

**WASHINGTON COUNTY DISTRICT
SCHOOL BOARD**

Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students

And

Student Transportation

For the Fiscal Year Ended

June 30, 2008



BOARD MEMBERS AND SUPERINTENDENT

Washington County District School Board members and the Superintendent of Schools who served during the 2007-08 fiscal year are listed below:

	<i>District</i>
	<u>No.</u>
<i>Vann Brock, Chair</i>	<i>1</i>
<i>Wayne C. Saunders, Vice Chair</i>	<i>2</i>
<i>John W. Hawkins</i>	<i>3</i>
<i>Terry Ellis</i>	<i>4</i>
<i>Susan G. Roberts</i>	<i>5</i>

Calvin Stevenson, Superintendent

The examination team leader was Alice Pounds, CPA, and the examination 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 and other audit reports prepared by the Auditor General can be obtained on our Web site 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.

Washington County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
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For the Fiscal Year Ended June 30, 2008

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Washington County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2008

IEP – Individual Educational Plan

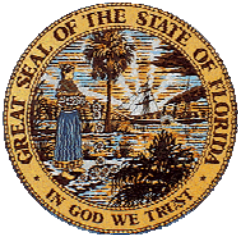
ESE – Exceptional Student Education

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



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

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

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

We have examined management's assertion, included in its representation letter dated July 14, 2008, that the Washington 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, 2008. 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 material noncompliance involving students in ESE Support Levels 4 and 5. We noted exceptions for 10 of the 33 students in our sample. These exceptions involved reporting errors or *Matrix of Services* forms that were not reviewed and updated.

In our opinion, except for the material noncompliance mentioned above involving the reporting of, and the review and updating of *Matrix of Services* forms for, students in ESE Support Levels 4 and 5, the Washington 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, 2008.

All noncompliance disclosed by our examination procedures is discussed in SCHEDULE D. The impact of this noncompliance on the District's reported FTE is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.¹ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the reporting of, and the review and updating of *Matrix of Service* forms for, students in ESE Support Levels 4 and 5. 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.

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

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

Respectfully submitted,



David W. Martin, CPA
October 16, 2008

SCHEDULE A

Washington 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, 2008

<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. <u>Basic</u>						
Population ³	7	100.00%	2,732	100.00%	2,858.3678	100.00%
Sample Size ⁴	5	71.43%	60	2.20%	55.6020	1.95%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.0000	-
2. <u>Basic with ESE Services</u>						
Population ³	7	100.00%	578	100.00%	587.4286	100.00%
Sample Size ⁴	5	71.43%	33	5.71%	28.6363	4.87%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	5.5000	-
3. <u>ESOL</u>						
Population ³	0	0.00%	0	0.00%	.0000	0.00%
Sample Size ⁴	0	0.00%	0	0.00%	.0000	0.00%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.0000	-
4. <u>ESE Support Levels 4 and 5</u>						
Population ³	5	100.00%	39	100.00%	30.8304	100.00%
Sample Size ⁴	4	80.00%	33	84.62%	24.7904	80.41%
Students w/Exceptions	-	-	(10)	(30.30%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(5.5633)	-
5. <u>Career Education 9-12</u>						
Population ³	3	100.00%	0	0.00%	76.7252	100.00%
Sample Size ⁴	0	0.00%	0	0.00%	.0000	0.00%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.0000	-

<u>All Programs</u>						
Population ³	7	100.00%	3,349	100.00%	3,553.3520	100.00%
Sample Size ⁴	5	71.43%	126	3.76%	109.0287	3.07%
Students w/Exceptions	-	-	(10)	(7.94%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(.0633)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Washington 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, 2008

<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	7	100.00%	65	100.00%
Sample Size ⁴	5	71.43%	32	49.23%
Teachers w/Exceptions	-	-	(0)	(0.00%)

¹ See NOTE A6.

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

³ The population shown for the number of schools is the total number of schools in the District which offered the courses in the program specified (i.e., Basic, ESOL, ESE, and Career Education). The population shown for the number of students is the total number of students in each program at the schools in our sample. Our Career Education sample was limited to those students who participated in OJT, if any. 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, 2008. 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

Washington 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, 2008

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
111 Grades K-3 with ESE Services	1.0000	1.048	1.0480
112 Grades 4-8 with ESE Services	3.5000	1.000	3.5000
113 Grades 9-12 with ESE Services	1.0000	1.066	1.0660
254 ESE Support Level 4	(4.5000)	3.625	(16.3125)
255 ESE Support Level 5	<u>(1.0633)</u>	5.062	<u>(5.3824)</u>
Total	<u>(.0633)</u>		<u>(16.0809)</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

