior High School (#0581)</u> (Continued)		
<u>Ref. 58173</u>		
103 Basic 9-12	.0834	
130 ESOL	<u>(.0834)</u>	.0000
<u>Ref. 58175</u>		
103 Basic 9-12	.8340	
130 ESOL	<u>(.8340)</u>	.0000
<u>Ref. 58177</u>		
103 Basic 9-12	1.9182	
130 ESOL	<u>(1.9182)</u>	.0000
42. [Ref. 58174] <u>One teacher taught Primary Language Arts to a class that included Limited English Proficient (LEP) students during the school term covered by the February survey; however, the teacher was not properly certified to teach such students and was not approved by the School Board to teach such students out-of-field. We also noted that the parents of the students taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:</u>		
103 Basic 9-12	.0834	
130 ESOL	<u>(.0834)</u>	<u>.0000</u> <u>(.4993)</u>

Crestview Senior High School (#0601)

43. [Ref. 60101] We noted the following exceptions involving three Limited English Proficient (LEP) students: the Limited English Proficient (LEP) Student Plan for one student in the October survey was not reviewed and updated for the 2003-04 school year; the Plan for the another student in the October survey was not completed until November 13, 2003, after the October survey; and the file for one student in the October and February surveys did not contain testing documentation to support the student's placement in the English for Speakers of Other Languages (ESOL) program. We made the following audit adjustments:

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, 2004

<u>Findings</u>	Net Audit Adjustment (Unweighted FTE)
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Crestview Senior High School (#0601) (Continued)

103 Basic 9-12	.3336	
130 ESOL	(.3336)	.0000

44. [Ref. 60102] The Meeting Participation Notice forms documenting the invitation to parents to attend the Individual Educational Plan (IEP) meetings for four Exceptional students in the October and February surveys were dated either the day of the IEP meeting concerned or later. State Board of Education Rule 6A-6.03028(7)1, Florida Administrative Code, states that parents should be notified ". . . of the meeting early enough to ensure that they will have an opportunity to attend." Since the notices were sent on the day of the IEP meetings or later, the parents were not afforded an opportunity to attend the meetings. We also noted that the file for one other Exceptional student in the October and February surveys did not contain a valid Educational Plan (EP). We made the following audit adjustments:

103 Basic 9-12	3.9498	
113 Grades 9-12 with ESE Services	(3.9498)	.0000

45. [Ref. 60103] One Exceptional student in the October survey was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustments:

113 Grades 9-12 with ESE Services	.5000	
255 ESE Support Level 5	(.5000)	.0000

46. [Ref. 60104] The timecards for four Vocational students in the October and February surveys supported less time worked (19 hours or .3800 FTE) than was reported (36.67 hours or .7334 FTE) for these students. We also noted that the timecard for one other Vocational student (reported for 6.25 hours or .1250 FTE in the February survey) was missing and could not be located. 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, 2004

<u>Findings</u>		Net Audit Adjustment (Unweighted FTE)
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Crestview Senior High School (#0601) (Continued)

300 Vocational 9-12	(.4784)	(.4784)
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47. [Ref. 60105] Two Exceptional students (one in the October survey and one in the February survey) had changes in their placement or incurred changes in the Exceptional services being provided to them and, accordingly, should have had an Individual Educational Plan (IEP) developed to support those changes. However, instead of a new IEP being completed for these students, only a review of the old IEP was done. We made the following audit adjustments:

103 Basic 9-12	.5600	
254 ESE Support Level 4	(.5000)	
255 ESE Support Level 5	(.0600)	.0000
		(.4784)

Ft. Walton Beach Senior High School (#0641)

48. [Ref. 64101] The Limited English Proficient (LEP) Student Plans for two LEP students in the October and February surveys were not reviewed and updated for the 2003-04 school year; consequently, the students' ESOL reporting in those surveys was not adequately supported. We made the following audit adjustments:

103 Basic 9-12	.3336	
130 ESOL	(.3336)	.0000

49. [Ref. 64102] We noted the following exceptions involving three Exceptional students: the files for two students in the Gifted program in the February survey did not contain Educational Plans (EPs) that were valid for that survey; and one Exceptional student had been dismissed from Exceptional education program prior to the surveys in which the student was reported. We made the following audit adjustments:

