

HOLMES COUNTY DISTRICT SCHOOL BOARD

Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students Restoration of Audit Adjustments

For the Fiscal Year Ended
June 30, 2006



GOVERNING BODY AND SUPERINTENDENT

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 fiscal year ended June 30, 2006, were:

Rickey D. Callahan

Gary Scott

Jason Motley, Chairman

Anthony Register, Vice Chairman

Sidney M. Johnson

Steve Griffin, Superintendent of Schools

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

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

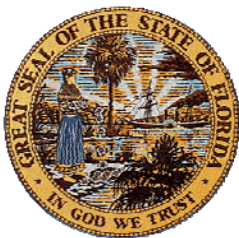
Holmes County District School Board
Full-Time Equivalent (FTE) Students
Restoration of Audit Adjustments
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For the Fiscal Year Ended June 30, 2006

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EXECUTIVE SUMMARY

Pursuant to State Board of Education Rule 6A-1.0453(5), Florida Administrative Code, the Holmes County District School Board requested an informal conference with the Department of Education (DOE) to discuss finding No. 10, which was presented in report No. 2008-007 for the West Florida Wilderness Institute (#3012). The informal conference was held on September 3, 2009. The resulting informal conference panel's memorandum of September 11, 2009, recommended the restoration of the audit adjustments for finding No. 10, subject to the examination of student attendance records by the Auditor General. The panel's recommendation was accepted by the Commissioner of Education, as evidenced by letter dated September 17, 2009.

The FTE audit adjustments restored pursuant to the panel's recommendations totaled to 19.0000 unweighted FTE, but have a potential impact on weighted FTE of a positive 20.5891 FTE. The financial impact of the restored audit adjustments is subject to the determination of the Department of Education.



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

INDEPENDENT AUDITOR'S REPORT AGREED-UPON PROCEDURES FOR RESTORATION OF AUDIT ADJUSTMENTS FULL-TIME EQUIVALENT (FTE) STUDENTS

We have previously examined management's assertion, included in its representation letter dated April 24, 2007, that the Holmes County District School Board complied with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2006, and have presented the results of our examination in report No. 2008-007, issued July 27, 2007. This agreed-upon procedures report on the restoration of audit adjustments should be read in conjunction with report No. 2008-007.

Pursuant to State Board of Education Rule 6A-1.0453(5), Florida Administrative Code, the Holmes County District School Board requested an informal conference with the Department of Education (DOE) to discuss finding No. 10, as presented in report No. 2008-007 for the West Florida Wilderness Institute (#3012). The informal conference was held on September 3, 2009. The resulting informal conference panel's memorandum of September 11, 2009, recommended the restoration of the audit adjustments for finding No. 10, subject to the examination of student attendance records by the Auditor General. The panel's recommendation was accepted by the Commissioner of Education, as evidenced by letter dated September 17, 2009.

In conjunction with the panel's recommendations and the Commissioner's acceptance, we performed certain agreed-upon procedures, specified in SCHEDULE B herein, to determine and report the audit adjustments to be restored. We performed the agreed-upon procedures, and have issued this report, solely to assist DOE with this restoration. DOE is responsible for the sufficiency of the agreed-upon procedures and the computation of the restoration's financial impact. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

We performed the agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We did not conduct an examination, the objective of which would be the expression of an opinion on the restoration of audit adjustments contained herein. Accordingly, we do not express such an opinion. Had we performed additional procedures pursuant to such an examination, other matters might have come to our attention that we would have reported.

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

Respectfully submitted,



David W. Martin, CPA
October 8, 2009

SCHEDULE A

Holmes County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students

EFFECT OF RESTORED AUDIT ADJUSTMENTS ON WEIGHTED FTE

(For Illustrative Purposes Only)

For the Fiscal Year Ended June 30, 2006

<u>No. Program</u>	<u>Net Audit Adjustment¹</u>	<u>Cost Factor</u>	<u>Weighted FTE²</u>
102 Basic 4-8	4.5000	1.000	4.5000
103 Basic 9-12	7.4988	1.113	8.3462
112 Grades 4-8 with ESE Services	1.5000	1.000	1.5000
113 Grades 9-12 with ESE Services	4.0000	1.113	4.4520
300 Career Education 9-12	<u>1.5012</u>	1.193	<u>1.7909</u>
Total	<u>19.0000</u>		<u>20.5891</u>

¹ These adjustments are for unweighted FTE. (See SCHEDULE B.)

² The restored 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.

SCHEDULE B

Holmes County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RESTORATION OF AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2006

Overview

Pursuant to State Board of Education Rule 6A-1.0453(5), Florida Administrative Code, the Holmes County District School Board requested an informal conference with the Department of Education (DOE) to discuss finding No. 10, as presented in report No. 2008-007 for the West Florida Wilderness Institute (#3012). The informal conference was held on September 3, 2009. The resulting informal conference panel’s memorandum of September 11, 2009, recommended the restoration of the audit adjustments for finding No. 10, subject to the examination of student attendance records by the Auditor General. The panel’s recommendation was accepted by the Commissioner of Education, as evidenced by letter dated September 17, 2009. In conjunction with the panel’s recommendations and the Commissioner’s acceptance, we performed certain agreed-upon procedures to determine and report the number of FTE audit adjustments to be restored, as specified below.

