REPORT NO. 2013-174
APRIL 2013

SANTA ROSA COUNTY
DISTRICT SCHOOL BOARD

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2012

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

BOARD MEMBERS AND SUPERINTENDENT

Santa Rosa County District School Board members and the Superintendent of Schools who served during the 2011-12 fiscal year are listed below:

Member	District No.
Diane L. Scott, Ph.D., Chair to 11-21-11	1
E. Hugh Winkles, Vice Chair to 11-21-11, Chair from 11-22-11	2
Mary Diane Coleman	3
JoAnn J. Simpson, Vice Chair from 11-22-11	4
Scott T. Peden	5

Timothy S. Wyrosdick, 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 Nancy M. Reeder, CPA, CISA, CFE, Audit Manager, by e-mail at nancyreeder@aud.state.fl.us or by telephone at (850) 414-9941.

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Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2012

ELL	English Language Learner
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
FAC	Florida Administrative Code
FS	Florida Statutes
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Plan
IFSP	Individualized Family Support Plan
OJT	On-the-Job Training
PK	Prekindergarten

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation

TABLE OF CONTENTS

For the Fiscal Year Ended June 30, 2012

PAGE NO.

EXECUTIVE SUMMARY i

FULL-TIME EQUIVALENT (FTE) STUDENTS

INDEPENDENT AUDITOR'S REPORT 1

SCHEDULE A – POPULATIONS, SAMPLES, AND TEST RESULTS 4

SCHEDULE B – EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE 6

SCHEDULE C – PROPOSED ADJUSTMENTS BY SCHOOL 7

SCHEDULE D – FINDINGS AND PROPOSED ADJUSTMENTS 10

SCHEDULE E – RECOMMENDATIONS AND REGULATORY CITATIONS 21

NOTES TO SCHEDULES 24

STUDENT TRANSPORTATION

INDEPENDENT AUDITOR'S REPORT 28

SCHEDULE F – POPULATIONS, SAMPLES, AND TEST RESULTS 31

SCHEDULE G – FINDINGS AND PROPOSED ADJUSTMENTS 33

SCHEDULE H – RECOMMENDATIONS AND REGULATORY CITATIONS 38

NOTES TO SCHEDULES 39

MANAGEMENT'S RESPONSE

EXHIBIT A – MANAGEMENT'S RESPONSE 41

EXECUTIVE SUMMARY

SUMMARY OF ATTESTATION EXAMINATION

Except for the material noncompliance described below involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), the Santa Rosa County District School Board complied, in all material respects, with State requirements regarding the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) and the number of students transported for the fiscal year ended June 30, 2012:

- **Four of the 33 students in our ESOL sample, 17 of the 138 students in our ESE Support Levels 4 and 5 sample, and 33 of the 67 students in our Career Education 9-12 (OJT) sample had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located.**

Noncompliance related to reported FTE resulted in 33 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative 6.9465 but has a potential impact on the District's weighted FTE of a negative 21.1582. Noncompliance related to student transportation resulted in 8 findings and a proposed net adjustment of a negative 230 students.

Weighted adjustments to FTE are presented in our report for illustrative purposes only. The weighted adjustments to FTE do not take special program caps and allocation factors into account and are not intended to indicate the weighted FTE used to compute the dollar value of adjustments. That computation is the responsibility of the Department of Education. However, the gross dollar effect of our proposed adjustments to FTE may be estimated by multiplying the proposed net weighted adjustment to FTE by the base student allocation amount. For the Santa Rosa County District School Board, the estimated gross dollar effect of our proposed adjustments to reported FTE is a negative $73,614 (negative 21.1582 times $3,479.22).

We have not presented an estimate of the potential dollar effect of our proposed adjustments to student transportation because there is no equivalent method for making such an estimate.

The ultimate resolution of our proposed adjustments to FTE and student transportation and the computation of their financial impact is the responsibility of the Department of Education.