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, 2004

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<u>Ft. Walton Beach Senior High School (#0641) (Continued)</u>	
103 Basic 9-12	1.9203
113 Grades 9-12 with ESE Services	<u>(1.9203)</u> .0000

50. [Ref. 64103] The course schedules for two Exceptional students were reported incorrectly, as discussed below:

- a. One student was reported in the Hospital and Homebound program for three instructional hours, or .0600 FTE, in program no. 255 (ESE Support Level 5) in the October survey; however, the student was in full-time on-campus Exceptional education courses and should have been reported for 25 instructional hours, or .5000 FTE, in program no. 113 (Grades 9-12 with ESE Services).
- b. One student's schedule in the February survey included homebound instruction in the Hospital and Homebound program and on-campus instruction in one Basic education course. The student was incorrectly reported in program no. 255 (ESE Support Level 5) for both the on-campus instruction and the Hospital and Homebound instruction. The student's on-campus should have been reported in program no. 103 (Basic 9-12).

We made the following audit adjustments:

103 Basic 9-12	.0834	
113 Grades 9-12 with ESE Services	.5000	
255 ESE Support Level 5	<u>(.1434)</u>	.4400

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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Ft. Walton Beach Senior High School (#0641) (Continued)

51. [Ref. 64104] The timecards for two students in on-the-job-training (OJT) in the October and February surveys were either missing and could not be located or did not support the OJT time reported. One of the students was in our Exceptional sample and the other was in our Vocational sample. For the Exceptional sample student, the timecards necessary to support 37.32 OJT hours (or .7465 FTE) in the October and February surveys were missing and could not be located. For the Vocational sample student, the timecard necessary to support 8.15 OJT hours (or .1631 FTE) in the October survey was missing and could not be located, and the timecard for the February survey supported less OJT hours (4.5 hours or .0900 FTE) than were reported (8.32 hours or .1664 FTE). We made the following audit adjustments:

113 Grades 9-12 with ESE Services	(.7465)	
300 Vocational 9-12	(.2395)	(.9860)
		(.5460)

Max Bruner, Jr.b Middle School (#0651)

52. [Ref. 65171] One teacher who taught during the school terms covered by the October and February surveys did not hold a valid Florida teacher's certificate. The teacher taught a course that required certification for Visually Impaired. We made the following audit adjustments:

102 Basic 4-8	.0368	
254 ESE Support Level 4	(.0368)	.0000
		.0000

Antioch Elementary School (#0751)

53. [Ref. 75101] The file for one Exceptional student in the February survey did not contain a valid Educational Plan (EP). We made the following audit adjustments:

102 Basic 4-8	.5000	
112 Grades 4-8 with ESE Services	(.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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Antioch Elementary School (#0751) (Continued)

54. [Ref. 75102] We noted the following exceptions involving four Exceptional students in the October and February surveys:

- a. One student’s file contained two conflicting *Matrix of Services* forms that had the same date. One *Matrix* supported program no. 254 (ESE Support Level 4) while the other *Matrix* supported program no. 255 (ESE Support Level 5).
- b. One student was not reported in accordance with the student's *Matrix of Services* form.
- c. One student was reported in program no. 254 (ESE Support Level 4) in the October survey; however, the revised *Matrix of Services* form supporting this reporting was dated November 2, 2004, after the October survey. We noted that, prior to the revision, the *Matrix* form supported program no. 111 (Grade K-3 with ESE Services).
- d. The score on the *Matrix of Services* form for one student was incorrect. The *Matrix* form did not include the Special Considerations rating point allowed when four of five Domains have been rated at level 5.

We made the following audit adjustments:

111 Grades K-3 with ESE Services	.5000	
254 ESE Support Level 4	1.0000	
255 ESE Support Level 5	<u>(1.5000)</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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Davidson Middle School (#0761)

55. [Ref. 76101] The files for four Exceptional students in the October and February surveys did not contain Educational Plans (EPs) that were valid for the surveys concerned. Additionally, the EPs for two other Exceptional students in the October and February surveys did not have the required professional signatures. We made the following audit adjustments:

102 Basic 4-8	5.0000	
112 Grades 4-8 with ESE Services	(5.0000)	.0000

56. [Ref. 76102] We noted the following exceptions involving three Exceptional students in the October and February surveys:

- a. One student was not reported in accordance to his Matrix of Services form.
- b. One student’s file did not contain a valid Matrix of Services form. The student’s file contained a Matrix form dated May 3, 2000, that had expired prior to the October 2003 survey, and a Matrix form dated May 21, 2004, that was not valid for the February 2004 survey.
- c. The Matrix form for one student was revised during the October survey week; however, the revision (made in Domain A) did not indicate the individual Exceptional services to be provided to the student.