**Net Audit
Adjustments Restored
(Unweighted FTE)**

Description

West Florida Wilderness Institute (#3012)

Finding No. 10 (Ref. 301201)

The student attendance records for 39 students in the February survey were missing and could not be located. Eight of the 39 students were in our sample. We made the following audit adjustment to disallow the FTE reported for these 39 students:

102 Basic 4-8	(4.5000)	
103 Basic 9-12	(7.4988)	
112 Grades 4-8 with ESE Services	(1.5000)	
113 Grades 9-12 with ESE Services	(4.5000)	
300 Career Education 9-12	<u>(1.5012)</u>	(19.5000)

Panel’s Recommendation: The Panel recommended the restoration of the above audit adjustments pending the examination of the supporting student attendance records by the Auditor General.

Auditor’s Procedures: We obtained and examined the supporting student attendance records provided by the District at the informal conference and determined that the attendance of 38 of the 39 cited students was adequately supported. Pursuant to the panel’s recommendation, we restored the audit adjustments for those 38 students, as presented below:

SCHEDULE B (Continued)

Holmes County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RESTORATION OF AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2006

<u>Description</u>		Net Audit Adjustments Restored (<u>Unweighted FTE</u>)
102 Basic 4-8	4.5000	
103 Basic 9-12	7.4988	
112 Grades 4-8 with ESE Services	1.5000	
113 Grades 9-12 with ESE Services	4.0000	
300 Career Education 9-12	<u>1.5012</u>	<u>19.0000</u>
		<u>.0000</u>

Holmes County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
COMMISSIONER'S LETTER
For the Fiscal Year Ended June 30, 2006

FLORIDA DEPARTMENT OF EDUCATION



Dr. Eric J. Smith
Commissioner of Education

STATE BOARD OF EDUCATION

T. WILLARD FAIR, *Chairman*

Members

PETER BOULWARE

DR. AKSHAY DESAI

ROBERTO MARTÍNEZ

JOHN R. PADGET

KATHLEEN SHANAHAN

LINDA K. TAYLOR



September 17, 2009

Mr. Gary Galloway, Superintendent
Holmes County School District
701 East Pennsylvania Avenue
Bonifay, FL 32425

Dear Superintendent Galloway:

My staff has reviewed with me the recommended agreement, which was a result of the informal audit conference concluded on September 3, 2009. The conference concerned the Full-Time Equivalent (FTE) Students and Student Transportation Audit (Report No. 2008-007) for the year ending June 30, 2006, for the School District of Holmes County. I accept the informal conference panel's recommendation and, by copy of this letter, am asking Deputy Commissioner Linda Champion to initiate appropriate action with regard to the FEFP adjustment for Holmes County. I am pleased that an agreement was reached by the informal conference participants.

Sincerely,

Dr. Eric J. Smith

EJS:lj

c: Linda Champion
Joe Williams
Frances Haithcock

Holmes County District School Board
Full-Time Equivalent (FTE) Students (FEFP)
INFORMAL CONFERENCE PANEL'S MEMORANDUM
For the Fiscal Year Ended June 30, 2006

FLORIDA DEPARTMENT OF EDUCATION



Dr. Eric J. Smith
Commissioner of Education

STATE BOARD OF EDUCATION

T. WILLARD FAIR, *Chairman*

Members

PETER BOULWARE

DR. AKSHAY DESAI

ROBERTO MARTÍNEZ

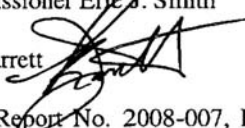
JOHN R. PADGET

KATHLEEN SHANAHAN

LINDA K. TAYLOR



MEMORANDUM

Date: September 11, 2009
To: Commissioner Eric J. Smith
From: Link Jarrett 
Subject: Audit Report No. 2008-007, Report on the School District of Holmes County, Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students and Student Transportation for the Fiscal Year Ended June 30, 2006

On April 27, 2009, the Department received a request from the Holmes County School District for an informal conference to discuss Audit Report No. 2008-007 and issues related to the report. The informal conference was held on September 3, 2009.

The Holmes County School District was represented by Jean West, Ron Boyce, Eric Hall, and Judy Estren. The Department was represented by Karen Denbroeder, Lee Davis, and Becky Pruett. David Morris and I were on the informal conference panel. Joe Williams represented the Office of the Auditor General.

In its written response to the audit report, Holmes County School District appealed one audit finding to the Commissioner.

1. West Florida Wilderness Institute attendance records (Finding No. 10, Ref. 301201)

Summary of Finding: Attendance records for 39 students in the February survey could not be located. An audit adjustment was made to disallow the FTE reported for the 39 students. Management's response to the audit finding was that the Institute's reported FTE was adequately supported by electronic versions of the attendance records. The district experienced a delay in accessing the attendance files for the students in question. The records were produced in August 2007; however, the final audit report was issued in July 2007.

LINCOLN JARRETT, JR.
OPERATIONS AND PROGRAM MANAGER

325 W. GAINES STREET • SUITE 1214 • TALLAHASSEE, FL 32399-0400 • (850) 245-0405 • www.fldoe.org
FAX (850) 245-9135

Holmes County District School Board
Full-Time Equivalent (FTE) Students (FEFP)
INFORMAL CONFERENCE PANEL'S MEMORANDUM (Continued)
For the Fiscal Year Ended June 30, 2006

Commissioner Eric J. Smith
September 11, 2009
Page 2

Recommendation: The district presented attendance documentation for students enrolled in the Wilderness Institute program. The panel recommended restoration of the FTE students and funding for the audit finding for those students for whom the attendance documentation is acceptable to the staff in the Office of the Auditor General.

If you accept the recommendations, the Office of Funding and Financial Reporting and the Auditor General should be notified to take appropriate restoration action.

LJ/bp

cc: Martha Asbury
Linda Champion
Karen Denbroeder
Gary Galloway
Larry Hawkins
Martha Haynes
David Morris
Joe Williams