SCHOOL DISTRICT OF SANTA ROSA COUNTY

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Santa Rosa County. Those services are provided primarily to prekindergarten through twelfth grade students and 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 Santa Rosa County.

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. For the fiscal year ended June 30, 2012, the District operated 38 schools serving prekindergarten through twelfth grade students, reported 25,240.81 unweighted FTE for those students, and received approximately $70.2 million in State funding through FEFP.

FLORIDA EDUCATION FINANCE PROGRAM (FEFP)

Full-Time Equivalent (FTE) Students

Florida school districts receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of programs and services appropriate to the student's 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. 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 unweighted FTE (full-time equivalent) student. For example, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE).

Student Transportation

Any student who is transported by the District 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 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes. The District received approximately $5.5 million for student transportation as part of the State funding through FEFP.

DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL
STATE OF FLORIDA

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

INDEPENDENT AUDITOR'S REPORT
SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated July 23, 2012, that the Santa Rosa 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, 2012. 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 2011-12* 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 4 of the 33 students in our ESOL sample,[1] 17 of the 138 students in our ESE Support Levels 4 and 5 sample,[2] and 33 of the 67 students in our Career Education 9-12 (OJT) sample[3] who had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located.

In our opinion, except for the material noncompliance mentioned above involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), the Santa Rosa 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, 2012.

The results of our examination disclosed other noncompliance with the State requirements mentioned above. We considered this other noncompliance in forming our opinion regarding the District's compliance 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 this noncompliance on the District's reported FTE is presented in SCHEDULES A, B, C, and D.

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[1] *For ESOL, see SCHEDULE D, Finding Nos. 3, 21, and 24.*

[2] *For ESE Support Levels 4 and 5, see SCHEDULE D, Finding Nos. 1, 2, 5, 17, 18, 20, 27, 30, 31, 32, and 33.*

[3] *For Career Education 9-12 (OJT), see SCHEDULE D, Finding Nos. 10, 12, 15, 16, and 25.*

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.[4] However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to reporting errors or records that were not properly or accurately prepared or were missing and could not be located 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 deficiencies[4] and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULES A and 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.

Pursuant to Section 11.45(4)(c), 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
April 12, 2013

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

SCHEDULE A

Santa Rosa 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, 2012

REPORTED FTE

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. FEFP funds ten specific programs that are grouped under the following four general program titles: Basic, ESOL, ESE, and Career Education 9-12. Unweighted FTE represents FTE prior to the application of the specific cost factor for each program. (See SCHEDULE B and NOTES A3, A4, and A6.) The District reported 25,240.81 unweighted FTE at 38 schools to the Department of Education for the fiscal year ended June 30, 2012.

SCHOOLS AND STUDENTS

As part of our examination procedures, we sampled schools and students for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2012. (See NOTE B.) The population of schools (38) consisted of the total number of schools in the District that offered courses in FEFP-funded programs. The population of students (12,101) consisted of the total number of students in each program at the schools in our samples. Our Career Education 9-12 data includes only those students who participated in OJT. Our populations and samples of schools and students are summarized as follows:

	Number of Schools		Number of Students		Students with	Unweighted FTE		Proposed
Programs	Population	Sample	Population	Sample	Exceptions	Population	Sample	Adjustments
Basic	35	12	10,119	135	2	20,717.1900	124.4727	5.8915
Basic with ESE Services	38	12	1,622	90	5	3,630.3100	79.8514	.5600
ESOL	27	11	58	33	4	130.7300	24.6435	(4.2451)
ESE Support Levels 4 and 5	29	12	214	138	17	199.9300	85.1518	(4.7100)
Career Education 9-12	8	3	88	67	33	562.6500	13.7463	(4.4429)
All Programs	38	12	12,101	463	61	25,240.8100	327.8657	(6.9465)

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Santa Rosa 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, 2012

TEACHERS

We also sampled teachers as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (292) consisted of the total number of teachers at schools in our sample who taught courses in ESE Support Levels 4 and 5 or Career Education 9-12 or taught courses to ELL students. From the population of teachers, we sampled 103 and found exceptions for 11 of those teachers.

