



**AUDITOR GENERAL**  
WILLIAM O. MONROE, CPA



**GULF COUNTY DISTRICT SCHOOL BOARD**  
**FLORIDA EDUCATION FINANCE PROGRAM (FEFP)**  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**AND**  
**STUDENT TRANSPORTATION**

For the Fiscal Year Ended June 30, 2006

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: George M. Cox, Robert Little, III (from 9-8-05); Charlotte M. Pierce; Billy Charles Quinn, Jr.; Linda R. Wood; and Tim Wilder, Superintendent of Schools.

This examination was conducted by Alice Pounds, CPA, and supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Joseph L. Williams, CPA, Audit Manager, via e-mail at [joewilliams@aud.state.fl.us](mailto: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.

Gulf County District School Board  
**TABLE OF CONTENTS**  
For the Fiscal Year Ended June 30, 2006

	<b>PAGE NO.</b>
<b>FULL-TIME EQUIVALENT (FTE) STUDENTS</b>	
Independent Auditor's Report.....	1
Schedule A - Populations, Samples, and Audit Adjustments.....	3
Schedule B - Effect of Audit Adjustments on Weighted FTE.....	5
Schedule C - Audit Adjustments by School.....	6
Schedule D - Findings and Audit Adjustments.....	7
Schedule E – Recommendations and Regulatory Citations.....	9
Schedule F – Summary of Management’s Response.....	11
Notes to Schedules.....	12
<b>STUDENT TRANSPORTATION</b>	
Independent Auditor's Report.....	16
Schedule A - Populations, Samples, and Audit Adjustments.....	18
Schedule B - Findings and Audit Adjustments.....	19
Schedule C – Recommendations and Regulatory Citations.....	22
Schedule D – Summary of Management’s Response.....	23
Notes to Schedules.....	24
<b>MANAGEMENT'S RESPONSE.....</b>	<b>26</b>

Gulf County District School Board  
**LIST OF ABBREVIATIONS**  
For the Fiscal Year Ended June 30, 2006

**IEP** – Individual Educational Plan

**ESE** – Exceptional Student Education

**LEP** – Limited English Proficient

**ESOL** – English for Speakers of Other Languages

**OJT** – On-the-Job Training

**IDEA** – Individuals with Disabilities Education Act



WILLIAM O. MONROE, CPA  
AUDITOR GENERAL

# AUDITOR GENERAL STATE OF FLORIDA

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



850/488-5534/SC 278-5534  
Fax: 488-6975/SC 278-6975

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

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

We have examined management's assertion, included in its representation letter dated November 29, 2006, that the Gulf County District School Board complied with the State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2006. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, the Gulf County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2006.

The results of our examination disclosed instances of noncompliance with the State requirements mentioned above. We considered these 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 Gulf 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 13, 2007

SCHEDULE A

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2006

<u>Description<sup>1</sup></u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Students (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE<sup>2</sup></u>	<u>% of Pop. (Sample)</u>
<u>1. Basic</u>						
Population <sup>3</sup>	6	100.00%	1,304	100.00%	1,526.5700	100.00%
Sample Size <sup>4</sup>	4	66.67%	89	6.83%	78.6000	5.15%
Net Audit Adjustments <sup>5</sup>	-	-	(0)	(0.00%)	.7542	-
<u>2. Exceptional - Basic with ESE Services</u>						
Population <sup>3</sup>	6	100.00%	472	100.00%	540.9900	100.00%
Sample Size <sup>4</sup>	4	66.67%	53	11.23%	48.9500	9.05%
Net Audit Adjustments <sup>5</sup>	-	-	(0)	(0.00%)	.5000	-
<u>3. English for Speakers of Other Languages (ESOL)</u>						
Population <sup>3</sup>	2	100.00%	2	100.00%	1.0000	100.00%
Sample Size <sup>4</sup>	2	100.00%	2	100.00%	1.0000	100.00%
Net Audit Adjustments <sup>5</sup>	-	-	(1)	(50.00%)	(.5534)	-
<u>4. Exceptional - ESE Support Levels 4 and 5</u>						
Population <sup>3</sup>	4	100.00%	18	100.00%	15.7000	100.00%
Sample Size <sup>4</sup>	3	75.00%	18	100.00%	15.2000	96.82%
Net Audit Adjustments <sup>5</sup>	-	-	(2)	(11.11%)	(.5000)	-
<u>5. Career Education 9-12 On-the-Job Training (OJT)</u>						
Population <sup>3</sup>	2	100.00%	2	100.00%	.9200	100.00%
Sample Size <sup>4</sup>	1	50.00%	2	100.00%	.9200	100.00%
Net Audit Adjustments <sup>5</sup>	-	-	(2)	(100.00%)	(.2008)	-
<u>6. Career Education 9-12 (Excl. OJT)</u>						
Population <sup>3</sup>	2	100.00%	0	0.00%	48.5400	100.00%
Sample Size <sup>4</sup>	0	0.00%	0	0.00%	.0000	0.00%
Net Audit Adjustments <sup>5</sup>	-	-	(0)	(0.00%)	.0000	-
-----						
<u>All Programs</u>						
Population <sup>3</sup>	6	100.00%	1,798	100.00%	2,133.7200	100.00%
Sample Size <sup>4</sup>	4	66.67%	164	9.12%	144.6700	6.78%
Net Audit Adjustments <sup>5</sup>	-	-	(5)	(3.05%)	.0000	-

