STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2027-012
August 2026

LIBERTY COUNTY DISTRICT SCHOOL BOARD

Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the audit period July 2025 through April 2026, Brandon Kyle Peddie served as Superintendent of the Liberty County Schools and the following individuals served as School Board Members:

	District No.
Mason K. Kever	1
Sandra J. Bailey, Vice Chair	2
Darrel L. Hayes, Chair	3
Samuel J. Singletary	4
Charles R. Morris	5

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The team leader was Nicole Ostrowski, CPA, and the audit was supervised by Shelly G. Curti, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at tedwaller@aud.state.fl.us or by telephone at (850) 412-2887.

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LIBERTY COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Liberty County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2024-002. Our operational audit disclosed the following:

Finding 1: Contrary to State law, the District did not post all required fiscal transparency information on the District Web site.

Finding 2: District procedures need strengthening to ensure that instructional contact hours for adult general education classes are accurately reported to the Florida Department of Education. A similar finding was noted in our report No. 2024-002.

BACKGROUND

The Liberty County School District (District) is part of the State system of public education under the general direction of the Florida Department of Education and is governed by State law and State Board of Education rules. Geographic boundaries of the District correspond with those of Liberty County. The governing body of the District is the Liberty County District School Board (Board), which is composed of five elected members. The elected Superintendent of Schools is the Executive Officer of the Board. During the 2025-26 fiscal year, the District operated five combination, high, and specialized schools; and reported 1,114 unweighted full-time equivalent students.

Finding 1: Fiscal Transparency

To promote responsible spending, more citizen involvement, and improved accountability, it is important for the District to provide easy access to its budget and related information. Pursuant to State law,[1] the District must post on its Web site, for each public school within the District and for the District, certain graphical representations of summary financial efficiency data and fiscal trend information for the previous 3 years. Specifically, the District Web site must show fiscal trend information for the previous 3 years on the:

- Ratio of full-time equivalent (FTE) students to FTE instructional personnel.
- Ratio of FTE students to FTE administrative personnel.
- Total operating expenditures per FTE student.
- Total instructional expenditures per FTE student.
- General administrative expenditures as a percentage of total budget.
- Rate of change in the General Fund's ending fund balance not classified as restricted.

[1] Section 1011.035(2), Florida Statutes.

Additionally, the District Web site must include a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE), as required by State law.[2]

At the time of our review in April 2026, the District Web site lacked the required graphical representations for the 2023-24 and 2024-25 fiscal years and did not include the required link to the FDOE transparency tool. District personnel explained that these omissions resulted from staff changes and oversights.

Ensuring that all required financial efficiency data and fiscal trend information are available on the District Web site helps increase citizen involvement and improves the public's ability to analyze, monitor, and evaluate fiscal outcomes.

Recommendation: The District should comply with statutory transparency requirements by posting the required information and link on the District Web site.

Finding 2: Adult General Education

State law[3] defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State's workforce. The District received State funding for adult general education, and General Appropriations Act[4] proviso language required each district to report enrollment for adult general education programs in accordance with State Board of Education (SBE) rules.[5] SBE rules require the District to collect and maintain enrollment and attendance information on students based on minimum enrollment requirements for funding and mandatory withdrawal procedures for students for non-attendance. SBE rules further provide that fundable instructional contact hours are those scheduled hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner.

For the Fall 2025 Semester, the District reported 8,254 instructional contact hours provided to 25 students enrolled in 45 classes. As part of our audit, we examined District records supporting that information and found that instructional contact hours for the 25 students were over reported by 9 to 344 hours or a total of 2,941 hours.

In response to our inquiry, District personnel indicated that the errors occurred because District personnel misunderstood the SBE rule requirements and miscalculated the attendance days. Since adult general education funding is based, in part, on enrollment data reported to the FDOE, it is important for the District to report accurate data. A similar finding was noted in our report No. 2024-002.

Recommendation: The District should provide training so staff understand and accurately report instructional contact hours for adult general education classes to the FDOE. The District should also determine the extent that adult general education hours were misreported and contact the FDOE for proper resolution.

[2] Section 1010.20, Florida Statutes.

[3] Section 1004.02(3), Florida Statutes.

[4] Chapter 2025-198, Laws of Florida, Specific Appropriation 122.

[5] SBE Rule 6A-10.0381(4), Florida Administrative Code.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective action for findings included in our report No. 2024-002, except that Finding 2 was also noted in that report as Finding 2.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from March 2026 through July 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on selected District processes and administrative activities. For those areas, our audit objectives were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2024-002.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those areas included within the scope of the audit, weaknesses in management's internal controls significant to our audit objectives; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit;

obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records, as well as events and conditions, occurring during the period July 2025 through April 2026, and selected District actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable State laws, State Board of Education (SBE) rules, Board policies, District procedures, and other guidelines, and interviewed District personnel to obtain an understanding of applicable processes and administrative activities and the related requirements.
- Evaluated District procedures for maintaining and reviewing employee access to information technology data and resources. We examined selected user access privileges to District enterprise resource planning (ERP) system finance and human resources (HR) applications to determine the appropriateness and necessity of the access privileges based on employee job duties and user account functions and whether the access privileges prevented the performance of incompatible duties. Specifically, we examined District records supporting the:
  - 25 accounts with update access privileges to selected critical ERP system finance application functions.
  - 3 accounts with update access privileges to selected critical ERP system HR application functions.

