



AUDITOR GENERAL
DAVID W. MARTIN, CPA



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

For the Fiscal Year Ended June 30, 2007

Walton County District School Board members and the Superintendent of Schools who served during the 2006-07 fiscal year are shown in the following tabulation:

	<i>District</i>
	<u>No.</u>
<i>Mildred T. Wilkerson</i>	1
<i>William E. Laird, Chairman to 11-21-06</i>	2
<i>Donnie Richardson to 11-20-06</i>	3
<i>Sharon Roberts from 11-21-06</i>	3
<i>Mark D. Davis, Vice-Chairman to 11-20-06</i>	
<i>Chairman from 11-21-06</i>	4
<i>Darrell Barnhill, Vice-Chairman from 11-21-06</i>	5

Carlene H. Anderson, Superintendent

This examination was conducted by Alice Pounds, CPA, and was 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 or by telephone at (850) 414-9941.

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Walton County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
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For the Fiscal Year Ended June 30, 2007

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Walton County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2007

IEP – Individual Educational Plan

ESE – Exceptional Student Education

LEP – Limited English Proficient

FES – Fluent English Speaking

ESOL – English for Speakers of Other Languages

PK – Prekindergarten

OJT – On-the-Job Training

IDEA – Individuals with Disabilities Education Act



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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 WALTON COUNTY DISTRICT SCHOOL BOARD FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated July 25, 2007, that the Walton 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, 2007. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Compliance

Our examination procedures disclosed the following material noncompliance:

1. Teachers.

Twelve of the 75 teachers in our sample did not meet State requirements governing certification; School Board approval of out-of-field teacher assignments; notification of parents regarding out-of-field teachers, or the earning of required in-service training points in ESOL strategies.¹

2. Students

We noted exceptions involving 10 of the 85 students in our sample for ESOL², 14 of the 20 students in our sample for ESE Support Levels 4 and 5³, and 57 of the 76 students in our sample for Career Education 9-12 (OJT)⁴. These exceptions involved 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 material noncompliance mentioned above involving teachers and the reporting of, and the preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), the Walton 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 for the fiscal year ended June 30, 2007.

The results of our examination disclosed other noncompliance with State requirements, in addition to the material noncompliance mentioned above (see SCHEDULE D, finding No. 13). We considered this other noncompliance in forming our opinion regarding management's assertion and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE D. The impact of that noncompliance on the District's reported number of FTE is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

¹ For teachers, see SCHEDULE D, finding Nos. 3, 7, 11, 12, 17, 18, 19, 22, 23, and 26.

² For ESOL, see SCHEDULE D, finding Nos. 5, 8, 9, 10, 14, and 20.

³ For ESE Support Levels 4 and 5, see SCHEDULE D, finding Nos. 1, 4, 15, 21, 24, 27, 28, and 29.

⁴ For Career Education 9-12 (OJT), see SCHEDULE D, finding Nos. 2, 6, 16, 25, and 30.

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.⁵ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to teacher compliance; the reporting of, and the preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT). Other noncompliance disclosed by our examination procedures is indicative of control deficiencies⁵, and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULE A and SCHEDULE D.

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

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 Walton 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,



David W. Martin, CPA
February 1, 2008

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

SCHEDULE A

Walton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2007

<u>Description¹</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 FTE²</u>	<u>% of Pop. (Sample)</u>
1. Basic						
Population ³	17	100.00%	4,061	100.00%	5,253.8700	100.00%
Sample Size ⁴	9	52.94%	99	2.44%	82.8166	1.58%
Students w/Exceptions	-	-	(2)	(2.02%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	22.2386	-
2. Basic with ESE Services						
Population ³	17	100.00%	799	100.00%	1,081.3500	100.00%
Sample Size ⁴	9	52.94%	47	5.88%	42.6352	3.94%
Students w/Exceptions	-	-	(2)	(4.26%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(.0049)	-
3. ESOL						
Population ³	10	100.00%	92	100.00%	107.2900	100.00%
Sample Size ⁴	7	70.00%	85	92.39%	65.7450	61.28%
Students w/Exceptions	-	-	(10)	(11.76%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(7.6797)	-
4. ESE Support Levels 4 and 5						
Population ³	10	100.00%	22	100.00%	13.4100	100.00%
Sample Size ⁴	7	70.00%	20	90.91%	8.2404	61.45%
Students w/Exceptions	-	-	(14)	(70.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(3.4354)	-
5. Career Education 9-12						
Population ³	7	100.00%	87	100.00%	206.4400	100.00%
Sample Size ⁴	5	71.43%	76	87.36%	16.5329	8.01%
Students w/Exceptions	-	-	(57)	(75.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(18.6877)	-

