



AUDITOR GENERAL
DAVID W. MARTIN, CPA



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

For the Fiscal Year Ended June 30, 2007

Okaloosa County District School Board members and the Superintendent of Schools who served during the examination period are shown in the following tabulation:

	<i>District</i>
	<u>No.</u>
<i>Cindy Frakes, Vice-Chair</i>	1
<i>Charles R. Kelley, Jr., Chair</i>	2
<i>Rodney L. Walker</i>	3
<i>Cathy Thigpen</i>	4
<i>Howard Hill</i>	5

Alexis Tibbetts, Superintendent, from 11-8-06

Don Gaetz, Superintendent, to 11-7-06

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.

This report, as well as other audit reports prepared by the Auditor General, can be obtained on our Web site (<http://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.

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

	PAGE NO.
FULL-TIME EQUIVALENT (FTE) STUDENTS	
Independent Auditor's Report.....	1
Schedule A - Populations, Samples, and Test Results	4
Schedule B - Effect of Audit Adjustments on Weighted FTE	6
Schedule C - Audit Adjustments by School	7
Schedule D - Findings and Audit Adjustments	13
Schedule E – Recommendations and Regulatory Citations.....	37
Schedule F – Summary of Management’s Response	40
Notes to Schedules.....	41
STUDENT TRANSPORTATION	
Independent Auditor's Report.....	45
Schedule A - Populations, Samples, and Test Results	48
Schedule B - Findings and Audit Adjustments.....	49
Schedule C – Recommendations and Regulatory Citations.....	58
Schedule D – Summary of Management’s Response	59
Notes to Schedules.....	60
MANAGEMENT'S RESPONSE.....	62

Okaloosa 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

EP – 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



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



850/488-5534
Fax: 488-6975

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

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

We have examined management's assertion, included in its representation letter dated July 25, 2007, that the Okaloosa County District School Board complied with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 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 instances of material noncompliance:

1. Teachers

Twenty-one of the 181 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 or required college credits for out-of-field assignments.¹

2. Students

We noted exceptions involving 74 of the 283 students in our ESOL sample², 37 of the 214 students in our ESE Support Levels 4 and 5 sample³, and 66 of the 88 students in our sample for Career Education 9-12 (OJT)⁴. These exceptions involved reporting errors or records that were not properly and accurately prepared or were missing and could not be located.

In our opinion, except for the material noncompliance mentioned above involving 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 Okaloosa County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2007.

The results of our examination disclosed other noncompliance with the aforementioned State requirements, in addition to the material noncompliance mentioned above. 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 full-time equivalent (FTE) students is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

¹ For teachers, see SCHEDULE D, finding Nos. 2, 9, 11, 16, 17, 22, 23, 24, 27, 33, 36, 38, 39, 43, 48, 49, 54, 58, 64, 65, and 66

² For ESOL, see SCHEDULE D, finding Nos. 4, 5, 10, 13, 19, 20, 25, 28, 30, 31, 34, 37, 40, 50, and 51.

³ For ESE Support Levels 4 and 5, see SCHEDULE D, finding Nos. 3, 6, 8, 14, 15, 18, 21, 26, 32, 35, 41, 47, 57, 59, 60, 61, 62, and 63.

⁴ For Career Education 9-12 (OJT), see SCHEDULE D, finding Nos. 12, 42, 44, 46, 52, and 53.

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 Okaloosa County District School Board. Copies of this report are available pursuant to Section 11.45(4)(c), Florida Statutes, and its distribution is not limited.

Respectfully submitted,



David W. Martin, CPA
June 19, 2008

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

SCHEDULE A

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 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	56	100.00%	15,041	100.00%	23,000.3600	100.00%
Sample Size ⁴	21	37.50%	238	1.58%	204.4586	0.89%
Students w/Exceptions	-	-	(12)	(5.04%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	19.7342	-
2. Basic with ESE Services						
Population ³	57	100.00%	3,584	100.00%	5,653.9200	100.00%
Sample Size ⁴	22	38.60%	172	4.80%	146.9301	2.60%
Students w/Exceptions	-	-	(9)	(5.23%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(2.4734)	-
3. ESOL						
Population ³	35	100.00%	447	100.00%	420.7000	100.00%
Sample Size ⁴	18	51.43%	283	63.31%	187.9352	44.67%
Students w/Exceptions	-	-	(74)	(26.15%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(46.5421)	-
4. ESE Support Levels 4 and 5						
Population ³	33	100.00%	318	100.00%	283.0000	100.00%
Sample Size ⁴	21	63.64%	214	67.30%	148.6951	52.54%
Students w/Exceptions	-	-	(37)	(17.29%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(11.5115)	-
5. Career Education 9-12						
Population ³	15	100.00%	142	100.00%	803.2500	100.00%
Sample Size ⁴	5	33.33%	88	61.97%	25.5443	3.18%
Students w/Exceptions	-	-	(66)	(75.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(21.2809)	-

All Programs						
Population ³	57	100.00%	19,532	100.00%	30,161.2300	100.00%
Sample Size ⁴	22	38.60%	995	5.09%	713.5633	2.37%
Students w/Exceptions	-	-	(198)	(19.90%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(62.0737)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 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	57	100.00%	493	100.00%
Sample Size ⁴	22	38.60%	181	36.71%
Teachers w/Exceptions	-	-	(21)	(11.60%)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
 For the Fiscal Year Ended June 30, 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	15.7500	1.035	16.3013
102 Basic 4-8	4.6074	1.000	4.6074
103 Basic 9-12	(.6232)	1.088	(.6780)
111 Grades K-3 with ESE Services	3.5000	1.035	3.6225
112 Grades 4-8 with ESE Services	(1.5240)	1.000	(1.5240)
113 Grades 9-12 with ESE Services	(4.4494)	1.088	(4.8409)
130 ESOL	(46.5421)	1.275	(59.3412)
254 ESE Support Level 4	(9.9927)	3.734	(37.3127)
255 ESE Support Level 5	(1.5188)	5.201	(7.8993)
300 Career Education 9-12	<u>(21.2809)</u>	1.159	<u>(24.6646)</u>
Total	<u>(62.0737)</u>		<u>(111.7295)</u>

¹ See NOTE A6.

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2007

<u>No. Program</u>	<u>District- Wide</u>	<u>Audit Adjustments¹</u>		<u>Balance Forward</u>
		<u>#0051</u>	<u>#0082</u>	
101 Basic K-3	.....	2.5000	.....	2.5000
102 Basic 4-8	.1800	.....	2.4518	2.6318
103 Basic 9-12	.2502	.....	.....	.2502
111 Grades K-3 with ESE Services	1.0000	1.0000	.....	2.0000
112 Grades 4-8 with ESE Services	.5000	.....	(.4116)	.0884
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	(1.9302)	(2.5000)	(1.5402)	(5.9704)
254 ESE Support Level 4	.....	(1.0000)	.0000	(1.0000)
255 ESE Support Level 5	.....	.....	(.5000)	(.5000)
300 Career Education 9-12	.....	.....	.....	.0000
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2007