We made the following audit adjustments:

112 Grades 4-8 with ESE Services	3.0000	
254 ESE Support Level 4	(3.0000)	.0000

57. [Ref. 76103] The file for one Exceptional student in the October survey was missing and could not be located. We made the following audit adjustments:

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, 2004

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
Davidson Middle School (#0761) (Continued)	
102 Basic 4-8	.5000
112 Grades 4-8 with ESE Services	(.5000)
	<u>.0000</u>
	<u>.0000</u>

Gulf Coast Youth Academy (#9810)

58. [Ref. 981002] The Meeting Participation Notice forms documenting the invitation to parents to attend the Individual Educational Plan (IEP) meetings for ten Exceptional students in the October and February surveys were dated either the day of the IEP meeting concerned or later. State Board of Education Rule 6A-6.03028(7)1, Florida Administrative Code, states that parents should be notified "... of the meeting early enough to ensure that they will have an opportunity to attend." Since the notices were sent on the day of the IEP meetings or later, the parents were not afforded an opportunity to attend the meetings. We made the following audit adjustments:

102 Basic 4-8	2.3390	
103 Basic 9-12	5.6118	
112 Grades 4-8 with ESE Services	(2.3390)	
113 Grades 9-12 with ESE Services	(5.6118)	.0000

59. [Ref. 981071/72/73/74] Four teachers were not properly certified and were not approved by the School Board to teach out-of-field during the school terms covered by the July, October, February, and June surveys. Two of the teachers held certification in Social Science, one held a District-issued certification in Trowell Trades, and one held certification in General Science; however, all taught courses that required certification in Exceptional Education. We also noted that the parents of the students taught by these teachers were not notified of the teachers' out-of-field status. We made the following audit adjustments:

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, 2004

<u>Findings</u>		<u>Net Audit Adjustment (Unweighted FTE)</u>
<u>Gulf Coast Youth Academy (#9810)</u> (Continued)		
<u>Ref. 981071</u>		
102 Basic 4-8	.3790	
103 Basic 9-12	2.0551	
112 Grades 4-8 with ESE Services	(.3790)	
113 Grades 9-12 with ESE Services	<u>(2.0551)</u>	.0000
<u>Ref. 981072</u>		
102 Basic 4-8	.2956	
103 Basic 9-12	1.4141	
112 Grades 4-8 with ESE Services	(.2956)	
113 Grades 9-12 with ESE Services	<u>(1.4141)</u>	.0000
<u>Ref. 981073</u>		
102 Basic 4-8	.1640	
103 Basic 9-12	1.3472	
112 Grades 4-8 with ESE Services	(.1640)	
113 Grades 9-12 with ESE Services	<u>(1.3472)</u>	.0000
<u>Ref. 981074</u>		
102 Basic 4-8	.4031	
103 Basic 9-12	2.4080	
112 Grades 4-8 with ESE Services	(.4031)	
113 Grades 9-12 with ESE Services	<u>(2.4080)</u>	<u>.0000</u>
		<u>.0000</u>

Okaloosa Youth Academy (#9812)

60. [Ref. 981202] The Meeting Participation Notice forms documenting the invitation to parents to attend the Individual Educational Plan (IEP) meetings for 17 Exceptional students in the July, October, and February surveys (one of whom was in both our Basic with ESE Services sample and our Exceptional (ESE Support Levels 4 and 5) sample) were dated either the day of the IEP meeting concerned or later. State Board of Education Rule 6A-6.03028(7)1, Florida Administrative Code, states that parents should be notified "... of the meeting early enough to ensure that they will have an opportunity to attend."