All Programs						
Population ³	17	100.00%	5,061	100.00%	6,662.3600	100.00%
Sample Size ⁴	9	52.94%	327	6.46%	215.9701	3.24%
Students w/Exceptions	-	-	(85)	(25.99%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(7.5691)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Walton County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2007

<u>Description</u> ¹	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>
<u>Teachers</u>				
Population ³	17	100.00%	181	100.00%
Sample Size ⁴	9	52.94%	75	41.44%
Teachers w/Exceptions	-	-	(12)	(16.00%)

¹ See NOTE A6.

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

³ The population shown for the number of schools is the total number of schools in the District which offered the courses in the program specified (i.e., Basic, ESOL, ESE, and Career Education). 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 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, 2007. 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.)

⁴ See NOTE B.

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

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Walton 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, 2007

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	.5000	1.035	.5175
102 Basic 4-8	2.8792	1.000	2.8792
103 Basic 9-12	18.8594	1.088	20.5190
112 Grades 4-8 with ESE Services	.0000	1.000	.0000
113 Grades 9-12 with ESE Services	(.0049)	1.088	(.0053)
130 ESOL	(7.6797)	1.275	(9.7916)
254 ESE Support Level 4	(.0300)	3.734	(.1120)
255 ESE Support Level 5	(3.4054)	5.201	(17.7115)
300 Career Education 9-12	<u>(18.6877)</u>	1.159	<u>(21.6590)</u>
Total	<u>(7.5691)</u>		<u>(25.3637)</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

Walton 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, 2007

<u>No. Program</u>	<u>Audit Adjustments¹</u>			<u>Balance Forward</u>
	<u>#0101</u>	<u>#0141</u>	<u>#0151</u>	
101 Basic K-3	.....	.....	.5000	.5000
102 Basic 4-8	.....	.....	.4450	.4450
103 Basic 9-12	3.6740	4.9145	.....	8.5885
112 Grades 4-8 with ESE Services	.....	.....	.....	.0000
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	.....	(.2836)	(.9450)	(1.2286)
254 ESE Support Level 4	.....	(.0300)	.....	(.0300)
255 ESE Support Level 5	(.2200)	.0300	.....	(.1900)
300 Career Education 9-12	<u>(3.8400)</u>	<u>(4.8465)</u>	<u>.....</u>	<u>(8.6865)</u>
Total	<u>(.3860)</u>	<u>(.2156)</u>	<u>.0000</u>	<u>(.6016)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Walton 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, 2007

Program No.	Brought Forward	<u>Audit Adjustments</u>¹				Balance Forward
		<u>#0152</u>	<u>#0153</u>	<u>#0201</u>	<u>#0271</u>	
101	.5000	.....	.....	.....	.....	.5000
102	.4450	1.1334	.....	1.3008	.....	2.8792
103	8.5885	.....	10.2074	.....	(.1455)	18.6504
112	.0000	.....	.....	.0000	.....	.0000
113	.0000	.....	(.3632)	.5000	.....	.1368
130	(1.2286)	(2.1334)	(2.9624)	(1.0008)	(.3545)	(7.6797)
254	(.0300)	.....	.....	.0000	.....	(.0300)
255	(.1900)	.....	(.2268)	(.8000)	(.0709)	(1.2877)
300	<u>(8.6865)</u>	<u>.....</u>	<u>(9.2176)</u>	<u>.....</u>	<u>(.0746)</u>	<u>(17.9787)</u>
Total	<u>(.6016)</u>	<u>(1.0000)</u>	<u>(2.5626)</u>	<u>.0000</u>	<u>(.6455)</u>	<u>(4.8097)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Walton 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, 2007