Program No.	Brought Forward	<u>Audit Adjustments</u>¹				<u>Balance Forward</u>
		<u>#0121</u>	<u>#0201</u>	<u>#0211</u>	<u>#0241</u>	
101	2.5000	.....	.....	.....	.....	2.5000
102	2.6318	.3600	.....	.....	.....	2.9918
103	.2502	.....	.1734	5.8520	.....	6.2756
111	2.0000	.....	.....	.....	.....	2.0000
112	.0884	.....	.....	.....	(.5000)	(.4116)
113	.0000	.....	.....	.5000	.....	.5000
130	(5.9704)	(.1800)	(.1734)	(2.1684)	.....	(8.4922)
254	(1.0000)	.....	.....	(.5734)	.5000	(1.0734)
255	(.5000)	(.1800)	.....	(.3618)	.0000	(1.0418)
300	<u>.0000</u>	<u>.....</u>	<u>.....</u>	<u>(5.1745)</u>	<u>.....</u>	<u>(5.1745)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>(1.9261)</u>	<u>.0000</u>	<u>(1.9261)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2007

Program No.	Brought Forward	Audit Adjustments¹				Balance Forward
		#0261	#0271	#0281	#0441	
101	2.5000	.5000	.....	6.0000	1.0000	10.0000
102	2.9918	.....	3.8453	4.0000	1.0000	11.8371
103	6.2756	.....	.....	.....	.....	6.2756
111	2.0000	.....	.....	1.0000	.....	3.0000
112	(.4116)	.....	1.5000	.....	(.5000)	.5884
113	.5000	.....	.....	.....	.....	.5000
130	(8.4922)	(.5000)	(3.8453)	(10.0000)	(1.5000)	(24.3375)
254	(1.0734)	.....	(1.5000)	(1.0000)	.....	(3.5734)
255	(1.0418)	.....	.....	.....	.....	(1.0418)
300	(5.1745)	.....	.....	.....	.....	(5.1745)
Total	(1.9261)	.0000	.0000	.0000	.0000	(1.9261)

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2007

Program No.	Brought Forward	<u>Audit Adjustments</u>¹				Balance Forward
		<u>#0541</u>	<u>#0551</u>	<u>#0561</u>	<u>#0581</u>	
101	10.0000	1.0000	.7500	1.5000	.....	13.2500
102	11.8371	2.5000	.5000	6.5000	.....	21.3371
103	6.2756	.....	.....	.....	8.1732	14.4488
111	3.0000	.5000	.....	.....	.....	3.5000
112	.5884	.....	.....	.....	.....	.5884
113	.5000	.....	.....	.....	1.0000	1.5000
130	(24.3375)	(4.0000)	(.7500)	(8.0000)	(.7506)	(37.8381)
254	(3.5734)	(.5000)	(.5000)	.....	(1.0000)	(5.5734)
255	(1.0418)	.....	.....	.....	.....	(1.0418)
300	<u>(5.1745)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(9.0725)</u>	<u>(14.2470)</u>
Total	<u>(1.9261)</u>	<u>(.5000)</u>	<u>.0000</u>	<u>.0000</u>	<u>(1.6499)</u>	<u>(4.0760)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2007

Program No.	Brought Forward	<u>Audit Adjustments</u>¹				Balance Forward
		<u>#0601</u>	<u>#0631</u>	<u>#0641</u>	<u>#0751</u>	
101	13.2500	.....	3.0000	.....	(.5000)	15.7500
102	21.3371	.....	.5000	.....	.....	21.8371
103	14.4488	3.4246	.....	5.1206	.....	22.9940
111	3.5000	.....	.....	.....	.....	3.5000
112	.5884	.....	.....	.....	.....	.5884
113	1.5000	(1.0000)	.....	.3336	.....	.8336
130	(37.8381)	.....	(3.5000)	(5.2040)	.....	(46.5421)
254	(5.5734)	(.0834)	.....	.....	.....	(5.6568)
255	(1.0418)	(.4770)	.....	.....	.....	(1.5188)
300	<u>(14.2470)</u>	<u>(4.7267)</u>	.....	<u>(.8248)</u>	.....	<u>(19.7985)</u>
Total	<u>(4.0760)</u>	<u>(2.8625)</u>	<u>.0000</u>	<u>(.5746)</u>	<u>(.5000)</u>	<u>(8.0131)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2007

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>			<u>Total</u>
		<u>#9811</u>	<u>#9813</u>	<u>#9817</u>	
101	15.7500	.....	.....	.....	15.7500
102	21.8371	.1188	(16.9312)	(.4173)	4.6074
103	22.9940	1.5060	(26.6309)	1.5077	(.6232)
111	3.5000	.....	.....	.....	3.5000
112	.5884	.3024	(2.4148)	.....	(1.5240)
113	.8336	.8492	(5.3366)	(.7956)	(4.4494)
130	(46.5421)	.....	.....	.....	(46.5421)
254	(5.6568)	(.8060)	(1.7748)	(1.7551)	(9.9927)
255	(1.5188)	.....	.....	.....	(1.5188)
300	<u>(19.7985)</u>	<u>(1.3656)</u>	.....	<u>(.1168)</u>	<u>(21.2809)</u>
Total	<u>(8.0131)</u>	<u>.6048</u>	<u>(53.0883)</u>	<u>(1.5771)</u>	<u>(62.0737)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 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 9-12 (OJT), the Okaloosa County District School Board complied, in all material respects, with State requirements governing the determination and reporting of FTE for the fiscal year ended June 30, 2007. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 37.

Findings

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 instances of noncompliance being disclosed.

District-Wide

Ineligible Courses Reported in ESOL

1. [Ref. 149] Our examination procedures included an automated test that compared the course numbers reported in ESOL by the District to the courses that have been designated for that program by the Department of Education. The results of this test disclosed that four courses in the reported course schedules of five students were reported incorrectly in ESOL. We made the following audit adjustment:

102 Basic 4-8	.1800	
103 Basic 9-12	.2502	
111 Grades K-3 with ESE Services	1.0000	
112 Grades 4-8 with ESE Services	.5000	
130 ESOL	<u>(1.9302)</u>	<u>.0000</u>
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

**Net Audit
 Adjustments
 (Unweighted FTE)**

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

<u>Findings</u>	<u>Net Audit Adjustments (Unweighted FTE)</u>
Bob Sikes Elementary School (#0051)	
2. [Ref. 5171] <u>The parents of one LEP student taught by an out-of-field teacher in ESOL were not notified of the teacher's out-of-field status. Since the student involved is cited in finding No. 4 (Ref. 5102), no audit adjustment was made here.</u>	.0000
3. [Ref. 5101] <u>Two ESE students were not reported in accordance with the students' Matrix of Services forms. We made the following audit adjustment:</u>	
111 Grades K-3 with ESE Services	1.0000
254 ESE Support Level 4	<u>(1.0000)</u>
	.0000
4. [Ref. 5102] <u>The files for three LEP students did not contain LEP Student Plans or documentation that the students' parents had been notified of the students' ESOL-placement. We made the following audit adjustment:</u>	
101 Basic K-3	2.5000
130 ESOL	<u>(2.5000)</u>
	.0000
	<u>.0000</u>

Clifford Meigs Middle School (#0082)

5. [Ref. 8201] We noted the following exceptions for four students in ESOL:
- a. The files for two students did not contain documentation justifying the students' continued ESOL-placement for a fourth year.
 - b. The file for one student did not contain documentation supporting the student's initial ESOL-placement.
 - c. The courses taken by one student were reported incorrectly in both program No. 130 (ESOL) and program No. 112 (Grades 4-8 with ESE Services). The student was ESE should have been reported only in program No. 112.