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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Okaloosa Youth Academy (#9812) (Continued)

Since the notices were sent on the day of the IEP meetings or later, the parents were not afforded an opportunity to attend the meetings. We made the following audit adjustments:

102 Basic 4-8	2.0122	
103 Basic 9-12	9.7564	
112 Grades 4-8 with ESE Services	(.5784)	
113 Grades 9-12 with ESE Services	(6.2728)	
254 ESE Support Level 4	(4.9174)	.0000

61. [Ref. 981203] The file for one Exceptional student in the June survey contained two Matrix of Service forms with the same date and we could not determine which was intended to be effective for that survey. One Matrix form supported program no. 254 (ESE Support Level 4) and the other supported program no. 112 (Grades 4-8 with ESE Services). We made the following audit adjustments:

112 Grades 4-8 with ESE Services	.1944	
254 ESE Support Level 4	(.1944)	.0000

62. [Ref. 981271/72] Two teachers were not properly certified and were not approved by the School Board to teach out-of-field during the school terms covered by the July, October, February, and June surveys. One teacher held certification in Carpentry and one held certification in Physical Education; however, they taught courses that required certification in Exceptional education and, for one of the teachers, Electronics. We also noted that the parents of the students taught by these teachers were not notified of the teachers' out-of-field status. We made the following audit adjustments:

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, 2004

<u>Findings</u>	<u>Net Audit Adjustment (Unweighted FTE)</u>
<u>Okaloosa Youth Academy (#9812)</u> (Continued)	
Ref. 981271	
102 Basic 4-8	.2826
103 Basic 9-12	4.3444
112 Grades 4-8 with ESE Services	(.1158)
113 Grades 9-12 with ESE Services	(.9304)
254 ESE Support Level 4	(.1668)
300 Vocational 9-12	<u>(3.4140)</u>
	.0000
Ref. 981272	
102 Basic 4-8	.2770
103 Basic 9-12	1.5817
112 Grades 4-8 with ESE Services	(.2770)
113 Grades 9-12 with ESE Services	<u>(1.5817)</u>
	.0000
	<u>.0000</u>

Gulf Coast Residential Care (#9816)

63. [Ref. 981601] The Meeting Participation Notice forms documenting the invitation to parents to attend the Individual Educational Plan (IEP) meetings for 17 Exceptional students in the July, October, and February surveys (one of whom was in both our Basic with ESE Services sample and our Exceptional (ESE Support Levels 4 and 5) sample) were dated either the day of the IEP meeting concerned or later. State Board of Education Rule 6A-6.03028(7)1, Florida Administrative Code, states that parents should be notified "... of the meeting early enough to ensure that they will have an opportunity to attend." Since the notices were sent on the day of the IEP meetings or later, the parents were not afforded the opportunity to attend the meetings. We also noted the following exceptions involving four of the ten aforementioned students:

- a. Three students' Matrix of Services forms had been scored incorrectly. The students' rating point totals incorrectly included an additional point under a Special Considerations criterion that was not applicable to the students' circumstances.

Finding continues on next page.

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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Gulf Coast Residential Care (#9816) (Continued)

- b. The Matrix of Services form for one student was dated August 20, 2004, after the student had withdrawn from the facility; consequently, the Matrix form was not valid for the fiscal year ended June 30, 2004.

We made the following audit adjustments:

102 Basic 4-8	1.5000	
103 Basic 9-12	5.5000	
255 ESE Support Level 5	<u>(7.0000)</u>	.0000

- 64. [Ref. 981602] The Matrix of Services forms for two Exceptional students reported in program no. 255 (ESE Support Level 5) in the October and February surveys were incorrectly scored. The scores included one additional point for a Special Considerations criterion for which the students were not eligible. Consequently, their original score of 22 points should have been totaled to 21 points, equivalent to program no. 254 (ESE Support Level 4). We also noted that the parents of one of the aforementioned students were not given adequate notice of their child's Individual Educational Plan (IEP) meeting nor did they attend that meeting. We made the following audit adjustments:

103 Basic 9-12	.5000	
254 ESE Support Level 4	1.0000	
255 ESE Support Level 5	<u>(1.5000)</u>	.0000

- 65. [Ref. 981603] The file for one Exceptional student in the February survey did not contain a valid Individual Educational Plan (IEP) or its accompanying Matrix of Services form. We made the following audit adjustments:

103 Basic 9-12	.5000	
255 ESE Support Level 5	<u>(.5000)</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, 2004

**Net Audit
 Adjustment
 (Unweighted FTE)**

Findings

Gulf Coast Residential Care (#9816) (Continued)

66. [Ref. 981604] Due to an isolated reporting error, one student's second period course was not reported in the October survey. The student was in our Exceptional sample and was reported as a Basic student in the October survey and as an Exceptional student in the February survey. We made the following audit adjustment:

102 Basic 4-8	.0830	.0830
		.0830

Milton Girls Juvenile Facility (#9817)

67. [Ref. 981701] The Meeting Participation Notice forms documenting the invitation to parents to attend the Individual Educational Plan (IEP) meetings for 16 Exceptional students in the July, October, and February surveys were dated either the day of the IEP meeting concerned or later. State Board of Education Rule 6A-6.03028(7)1, Florida Administrative Code, states that parents should be notified ". . . of the meeting early enough to ensure that they will have an opportunity to attend." Since the notices were sent on the day of the IEP meetings or later, the parents were not afforded the opportunity to attend the meetings. We made the following audit adjustments:

102 Basic 4-8	4.1118	
103 Basic 9-12	9.0006	
112 Grades 4-8 with ESE Services	(1.7892)	
113 Grades 9-12 with ESE Services	(1.1944)	
254 ESE Support Level 4	(10.1288)	.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, 2004

Findings

**Net Audit
 Adjustment
 (Unweighted FTE)**

Milton Girls Juvenile Facility (#9817) (Continued)

68. [Ref. 981771/72] Two teachers were not properly certified and were not approved by the School Board to teach out-of-field during the school terms covered by the February and June surveys. The teachers held certification in Social Science, but taught courses that required certification in Exceptional education. We also noted that the parents of the students taught by these teachers were not notified of the teachers' out-of-field status. We made the following audit adjustments:

<u>Ref. 981771</u>		
102 Basic 4-8	.1668	
103 Basic 9-12	.6948	
113 Grades 9-12 with ESE Services	(.0648)	
254 ESE Support Level 4	<u>(.7968)</u>	.0000
<u>Ref. 981772</u>		
103 Basic 9-12	.0482	
254 ESE Support Level 4	<u>(.0482)</u>	.0000
		<u>.0000</u>
		<u>(3.3340)</u>

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, 2004

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only eligible students who are in attendance and membership during the survey are reported for FTE funding; (2) students are reported in the proper funding categories and have proper documentation to support that funding, particularly with regard to students in the English for Speakers of Other Languages (ESOL) and Exceptional education programs; (3) timecards for students in on-the-job training are retained and support the reported Class Minutes, Weekly (CMW); (4) parents are given an invitation to attend *Individual Educational Plan* meetings that provides ample notice of the upcoming meeting; (5) teachers are properly certified or, if out-of-field, have timely School Board approval to teach out-of-field; and (6) the parents of the students taught by out-of-field teachers are notified of that fact prior to the teachers' classes being reported for FEFP funding.

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

Regulatory Citations

Reporting

- Section 1011.60, F.S. Minimum Requirements of Florida Education Finance Program (FEFP)
- Section 1011.61, F.S. Definitions
- Section 1011.62, F.S. Funds for Operation of Schools
- Rule 6A-1.0451, F.A.C. FEFP Student Membership Surveys
- Rule 6A-1.04513, F.A.C. Maintaining Auditable FTE Records
- FTE General Instructions 2003-04

Attendance

- Section 1003.23, F.S. Attendance Records and Reports
- Rules 6A-1.044(3)&(6)(c), F.A.C. . Pupil Attendance Records
- Rule 6A-1.04513, F.A.C. Maintaining Auditable FTE Records
- FTE General Instructions 2003-04
- Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

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, 2004

Regulatory Citations (Continued)

English for Speakers of Other Languages (ESOL)

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

Vocational On-the-Job Attendance

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

Exceptional Education

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

Vocational (7-12) Placement

- Rule 6A-6.065, F.A.C.Instructional Components of Vocational Education

Vocational On-the-Job Funding Hours

- Rule 6A-6.055(3), F.A.C.Definitions of Terms in Vocational Education Program
- FTE General Instructions 2003-04

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, 2004

Regulatory Citations (Continued)

Teacher Certification

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

The accompanying notes are an integral part of this schedule.