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE A (Continued)**

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2006

<u>Description<sup>1</sup></u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE<sup>2</sup></u>
<u>Teacher Certification</u>					
Population	6	100.00%	41	100.00%	-
Sample Size <sup>4</sup>	4	66.67%	16	39.02%	-
Net Audit Adjustments <sup>5</sup>	-	-	(0)	(0.00%)	<u>.0000</u>
<b>Net Audit Adjustments</b>					<u>.0000</u>

<sup>1</sup> See NOTE A6.

<sup>2</sup> 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.)

<sup>3</sup> The population shown for the number of schools is the total number of schools in the District which offered the courses in the program specified (i.e., Basic, ESOL, ESE, and Career Education). The population shown for the number of students is the total number of students in each program at the schools in our sample. Our Career Education sample was limited to only those students who participated in OJT. The population shown for full-time equivalent (FTE) students is the total FTE for all of the District's schools (sample schools plus nonsample schools) as reported for each survey conducted for the fiscal year ended June 30, 2006. The population shown for teachers is the total number of teachers at schools in our sample who taught courses in ESE or Career education or taught courses to LEP students. (See NOTE A5.)

<sup>4</sup> See NOTE B.

<sup>5</sup> 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

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE**  
*(For Illustrative Purposes Only)*  
 For the Fiscal Year Ended June 30, 2006

<u>No. Program</u> <sup>1</sup>	<u>Net Audit Adjustment</u> <sup>2</sup>	<u>Cost Factor</u>	<u>Weighted FTE</u> <sup>3</sup>
101 Basic K-3	.5000	1.018	.5090
102 Basic 4-8	.0534	1.000	.0534
103 Basic 9-12	.2008	1.113	.2235
113 Grades 9-12 with ESE Services	.5000	1.113	.5565
130 ESOL	(.5534)	1.318	(.7294)
254 ESE Support Level 4	.0000	3.818	.0000
255 ESE Support Level 5	(.5000)	5.190	(2.5950)
300 Career Education 9-12	<u>(.2008)</u>	1.193	<u>(.2396)</u>
Total	<u>.0000</u>		<u>(2.2216)</u>

<sup>1</sup> See NOTE A6.

<sup>2</sup> These adjustments are for unweighted FTE. (See SCHEDULE C.)

<sup>3</sup> 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

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**AUDIT ADJUSTMENTS BY SCHOOL**  
 For the Fiscal Year Ended June 30, 2006

<u>No. Program</u>	<u>Audit Adjustments<sup>1</sup></u>			<u>Total</u>
	<u>#0022</u>	<u>#0051</u>	<u>#0061</u>	
101 Basic K-3	.5000	.....	.....	.5000
102 Basic 4-8	.....	.0534	.....	.0534
103 Basic 9-12	.....	.....	.2008	.2008
113 Grades 9-12 with ESE Services	.....	.....	.5000	.5000
130 ESOL	(.5000)	(.0534)	.....	(.5534)
254 ESE Support Level 4	.....	1.0000	(1.0000)	.0000
255 ESE Support Level 5	.....	(1.0000)	.5000	(.5000)
300 Career Education 9-12	.....	.....	(.2008)	(.2008)
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>

<sup>1</sup> These adjustments are for unweighted FTE. (See NOTE A4.)