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

<u>Findings</u>	Net Audit Adjustments (Unweighted FTE)
<u>Clifford Meigs Middle School (#0082)</u> (Continued)	
<u>We made the following audit adjustment:</u>	
102 Basic 4-8	1.4518
112 Grades 4-8 with ESE Services	.0884
130 ESOL	<u>(1.5402)</u>
	.0000
6. [Ref. 8202] <u>Two ESE students were not reported in accordance with the students' Matrix of Services forms. We made the following audit adjustment:</u>	
112 Grades 4-8 with ESE Services	.5000
254 ESE Support Level 4	<u>(.5000)</u>
254 ESE Support Level 4	.5000
255 ESE Support Level 5	<u>(.5000)</u>
	.0000
7. [Ref. 8203] <u>The file for one ESE student was missing and could not be located. We made the following audit adjustment:</u>	
102 Basic 4-8	1.0000
112 Grades 4-8 with ESE Services	<u>(1.0000)</u>
	<u>.0000</u>
<u>C. W. Ruckel Middle School (#0121)</u>	
8. [Ref. 12101] <u>The entire course schedule for one ESE student was reported in program No. 255 (ESE Support Level 5) under the Hospital and Homebound program; however, two of the student's courses were on-campus and should have been reported in program No. 112 (Grades 4-8 with ESE Services). We made the following audit adjustment:</u>	
102 Basic 4-8	.1800
255 ESE Support Level 5	<u>(.1800)</u>
	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

C. W. Ruckel Middle School (#0121) (Continued)

9. [Ref. 12171] The parents of one student taught by an out-of-field teacher in ESOL were not notified of the teacher's out-of-field status. We made the following audit adjustment:

102 Basic 4-8	.1800	
130 ESOL	(.1800)	.0000
		.0000

Laurel Hill School (#0201)

10. [Ref. 20101] The file for one LEP student did not contain documentation justifying the student's continued ESOL-placement for a fourth year. We made the following audit adjustment:

103 Basic 9-12	.1734	
130 ESOL	(.1734)	.0000
		.0000

Niceville Senior High School (#0211)

11. [Ref. 21172] One teacher taught Language Arts to a class that included one LEP student, but was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field. We also noted that the parents of the student concerned were not notified of the teacher's out-of-field status. Since the student involved is cited in finding No. 13 (Ref. 21102), no audit adjustment was made here.

.0000

12. [Ref. 21101] The course schedules for 30 Career Education students in OJT were reported using an incorrect priority order. The students' off-campus work hours were funded prior to the students' on-campus instruction. (Finding continues on next page.)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Niceville Senior High School (#0211) (Continued)

We also noted the following additional exceptions for 9 of the 30 students: (a) the timecards for 7 students were missing and could not be located; (b) one student was not in attendance during the 11-day window of the reporting survey; and (c) one student was reported for more work hours than were supported by the student’s timecard. We made the following audit adjustment:

103 Basic 9-12	3.7603	
300 Career Education 9-12	<u>(5.1745)</u>	(1.4142)

13. [Ref. 21102] We noted the following exceptions involving seven students in ESOL: (a) the files for five students did not contain documentation that the students’ parents had been notified of the students’ ESOL-placement and three of the files were also missing valid LEP Student Plans; and (b) the Plans for two students were missing and could not be located. We made the following audit adjustment:

103 Basic 9-12	2.0850	
130 ESOL	<u>(2.0850)</u>	.0000

14. [Ref. 21103] We noted the following exceptions for seven ESE students:

- a. Six students in the Hospital and Homebound program were reported for more homebound instruction in program No. 255 (ESE Support Level 5) than they were provided. We also noted that the attendance records for two of these six students, who also received on-campus instruction in program No. 103 (Basic 9-12), were missing and could not be located.
- b. One student had been dismissed from the Hospital and Homebound program on October 5, 2006, prior to the reporting survey.

We made the following audit adjustment:

103 Basic 9-12	(.1501)	
255 ESE Support Level 5	<u>(.3618)</u>	(.5119)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Niceville Senior High School (#0211) (Continued)

15. [Ref. 21104] The Matrix of Services form for one ESE student was not reviewed and updated when the student's new IEP was prepared. We made the following audit adjustment:

113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000

16. [Ref. 21171] One teacher taught Science to a class that included one LEP student, but had earned only 30 of the 60 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	.0834	
130 ESOL	(.0834)	.0000

17. [Ref. 21173] One teacher was not properly certified and was not approved by the School Board to teach out-of-field. The teacher was certified in ESE, but taught a course which required certification in Industrial Arts Technology. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

103 Basic 9-12	.0734	
254 ESE Support Level 4	(.0734)	.0000

(1.9261)

Silver Sands School (#0241)

18. [Ref. 24101] Three ESE students were not reported in accordance with their Matrix of Services forms. We made the following audit adjustment:

112 Grades 4-8 with ESE Services	(.5000)	
254 ESE Support Level 4	.5000	

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

<u>Findings</u>		<u>Net Audit Adjustments (Unweighted FTE)</u>
Silver Sands School (#0241) (Continued)		
254 ESE Support Level 4	(.5000)	
255 ESE Support Level 5	.5000	
254 ESE Support Level 4	.5000	
255 ESE Support Level 5	(.5000)	.0000
		<u>.0000</u>
Valparaiso Elementary School (#0261)		
19. [Ref. 26101] <u>The LEP Student Plan for one student was not prepared until January 18, 2007, after the reporting survey. We made the following audit adjustment:</u>		
101 Basic K-3	.5000	
130 ESOL	(.5000)	.0000
		<u>.0000</u>
W. C. Pryor Middle School (#0271)		
20. [Ref. 27101] <u>We noted the following exceptions for seven students in ESOL:</u>		
a. <u>The files for five students did not contain documentation that the students' parents had been notified of the students' ESOL-placement.</u>		
b. <u>The file for one student did not contain an LEP Student Plan covering the reporting surveys or documentation justifying the student's continued ESOL-placement for a fifth year.</u>		
c. <u>The file for one student did not contain documentation justifying the student's continued ESOL-placement for a fourth year.</u>		
<u>We made the following audit adjustment:</u>		
102 Basic 4-8	3.0287	
130 ESOL	(3.0287)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

W. C. Pryor Middle School (#0271) (Continued)

21. [Ref. 27102] Five ESE students were not reported in accordance with the students' Matrix of Services forms. We made the following audit adjustment:

112 Grades 4-8 with ESE Services	1.5000	
254 ESE Support Level 4	<u>(1.5000)</u>	.0000

22. [Ref. 27172] The parents of seven LEP students taught by one out-of-field teacher in ESOL were not notified of the teacher's out-of-field status. We made the following audit adjustment:

102 Basic 4-8	.8166	
130 ESOL	<u>(.8166)</u>	.0000
		<u>.0000</u>

Wright Elementary School (#0281)

23. [Ref. 28171] The School's newsletter notifying the parents of two LEP students taught by one out-of-field teacher in ESOL was not dated and we could not determine if the notification had been timely (i.e., prior to survey). Since the student in question is cited in finding No. 25 (Ref. 28101), no audit adjustment was made here.