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>		<u>Total</u>
		<u>#0281</u>	<u>#0301</u>	
101 Basic K-3	.5000	.5000	(.5000)	.5000
102 Basic 4-8	2.8792	.....	.....	2.8792
103 Basic 9-12	18.6504	.....	.2090	18.8594
112 Grades 4-8 with ESE Services	.0000	.....	.....	.0000
113 Grades 9-12 with ESE Services	.1368	.....	(.1417)	(.0049)
130 ESOL	(7.6797)	.....	.....	(7.6797)
254 ESE Support Level 4	(.0300)	.....	.....	(.0300)
255 ESE Support Level 5	(1.2877)	(1.1800)	(.9377)	(3.4054)
300 Career Education 9-12	<u>(17.9787)</u>	.....	<u>(.7090)</u>	<u>(18.6877)</u>
Total	<u>(4.8097)</u>	<u>(.6800)</u>	<u>(2.0794)</u>	<u>(7.5691)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Walton 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, 2007

Overview

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. Except for material noncompliance involving teachers and the reporting of, and the preparation and maintenance of supporting documentation for, students in ESOL, ESE Support Levels 4 and 5, and Career Education OJT, the Walton 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, 2007. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 21.

Findings

**Net Audit
Adjustments
(Unweighted FTE)**

Our examination included the July and October 2006 surveys and the February and June 2007 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2006 survey or the February 2007 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the noncompliance involved.

Paxton High School (#0101)

1. [Ref. 10101] One part-time, ESE student in the Hospital and Homebound program was incorrectly reported for 900 instructional minutes of homebound instruction. The student should have been reported for only 240 instructional minutes, pursuant to the homebound instructor's log. We made the following audit adjustment:

255 ESE Support Level 5	(.2200)	(.2200)
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2. [Ref. 10102] The course schedules for six Career Education students were reported using an incorrect priority that funded the students' off-campus OJT courses prior to their on-campus instruction. We also noted that the timecards for one of these students 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)

Walton 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, 2007

<u>Findings</u>		Net Audit Adjustments (Unweighted FTE)
<u>Paxton High School (#0101)</u> (Continued)		
103 Basic 9-12	.9218	
300 Career Education 9-12	<u>(1.0878)</u>	(.1660)
<p>3. [Ref. 10171] <u>One teacher was not properly certified to teach courses that required the Work Experience endorsement, and was not approved by the School Board to teach such courses out-of-field. We also noted that this teacher taught science classes out-of-field during the prior school year, but did not subsequently earn the required college credits in that out-of-field subject area; consequently, this teacher was not eligible to teach out-of-field during the 2006-07 school year. Additionally, we further noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:</u></p>		
103 Basic 9-12	2.7522	
300 Career Education 9-12	<u>(2.7522)</u>	.0000
		<u>(.3860)</u>
<u>Freeport Senior High School (#0141)</u>		
<p>4. [Ref. 14101] <u>One Hospital and Homebound student was not reported in accordance with the student's Matrix of Services form. The student was reported in program No. 254 (ESE Support Level 4), but should have been reported in program No. 255 (ESE Support Level 5). We made the following audit adjustment:</u></p>		
254 ESE Support Level 4	(.0300)	
255 ESE Support Level 5	<u>.0300</u>	.0000
<p>5. [Ref. 14102] <u>The file for one LEP student did not contain an LEP Student Plan. We made the following audit adjustment:</u></p>		
103 Basic 9-12	.2836	
130 ESOL	<u>(.2836)</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton 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, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Freeport Senior High School (#0141) (Continued)

6. [Ref. 14103] The course schedules for 24 Career Education students were reported using an incorrect priority that funded the students' off-campus OJT courses prior to their on-campus instruction. We also noted that: (a) one of these students was not employed during the reporting survey; (b) the timecard for one of the students was missing and could not be located; and (c) the timecard for one of the students supported less time in OJT than was reported. We made the following audit adjustment:

103 Basic 9-12	1.9367	
300 Career Education 9-12	<u>(2.1523)</u>	(.2156)

7. [Ref. 14171] One out-of-field teacher had been assigned out-of-field in a prior year, but had not subsequently earned the college credits required in the teacher's out-of-field subject area. We also noted that the parents were not notified of the teacher's out-of-field status. We made the following audit adjustment:

103 Basic 9-12	2.6942	
300 Career Education 9-12	<u>(2.6942)</u>	.0000
		<u>(.2156)</u>

Van R. Butler Elementary School (#0151)

8. [Ref. 15101] We noted the following exceptions involving two LEP students:
- a. One student in the October survey had been dismissed from the ESOL program on May 24, 2006, and was not re-entered into the ESOL program until January 25, 2007; consequently, the student should not have been reported in ESOL in the October survey.
 - b. The file for one student did not contain an LEP Student Plan.