PROPOSED ADJUSTMENTS

Our proposed adjustments present the net effects of noncompliance disclosed by our examination procedures, including those related to our tests of teacher certification. Our proposed 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. (See SCHEDULES B, C, and D.)

Section 2 of the General Appropriations Act for the 2011-12 fiscal year (Chapter 2011-69, Laws of Florida) established the cost factors for that fiscal year as shown on SCHEDULE B. Generally, the cost factors are greater than or equal to 1.000, with Basic education cost factors being the lowest. However, for the 2011-12 fiscal year, the cost factor for Career Education 9-12 was 0.999. Chapter 2012-133, Laws of Florida, in part, amended Section 1011.62(13)(b), Florida Statutes, to add language providing that, beginning with the 2011-12 fiscal year, an audit adjustment may not result in the reclassification of special program FTE to basic program FTE if the special program cost factor is less than the basic program cost factor. Accordingly, for instances of noncompliance involving teachers not being properly certified and teaching Career Education 9-12 students out of field or parents of the students not being notified of the teachers' out-of-field status, we have presented disclosure Findings with no proposed adjustments. (See SCHEDULE D, Finding Nos. 14 and 29.)

The ultimate resolution of our proposed adjustments to FTE and the computation of their financial impact is the responsibility of the Department of Education.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
For the Fiscal Year Ended June 30, 2012

No.	Program[1]	Proposed Net Adjustment[2]	Cost Factor	Weighted FTE[3]
101	Basic K-3	.6534	1.102	.7200
102	Basic 4-8	1.9871	1.000	1.9871
103	Basic 9-12	3.2510	1.019	3.3128
111	Grades K-3 with ESE Services	1.5600	1.102	1.7191
112	Grades 4-8 with ESE Services	.5000	1.000	.5000
113	Grades 9-12 with ESE Services	(1.5000)	1.019	(1.5285)
130	ESOL	(4.2451)	1.161	(4.9286)
254	ESE Support Level 4	(3.5000)	3.550	(12.4250)
255	ESE Support Level 5	(1.2100)	5.022	(6.0766)
300	Career Education 9-12	(4.4429)	.999	(4.4385)
Total		(6.9465)		(21.1582)

[1] *See NOTE A6.*

[2] *These proposed net adjustments are for unweighted FTE. (See SCHEDULE C.)*

[3] *Weighted adjustments to FTE are presented for illustrative purposes only. The weighted adjustments to FTE 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 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

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
For the Fiscal Year Ended June 30, 2012

		Proposed Adjustments[1]			
No.	**Program**	**#0021**	**#0051**	**#0071**	**Balance Forward**
101	Basic K-3	.....	.....	(.0200)	(.0200)
102	Basic 4-8	.6668	.....	.....	.6668
103	Basic 9-12	.....	.....	.....	.0000
111	Grades K-3 with ESE Services	.....	1.0000	.....	1.0000
112	Grades 4-8 with ESE Services	.0000	1.0000	.....	1.0000
113	Grades 9-12 with ESE Services	.5000	.....	.....	.5000
130	ESOL	(.6668)	.....	.....	(.6668)
254	ESE Support Level 4	(.5000)	(2.0000)	.....	(2.5000)
255	ESE Support Level 5	(.5000)	.....	.....	(.5000)
300	Career Education 9-12	.....	.....	.....	.0000
Total		(.5000)	.0000	(.0200)	(.5200)

[1] *These proposed adjustments are for unweighted FTE. (See NOTE A4.)*

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
For the Fiscal Year Ended June 30, 2012