.0000

24. [Ref. 28174] One teacher taught Language Arts to a class that included one LEP student, but was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field. We also noted that the parents of the student concerned were not notified of this teacher's out-of-field status. Since the student in question is cited in finding No. 25 (Ref. 28101), no audit adjustment was made here.

.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Wright Elementary School (#0281) (Continued)

25. [Ref. 28101] We noted the following exceptions for ten students in ESOL:
- a. The files for two students did not contain documentation justifying the students' continued ESOL-placement for a fourth and fifth year, respectively, and the LEP Student Plan for one of the students was not reviewed and updated for the 2006-07 school year.
 - b. The LEP Student Plans for six students were not reviewed and updated for the 2006-07 school year.
 - c. The file for one student did not contain evidence that the student's parents were notified of the student's ESOL-placement.
 - d. The LEP Student Plan and parental notification for one student in the October survey were not completed until November 15, 2006.

We made the following audit adjustment:

101 Basic K-3	5.5000	
102 Basic 4-8	4.0000	
130 ESOL	(9.5000)	.0000

26. [Ref. 28102] One ESE student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustment:

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

27. [Ref. 28175] The School newsletter containing notification that one teacher was out-of-field for ESOL was not dated, and we could not otherwise determine if the notification was made on a timely basis (i.e., prior to survey). We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

<u>Findings</u>		Net Audit Adjustments (Unweighted FTE)
<u>Wright Elementary School (#0281)</u> (Continued)		
101 Basic K-3	.5000	
130 ESOL	(.5000)	.0000
		<u>.0000</u>
<u>Oak Hill Elementary School (#0441)</u>		
28. [Ref. 44101] <u>We noted the following exceptions for three students in ESOL: (a) two students were dismissed from ESOL prior to the 2006-07 school year; and (b) the file for one student did not contain documentation justifying the student's continued ESOL-placement for a fourth year. We made the following audit adjustment:</u>		
101 Basic K-3	1.0000	
102 Basic 4-8	.5000	
130 ESOL	(1.5000)	.0000
29. [Ref. 44102] <u>The file for one ESE student did not contain an IEP that covered the reporting survey. We made the following audit adjustment:</u>		
102 Basic 4-8	.5000	
112 Grades 4-8 with ESE Services	(.5000)	.0000
		<u>.0000</u>
<u>Elliott Point Elementary School (#0541)</u>		
30. [Ref. 54101] <u>One LEP student in the October survey was incorrectly reported twice. We made the following audit adjustment:</u>		
130 ESOL	(.5000)	(.5000)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Elliott Point Elementary School (#0541) (Continued)

31. [Ref. 54102] We noted the following exceptions for five students in ESOL: (a) the LEP Student Plans for three students were not completed until after the reporting survey; and (b) the files for two students did not contain documentation justifying the students' continued ESOL-placement for a fourth and fifth year, respectively. We made the following audit adjustment:

101 Basic K-3	1.0000	
102 Basic 4-8	2.0000	
130 ESOL	(3.0000)	.0000

32. [Ref. 54103] One ESE student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustment:

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

33. [Ref. 54171] One teacher taught Language Arts to a class that included one LEP student, but was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field. We also noted that the parents of the student concerned were not notified of this teacher's out-of-field status. We made the following audit adjustment:

102 Basic 4-8	.5000	
130 ESOL	(.5000)	.0000
		(.5000)

Ocean City Elementary School (#0551)

34. [Ref. 55101] We noted the following exceptions for three students in ESOL:
 a. The file for one student did not contain documentation justifying the student's continued placement in ESOL for a fourth year.

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Ocean City Elementary School (#0551) (Continued)

- b. The LEP Committee report for one LEP student did not consider at least two of the ESOL-placement criteria specified in Rule 6A-6.0902(2)(a)3., Florida Administrative Code, prior to recommending the student's continued placement in ESOL for a fourth year.
- c. One student was exited from the ESOL program prior to the reporting survey.

We made the following audit adjustment:

101 Basic K-3	.7500	
130 ESOL	(.7500)	.0000

35. [Ref. 55102] One ESE student was not reported in accordance with the student's Matrix of Services form. We also noted that the student's file did not contain an IEP that covered the reporting survey. We made the following audit adjustment:

102 Basic 4-8	.5000	
254 ESE Support Level 4	(.5000)	.0000
		.0000

Mary Esther Elementary School (#0561)

36. [Ref. 56172] The parents of two LEP students taught by an out-of-field teacher in ESOL were not notified of the teacher's out-of-field status. Since the students in question are cited in finding No. 37 (Ref. 56101), no audit adjustment was made here.

.0000

37. [Ref. 56101] We noted the following exceptions for six students in ESOL:

- a. The LEP Student Plans for two students were not reviewed and updated for the 2006-07 school year.

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Mary Esther Elementary School (#0561) (Continued)

- b. The file for one student did not contain a Plan that covered the reporting survey.
- c. One student had been dismissed from the ESOL program prior to the reporting survey.
- d. The files for two students were missing and could not be located.

We made the following audit adjustment:

101 Basic K-3	1.0000	
102 Basic 4-8	4.5000	
130 ESOL	<u>(5.5000)</u>	.0000

38. [Ref. 56171] One teacher taught Language Arts to a class that included one LEP student, but was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field. We also noted that the parents of the student concerned were not notified of this teacher's out-of-field status. We made the following audit adjustment:

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

39. [Ref. 56173] The parents of two students taught by one out-of-field teacher in ESOL were not notified of the teacher's out-of-field status. We made the following audit adjustment:

102 Basic 4-8	2.0000	
130 ESOL	<u>(2.0000)</u>	.0000
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Choctawhatchee Senior High School (#0581)

40. [Ref. 58101] We noted the following exceptions for two students in ESOL:
- a. The file for one student did not contain documentation justifying the student's continued ESOL-placement for a sixth year. We also noted that by the February survey, this student was beyond the six year period allowed for State funding of ESOL.
 - b. The LEP Committee report for one LEP student did not consider at least two of the ESOL-placement criteria specified in Rule 6A-6.0902(2)(a)3., Florida Administrative Code, prior to recommending the student's continued placement in ESOL for a fourth year.

We made the following audit adjustment:

103 Basic 9-12	.7506	
130 ESOL	<u>(.7506)</u>	.0000

41. [Ref. 58102] One ESE student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustment:

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

42. [Ref. 58103] We noted the following exceptions for six Career Education students in OJT:

- a. The timecards for three students were missing and could not be located. We also noted that the timecard for another reporting survey for one of these students did not provide a daily break-out of hours worked; consequently, we were unable to determine the hours worked by the student during the reporting survey.

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Choctawhatchee Senior High School (#0581) (Continued)

- b. The timecard for one student did not indicate the dates that the student had worked; consequently, we could not determine the hours worked by the student during the reporting survey.
- c. The timecard for one student indicated that the student did not work during the reporting survey week.
- d. One student was reported for more work hours than were supported by the student's timecard.