Washington 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, 2008

<u>No. Program</u>	<u>Audit Adjustments</u>¹			<u>Balance Forward</u>
	<u>#0021</u>	<u>#0041</u>	<u>#0101</u>	
111 Grades K-3 with ESE Services	.....	.5000	.....	.5000
112 Grades 4-8 with ESE Services	.....	2.0000	1.5000	3.5000
113 Grades 9-12 with ESE Services	1.0000	.....	.....	1.0000
254 ESE Support Level 4	(1.0000)	(1.5000)	(1.5000)	(4.0000)
255 ESE Support Level 5	<u>(.0333)</u>	<u>(1.0000)</u>	.....	<u>(1.0333)</u>
Total	<u>(.0333)</u>	<u>.0000</u>	<u>.0000</u>	<u>(.0333)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Washington 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, 2008

<u>Program No.</u>	<u>Audit Adjustments</u> ¹		
	<u>Brought Forward</u>	<u>#0151</u>	<u>Total</u>
111 Grades K-3 with ESE Services	.5000	.5000	1.0000
112 Grades 4-8 with ESE Services	3.5000	.....	3.5000
113 Grades 9-12 with ESE Services	1.0000	.....	1.0000
254 ESE Support Level 4	(4.0000)	(.5000)	(4.5000)
255 ESE Support Level 5	<u>(1.0333)</u>	<u>(.0300)</u>	<u>(1.0633)</u>
Total	<u>(.0333)</u>	<u>(.0300)</u>	<u>(.0633)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Washington 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, 2008

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 the reporting of, and the review and updating of *Matrix of Services* forms for, students in ESE Support Levels 4 and 5, the Washington 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, 2008. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 12.

Findings

**Net Audit
 Adjustments
 (Unweighted FTE)**

Our examination included the July and October 2007 surveys and the February and June 2008 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2007 survey or the February 2008 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Chipley High School (#0021)

1. [Ref. 2101] 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

2. [Ref. 2102] One Hospital and Homebound student was reported for more homebound instruction (180 minutes) than was provided (80 minutes). We made the following audit adjustment:

255 ESE Support Level 5	<u>(.0333)</u>	<u>(.0333)</u>
		<u>(.0333)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Washington 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, 2008

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Kate M. Smith Elementary School (#0041)

- 3. [Ref. 4101] We noted the following exceptions involving four ESE students:
 - a. Two students were not reported in accordance with their *Matrix of Services* forms.
 - b. The *Matrix of Services* forms for two students were not reviewed and updated when the students' new IEPs were developed.

We made the following audit adjustment:

111 Grades K-3 with ESE Services	.5000	
112 Grades 4-8 with ESE Services	2.0000	
254 ESE Support Level 4	(1.5000)	
255 ESE Support Level 5	(1.0000)	.0000
		<u>.0000</u>

Roulhac Middle School (#0101)

- 4. [Ref. 10101] The *Matrix of Services* forms for two students were not reviewed and updated when the students' new IEPs were developed. We made the following audit adjustment:

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

Vernon Elementary School (#0151)

- 5. [Ref. 15102] The *Matrix of Services* form for one student was not reviewed and updated when the student's new IEP was developed. We made the following audit adjustment:

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Washington 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, 2008

Findings

**Net Audit
 Adjustments
 (Unweighted FTE)**

Vernon Elementary School (#0151) (Continued)

6. [Ref. 15103] One student in Hospital and Homebound was reported for more homebound instruction (750 minutes) than was provided (660 minutes). We made the following audit adjustment:

255 ESE Support Level 5	(.0300)	(.0300)
		(.0300)
		(.0633)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Washington 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, 2008

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) *Matrix of Services* forms are appropriately reviewed and updated; (2) ESE Students in Support Levels 4 and 5 are reported in accordance with their *Matrix of Services* forms; and (3) contact logs for Hospital and Homebound students support the amount of homebound instructional time 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 FTE and FEFP.

Regulatory Citations

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
- Matrix of Services Handbook

The accompanying notes are an integral part of this schedule.

Washington County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

NOTE A - SUMMARY

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

1. School District of Washington County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Washington 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 Washington County. For the fiscal year ended June 30, 2008, the District operated seven schools, reported 3,553.3520 unweighted FTE, and received approximately \$13.6 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.

Washington County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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 2007-2008 school year were conducted during and for the following weeks: survey one was performed for July 9-13, 2007; survey two was performed for October 8-12, 2007; survey three was performed for February 4-8, 2008; and survey four was performed for June 9-13, 2008.

Washington County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2008

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) ESOL; (3) ESE; 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, 2008. 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:

Washington County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Chipley High School	1 and 2
2. Kate M. Smith Elementary School	3
3. Vernon High School	NA
4. Roulhac Middle School	4
5. Vernon Elementary School	5 and 6



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

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

We have examined management's assertion, included in its representation letter dated July 14, 2008, that the Washington 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, 2008. 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 with the District's reported student ridership data as follows: 82 of the 143 students in our sample had exceptions involving their reported ridership categories or eligibility for State transportation funding.

In our opinion, except for the material noncompliance mentioned above involving the classification and reporting of transported students, the Washington 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, 2008.