We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton 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, 2007

<u>Findings</u>		<u>Net Audit Adjustments (Unweighted FTE)</u>
<u>Van R. Butler Elementary School (#0151)</u> (Continued)		
101 Basic K-3	.5000	
102 Basic 4-8	.4450	
130 ESOL	(.9450)	<u>.0000</u>
		<u>.0000</u>
<u>Emerald Coast Middle School (#0152)</u>		
9. [Ref. 15201] <u>The file for one student in ESOL in the October survey contained documentation indicating that the student met ESOL-exit criteria on October 6, 2006, the Friday prior to the start of that survey. We also noted that the student's file did not contain an LEP Student Plan that was reviewed and updated for the 2006-07 school year or evidence that the student's parents were notified of their child's placement in ESOL. We made the following audit adjustment:</u>		
102 Basic 4-8	.4967	
130 ESOL	(.4967)	.0000
10. [Ref. 15202] <u>Two LEP students were not in attendance during the 11-day window of the reporting survey and should not have been reported with the survey's results. We made the following audit adjustment:</u>		
102 Basic 4-8	(.1433)	
130 ESOL	(.8567)	(1.0000)
11. [Ref. 15271/72] <u>Two teachers were not properly certified and were not approved by the School Board to teach ESOL out-of-field. We also noted that parents were not properly notified of the teachers' ESOL out-of-field status and were not notified of the teachers' out-of-field status in Reading until October 17, 2006, after the October survey. We made the following audit adjustments:</u>		
<u>Ref. 15271</u>		
102 Basic 4-8	.1800	
130 ESOL	(.1800)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton 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, 2007

<u>Findings</u>	Net Audit Adjustments (Unweighted FTE)
<u>Emerald Coast Middle School (#0152)</u> (Continued)	
<u>Ref. 15272</u>	
102 Basic 4-8	.6000
130 ESOL	(.6000)
	<u>.0000</u>
	<u>(1.0000)</u>
<u>South Walton High School (#0153)</u>	
12. [Ref. 15375] <u>The parents of LEP students taught by one out-of-field teacher were not notified of the teacher's out of field status. We made no audit adjustment here because the affected student is adjusted in finding No. 14.</u>	.0000
13. [Ref. 15301] <u>The file for one ESE student did not contain an IEP that covered the reporting survey. We made the following audit adjustment:</u>	
103 Basic 9-12	.5000
113 Grades 9-12 with ESE Services	(.5000)
	.0000
14. [Ref. 15302] <u>We noted the following exceptions involving three students in ESOL: (a) the file for one student did not contain an LEP Student Plan that covered the October reporting survey; and (b) two students had been dismissed from ESOL prior to the October survey and should have been reported in Basic education. We made the following audit adjustment:</u>	
103 Basic 9-12	1.1840
130 ESOL	(1.1840)
	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton 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, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

South Walton High School (#0153) (Continued)

15. [Ref. 15303] Two Hospital and Homebound students were reported for more homebound instructional minutes than were supported by the homebound instructors' contact logs. Additionally, the on-campus instruction for one of the aforementioned students was reported incorrectly in program No. 255 (ESE Support Level 5). It should have been reported in program No. 113 (Grades 9-12 with ESE Services). We made the following audit adjustment:

113 Grades 9-12 with ESE Services	.1368	
255 ESE Support Level 5	<u>(.2268)</u>	(.0900)

16. [Ref. 15304] The course schedules for 24 Career Education students in OJT were reported using an incorrect priority that funded the students' off-campus OJT courses prior to their on-campus instruction. We also noted that the timecards for 21 of these 24 students were either missing or not signed by the employer or instructional supervisor. We made the following audit adjustment:

103 Basic 9-12	1.4098	
300 Career Education 9-12	<u>(3.8824)</u>	(2.4726)

17. [Ref. 15371] One teacher was not properly certified and was not approved by the School Board to teach out-of-field in Math. The teacher held certification in Math, Grades 5-9, but taught a course that required certification in Math, Grades 6-12. We also noted that parents were not notified of this teacher's out-of-field status. We made the following audit adjustment:

103 Basic 9-12	.4104	
130 ESOL	<u>(.4104)</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton 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, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

South Walton High School (#0153) (Continued)

18. [Ref. 15372] One teacher was not properly certified to teach courses that required the Work Experience endorsement, and was not approved by the School Board to teach such courses out-of-field. We also noted that the parents of the students concerned were not notified of this teacher's out-of-field status. We made the following audit adjustment:

103 Basic 9-12	5.3352	
300 Career Education 9-12	(5.3352)	.0000

19. [Ref. 15373/74] Two teachers had been appropriately approved by the School Board to teach ESOL out-of-field; however the parents of the students concerned were not notified of the teachers' out-of-field status. We made the following audit adjustments:

<u>Ref. 15373</u>		
103 Basic 9-12	1.0944	
130 ESOL	(1.0944)	.0000
 <u>Ref. 15374</u>		
103 Basic 9-12	.2736	
130 ESOL	(.2736)	.0000
		(2.5626)

Walton Middle School (#0201)

20. [Ref. 20101] One LEP student was beyond the six year period allowed for State funding of ESOL. We made the following audit adjustment:

102 Basic 4-8	.6672	
130 ESOL	(.6672)	.0000

21. [Ref. 20102] We noted the following exceptions involving five ESE students:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton 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, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Walton Middle School (#0201) (Continued)

- a. The on-campus courses taken by one student, who was in the Hospital and Homebound program on a part-time basis, were reported incorrectly in program No. 255 (ESE Support Level 5). The on-campus courses should have been reported in program No. 102 (Basic 4-8).
- b. Two students were not reported in accordance with their *Matrix of Services* forms.
- c. The files for two students did not contain *Matrix of Services* forms that supported the students' reported program.

We made the following audit adjustment:

102 Basic 4-8	.3000	
112 Grades 4-8 with ESE Services	.5000	
112 Grades 4-8 with ESE Services	(.5000)	
113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	1.0000	
254 ESE Support Level 4	(1.0000)	
255 ESE Support Level 5	(.8000)	.0000

22. [Ref. 20171] One teacher was not properly certified and was not approved by the School Board to teach Reading out-of-field. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status until February 23, 2007, after the February survey. We made the following audit adjustment:

102 Basic 4-8	.1668	
130 ESOL	(.1668)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton 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, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Walton Middle School (#0201) (Continued)

23. [Ref. 20172] The out-of-field status of one English teacher had been approved by the School Board in October 2005, but the teacher did not subsequently earn the required college credits towards certification in English. Consequently, this teacher was not eligible to teach out-of-field during the 2006-07 school year. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

102 Basic 4-8	.1668	
130 ESOL	(.1668)	.0000
		<u>.0000</u>

Walton Senior High School (#0271)

24. [Ref. 27101] Two students were not in attendance during the 11-day window of the reporting survey and should not have been included with the surveys' results. We made the following audit adjustment:

103 Basic 9-12	(.5000)	
255 ESE Support Level 5	(.0709)	(.5709)

25. [Ref. 27103] The timecard for one Career Education student in OJT was missing and could not be located. We made the following audit adjustment:

300 Career Education 9-12	(.0746)	(.0746)
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26. [Ref. 27171] One Primary Language Arts teacher did not earn any of the in-service training points required in ESOL strategies, pursuant to the teacher's in-service training timeline. We made the following audit adjustment:

103 Basic 9-12	.3545	
130 ESOL	(.3545)	.0000
		<u>(.6455)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton 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, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Maude Saunders Elementary School (#0281)

27. [Ref. 28101] The on-campus courses taken by two ESE students in the Hospital and Homebound program on an intermittent basis were reported incorrectly in program No. 255 (ESE Support Level 5). They should have been reported in program No. 101 (Basic K-3). We also noted that the students' on-campus instructional time was over-reported. We made the following audit adjustment:

101 Basic K-3	.5000	
255 ESE Support Level 5	(1.1800)	(.6800)
		(.6800)

Walton Career Development (#0301)

28. [Ref. 30101] We noted the following exceptions involving three students: (a) the October attendance record for one PK student was missing and could not be located; and (b) two students were not in attendance during the 11-day window of the reporting survey and should not have been included with the survey's results. We made the following audit adjustment:

101 Basic K-3	(.5000)	
113 Grades 9-12 with ESE Services	(.1417)	
255 ESE Support Level 5	(.4291)	(1.0708)

29. [Ref. 30102] The homebound instructional minutes for one ESE student in the Hospital and Homebound program was over-reported in the October and February surveys. The student was provided 180 instructional minutes (.0600 FTE) in the October survey and 225 instructional minutes (.0750 FTE) in the February survey; but was reported for 1,210 minutes (.4036 FTE) and 720 minutes (.2400 FTE), respectively. We made the following audit adjustment:

255 ESE Support Level 5	(.5086)	(.5086)
-------------------------	---------	---------

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Walton 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, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Walton Career Development (#0301) (Continued)

30. [Ref. 30103] We noted the following exceptions involving two Career Education students in OJT: (a) the course schedule for one was reported using an incorrect priority that funded the student's off-campus OJT courses prior to the student's on-campus instruction; and (b) the timecard for one student could not be located. We made the following audit adjustment:

103 Basic 9-12	.2090	
300 Career Education 9-12	(.7090)	(.5000)
		(2.0794)
		(7.5691)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Walton 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, 2007

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 for a particular survey are reported for FTE funding; (2) timecards for students in OJT are properly completed and retained in readily accessible files; (3) course schedules for students in OJT are reported using the correct funding priority; (4) students are reported in the proper FEFP funding categories and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE; (5) FTE is correctly calculated for all students, particularly with regard to students in the Hospital and Homebound program who were provided both on-campus instruction and homebound instruction; (6) teachers are properly certified or, if out-of-field, have timely School Board approval to teach out-of-field and earn all required college credits in their out-of-field area; and (7) the parents of students taught by out-of-field teachers are properly notified of the teachers' out-of-field status prior to survey.

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 the 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 2006-2007

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Walton 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, 2007

Regulatory Citations (Continued)

Attendance (Continued)

FTE General Instructions 2006-2007

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

English for Speakers of Other Languages (ESOL)

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

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

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

Exceptional Education

Section 1003.57, F.S. Exceptional Students Instruction

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

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

Rule 6A-6.03028, F.A.C. Development of Individual Educational Plans for Students with Disabilities

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

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

Rule 6A-6.0331, F.A.C. Identification and Determination of Eligibility of Exceptional Students for 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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Walton 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, 2007

Regulatory Citations (Continued)

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 2006-2007

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.Non-certificated Instructional Personnel
Rule 6A-1.0503, F.A.C.Definition of Qualified Instructional Personnel
Rule 6A-4.001, F.A.C.Instructional Personnel Certification
Rule 6A-6.0907, F.A.C.In-service Requirements for Personnel of Limited English Proficient Students

The accompanying notes are an integral part of this schedule.

SCHEDULE F

Walton 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, 2007

Management agreed with our findings and recommendations.

A copy of management's response may be found on page 42 of this report.

The accompanying notes are an integral part of this schedule.

Walton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

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 Walton County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Walton 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 Walton County. For the fiscal year ended June 30, 2007, the District operated 17 schools, reported 6,662.36 unweighted full-time equivalent (FTE) students, and received approximately \$3.4 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.

Walton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

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 2006-2007 school year were conducted during and for the following weeks: survey one was performed for July 10-14, 2006; survey two was performed for October 9-13, 2006; survey three was performed for February 5-9, 2007; and survey four was performed for June 11-15, 2007.

Walton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

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, 2007. 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:

Walton County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Paxton High School	1 through 3
2. Freeport Senior High School	4 through 7
3. Van R. Butler Elementary School	8
4. Emerald Coast Middle School	9 through 11
5. South Walton High School	12 through 19
6. Walton Middle School	20 through 23
7. Walton Senior High School	24 through 26
8. Maude Saunders Elementary School	27
9. Walton Career Development	28 through 30



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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 WALTON COUNTY DISTRICT SCHOOL BOARD STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated July 25, 2007, that the Walton 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, 2007. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Our examination procedures disclosed material noncompliance with the District's reported student ridership data, as follows: 112 of the 190 students in our sample had exceptions involving their reported ridership categories or eligibility for State transportation funding. (See SCHEDULE B, finding Nos. 2, 3, 4, and 5.)

In our opinion, except for the material noncompliance mentioned above involving the classification and reporting of transported students, the Walton 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, 2007.

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

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.¹ However, the material noncompliance mentioned above are indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the classification and reporting of transported students. Other noncompliance disclosed by our examination procedures is indicative of control deficiencies¹, and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULE A and SCHEDULE D.