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE D**

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS  
 FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2006

**Overview**

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. The Gulf County District School Board complied, in all material respects, with State requirements governing the determination and reporting of FTE for the fiscal year ended June 30, 2006. All of the instances of noncompliance disclosed by our examination procedures are discussed below and require management's attention and action, as recommended on page 9.

**Findings**

**Net Audit  
 Adjustment  
 (Unweighted FTE)**

*Our examination included the July and October 2005 surveys and the February and June 2006 surveys. (See NOTE A5.) Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2005 survey or the February 2006 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.*

**Wewahitchka Elementary School (#0022)**

1. [Ref. 2201] The file for one LEP student did not contain evidence that the student's parents had been notified of their child's placement in ESOL. We made the following audit adjustments:

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

**Port St. Joe Elementary School (#0051)**

2. [Ref. 5101] One ESE student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustments:

254 ESE Support Level 4	1.0000	
255 ESE Support Level 5	<u>(1.0000)</u>	<u>.0000</u>

*The accompanying notes are an integral part of this schedule.*

SCHEDULE D (Continued)

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2006

**Net Audit  
 Adjustment  
 (Unweighted FTE)**

Findings

Port St. Joe Elementary School (#0051) (Continued)

3. [Ref. 5102] Our examination procedures included an automated comparison of the courses reported in ESOL to the courses designated for the program by the Department of Education. The results of this test disclosed that two courses (one each in the course schedules of two students) were reported incorrectly in ESOL. We made the following audit adjustments:

102 Basic 4-8	.0534	
130 ESOL	<u>(.0534)</u>	<u>.0000</u>
		<u>.0000</u>

Port St. Joe High School (#0061)

4. [Ref. 6101] One ESE student was not reported in accordance with the student's Matrix of Services form in the October survey, and a new Matrix form was not prepared when the student's ESE services were changed on January 17, 2006. We made the following audit adjustments:

113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	(1.0000)	
255 ESE Support Level 5	<u>.5000</u>	<u>.0000</u>

5. [Ref. 6102] The course schedules for two Career Education-OJT students were reported using an incorrect priority that funded the students' off-campus OJT courses prior to their on-campus instruction. We made the following audit adjustments:

103 Basic 9-12	.2008	
300 Career Education 9-12	<u>(.2008)</u>	<u>.0000</u>
		<u>.0000</u>
		<u>.0000</u>

*The accompanying notes are an integral part of this schedule.*

SCHEDULE E

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS  
RECOMMENDATIONS AND REGULATORY CITATIONS**  
For the Fiscal Year Ended June 30, 2006

Recommendations

**We recommend** that management exercise more care and take corrective action, as appropriate, to ensure that: (1) students are reported in the proper funding categories and have adequate documentation to support that reporting; and (2) on-campus instruction is reported with a higher funding priority than off-campus OJT.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all State requirements governing full-time equivalent (FTE) students and 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 2005-2006

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

Career Education On-the-Job Attendance

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

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE E (Continued)**

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS  
RECOMMENDATIONS AND REGULATORY CITATIONS**  
For the Fiscal Year Ended June 30, 2006

**Regulatory Citations** (Continued)

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 Students with Disabilities
- Rule 6A-6.03029, F.A.C. ....Development of Family Support Plans for Children with Disabilities Ages Birth Through Five Years
- Rule 6A-6.0312, F.A.C. ....Course Modification for Exceptional Students
- Rule 6A-6.0331, F.A.C. ....Identification and Determination of Eligibility of Exceptional Students to Specially Designed Instruction
- Rule 6A-6.0334, F.A.C. ....Temporary Assignment of Transferring Exceptional Students
- Rule 6A-6.03411, F.A.C. ....Policies and Procedures for the Provision of Specially Designed Instruction and Related Services for Exceptional Students

Career Education On-the-Job Funding Hours

- Rule 6A-6.055(3), F.A.C. ....Definitions of Terms Used in Vocational Education and Adult Programs
- FTE General Instructions 2005-2006

*The accompanying notes are an integral part of this schedule.*

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**SCHEDULE F**

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**SUMMARY OF MANAGEMENT'S RESPONSE**  
For the Fiscal Year Ended June 30, 2006