All noncompliance disclosed by our examination procedures is discussed in SCHEDULE G. The impact of this noncompliance on the District's reported number of transported students is presented in SCHEDULE F and SCHEDULE G.

Internal Control Over Compliance

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

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

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

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

Respectfully submitted,



David W. Martin, CPA
October 16, 2008

SCHEDULE F

Washington County District School Board
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2008

<u>Description</u>	<u>Number of Buses</u>	<u>% of Pop.</u>	<u>No. of Students Transp.</u>	<u>% of Pop. (Sample)</u>
Population ¹	92	100.00%	4,647	100.00%
Sample ²	-	-	143	3.08%
Sample Students w/ Exceptions	-	-	82	(57.34%)
Net Audit Adjustments	-	-	(78)	1.68%

¹ The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2008. The District reported 4,647 students in the following ridership categories: 66 in IDEA (K-12), Weighted; 1 in IDEA (K-12), Unweighted; 11 in IDEA (PK), Weighted; 24 in IDEA (PK), Unweighted; 3 in Teenage Parents and Infants; 4,535 in Two Miles or More; and 7 in Center to Center (Vocational).

² See NOTE B.

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Washington County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2008

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 Washington 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, 2008. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 23.

Findings

**Students
 Transported
 Net Audit
 Adjustments**

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 adjusted for the October or February surveys were reported for 90 days-in-term unless otherwise noted.

1. [Ref. 52] Seventy-seven students were reported incorrectly 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 three of the students were not transported by the District during the reporting survey. We made the following audit adjustments:

October 2007 Survey

Two Miles or More (*Sample Students*) (34)

February 2008 Survey

Two Miles or More (*Sample Students*) (43) (77)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Washington County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2008

**Students
 Transported
 Net Audit
 Adjustments**

Findings

2. [Ref. 54] Four ESE students were reported incorrectly in an IDEA-weighted ridership category (two in IDEA (K-12) and two in IDEA (PK)). The IEPs for three of these students did not indicate that the students met at least one of the five criteria required for IDEA-weighted classification. The file for the remaining student did not contain a doctor's prescription to support the medical condition criteria indicated on the student's IEP. We made the following audit adjustments:

October 2007 Survey

IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	
IDEA (K-12), Unweighted (<i>Sample Student</i>)	1	
IDEA (PK), Weighted (<i>Sample Student</i>)	(1)	
IDEA (PK), Unweighted (<i>Sample Student</i>)	1	

February 2008 Survey

IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	
IDEA (K-12), Unweighted (<i>Sample Student</i>)	1	
IDEA (PK), Weighted (<i>Sample Student</i>)	(1)	
IDEA (PK), Unweighted (<i>Sample Student</i>)	<u>1</u>	0

3. [Ref. 55] One ESE student was not transported by the District during the February survey and was not eligible for State transportation funding. We made the following audit adjustment:

February 2008 Survey

IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	(1)
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Net Audit Adjustments

(78)

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Washington County District School Board
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2008

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only those students who were transported during a survey period are included with the survey’s results; (2) the distance from home to school, for students classified in the Two Miles or More category, is verified prior to those students being reported; (3) and only ESE students whose need for special transportation services has been properly documented on their IEPs are reported in IDEA weighted ridership categories.

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.

Washington County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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 ESE 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 Washington County

For the fiscal year ended June 30, 2008, the District received approximately \$1 million in State transportation funding. The District’s transportation reporting by survey was as follows:

<u>Survey Period</u>	<u>No. of Buses</u>	<u>No. of Students</u>
July 2007	1	6
October 2007	45	2,293
February 2008	45	2,339
June 2008	1	2
Total	<u>92</u>	<u>4,647</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

Washington County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2008

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, 2008. 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.

EXHIBIT – A
MANAGEMENT’S RESPONSE



Calvin Stevenson
Superintendent of Schools
(850) 638-6222
Fax (850) 638-6226

**Washington County
District School Board**
“An Equal Opportunity Agency”
652 Third Street
Chipley, Florida 32428
November 12, 2008

District 1
Vann Brock
1160 Whittington Road, Chipley
District 2
Wayne C. Saunders
847 Candy Lane, Chipley
District 3
John W. Hawkins
3429 Spoolmill Road, Vernon
District 4
Terry Ellis
1306 Pinebluff Court, Chipley
District 5
Susan G. Roberts
1456 State Park Road, Chipley

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

Attention: Joe Williams, Section 321

Dear Mr. Martin:

The following is a response to the examination of full-time equivalent (FTE) students and student transportation, as reported by the Washington County District School Board, under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2008. We concur with the auditors’ findings in your report and have taken appropriate corrective actions to address the adverse findings.

Sincerely,

Calvin Stevenson, Superintendent
WASHINGTON COUNTY SCHOOL DISTRICT

“Quality Education Today For A Better Tomorrow”