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

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

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 Walton 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,



David W. Martin, CPA
February 1, 2008

SCHEDULE A

Walton County District School Board
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2007

<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	181	100.00%	8,084	100.00%
Sample ²	-	-	190	2.35%
<u>General Test Results - Non-Sample Students</u>				
With Exceptions ³	-	-	2	NM
Net Audit Adjustments	-	-	0	NM
<u>Detailed Test Results - Sample Students</u>				
With Exceptions ³	-	-	112	(58.95%)
Net Audit Adjustments	-	-	(91)	(47.89%)
<u>Combined Test Results -Sample and Non-Sample Students</u>				
With Exceptions ³	-	-	114	1.41%
Net Audit Adjustments	-	-	(91)	1.13%

NM - Not Meaningful

¹ The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2007. The District reported 8,084 students in the following ridership categories: 82 in IDEA (K-12), Weighted; 1 in IDEA (K-12), Unweighted; 16 in IDEA (PK), Weighted; 27 in IDEA (PK), Unweighted; 2 in Teenage Parents and Infants; 7,933 in Two Miles or More; and 23 in Center to Center (Vocational). The District also reported operating a total of 181 vehicles (181 buses and 0 passenger cars). (IDEA stands for Individuals with Disabilities Education Act.)

² See NOTE B.

³ Students with exceptions are those with exceptions affecting their ridership classification. Students cited only for incorrect reporting of days-in-term in finding No. 1 are not included.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Walton County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

Overview

Management is responsible for determining and reporting the number of students transported in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. Except for material noncompliance involving the classification and reporting of transported students, the Walton 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, 2007. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 38.

**Students
 Transported
 Net Audit
 Adjustments**

Findings

Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey. Our detailed tests involved verification of the specific ridership categories reported for students sampled from the July, October, February, and June surveys. Adjusted students who were in more than one survey are accounted for by survey. For example, a student sampled twice (i.e., once for the October survey and once for the February survey) will be presented in our findings as two sample students. Students cited only for incorrect reporting of days-in-term in finding No. 1 are not included in students with exceptions on SCHEDULE A.

General Tests/Non-Sample Students

1. [Ref. 51] Our general tests disclosed the following exceptions:
 - a. One PK student in the October survey was reported incorrectly in Two Miles or More. This student should have been reported in IDEA (PK), Unweighted.
 - b. One K-12 student in the October survey was reported incorrectly in IDEA (PK), Weighted. The student should have been reported in IDEA (K-12), Weighted.
 - c. The reported number of buses operated was overstated by one bus in the October survey.

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Students
 Transported
 Net Audit
 Adjustments**

Findings

General Tests/Non-Sample Students (Continued)

- d. Thirty students in the July survey were reported for an incorrect number of days-in-term, as follows: 28 students in the Two Miles or More category were reported for a 12-day term, but should have been reported for an 8-day term (27 students) or a 3-day term (1 student); and 2 students in IDEA (K-12), Weighted were reported for a 14-day term, but should have been reported for a 6-day term.

We made the following audit adjustments:

July 2006 Survey

3 Days-in-Term

Two Miles or More 1

6 Days-in-Term

IDEA (K-12), Weighted 2

8 Days-in-Term

Two Miles or More 27

12 Days-in-Term

Two Miles or More (28)

14 Days-in-Term

IDEA (K-12), Weighted (2)

October 2006 Survey

90 Days-in-Term

IDEA (K-12), Weighted 1

IDEA (PK), Weighted (1)

IDEA (PK), Unweighted 1

Two Miles or More (1) 0

Number of Buses: (1) -- ==

Net Audit Adjustments - General Tests/Non-Sample Students 0

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Students
 Transported
 Net Audit
 Adjustments**

Findings

Detailed Tests/Sample Students

2. [Ref. 52] One PK student in the February survey did not ride the bus during the 11-day survey period and, therefore, was not eligible to be reported for State transportation funding. We made the following audit adjustment:

February 2007 Survey

90 Days-in-Term

IDEA (PK), Unweighted (1) (1)

3. [Ref. 53] Ninety students were incorrectly reported in Two Miles or More. These students lived less than two miles from school and should not have been reported for State transportation funding. We made the following audit adjustments:

July 2006 Survey

90 Days-in-Term

Two Miles or More (1)

October 2006 Survey

90 Days-in-Term

Two Miles or More (39)

February 2007 Survey

90 Days-in-Term

Two Miles or More (48)

June 2007 Survey

90 Days-in-Term

Two Miles or More (2) (90)