We made the following audit adjustment:

300 Career Education 9-12	(1.6499)	(1.6499)
---------------------------	----------	----------

43. [Ref. 58171] One teacher was not properly certified and was not approved by the School Board to teach out-of-field. The teacher was certified in Elementary Education, but taught a course that required certification in Industrial Arts Technology. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

103 Basic 9-12	7.4226	
300 Career Education 9-12	(7.4226)	.0000
		(1.6499)

Crestview Senior High School (#0601)

44. [Ref. 60101] We noted the following exceptions for one student in our Career Education sample: (a) the student was reported for one Basic education course in the October survey, but was not enrolled in school during the survey week; and (b) the student's timecard for the February survey was missing and could not be located. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

<u>Findings</u>	Net Audit Adjustments (Unweighted FTE)
<u>Crestview Senior High School (#0601)</u> (Continued)	
103 Basic 9-12	(.0834)
300 Career Education 9-12	(.2984)
	(.3818)
45. [Ref. 60102] <u>One ESE student was not enrolled in school during the October or February reporting survey periods and should not have been reported with those surveys' results. We made the following audit adjustment:</u>	
113 Grades 9-12 with ESE Services	(1.0000)
	(1.0000)
46. [Ref. 60103] <u>The course schedules for 23 Career Education students in OJT were reported using an incorrect priority. The students' off-campus work hours were funded prior to the students' on-campus instruction. We also noted the following exceptions for six of the students: (a) the timecards for five students were missing and could not be located; and (b) the timecard for one of the students indicated that student did not work during the reporting survey. We made the following audit adjustment:</u>	
103 Basic 9-12	3.4246
300 Career Education 9-12	(4.4283)
	(1.0037)
47. [Ref. 60104] <u>We noted the following exceptions for two students in program No. 255 (ESE Support Level 5) in the Hospital and Homebound program:</u>	
a. <u>The homebound instructor's contact log for one student did not show any homebound instruction for that student during the reporting survey.</u>	
b. <u>One student was reported for both on-campus instruction and homebound instruction, but was not provided on-campus instruction during the reporting survey.</u>	

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

Findings

**Net Audit
 Adjustments
 (Unweighted FTE)**

Crestview Senior High School (#0601) (Continued)

We made the following audit adjustment:

255 ESE Support Level 5	(.4770)	(.4770)
-------------------------	---------	---------

48. [Ref. 60171] 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. We made the following audit adjustment:

103 Basic 9-12	.0834	
254 ESE Support Level 4	(.0834)	.0000
		<u>(2.8625)</u>

Florosa Elementary School (#0631)

49. [Ref. 63171] One teacher taught Language Arts to a class that included one LEP student, but was not properly certified to teach LEP students and was not approved by the School Board to teach such students out-of-field. Since the student in question is cited in finding No. 50 (Ref. 63101), no audit adjustment was made here.

.0000

50. [Ref. 63101] We noted the following exceptions for six students in ESOL:

- a. The LEP Student Plans for three students were not prepared until after the reporting survey.
- b. The files for two students did not contain evidence of parental notification of the students' ESOL-placement.

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Florosa Elementary School (#0631) (Continued)

- c. The LEP Committee for one LEP student did not consider at least two of the ESOL-placement criteria specified in Rule 6A-6.0902(2)(a)3., Florida Administrative Code, prior to recommending the student’s continued placement in ESOL for a fourth year.

We made the following audit adjustment:

101 Basic K-3	3.0000	
102 Basic 4-8	.5000	
130 ESOL	<u>(3.5000)</u>	<u>.0000</u>
		<u>.0000</u>

Ft. Walton Beach Senior High School (#0641)

- 51. [Ref. 64101] We noted the following exceptions for 15 students in ESOL:
 - a. The file for one student did not contain documentation justifying the student’s continued ESOL-placement for a fifth year.
 - b. The files for nine students did not contain evidence that the students’ parents were notified of the students’ ESOL-placement.
 - c. The file for one student did not contain an *LEP Student Plan*.
 - d. The *Plan* for one student was not reviewed and updated for the 2006-07 school year.
 - e. Three students were reported incorrectly in both program Nos. 130 (ESOL) and program No. 113 (Grades 9-12 with ESE Services). They should have been reported entirely in ESE.

We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

<u>Findings</u>	<u>Net Audit Adjustments (Unweighted FTE)</u>
<u>Ft. Walton Beach Senior High School (#0641)</u> (Continued)	
103 Basic 9-12	4.7036
113 Grades 9-12 with ESE Services	.3336
130 ESOL	<u>(5.0372)</u>
	.0000
52. [Ref. 64102] <u>We noted the following exceptions for five Career Education students:</u>	
a. <u>The timecards for three students in OJT were missing and could not be located.</u>	
b. <u>The course schedules for two students were reported using an incorrect priority. The students' off-campus work hours were funded prior to the students' on-campus instruction.</u>	
<u>We made the following audit adjustment:</u>	
103 Basic 9-12	.2502
300 Career Education 9-12	<u>(.7414)</u>
	(.4912)
53. [Ref. 64103] <u>One Career Education part-time student was not in attendance during the reporting survey and should not have been reported with the survey's results. We made the following audit adjustment:</u>	
300 Career Education 9-12	<u>(.0834)</u>
	(.0834)
54. [Ref. 64171] <u>One teacher taught History to a class that included two LEP students, but had earned none of the 60 in-service training points required in ESOL strategies, pursuant to the teacher's in-service training timeline. We made the following audit adjustment:</u>	
103 Basic 9-12	.1668
130 ESOL	<u>(.1668)</u>
	.0000
	<u>(.5746)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Antioch Elementary School (#0751)

55. [Ref. 75101] One Basic student had withdrawn from school prior to the reporting survey and should not have been reported with the survey's results. We made the following audit adjustment:

101 Basic K-3	(.5000)	(.5000)
		(.5000)

Okaloosa Youth Development Center (#9811)

56. [Ref. 981101] The reported FTE was understated for 56 students in the July survey. The FTE was calculated based on a 20-day term; however, the school calendar indicated the school was in session for a 22-day term. We made the following audit adjustment:

102 Basic 4-8	.1188	
103 Basic 9-12	.0972	
112 Grades 4-8 with ESE Services	.1080	
113 Grades 9-12 with ESE Services	.2268	
254 ESE Support Level 4	.0108	
300 Career Education 9-12	.0432	.6048

57. [Ref. 981102] We noted the following exceptions for two ESE students: (a) one student was not reported in accordance with the student's Matrix of Services form; and (b) the Matrix form for one student was missing and could not be located. We made the following audit adjustment:

112 Grades 4-8 with ESE Services	.1944	
113 Grades 9-12 with ESE Services	.6224	
254 ESE Support Level 4	(.8168)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Okaloosa Youth Development Center (#9811) (Continued)

58. [Ref. 981171] One teacher was not properly certified and was not approved by the School Board to teach out-of-field. The teacher was certified in Trowell Trades, but taught courses which required certification in Agriculture, Family and Consumer Sciences, and the Teacher of Cooperative Work Experience endorsement. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

103 Basic 9-12	1.4088	
300 Career Education 9-12	(1.4088)	.0000
		<u>.6048</u>

Okaloosa Regional Detention Center (#9813)

59. [Ref. 981301] The FTE for 162 students (six of whom were in our Basic sample, three in our Basic with ESE Services sample, and one in our ESE Support Levels 4 and 5 sample) was reported incorrectly, as follows:

- a. In the July survey, the students were reported for a 25-day term and FTE ranging from .0888 FTE to .1374 FTE per student. The students should have been reported for a 22-day term for .1222 FTE per student.
- b. In the June survey, the students were reported for a 43-day term and .2405 FTE each. They should have been reported for a 35-day term for .1944 FTE per student.