  We also examined the administrator account access privileges granted and procedures for oversight of administrative accounts for the applications to determine whether these accounts had been appropriately assigned and managed.
- Examined District records and inquired of District personnel to determine whether the District had expenditures or entered into any contracts under the authority granted by a state of emergency declared or renewed during the 2025-26 fiscal year.
- Examined District records and inquired of District personnel related to public records requests received during the audit period to determine whether the District had established effective controls and related records to demonstrate compliance with Chapter 119, Florida Statutes.
- From the population of $122,270 total expenditures from workforce education program funds for the audit period, selected 13 expenditures totaling $112,406 and examined supporting documentation to determine whether the District used the funds for authorized purposes (i.e., not used to support K-12 programs or District K-12 administrative costs).

- Examined District records supporting 8,254 reported instructional hours for the 25 adult general education students during the Fall 2025 Semester to determine whether the District reported the instructional hours in accordance with SBE Rule 6A-10.0381, Florida Administrative Code.
- Examined the District Web site to determine whether the proposed, tentative, and official budgets for the audit period were prominently posted pursuant to Section 1011.035(2), Florida Statutes. In addition, we determined whether the District Web site contained, for each public school within the District and for the District, the required graphical representations of summary financial efficiency data and fiscal trend information for the previous 3 years, and a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE).
- From the compensation payments totaling $8.3 million to 298 employees during the audit period, examined District records supporting compensation payments totaling $64,882 to 30 selected employees to determine whether the rate of pay complied with the Board-approved salary schedule and whether supervisory personnel reviewed and approved employee reports of time worked.
- For the six school administrators compensated a total of $396,677 during the 2025-26 fiscal year, examined District records to determine whether the District had developed adequate performance assessment procedures for school administrators based on student performance and other criteria in accordance with Section 1012.34(3), Florida Statutes, and determined whether a portion of their compensation was based on performance in accordance with Section 1012.22(1)(c)5., Florida Statutes.
- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07, 1006.12, and 1011.62(12), Florida Statutes.
- Examined District records to determine whether the Board had adopted appropriate mental health awareness policies and the District had implemented procedures to promote the health, safety, and welfare of students and ensure compliance with Sections 1012.584 and 1011.62(13), Florida Statutes, and SBE Rule 6A-1.094124, Florida Administrative Code.
- Evaluated District procedures for identifying facility maintenance needs and establishing resources to address those needs.
- Evaluated District procedures for determining Maintenance Department staffing needs. We also determined whether such procedures included consideration of appropriate factors and performance measures that were supported by factual information.
- Determined whether non-compensation expenditures were reasonable, correctly recorded, adequately documented, for a valid District purpose, properly authorized and approved, and in compliance with applicable State laws, SBE rules, contract terms and Board policies; and applicable vendors were properly selected. Specifically, from the population of non-compensation expenditures totaling $4.6 million for the audit period, we examined documentation supporting 30 selected payments for general expenditures totaling $72,717.
- Examined District records for the audit period to determine whether District procedures ensured that vendor and employee information changes, such as address and bank information changes, were properly authorized, documented, and verified before payments were made.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.

- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading ***MANAGEMENT'S RESPONSE***.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each school district on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

Sherrill F. Norman, CPA
Auditor General

LIBERTY COUNTY SCHOOL DISTRICT

KYLE PEDDIE, SUPERINTENDENT

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August 3, 2026

Ms. Sherrill F. Norman, CPA
Auditor General State of FL
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Tallahassee, FL 32399-1450

Dear Ms. Norman:

Pursuant to the provisions of section 11.45(4)(d), Florida Statutes, I am responding to the findings cited in the Operational Audit of the Liberty County School Board. As always, I would like to commend your staff who were very courteous during the process. Our responses are as follows:

Finding #1: Contrary to State law, the district did not post all required fiscal transparency information on the District Web site.

Response: The district will complete the 2023/24 and 2024/25 fiscal transparency requirements and post to our district website by the end of August 2026. This was simply an oversight due to staff changes in the Finance Department. In the future, we will complete this annually as it is sent out each year to comply with the state laws.

Finding #2: District procedures need strengthening to ensure that instructional contact hours for adult general education classes are accurately reported to the Florida Department of Education.

Response: District procedures will be strengthened to ensure instructional contact hours for general education coursework are accurately reported to the FDOE. We will ensure that staff are trained on the SBE rule requirements to fully understand how to properly calculate and report instructional contact hours for adult general education classes.

Again, I wish to express our appreciation to your audit staff for the professional way the audit was conducted. We appreciate your recommendations and are taking the necessary action to implement them. The district will continue to be diligent to conduct its affairs in a correct and efficient manner. If you need further information, please don't hesitate to contact me.

Sincerely,

Kyle Peddie
Liberty County Superintendent of Schools