*Management agreed with our findings and recommendations.*

*A copy of management's response may be found beginning on page 26 of this report.*

*The accompanying notes are an integral part of this schedule.*

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2006

**NOTE A - SUMMARY**

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

**1. School District of Gulf County**

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Gulf County, Florida. Those services are provided primarily to students attending kindergarten through high school, but also to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Gulf County. For the fiscal year ended June 30, 2006, the District operated six schools, reported 2,133.72 unweighted full-time equivalent (FTE) students, and received approximately \$1.1 million in State funding under the Florida Education Finance Program (FEFP) for those FTE. The primary sources of funding for the District are funds from FEFP, local ad valorem taxes, and Federal grants and donations.

**2. Florida Education Finance Program (FEFP)**

Florida school districts receive State funding through 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.



Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2006

**NOTE A - SUMMARY** (Continued)

**3. Full-Time Equivalent (FTE) Students**

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an FTE (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 2005-2006 school year were conducted during and for the following weeks: survey one was performed for July 11-15, 2005; survey two was performed for October 10-14, 2005; survey three was performed for February 6-10, 2006; and survey four was performed for June 12-16, 2006.

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2006

**NOTE A - SUMMARY** (Continued)

**6. Educational Programs**

The Florida Education Finance Program (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) Career Education (9-12).

**7. Statutes and Rules**

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

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

**NOTE B - SAMPLING**

Our examination procedures provided for the selection of samples of schools, students, and teachers, using statistical and judgmental methods, for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2006. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing FTE and the Florida Education Finance Program (FEFP). The following schools were in our sample:

Gulf County District School Board  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2006

**NOTE B - SAMPLING** (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Wewahitchka Elementary School	1
2. Port St. Joe Elementary School	2 and 3
3. Port St. Joe High School	4 and 5
4. Wewahitchka High School	NA



WILLIAM O. MONROE, CPA  
AUDITOR GENERAL

# AUDITOR GENERAL STATE OF FLORIDA

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



850/488-5534/SC 278-5534  
Fax: 488-6975/SC 278-6975

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

## INDEPENDENT AUDITOR'S REPORT GULF COUNTY DISTRICT SCHOOL BOARD STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated November 29, 2006, that the Gulf County District School Board complied with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2006. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Our examination procedures disclosed instances of material noncompliance involving the District's reported student ridership as follows: 80 of the 127 students in our sample had exceptions involving their reported ridership category or eligibility for ridership. (See SCHEDULE B, finding Nos. 2 and 3.)

In our opinion, except for the instances of material noncompliance mentioned above involving the classification and reporting of transported students, the Gulf County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2006.

The results of our examination disclosed other instances of noncompliance with the aforementioned State requirements, in addition to those of a material nature 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 in the preceding paragraph. All of the instances of noncompliance disclosed by our examination procedures are discussed in SCHEDULE B. The impact of those instances of noncompliance on the District's reported number of transported students is presented in SCHEDULE A and SCHEDULE B.

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

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and the Gulf 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 13, 2007

**SCHEDULE A**

Gulf County District School Board  
**STUDENT TRANSPORTATION**  
**POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2006

<u>Description</u>	<u>Number of Vehicles</u>	<u>% of Pop.</u>	<u>No. of Students Transp.</u>	<u>% of Pop. (Sample)</u>
Population <sup>1</sup>	48	100.00%	2,170	100.00%
Sample <sup>2</sup>	0	0.00%	127	5.85%
<u>General Tests</u>				
Students w/ Exceptions <sup>3</sup>	-	-	-	-
Net Audit Adjustments	-	-	0	0.00%
<u>Detailed Tests</u>				
Students w/ Exceptions	-	-	80	(62.99%)
Net Audit Adjustments	-	-	(65)	(51.18%)
<u>General and Detailed Tests</u>				
Net Audit Adjustments	-	-	(65)	3.00%

<sup>1</sup> The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2006. The District reported 2,170 students in the following ridership categories: 43 in IDEA (K-12), Weighted; 39 in IDEA (K-12), Unweighted; and 2,088 in Two Miles or More. The District also reported operating a total of 48 vehicles (46 buses and 2 passenger cars). (IDEA stands for Individuals with Disabilities Education Act.)

<sup>2</sup> See NOTE B.