We made the following audit adjustment:

102 Basic 4-8	(1.6100)	
103 Basic 9-12	(2.4099)	
112 Grades 4-8 with ESE Services	(.5150)	
113 Grades 9-12 with ESE Services	(.7812)	
254 ESE Support Level 4	(.0304)	(5.3465)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Okaloosa Regional Detention Center (#9813) (Continued)

60. [Ref. 981302] We noted the following exceptions for 151 students (2 of whom were in our Basic sample and 3 in our ESE Support Levels 4 and 5 sample):

- a. Fifty-three students had withdrawn from school prior to the reporting survey and should not have been reported with the surveys' results.
- b. Ninety-eight students were not in attendance during the 11-day window of the reporting survey and should not have been reported with the surveys' results. We also noted the following exceptions for three of these students: (a) the files for two students were missing and could not be located; and (b) the *Matrix of Services* form and IEP for one student were missing and could not be located.

We made the following audit adjustment:

102 Basic 4-8	(15.3212)	
103 Basic 9-12	(24.2210)	
112 Grades 4-8 with ESE Services	(2.5220)	
113 Grades 9-12 with ESE Services	(4.5554)	
254 ESE Support Level 4	(1.1222)	(47.7418)

61. [Ref. 981303] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We made the following audit adjustment:

112 Grades 4-8 with ESE Services	.6222	
254 ESE Support Level 4	(.6222)	.0000
		(53.0883)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Milton Girls Juvenile Residential (#9817)

62. [Ref. 981702] Nine students (one of whom was in our Basic sample and two in our ESE Support Levels 4 and 5 sample) either were not enrolled in school (eight students) or were not in attendance during the reporting survey (one student). We made the following audit adjustment:

102 Basic 4-8	(.4088)	
103 Basic 9-12	(.5258)	
254 ESE Support Level 4	(.5257)	
300 Career Education 9-12	<u>(.1168)</u>	(1.5771)

63. [Ref. 981703] We noted the following exceptions for three ESE students (two of whom were in our ESE Support Levels 4 and 5 sample):

- a. Two students were not reported in accordance with the students' *Matrix of Services forms*.
- b. One ESE student was reported incorrectly in both Basic education and ESE. An ESE student's schedule should be reported entirely in ESE.

We made the following audit adjustment:

113 Grades 9-12 with ESE Services	(1.0000)	
254 ESE Support Level 4	<u>1.0000</u>	.0000
113 Grades 9-12 with ESE Services	.2044	
254 ESE Support Level 4	<u>(.2044)</u>	.0000
102 Basic 4-8	(.1752)	
254 ESE Support Level 4	<u>.1752</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2007

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Milton Girls Juvenile Residential (#9817) (Continued)

64. [Ref. 981771] One teacher was not properly certified and was not approved by the School Board to teach out-of-field. The teacher was certified in ESE, but taught a course that required certification in Family and Consumer Sciences. We also noted that the parents of the student concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

102 Basic 4-8	.0167	
254 ESE Support Level 4	<u>(.0167)</u>	.0000

65. [Ref. 981772] 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:

102 Basic 4-8	.1500	
103 Basic 9-12	1.2750	
254 ESE Support Level 4	<u>(1.4250)</u>	.0000

66. [Ref. 981773] The parents of 11 students taught by one out-of-field ESE teacher were not notified of the teacher's out-of-field status. We made the following audit adjustment:

103 Basic 9-12	.7585	
254 ESE Support Level 4	<u>(.7585)</u>	.0000

(1.5771)

(62.0737)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2007

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only eligible courses are reported for funding in ESOL; (2) only students who were enrolled in school and in attendance for a particular survey are reported for FEFP funding; (3) timecards for students in OJT are properly completed and retained in readily accessible files; (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, ESE, and OJT programs; (5) FTE is correctly calculated for all students, particularly with regard to students reported in the summer surveys, and those in the Hospital and Homebound program who were provided both on-campus instruction and homebound instruction; (6) students in OJT are reported in correct priority and in accordance with their supporting timecards; (7) teachers are properly certified or approved by the School Board to teach out-of-field and earn all required college credits in their out-of-field area; (8) teachers earn the number of in-service training points required in ESOL strategies, pursuant to their in-service training timelines; and (9) parents are notified when their children are assigned to out-of-field teachers

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2007

Regulatory Citations (Continued)

Attendance

- Section 1003.23, F.S. Attendance Records and Reports
- Rules 6A-1.044(3)&(6)(c), F.A.C. . Pupil Attendance Records
- Rule 6A-1.04513, F.A.C. Maintaining Auditable FTE Records
- FTE General Instructions 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)

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 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.Inservice Requirements for Personnel of Limited English Proficient Students

The accompanying notes are an integral part of this schedule.

SCHEDULE F

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2007

Management agreed with out findings and recommendations.

A copy of management's response may be found on page 62 of this report.

The accompanying notes are an integral part of this schedule.

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

NOTE A - SUMMARY

A summary discussion of the significant features of the District, FEFP, FTE, and related areas follows:

1. School District of Okaloosa County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Okaloosa County, Florida. Those services are provided primarily to 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 Okaloosa County. For the fiscal year ended June 30, 2007, the District operated 57 schools, reported 30,161.23 unweighted FTE, and received approximately \$64 million in State funding for those FTE. The primary sources of funding for the District are funds from FEFP, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

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

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 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. 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 FTE in each educational program by the specific cost factor of each program to obtain weighted FTEs. Weighted FTEs are multiplied by the base student allocation amount and that product is multiplied by the appropriate cost differential factor. Various adjustments are then added to this product to obtain the total State and local FEFP dollars. All cost factors, the base student allocation amount, cost differential factors, and various adjustment figures are established by the Florida Legislature.

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys, 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.

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

NOTE A - SUMMARY (Continued)

6. Educational Programs

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

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

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
- Ineligible ESOL Courses	1
1. Baker School	NA
2. Bob Sikes Elementary School	2 through 4
3. Clifford Meigs Middle School	5 through 7
4. C. W. Ruckel Middle School	8 and 9
5. Laurel Hill School	10
6. Niceville Senior High School	11 through 17
7. Silver Sands School	18
8. Valparaiso Elementary School	19
9. W. C. Pryor Middle School	20 through 22
10. Wright Elementary School	23 through 27
11. Oak Hill Elementary School	28 and 29
12. Elliott Point Elementary School	30 through 33
13. Ocean City Elementary School	34 and 35
14. Mary Esther Elementary School	36 through 39
15. Choctawhatchee Senior High School	40 through 43
16. Crestview Senior High School	44 through 48
17. Florosa Elementary School	49 and 50
18. Ft. Walton Beach Senior High School	51 through 54
19. Antioch Elementary School	55
20. Okaloosa Youth Development Center	56 through 58
21. Okaloosa Regional Detention Center	59 through 61
22. Milton Girls Juvenile Residential	62 through 66



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



850/488-5534
Fax: 488-6975

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

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

We have examined management's assertion, included in its representation letter dated July 25, 2007, that the Okaloosa County District School Board complied with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 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.

Compliance

Our examination procedures disclosed material noncompliance involving the District's reported student ridership, as follows: 74 of the 486 students in our student sample had exceptions involving their reported ridership category or eligibility for State transportation funding.¹

In our opinion, except for the material noncompliance mentioned above involving the classification and reporting of transported students, the Okaloosa County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2007.