SCHEDULE F

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

Management agreed with our findings and recommendations.

A copy of management's response may be found on page 64 of this report.

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, 2004

NOTE A - SUMMARY

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

1. Okaloosa County District School Board

The Okaloosa County District School Board 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 students attending kindergarten through high school, but also to adults seeking vocational-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Okaloosa County. For the fiscal year ended June 30, 2004, the District operated 57 schools, reported 30,646.66 unweighted full-time equivalent (FTE) students, and received approximately \$82.6 million in State FEFP funding for those FTE. The primary sources of funding for the District are funds from the Florida Education Finance Program, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

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

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, 2004

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

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

4. Calculation of FEFP Funds

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

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys, which are conducted under the direction of district and school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2003-04 school year were conducted during and for the following weeks: survey one was performed for July 14-18, 2003; survey two was performed for October 13-17, 2003; survey three was performed for February 2-6, 2004; and survey four was performed for June 14-18, 2004.

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, 2004

NOTE A - SUMMARY (Continued)

6. Educational Programs

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

7. Statutes and Rules

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

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

NOTE B - SAMPLING

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

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, 2004

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
- Ineligible ESOL courses	1
1. Bob Sikes Elementary School	2
2. Clifford Meigs Middle School	3 and 4
3. Niceville Senior High School	5 through 8
4. Silver Sands School for Exceptional Children	9 and 10
5. Southside Elementary School	11 and 12
6. Valparaiso Elementary School	13 through 16
7. Wright Elementary School	17 and 18
8. Oak Hill Elementary School	19 through 21
9. Elliott Point Elementary School	22
10. Ocean City Elementary School	23 through 28
11. Choctawhatchee Senior High School	29 through 42
12. Crestview Senior High School	43 through 47
13. Ft. Walton Beach Senior High School	48 through 51
14. Max Bruner, Jr. Middle School	52
15. Addie R. Lewis Middle School	NA
16. Antioch Elementary School	53 and 54
17. Davidson Middle School	55 through 57
18. Gulf Coast Youth Academy	58 and 59
19. Okaloosa Youth Academy	60 through 62
20. Gulf Coast Residential Care	63 through 66
21. Milton Girls Juvenile Facility	67 and 68



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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 FLORIDA EDUCATION FINANCE PROGRAM (FEFP) STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated August 18, 2004, that the Okaloosa County District School Board complied with the requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of students transported for the fiscal year ended June 30, 2004. These requirements are found in Chapters 1006 and 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-3, Florida Administrative Code. As discussed in the representation letter, management is responsible for the District's compliance with those statutes and rules. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Our detailed testing procedures disclosed instances of material noncompliance involving the District's classification and reporting of the number of students transported, as follows: 59 of the 702 students in our detailed student sample and 229 additional, nonsampled students were reported in incorrect ridership categories


or were ineligible for FEFP transportation funding. The net impact of the exceptions disclosed by our detailed tests was a negative 278 students.

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

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

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

Respectfully submitted,



William O. Monroe, CPA
February 23, 2005

SCHEDULE A

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

<u>Description</u>	<u>Number of Vehicles</u>	<u>% of Pop.</u>	<u>No. of Students Transp.</u>	<u>% of Pop. (Sample)</u>
Population ¹	504	100.00%	28,992	100.00%
Sample ²	140	27.78%	702	2.42%
General Tests				
Students w/ Exceptions ³	-	-	-	-
Net Audit Adjustments	-	-	(217)	.75%
Detailed Tests				
Students w/ Exceptions	-	-	59	(8.41%)
Nonsample Students w/ Exceptions	-	-	229	NA
Net Audit Adjustments	-	-	(278)	NA

NA – *Not Applicable*

¹ *The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2004. The District reported 28,992 students in the following ridership categories: 1,108 in IDEA (K-12), Weighted; 91 in IDEA (K-12), Unweighted; 380 in IDEA (PK), Weighted; 296 in PK Other; 66 in Teenage Parents and Infants; 1,805 in Hazardous Walking; 24,779 in Two Miles or More; 37 in Center to Center (Exceptional), Weighted; 314 in Center to Center Exceptional Unweighted; and 116 in Center to Center (Vocational). The District also reported operating a total of 504 buses. (IDEA stands for Individuals with Disabilities Education Act.)*

² *See NOTE B.*

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

The accompanying notes are an integral part of this schedule.