		Proposed Adjustments[1]				
No.	**Brought Forward**	**#0102**	**#0151**	**#0182**	**#0191**	**Balance Forward**
101	(.0200)	.....	.....	.....	.....	(.0200)
102	.6668	.8336	.....	.....	.....	1.5004
103	.0000	.....	2.0000	.0834	.....	2.0834
111	1.0000	.....	.....	.....	.5000	1.5000
112	1.0000	(.5000)	.....	.....	.....	.5000
113	.5000	.....	(2.0000)	1.0000	.....	(.5000)
130	(.6668)	(.3336)	(.3336)	(.0834)	.....	(1.4174)
254	(2.5000)	.....	.....	(1.0000)	(.5000)	(4.0000)
255	(.5000)	.....	.....	.....	.....	(.5000)
300	.0000	.....	(.4988)	(1.1085)	.....	(1.6073)
Total	(.5200)	.0000	(.8324)	(1.1085)	.0000	(2.4609)

[1] *These proposed adjustments are for unweighted FTE. (See NOTE A4.)*

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
For the Fiscal Year Ended June 30, 2012

		Proposed Adjustments[1]				
No.	**Brought Forward**	**#0301**	**#0332**	**#0351**	**#9060**	**Total**
101	(.0200)	.6734	.....	.....	.....	.6534
102	1.5004	.3367	.1500	.....	.....	1.9871
103	2.0834	.....	.....	1.1676	.....	3.2510
111	1.5000	.....	.....	.....	.0600	1.5600
112	.5000	.....	.....	.....	.....	.5000
113	(.5000)	.....	.....	(1.0000)	.....	(1.5000)
130	(1.4174)	(1.0101)	(.1500)	(1.6676)	.....	(4.2451)
254	(4.0000)	.....	.....	.5000	.....	(3.5000)
255	(.5000)	.....	.....	(.5000)	(.2100)	(1.2100)
300	(1.6073)	.....	.....	(2.8356)	.....	(4.4429)
Total	(2.4609)	.0000	.0000	(4.3356)	(.1500)	(6.9465)

[1] *These proposed adjustments are for unweighted FTE. (See NOTE A4.)*

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

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 2011-12* issued by the Department of Education. Except for the material noncompliance involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12 (OJT), the Santa Rosa 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, 2012. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 21.

Findings — **Proposed Net Adjustments (Unweighted FTE)**

Our examination included the July and October 2011 surveys and the February and June 2012 surveys (see NOTE A5). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2011 survey or the February 2012 survey or both. Accordingly, our Findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Central School (#0021)

1. [Ref. 2101] One ESE student's *Matrix of Services* form was not completed until January 3, 2012, which was after the October 2011 survey. We propose the following adjustment:

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Central School (#0021) (Continued)		
2. [Ref. 2102] One ESE student was incorrectly reported in Program No. 255 (ESE Support Level 5) based on the student's placement in the Hospital and Homebound Program. The student was dismissed from the Hospital and Homebound Program prior to the February 2012 reporting survey and had returned to the student's regular schedule. We also noted that the student was not in attendance during the October 2011 reporting survey. We propose the following adjustment:		
112 Grades 4-8 with ESE Services	(.5000)	
112 Grades 4-8 with ESE Services	.5000	
255 ESE Support Level 5	(.5000)	(.5000)
3. [Ref. 2103] One ELL student's English language proficiency was not assessed prior to being placed in the ESOL Program for a fourth year. We also noted that an ELL Committee was not convened to consider the student's continued ESOL placement. We propose the following adjustment:		
102 Basic 4-8	.5000	
130 ESOL	(.5000)	.0000
4. [Ref. 2171] One teacher who taught a Basic subject area class that included an ELL student had earned none of the 60 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:		
102 Basic 4-8	.1668	
130 ESOL	(.1668)	.0000
		(.5000)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Bagdad Elementary School (#0051)		
5. [Ref. 5101] The IEPs for two ESE students were not updated to reflect the changes in services noted on the students' revised *Matrix of Services* forms. We propose the following the adjustment:		
111 Grades K-3 with ESE Services	1.0000	
112 Grades 4-8 with ESE Services	1.0000	
254 ESE Support Level 4	(2.0000)	.0000
		.0000
East Milton Elementary School (#0071)		
6. [Ref. 7102] One District Headstart PK student was incorrectly reported in the October 2011 and February 2012 surveys. Headstart is not eligible for funding through FEFP. We propose the following adjustment:		
101 Basic K-3	(.0200)	(.0200)
		(.0200)
Gulf Breeze Middle School (#0102)		
7. [Ref. 10201] The required participants were not involved in the development of one ESE student's IEP as reflected by the presence of only one participant's signature. We propose the following adjustment:		
102 Basic 4-8	.5000	
112 Grades 4-8 with ESE Services	(.5000)	.0000
8. [Ref. 10271] One teacher who taught a Basic subject area class that included an ELL student had earned only 58 of the 60 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Gulf Breeze Middle School (#0102) (Continued)		
102 Basic 4-8	.1668	
130 ESOL	(.1668)	.0000