4. [Ref. 54] Fourteen ESE students were reported incorrectly in IDEA-weighted ridership categories. The IEPs for 10 of these 14 students did not indicate that the students met at least one of the five criteria required for IDEA-weighted classification. The IEPs for the other 4 students indicated the students' need for a special transportation environment, but the students' files did not contain the doctors' prescriptions necessary to authorize that special environment. (Finding Continues on next page.)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Students
 Transported
 Net Audit
 Adjustments**

Findings

Detailed Tests/Sample Students (Continued)

We noted that 6 of the 14 students were eligible for IDEA-unweighted classification and the remaining 8 students lived more than two miles from school and were eligible for Two Miles or More. We made the following audit adjustments:

October 2006 Survey

90 Days-in-Term

IDEA (K-12), Weighted (5)
 IDEA (PK), Weighted (1)

IDEA (K-12), Unweighted 1
 IDEA (PK), Unweighted 1
 Two Miles or More 4

February 2007 Survey

90 Days-in-Term

IDEA (K-12), Weighted (6)
 IDEA (PK), Weighted (2)

IDEA (K-12), Unweighted 2
 IDEA (PK), Unweighted 2
 Two Miles or More 4

0

5. [Ref. 55] Seven Career Education students were reported incorrectly in Center to Center (Vocational), Unweighted. The students were only enrolled at one school and were ineligible for a center to center category. All of the students lived more than two miles from school and were eligible for Two Miles or More. We made the following audit adjustments:

October 2006 Survey

90 Days-in-Term

Two Miles or More 4
 Center to Center (Vocational) (4)

February 2007 Survey

90 Days-in-Term

Two Miles or More 3
 Center to Center (Vocational) (3)

0

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Walton County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

<u>Findings</u>	Students Transported Net Audit Adjustments
<u>Detailed Tests/Sample Students</u> (Continued)	
Net Audit Adjustments – Detailed Tests/Sample Students	<u>(91)</u>
<hr style="width: 20%; margin: 10px auto;"/>	
<u>Summary</u>	
<u>General and Detailed Tests</u>	
Net Audit Adjustments – General Tests/Non-Sample Students	0
Net Audit Adjustments – Detailed Tests/Sample Students	<u>(91)</u>
Net Audit Adjustments – Combined Tests	<u>(91)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Walton County District School Board
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2007

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) transported students, buses in operation, and days-in-term are correctly reported; (2) ESE students are reported for weighted or unweighted IDEA categories according to their *Individual Educational Plans*; (3) only eligible transported students who are in membership and attendance during survey are reported with a survey's results; and (4) the distance from home to school, for students reported in Two Miles or More, is verified prior to reporting.

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.

SCHEDULE D

Walton County District School Board
Student Transportation
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2007

Management agreed with our findings and recommendations.

A copy of management's response may be found on page 42 of this report.

The accompanying notes are an integral part of this schedule.

Walton County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

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 Walton County

For the fiscal year ended June 30, 2007, the District received approximately \$1.8 million in State transportation funding. The District’s transportation reporting by survey was as follows:

<u>Survey Period</u>	<u>No. of Vehicles</u>	<u>No. of Students</u>
July 2006	4	32
October 2006	84	3,981
February 2007	86	4,013
June 2007	7	58
Total	<u>181</u>	<u>8,084</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

Walton County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2007

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, 2007. 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



WALTON COUNTY SCHOOL DISTRICT

CARLENE H. ANDERSON - SUPERINTENDENT OF SCHOOLS

145 PARK STREET, DEFUNIAK SPRINGS, FL 32435
TELEPHONE 850-892-1100
FAX 850-892-1191

March 4, 2008

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

Attn: Joe Williams, Section 321

Subject: Report on the examination of full-time equivalent (FTE) students and student transportation, as reported by the Walton County School Board for the fiscal year ended June 30, 2007.

Dear Mr. Martin:

We have received the above named report. We appreciate the professional manner in which this review was conducted and the efforts of the Auditor General's staff in explaining and preparing us for the findings listed. We have reviewed the findings and are in agreement with them. As such, we will establish measures to more thoroughly review certification requirements, improve adherence to ESE and ESOL criteria, and improve compliance with state transportation requirements.

Sincerely,

Carlene H. Anderson
Superintendent of Schools

"COMMITTED TO EXCELLENCE IN STUDENT ACHIEVEMENT"

MILDRED WILKERSON
DISTRICT 1

WILLIAM LAIRD
DISTRICT 2

SHARON ROBERTS
DISTRICT 3

MARK D. DAVIS
DISTRICT 4

DARRELL BARNHILL
DISTRICT 5