SCHEDULE B

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

Overview

The management of the Okaloosa County District School Board is responsible for determining and reporting the number of students transported in compliance with requirements of the Florida Education Finance Program (FEFP). These requirements are found in Chapters 1006 and 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-3, Florida Administrative Code. In our opinion, except for instances of material noncompliance involving the classification and reporting of transported students, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2004. The instances of noncompliance disclosed by our examination procedures require management's attention and action, as recommended on page 60.

**Students
 Transported
 Net Audit
 Adjustment**

Findings

Our examination procedures included both general tests and detailed tests. For our general tests, we made inquiries concerning the District's transportation of students and reconciled the District's reported ridership totals for the fiscal year ended June 30, 2004, to the supporting records. Our general tests disclosed the instances of noncompliance discussed in finding no. 1. Our detailed tests of the specific ridership categories for students sampled from the July, October, February, and June surveys disclosed the instances of noncompliance discussed in finding nos. 2 through 6.

General Tests

1. [Ref. 51] Our reconciliation of the District's reported transportation data for the July, October, February, and June surveys to the supporting summaries and bus drivers' reports for 140 buses disclosed reporting errors involving nine of those buses. We also noted that the number of buses in operation was understated by one bus in the October survey and five buses in the June survey, and the number of days-in-term reported in the June survey for 37 students at one school, Emerald Coast Marine Institute, was understated by 13 days (22 days were reported rather than 35 days). We made the following audit adjustments:

October 2003 Survey

Number of Buses in Operation 1

18 Days-in-Term

Center to Center (Exceptional), Unweighted 30

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

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

**Students
 Transported
 Audit
 Adjustment**

Findings

General Tests (Continued)

October 2003 Survey (Continued)

90 Days-in-Term

IDEA (K-12), Weighted	(5)	
IDEA (K-12), Unweighted	1	
IDEA (PK), Weighted	5	
Two Miles or More	(100)	
Center to Center (Exceptional), Unweighted	(105)	
Center to Center (Vocational)	(11)	

February 2004 Survey

18 Days-in-Term

Center to Center (Exceptional), Unweighted	(6)	
--------------------------------------------	-----	--

90 Days-in-Term

IDEA (K-12), Weighted	(8)	
IDEA (PK), Weighted	(20)	
PK Other	28	
Two Miles or More	(13)	
Center to Center (Vocational)	(13)	

June 2004 Survey

Number of Buses in Operation	<u>5</u>	
------------------------------	----------	--

22 Days-in-Term

Two Miles or More	(37)	
-------------------	------	--

35 Days-in-Term

Two Miles or More	<u>37</u>	<u>(217)</u>
-------------------	-----------	--------------

Net Audit Adjustments from General Tests

Number of Buses in Operation	<u>6</u>	--
Number of Students	--	<u>(217)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

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

**Students
 Transported
 Net Audit
 Adjustment**

Findings

Detailed Tests

2. [Ref. 52] Two hundred and sixty-two pre-kindergarten students were reported incorrectly in the October and February surveys. The students were not eligible for transportation funding because they were not enrolled in a District Chapter 1 or Migrant pre-kindergarten program. One hundred and forty students (13 in our sample plus 127 non-sample students) were reported in the October survey and 122 students (20 in our sample plus 102 non-sample students) were reported in the February survey. We made the following audit adjustments:

October 2003 Survey

<u>90 Days-in-Term</u>		
PK Other	(140)	

February 2004 Survey

<u>90 Days-in-Term</u>		
PK Other	(121)	
Two Miles or More	(1)	(262)

3. [Ref. 53] Two students (one in Two Miles or More and one in IDEA (K-12), Weighted) in the October and June surveys were not enrolled during the survey week and should not have been reported with the surveys' results. We made the following audit adjustments:

October 2003 Survey

<u>90 Days-in-Term</u>		
Two Miles or More	(1)	