9. [Ref. 10272] The parents of an ELL student taught by one out-of-field ESOL teacher were not notified of the teacher's out-of-field status. We also noted that the teacher had earned only 120 of the 300 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:

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

Milton High School (#0151)

10. [Ref. 15101] One Career Education 9-12 (OJT) student had withdrawn from school prior to the reporting survey and should not have been reported with the survey's results. We propose the following adjustment:

103 Basic 9-12	(.3336)	
300 Career Education 9-12	(.1664)	(.5000)

11. [Ref. 15102] The files for two ESE students did not contain IEPs that covered the 2011-12 school year. We propose the following adjustment:

103 Basic 9-12	2.0000	
113 Grades 9-12 with ESE Services	(2.0000)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Milton High School (#0151) (Continued)		
12. [Ref. 15103] Three students, who were reported in our Career Education 9-12 (OJT) sample, were reported as taking a course in Financial Internship (Course No. 8815130). However, the students were not compensated for their time worked, which is contrary to the curriculum framework for that course and more specifically within the OJT guidelines whereby students earn high school credit and financial compensation. We propose the following adjustment:		
300 Career Education 9-12	(.3324)	(.3324)
13. [Ref. 15171/72] Two teachers taught Basic subject area classes that included ELL students but had earned none of the 60 in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. We propose the following adjustments:		
Ref. 15171		
103 Basic 9-12	.1668	
130 ESOL	(.1668)	.0000
Ref. 15172		
103 Basic 9-12	.1668	
130 ESOL	(.1668)	.0000
		(.8324)
Pace High School (#0182)		
14. [Ref. 18273] One teacher was not appropriately certified and was not approved to teach a Career Education course out of field. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We present this disclosure Finding with no proposed adjustment.		
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Pace High School (#0182) (Continued)		
15. [Ref. 18201] The timecards for six Career Education 9-12 (OJT) students were missing and could not be located. We propose the following adjustment:		
300 Career Education 9-12	(.9991)	(.9991)
16. [Ref. 18202] We noted exceptions involving two Career Education 9-12 (OJT) students, as follows: (a) the timecard for one student indicated that the student did not work during the survey week, and (b) one student's timecard supported less work time than was reported (7 hours versus 8.32 hours). We propose the following adjustment:		
300 Career Education 9-12	(.1094)	(.1094)
17. [Ref. 18203] One ESE student's IEP was not updated to reflect the student's change of services as was noted on the May 7, 2011, *Matrix of Services* form. Consequently, the *Matrix of Services* form did not correspond to the student's current IEP. We propose the following adjustment:		
113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000
18. [Ref. 18205] The IEP for one ESE student was not signed. We propose the following adjustment:		
113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Pace High School (#0182) (Continued)		
19. [Ref. 18272] One teacher taught a Basic subject area class that included an ELL student but had earned only 20 of the 60 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:		
103 Basic 9-12	.0834	
130 ESOL	(.0834)	.0000
		(1.1085)
W. H. Rhodes Elementary School (#0191)		
20. [Ref. 19101] One ESE student was not reported in accordance with the student's *Matrix of Services* form that was in effect for that survey. We noted that another *Matrix of Services* form was completed on October 19, 2011, which was after the October 2011 survey. We propose the following adjustment:		
111 Grades K-3 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000