The results of our examination disclosed other noncompliance with the aforementioned 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 of the noncompliance disclosed by our examination procedures is 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.² However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the classification and reporting of transported students. Other noncompliance disclosed by our examination procedures is indicative of control deficiencies², 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 B.

¹See SCHEDULE B, finding Nos. 2, 3, 4, 5, and 6.

²*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 Okaloosa County District School Board. Copies of this report are available pursuant to Section 11.45(4)(c), Florida Statutes, and its distribution is not limited.

Respectfully submitted,



David W. Martin, CPA
June 19, 2008

SCHEDULE A

Okaloosa 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	554	100.00%	28,376	100.00%
Sample ²	-	-	486	1.71%
<u>General Tests</u>				
Net Audit Adjustments	-	-	(15)	NM
<u>Detailed Tests</u>				
Sample Students w/ Exceptions ³	-	-	74	(15.23%)
Net Audit Adjustments	-	-	(70)	(14.40%)
<u>General and Detailed Tests</u>				
Net Audit Adjustments	-	-	(85)	0.30%

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 28,376 students in the following ridership categories: 1,220 in IDEA (K-12), Weighted; 31 in IDEA (K-12), Unweighted; 514 in IDEA (PK), Weighted; 23 in Teenage Parents and Infants; 1,600 in Hazardous Walking; 24,781 in Two Miles or More; 3 in Center to Center (IDEA), Weighted; 38 in Center to Center (IDEA), Unweighted; and 166 in Center to Center (Vocational). The District also reported operating a total of 554 buses. (IDEA stands for Individuals with Disabilities Education Act.)

² See NOTE B.

³ Sample students with exceptions are those with exceptions affecting their ridership classification or eligibility for State transportation funding. Students cited only for incorrect reporting of days-in-term are not included.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Okaloosa 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 Okaloosa County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported for the fiscal year ended June 30, 2007. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 58.

**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 are not included in students with exceptions on SCHEDULE A.

General Tests

1. [Ref. 51] Our general tests involving the District's summary records of student ridership and buses operated for the July 2006 and June 2007 surveys disclosed numerous cases where the reported number of days-in-term appeared to be unusual or incorrect. For example, the District reported one student for a 90-day term for one of its summer sessions. Consequently, we requested that transportation management review the various school calendars for the District's summer terms and reconstruct the applicable summary records. Our examination of the reconstructed summary records disclosed exceptions affecting the District's reported number of days-in-term for 409 students, number of buses operated, and student ridership (resulting in an overstatement of 15 students).

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Okaloosa 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 (Continued)

We made the following audit adjustments to correct the data originally reported to the Department of Education:

July 2006 Survey

Buses in Operation	(2)	--	--
--------------------	-----	----	----

October 2006 Survey

Buses in Operation	(1)	--	--
--------------------	-----	----	----

June 2007 Survey

Buses in Operation	(2)	--	--
--------------------	-----	----	----

(5)

July 2006 Survey

2 Days-in-Term

IDEA (K-12), Weighted	(1)		
IDEA (PK), Weighted	(3)		

6 Days-in-Term

IDEA (K-12), Unweighted	(1)		
IDEA (PK), Weighted	(5)		
Two Miles or More	(2)		

8 Days-in-Term

IDEA (K-12), Weighted	(94)		
IDEA (PK), Weighted	(2)		

9 Days-in-Term

Hazardous Walking	(2)		
Two Miles or More	(8)		

11 Days-in-Term

Two Miles or More	(1)		
-------------------	-----	--	--

15 Days-in-Term

Two Miles or More	(7)		
-------------------	-----	--	--

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

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

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustments</u>
General Tests (Continued)		
July 2006 Survey (Continued)		
<u>18 Days-in-Term</u>		
Two Miles or More	(1)	
<u>19 Days-in-Term</u>		
IDEA (PK), Weighted	(1)	
<u>20 Days-in-Term</u>		
IDEA (PK), Weighted	(3)	
Two Miles or More	(30)	
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted	<u>(1)</u>	(162)
<u>3 Days-in-Term</u>		
IDEA (K-12), Weighted	1	
<u>6 Days-in-Term</u>		
IDEA (K-12), Weighted	84	
<u>8 Days-in-Term</u>		
Two Miles or More	9	
<u>9 Days-in-Term</u>		
IDEA (K-12), Weighted	10	
IDEA (K-12), Unweighted	1	
IDEA (PK), Weighted	8	
<u>10 Days-in-Term</u>		
Hazardous Walking	2	
Two Miles or More	1	
<u>19 Days-in-Term</u>		
Two Miles or More	<u>32</u>	148

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

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

<u>Findings</u>	<u>Students Transported Net Audit Adjustments</u>
<u>General Tests</u> (Continued)	
<u>June 2007 Survey</u>	
<u>5 Days-in-Term</u>	
Two Miles or More	(1)
<u>7 Days-in-Term</u>	
IDEA (PK), Weighted	(1)
Two Miles or More	(1)
<u>8 Days-in-Term</u>	
IDEA (K-12), Weighted	(3)
<u>9 Days-in-Term</u>	
IDEA (K-12), Weighted	(7)
IDEA (PK), Weighted	(1)
Two Miles or More	(7)
<u>10 Days-in-Term</u>	
IDEA (K-12), Weighted	(1)
Two Miles or More	(5)
<u>11 Days-in-Term</u>	
IDEA (K-12), Weighted	(13)
IDEA (PK), Weighted	(8)
Two Miles or More	(22)
<u>12 Days-in-Term</u>	
Hazardous Walking	(1)
Two Miles or More	(46)
<u>13 Days-in-Term</u>	
Hazardous Walking	(3)
Two Miles or More	(8)
<u>14 Days-in-Term</u>	
IDEA (K-12), Weighted	(1)
Hazardous Walking	(1)
Two Miles or More	(16)
<u>15 Days-in-Term</u>	
Hazardous Walking	(7)
Two Miles or More	(10)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

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

<u>Findings</u>	<u>Students Transported</u> <u>Net Audit Adjustments</u>
General Tests (Continued)	
June 2007 Survey (Continued)	
<u>16 Days-in-Term</u>	
IDEA (K-12), Weighted	(1)
<u>18 Days-in-Term</u>	
Two Miles or More	(11)
<u>19 Days-in-Term</u>	
IDEA (K-12), Weighted	(1)
Hazardous Walking	(2)
Two Miles or More	(29)
<u>20 Days-in-Term</u>	
IDEA (K-12), Weighted	(2)
Hazardous Walking	(1)
<u>21 Days-in-Term</u>	
IDEA (K-12), Weighted	(1)
<u>23 Days-in-Term</u>	
IDEA (K-12), Weighted	(2)
IDEA (K-12), Unweighted	(1)
Two Miles or More	(1)
<u>24 Days-in-Term</u>	
Two Miles or More	(1)
<u>31 Days-in-Term</u>	
Two Miles or More	(3)
<u>35 Days-in-Term</u>	
Two Miles or More	(18)
<u>46 Days-in-Term</u>	
Two Miles or More	(1)
<u>50 Days-in-Term</u>	
Two Miles or More	(1)
<u>62 Days-in-Term</u>	
Two Miles or More	(1)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