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE B**

Gulf County District School Board  
**STUDENT TRANSPORTATION**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2006

**Overview**

Management is responsible for determining and reporting the number of students transported in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. Except for instances of material noncompliance involving the classification and reporting of transported students, as discussed in finding Nos. 2 and 3 below, the Gulf County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported for the fiscal year ended June 30, 2006. All of the instances of noncompliance disclosed by our examination procedures are discussed below and require management's attention and action, as recommended on page 22.

**Students  
 Transported  
 Net Audit  
 Adjustment**

**Findings**

*Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey. Our general tests disclosed the instances of noncompliance discussed in finding No. 1. Our detailed tests checked the accuracy of the reported ridership categories for students sampled from the July, October, February, and June surveys. Our detailed tests disclosed the instances of noncompliance discussed in finding Nos. 2 and 3.*

**General Tests**

1. [Ref. 51] The number of buses in operation and the number of days-in-term were reported incorrectly in the June survey. The District reported four buses and 20 days-in-term, but there were actually two buses and two passenger vehicles, and 16 days-in-term. We also noted that a passenger van was incorrectly included in the reported bus count in the October and February surveys. We made the following audit adjustments:

<b><u>October 2005 Survey</u></b>		
Buses in Operation	(2)	--
<b><u>February 2006 Survey</u></b>		
Buses in Operation	(1)	--

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE B (Continued)**

Gulf County District School Board  
**STUDENT TRANSPORTATION**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2006

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustment</u>
<b><u>General Tests</u></b> (Continued)		
<b><u>June 2006 Survey</u></b>		
Buses in Operation	(2)	--
 <b><u>16 Days-in-Term</u></b>		
IDEA (K-12), Weighted		3
 <b><u>20 Days-in-Term</u></b>		
IDEA (K-12), Weighted		<u>(3)</u>
		<u>0</u>
 <b>Net Audit Adjustments from General Tests</b>		
Number of Students Transported		<u>0</u>
Buses in Operation	<u>(5)</u>	--

**Detailed Tests**

2. [Ref. 52] Seventy-five students (39 in October and 36 in February) were reported incorrectly in Two Miles or More. All of the students lived less than two miles from schools. Ten of the students should have been reported in IDEA (K-12), Unweighted, and the remaining 65 students should not have been reported for State transportation funding. We also noted that 3 of these 65 students were not listed on the supporting bus drivers' reports for the surveys concerned. We made the following audit adjustments:

**October 2005 Survey**

**90 Days-in-Term**

IDEA (K-12), Unweighted	6	
Two Miles or More	(39)	

**February 2006 Survey**

**90 Days-in-Term**

IDEA (K-12), Unweighted	4	
Two Miles or More	<u>(36)</u>	(65)

*The accompanying notes are an integral part of this schedule.*



**SCHEDULE B (Continued)**

Gulf County District School Board  
**STUDENT TRANSPORTATION**  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2006

**Students  
 Transported  
 Net Audit  
 Adjustment**

**Findings**

**Detailed Tests** (Continued)

3. [Ref. 53] Four ESE students were reported incorrectly in the IDEA (K-12), Weighted. The students' IEPs indicated that they did not meet at least one of the five criteria required for classification in an IDEA weighted ridership category. We noted, however, that the students were eligible to be reported in IDEA (K-12), Unweighted. We made the following audit adjustments:

**October 2005 Survey**

90 Days-in-Term

IDEA (K-12), Weighted	(3)	
IDEA (K-12), Unweighted	3	

**February 2006 Survey**

90 Days-in-Term

IDEA (K-12), Weighted	(2)	
IDEA (K-12), Unweighted	<u>2</u>	<u>0</u>

<b>Net Audit Adjustments from Detailed Tests</b>		<b><u>(65)</u></b>
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*The accompanying notes are an integral part of this schedule.*

SCHEDULE C

Gulf County District School Board  
**STUDENT TRANSPORTATION**  
**RECOMMENDATIONS AND REGULATORY CITATIONS**  
For the Fiscal Year Ended June 30, 2006

**Recommendations**

**We recommend** that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the correct number of days-in-term and the correct number of buses are reported for each survey; (2) ESE students who receive special transportation services have their need for such services clearly specified on their IEPs; (3) the distance from home to school, for students classified in the Two Miles or More ridership category, is verified prior to being reported; and (4) only those students who ride a bus during the survey period are reported with each survey's results.