		.0000
Pea Ridge Elementary School (#0301)		
21. [Ref. 30101] An ELL Committee was not convened to consider one ELL student's continued ESOL placement for a fourth and fifth year. We propose the following adjustment:		
102 Basic 4-8	.3367	
130 ESOL	(.3367)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Pea Ridge Elementary School (#0301) (Continued)		
22. [Ref. 30171] One Language Arts teacher earned only 120 of the 300 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:		
101 Basic K-3	.6734	
130 ESOL	(.6734)	.0000
		.0000
Thomas L. Sims Middle School (#0332)		
23. [Ref. 33271] One teacher taught a Basic subject area class that included an ELL student but had earned none of the 60 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:		
102 Basic 4-8	.1500	
130 ESOL	(.1500)	.0000
		.0000
Navarre High School (#0351)		
24. [Ref. 35101] Two ELL students were beyond the maximum six-year period allowed for State funding of ESOL. We propose the following adjustment:		
103 Basic 9-12	.9170	
130 ESOL	(.9170)	.0000
25. [Ref. 35102] The timecards for 21 Career Education 9-12 (OJT) students were missing and could not be located. We propose the following adjustment:		
300 Career Education 9-12	(2.8356)	(2.8356)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Navarre High School (#0351) (Continued)		
26. [Ref. 35103] We noted the following attendance exceptions for three students: (a) two students' source attendance records were missing and could not be located, and (b) one student was not in attendance during the 11-day survey window. We propose the following adjustment:		
103 Basic 9-12	(.5000)	
113 Grades 9-12 with ESE Services	(1.0000)	(1.5000)
27. [Ref. 35104] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We propose the following the adjustment:		
254 ESE Support Level 4	.5000	
255 ESE Support Level 5	(.5000)	.0000
28. [Ref. 35171] One teacher taught a Basic subject area class that included ELL students but had earned only 40 of the 60 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:		
103 Basic 9-12	.7506	
130 ESOL	(.7506)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Navarre High School (#0351) (Continued)		
29. [Ref. 35172] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified as an Education Media Specialist but taught a course that required certification in Technical Education. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We present this disclosure Finding with no proposed adjustment.		.0000
		(4.3356)
Berryhill Administrative Complex (#9060)		
30. [Ref. 906002] The homebound instructor's contact logs for two ESE students were missing and could not be located. We propose the following adjustment:		
255 ESE Support Level 5	(.0400)	(.0400)
31. [Ref. 906003] The file for one ESE student did not contain an IFSP or a *Matrix of Services* form covering the October 2011 survey. We propose the following adjustment:		
255 ESE Support Level 5	(.0400)	(.0400)
32. [Ref. 906004] The reported number of homebound instructional minutes for four ESE students in the Hospital and Homebound Program was overstated. We propose the following adjustment:		
255 ESE Support Level 5	(.0700)	(.0700)

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Proposed Net Adjustments (Unweighted FTE)**
Berryhill Administrative Complex (#9060) (Continued)		
33. [Ref. 906005] The *Matrix of Services* form for two PK ESE students incorrectly included 13 Special Consideration points designated for PK students who are being served in the home or hospital on a one-to-one basis. These students were not served in their home or hospital and were instructed in a group setting. We propose the following adjustment:		
111 Grades K-3 with ESE Services	.0600	
255 ESE Support Level 5	(.0600)	.0000
		(.1500)
Proposed Net Adjustment		(6.9465)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Santa Rosa 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, 2012