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

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustments</u>
General Tests (Continued)		
June 2007 Survey (Continued)		
<u>69 Days-in-Term</u>		
Two Miles or More	(7)	(247)
<u>6 Days-in-Term</u>		
IDEA (K-12), Weighted	14	
IDEA (PK), Weighted	3	
<u>12 Days-in-Term</u>		
IDEA (K-12), Weighted	18	
IDEA (K-12), Unweighted	1	
IDEA (PK), Weighted	7	
<u>16 Days-in-Term</u>		
Hazardous Walking	15	
Two Miles or More	97	
<u>17 Days-in-Term</u>		
Two Miles or More	20	
<u>20 Days-in-Term</u>		
Two Miles or More	71	246
Net Audit Adjustments – General Tests		<u>(15)</u>

Detailed Tests/Sample Students

2. [Ref. 52] Ten students were not transported during the 11-day window of the reporting survey and should not have been reported for State transportation funding.
We made the following audit adjustments:

July 2006 Survey

6 Days-in-Term

 IDEA (K-12), Weighted (1)

8 Days-in-Term

 Two Miles or More (1)

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Okaloosa 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)

February 2007 Survey

90 Days-in-Term

Hazardous Walking	(3)	
Two Miles or More	(1)	
Center to Center (Vocational)	(2)	

June 2007 Survey

16 Days-in-Term

Two Miles or More	(2)	(10)
-------------------	-----	------

3. [Ref. 53] Seven students were not eligible to be reported in Hazardous Walking. Six students did not have to cross a designated hazard to reach school and were not otherwise eligible for State transportation funding and the remaining student lived more than two miles from school and should have been reported in Two Miles or More. We made the following audit adjustments:

July 2006 Survey

10 Days-in-Term

Hazardous Walking	(1)	
Two Miles or More	1	

February 2007 Survey

90 Days-in-Term

Hazardous Walking	(2)	
-------------------	-----	--

June 2007 Survey

16 Days-in-Term

Hazardous Walking	(3)	
-------------------	-----	--

20 Days-in-Term

Hazardous Walking	(1)	(6)
-------------------	-----	-----

4. [Ref. 54] Fifty-two students were incorrectly reported in Two Miles or More. The students lived less than two miles from school and were not eligible for State transportation funding. We also noted that one of the students was not shown on the supporting bus driver's report as having been transported during the 11-day window of the reporting survey. We made the following audit adjustments:

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

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

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustments</u>
<u>Detailed Tests/Sample Students</u> (Continued)		
<u>July 2006 Survey</u>		
<u>10 Days-in-Term</u>		
Two Miles or More	(2)	
<u>15 Days-in-Term</u>		
Two Miles or More	(1)	
<u>19 Days-in-Term</u>		
Two Miles or More	(2)	
<u>October 2006 Survey</u>		
<u>90 Days-in-Term</u>		
Two Miles or More	(25)	
<u>February 2007 Survey</u>		
<u>90 Days-in-Term</u>		
Two Miles or More	(19)	
<u>June 2007 Survey</u>		
<u>16 Days-in-Term</u>		
Two Miles or More	(1)	
<u>20 Days-in-Term</u>		
Two Miles or More	(2)	(52)

5. [Ref. 55] Two students were reported incorrectly in Teenage Parents and Infants. The students were not enrolled in a teenage parent program and were not eligible for another ridership category. We made the following audit adjustment:

<u>February 2007 Survey</u>		
<u>90 Days-in-Term</u>		
Teenage Parents and Infants	(2)	(2)

6. [Ref. 56] Three ESE students were reported incorrectly in an IDEA-weighted ridership category (two in IDEA (K-12) and one in IDEA (PK)). The IEPs for these students did not indicate that the students met at least one of the five criteria required for IDEA-weighted classification. The students were eligible for reporting in IDEA-unweighted ridership categories. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE B (Continued)

Okaloosa 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)		
<u>July 2006 Survey</u>		
<u>6 Days-in-Term</u>		
IDEA (PK), Weighted	(1)	
IDEA (PK), Unweighted	1	
<u>October 2006 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Unweighted	2	
IDEA (K-12), Weighted	<u>(2)</u>	<u>0</u>
Net Audit Adjustments – Detailed Tests/Sample Students		<u>(70)</u>
<hr/>		
<u>Summary – Combined Tests</u>		
General Tests - Net Audit Adjustments	--	<u>(15)</u>
Number of Buses in Operation	<u>(5)</u>	--
Sample Students w/Exceptions	<u>74</u>	--
Detailed Tests – Sample students - Net Audit Adjustments	--	<u>(70)</u>
Net Audit Adjustments – Combined Tests		<u>(85)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Okaloosa 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 categories according to their IEPs; (3) only eligible transported students who are in membership and attendance during survey are reported with a survey's results; (4) the distance from home to school, for students reported in Two Miles or More, is verified prior to reporting; and (5) the eligibility of students for Hazardous Walking is verified prior to being reported.

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

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

Management agreed with out findings and recommendations.

A copy of management's response may be found on page 62 of this report.

The accompanying notes are an integral part of this schedule.

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

For the fiscal year ended June 30, 2007, the District received approximately \$6.2 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	41	384
October 2006	213	13,517
February 2007	214	13,167
June 2007	<u>86</u>	<u>1,308</u>
Total	<u>554</u>	<u>28,376</u>

3. Statutes and Rules

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

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

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

SCHOOL DISTRICT OF OKALOOSA COUNTY

SUPERINTENDENT OF SCHOOLS
ALEXIS TIBBETTS, Ed.D.

ATTORNEY TO THE BOARD
C. JEFFREY McINNIS, Esq.



BOARD MEMBERS
CINDY FRAKES
HOWARD HILL
CHUCK KELLEY
CATHY THIGPEN
RODNEY L. WALKER

June 26, 2008

Mr. Daniel W. Martin, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

The School Board of Okaloosa County submits this letter in response to the Auditor General's Draft Report of the Florida Education Finance Program for the 2006-2007 school year.

The findings have been reviewed by the appropriate administrators and the school district agrees with the general findings of the audit. As we continue to examine the report and its recommendations, corrective actions will be initiated to avoid such findings in the future. A broad, effective and immediate action to be implemented is increased staff training at both the district and school level to increase the understanding and reporting of FTE. Along with a review of attendance procedures and basic FTE reporting, new processes for verifying ESE program numbers, hospital homebound services and OJT record keeping will be introduced.

The audit findings will also be used as we reassess the district's evaluation of ESOL students for initial and continued placement as well as identification and parental notification of out-of-field teachers that serve this population.

Beginning with the 2007-2008 school year the school district has established precise guidelines that must be followed for a school to offer summer instruction and transportation. These guidelines will eliminate confusion as to days in term and result in more accurate reporting in both FTE and Transportation formats.

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

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

Sincerely,

Alexis Tibbetts, Ed.D.
Superintendent of Schools

ADMINISTRATIVE COMPLEX-120 LOWERY PLACE S.E.-FORT WALTON BEACH, FLORIDA 32548
TELEPHONE (850) 833-3100 FAX (850) 833-3436

CARVER HILL-461 W. SCHOOL AVE.-CRESTVIEW, FLORIDA 32536
TELEPHONE (850) 689-7117 FAX (850) 689-7121