June 2004 Survey

<u>11 Days-in-Term</u>		
IDEA (K-12), Weighted	(1)	(2)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

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

**Students
 Transported
 Audit
 Adjustment**

Findings

Detailed Tests (Continued)

4. [Ref. 54] Fourteen students in Two Miles or More (eight in October, five in February, and one in June) lived less than two miles from their assigned school; consequently, they were not eligible to be reported in that ridership category. We noted that one of these students was an IDEA student who was eligible to be reported in the IDEA (K-12), Unweighted ridership category. We made the following audit adjustments:

October 2003 Survey

90 Days-in-Term
 Two Miles or More (8)

February 2004 Survey

90 Days-in-Term
 Two Miles or More (5)

June 2004 Survey

11 Days-in-Term
 IDEA (K-12), Unweighted 1
 Two Miles or More (1) (13)

5. [Ref. 55] Two students in the February survey were reported in Hazardous Walking ridership category; however, their route was not listed on the Hazardous Walking Conditions (ESE-422) report. One of the aforementioned students lived more than two miles from his assigned school and should have been reported in Two Miles or More. We made the following audit adjustments:

February 2004 Survey

90 Days-in-Term
 Hazardous Walking (2)
 Two Miles or More 1 (1)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

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

**Students
 Transported
 Net Audit
 Adjustment**

Findings

Detailed Tests (Continued)

6. [Ref. 56] Eight Exceptional students in the July survey were reported incorrectly in the IDEA (K-12), Weighted ridership category. The Individual Educational Plans (IEPs) for these students did not indicate that the students met one or more of the five criteria required for classification in a weighted ridership category. However, all of the students were eligible to be reported in IDEA (K-12), Unweighted. We made the following audit adjustments:

July 2003 Survey

9 Days-in-Term

IDEA (K-12), Weighted	(8)	
IDEA (K-12), Unweighted	<u>8</u>	<u>0</u>

Net Audit Adjustments from Detailed Tests (278)

The accompanying notes are an integral part of this schedule.

SCHEDULE C

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

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only Pre-K students who are eligible for transportation funding are reported; (2) the number of students reported in each ridership category are in agreement with the bus drivers' reports; (3) term lengths are verified and correctly reported; (4) students are only reported once pursuant to the Student Transportation General Instructions; (5) only students who meet the criteria for Hazardous Walking are reported in that category; (6) Exceptional students are reported based on their eligibility for weighted or unweighted IDEA categories as documented on their *Individual Educational Plans* (IEPs); (7) only eligible transported students who are in membership and attendance during the survey are reported with the survey's results; and (8) the distance from a student's home address to school is verified prior to those students being reported in Two Miles or More.

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

Regulatory Citations

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

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

Management agreed with our findings and recommendations.

A copy of management's response may be found on page 64 of this report.

The accompanying notes are an integral part of this schedule.

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

NOTE A - SUMMARY

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

1. Student Eligibility

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

2. Transportation in Okaloosa County District School Board

For the fiscal year ended June 30, 2004, the District received approximately \$5.47 million in State FEFP transportation funding. The District’s transportation reporting by survey was as follows:

<u>Survey Period</u>	<u>No. of Vehicles</u>	<u>No. of Students</u>
July 2003	33	245
October 2003	216	14,348
February 2004	219	14,066
June 2004	<u>36</u>	<u>333</u>
Total	<u>504</u>	<u>28,992</u>

3. Statutes and Rules

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

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

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

NOTE A - SUMMARY (Continued)

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

NOTE B - SAMPLING

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

MANAGEMENT'S RESPONSE



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OKALOOSA COUNTY COURTHOUSE
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DON GAETZ
Superintendent of Schools

March 14, 2005

William O. Monroe, CPA
Auditor General
Room 412C; Claude Pepper Bldg.
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

After a review of the draft report on the examination of full-time equivalent (FTE) students and student transportation for the fiscal year ended June 30, 2004, we are in agreement with the findings as stated in the report and will adopt, in the form of corrective actions, all of the recommendations of the report as detailed in SCHEDULE E. Many of these corrective actions have already been implemented and the School District of Okaloosa County will 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,

Don Gaetz
Superintendent

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