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only students who are in membership and in attendance at least one day during the 11-day survey window are reported with that survey's results; (2) students are reported for the correct amount of FTE and have adequate documentation to support that reporting, particularly with regard to students in ESE (in the Hospital and Homebound Program) and Career Education 9-12 (OJT); (3) students enrolled in Federally funded programs are not reported for FEFP funding; (4) students' English language proficiency is assessed and ELL Committees are convened prior to the students' fourth, fifth, or sixth years of ESOL placement based on their individual anniversary dates; (5) the reporting of students in ESOL should not exceed the maximum six-year period allowed for State funding of ESOL; (6) IEPs and IFSPs are prepared timely; (7) ESE students are reported in accordance with their *Matrix of Services* forms; (8) IEPs should reflect the students' current services and be updated when students have changes in services; (9) *Matrix of Services* forms are timely and properly completed; (10) all required participants are in attendance at the students' IEP-development meetings as denoted by their signatures on the IEP; (11) students in Career Education 9-12 (OJT) are compensated for time worked and reported in accordance with their timecards that are retained in readily-accessible files; (12) teachers are either properly certified, or if out of field, are timely approved by the School Board to teach out of field; (13) parents are timely and appropriately notified when their children are assigned to out-of-field teachers; and (14) ESOL teachers earn their in-service training points in accordance with their in-service training timelines.

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.

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Santa Rosa 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, 2012

REGULATORY CITATIONS

Reporting

Section 1011.60, FS ..... Minimum Requirements of the Florida Education Finance Program

Section 1011.61, FS ..... Definitions

Section 1011.62, FS ..... Funds for Operation of Schools

Rule 6A-1.0451, FAC ..... Florida Education Finance Program Student Membership Surveys

Rule 6A-1.04513, FAC ..... Maintaining Auditable FTE Records

FTE General Instructions 2011-12

Attendance

Section 1003.23, FS ..... Attendance Records and Reports

Rules 6A-1.044(3) and (6)(c), FAC ..... Pupil Attendance Records

Rule 6A-1.04513, FAC ..... Maintaining Auditable FTE Records

FTE General Instructions 2011-12

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

English for Speakers of Other Languages (ESOL)

Section 1003.56, FS ..... English Language Instruction for Limited English Proficient Students

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

Rule 6A-6.0901, FAC ..... Definitions Which Apply to Programs for English Language Learners

Rule 6A-6.0902, FAC ..... Requirements for Identification, Eligibility Programmatic and Annual Assessments of English Language Learners

Rule 6A-6.0903, FAC ..... Requirement for Classification, Reclassification, and Post Reclassification of English Language Learners

Rule 6A-6.0904, FAC ..... Equal Access to Appropriate Instruction for English Language Learners

Career Education On-the-Job Attendance

Rule 6A-1.044(6)(c), FAC ..... Pupil Attendance Records

Career Education On-the-Job Funding Hours

Rule 6A-6.055(3), FAC ..... Definitions of Terms Used in Vocational Education and Adult Programs

FTE General Instructions 2011-12

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Santa Rosa 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, 2012

REGULATORY CITATIONS (Continued)

Exceptional Education

Section 1003.57, FS	Exceptional Students Instruction
Section 1011.62, FS	Funds for Operation of Schools
Section 1011.62(1)(e), FS	Funding Model for Exceptional Student Education Programs
Rule 6A-6.03028, FAC	Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities
Rule 6A-6.03029, FAC	Development of Family Support Plans for Children with Disabilities Ages Birth Through Five Years
Rule 6A-6.0312, FAC	Course Modifications for Exceptional Students
Rule 6A-6.0331, FAC	General Education Intervention Procedures, Identification, Evaluation, Reevaluation and the Initial Provision of Exceptional Education Services
Rule 6A-6.0334, FAC	Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students
Rule 6A-6.03411, FAC	Definitions, ESE Policies and Procedures, and ESE Administrators

Matrix of Services Handbook (2004 Revised Edition)

Teacher Certification

Section 1012.42(2), FS	Teacher Teaching Out-of-Field; Notification Requirements
Section 1012.55, FS	Positions for Which Certificates Required
Rule 6A-1.0502, FAC	Non-certificated Instructional Personnel
Rule 6A-1.0503, FAC	Definition of Qualified Instructional Personnel
Rule 6A-4.001, FAC	Instructional Personnel Certification
Rule 6A-6.0907, FAC	Inservice Requirements for Personnel of Limited English Proficient Students

The accompanying notes are an integral part of this schedule.