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

**Regulatory Citations**

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

*The accompanying notes are an integral part of this schedule.*

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**SCHEDULE D**

Gulf County District School Board  
**STUDENT TRANSPORTATION**  
**SUMMARY OF MANAGEMENT'S RESPONSE**  
For the Fiscal Year Ended June 30, 2006

*Management agreed with our findings and recommendations.*

*A copy of management's response may be found beginning on page 26 of this report.*

*The accompanying notes are an integral part of this schedule.*

Gulf County District School Board  
**STUDENT TRANSPORTATION**  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2006

**NOTE A - SUMMARY**

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

**1. Student Eligibility**

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

**2. Transportation in Gulf County**

For the fiscal year ended June 30, 2006, the District received approximately \$458,192 in State transportation funding. The District’s transportation reporting by survey was as follows:

<u>Survey Period</u>	<u>No. of Vehicles</u>	<u>No. of Students</u>
July 2005	0	0
October 2005	22	1,089
February 2006	22	1,070
June 2006	4	<u>11</u>
Total	<u>48</u>	<u>2,170</u>

**3. Statutes and Rules**

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

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

Gulf County District School Board  
**STUDENT TRANSPORTATION**  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2006

**NOTE B – SAMPLING**

Our examination procedures provided for the selection of samples of buses and students, using statistical and judgmental methods, for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2006. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing students transported.

MANAGEMENT'S RESPONSE



TIM WILDER, SUPERINTENDENT

150 MIDDLE SCHOOL ROAD • PORT ST. JOE, FLORIDA 32456 • PHONE: (850) 229-8256 or (850) 639-2871 • FAX (850) 229-6089

March 2, 2007

Mr. William O. Monroe, CPA
Auditor General for the State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Please find below our responses to the Preliminary and Tentative Audit Findings and Recommendations for the Fiscal Year Ended June 30, 2006, for the Gulf County School District.

FTE Student Findings and Audit Adjustments

Finding #1

Response: The LEP student's file will include the paperwork documenting parental notification and permission for the student to be placed in the ESOL Program.

Finding #2

Response: The student formerly coded as 255-ESE Support Level 5 was changed in accordance with the Matrix of Services to a 254-ESE Support Level 4.

Finding #3

Response: The courses reported as designated for the ESOL Program were changed to 102-Basic 4-8.

Finding #4

Response: The student coded as 254-ESE Support Level 4 was changed to 255-ESE Support Level 5. A new Matrix of Services form was prepared when the student's ESE services were changed and the student was coded 113-Grades 9-12 with ESE Services.

Finding #5

Response: The Career Education-OJT students are flagged on the student system to ensure that the funding priority reflects the 103-Basic 9-12 category is funded first and the 300-Career Education 9-12 is funded second.

Tomorrow's Future Begins In Today's Classrooms

DANNY LITTLE
DISTRICT 1

GEORGE M. COX
DISTRICT 2

LINDA ROBERTS WOOD
DISTRICT 3

BILLY C. QUINN, JR.
DISTRICT 4

JOHN W. WRIGHT
DISTRICT 5



**TIM WILDER, SUPERINTENDENT**

150 MIDDLE SCHOOL ROAD • PORT ST. JOE, FLORIDA 32456 • PHONE: (850) 229-8256 or (850) 639-2871 • FAX (850) 229-6089

**Student Transportation Findings and Audit Adjustments**

Finding #1

**Response:**

Since the June Transportation calculations are for out-of-county students only, the number of days in term will be reported based on the length of term of the county providing services. The student transportation system will be used to code vehicles as "E" for passenger vehicles and "B" for buses.

Finding #2

**Response:**

The students living within the two (2) limit will not be reported for FTE. A printout of student addresses will be printed and filed during each FTE period for future audit reference in the event that students move between audit periods. Students will be correctly coded as weighted or unweighted and bus driver reports will accurately reflect the names of students reported for FTE funding.

Finding #3

**Response:**

The student IEPs will be corrected to reflect their unweighted status and all future transportation issues addressed on student IEPs will be checked to insure accuracy in the funding weight.

Please do not hesitate to contact my office if I can be of further assistance.

Sincerely,

Tim Wilder  
Superintendent

*Tomorrow's Future Begins In Today's Classrooms*

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