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

NOTE A – SUMMARY

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

1. School District of Santa Rosa County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Santa Rosa County, Florida. Those services are provided primarily to prekindergarten through twelfth grade students and 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 Santa Rosa County.

For the fiscal year ended June 30, 2012, the District operated 38 schools serving prekindergarten through twelfth grade students, reported 25,240.81 unweighted FTE, and received approximately $70.2 million in State funding through FEFP. 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 to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of programs and services appropriate to the student's 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.

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

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 prekindergarten 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 that 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 2011-12 school year were conducted during and for the following weeks: survey one was performed for July 11 through 15, 2011; survey two was performed for October 10 through 14, 2011; survey three was performed for February 13 through 17, 2012; and survey four was performed for June 11 through 15, 2012.

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

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, FS ..... K-20 General Provisions
Chapter 1001, FS ..... K-20 Governance
Chapter 1002, FS ..... Student and Parental Rights and Educational Choices
Chapter 1003, FS ..... Public K-12 Education
Chapter 1006, FS ..... Support for Learning
Chapter 1007, FS ..... Articulation and Access
Chapter 1010, FS ..... Financial Matters
Chapter 1011, FS ..... Planning and Budgeting
Chapter 1012, FS ..... Personnel
Chapter 6A-1, FAC ..... Finance and Administration
Chapter 6A-4, FAC ..... Certification
Chapter 6A-6, FAC ..... Special Programs I

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers using judgmental methods for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2012. 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:

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

NOTE B - SAMPLING (Continued)

School Name/Description	Finding Number(s)
1. Central School	1 through 4
2. Berryhill Elementary School	NA
3. Bagdad Elementary School	5
4. East Milton Elementary School	6
5. Gulf Breeze Middle School	7 through 9
6. Milton High School	10 through 13
7. Pace High School	14 through 19
8. W. H. Rhodes Elementary School	20
9. Pea Ridge Elementary School	21 and 22
10. Thomas L. Sims Middle School	23
11. Navarre High School	24 through 29
12. Berryhill Administrative Complex	30 through 33

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

INDEPENDENT AUDITOR'S REPORT
SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated July 23, 2012, that the Santa Rosa 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, 2012. 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 2011-2012* 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

In our opinion, the Santa Rosa 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, 2012.

The results of our examination disclosed noncompliance with the State requirements mentioned above. We considered this noncompliance in forming our opinion regarding the District's compliance and it did not affect our opinion as stated above. 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 SCHEDULES F and 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] The noncompliance mentioned above, while indicative of certain control deficiencies,[1] is not considered indicative of material weaknesses in the District's internal controls related to their reported ridership classification or eligibility for State transportation funding. The findings, populations, samples, and exception totals that pertain to noncompliance are presented in SCHEDULES F and 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.

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[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)(c), 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
April 12, 2013

SCHEDULE F

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2012

Any student who is transported by the District 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 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes. (See NOTE A1.)

As part of our examination procedures, we sampled students for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2012. (See NOTE B.) The population of vehicles (472) consisted of the total of the numbers of vehicles reported by the District for each survey. For example, a vehicle that transported students during the July and October 2011 and February and June 2012 surveys would be counted in the population as four vehicles. Similarly, the population of students (28,874) consisted of the total numbers of students reported by the District as having been transported for each survey. (See NOTE A2.) The District reported students in the following ridership categories:

Ridership Category	Number of Students Transported
IDEA (K-12), Weighted	577
IDEA (K-12), Unweighted	121
IDEA (PK), Weighted	120
IDEA (PK), Unweighted	188
Teenage Parents and Infants	32
Hazardous Walking	1,095
Two Miles or More	26,741
Total	28,874

Students with exceptions are students with exceptions affecting their ridership category. Students cited only for incorrect reporting of days in term, if any, are not included.

The accompanying notes are an integral part of this schedule.

SCHEDULE F (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2012

Our examination results are summarized below:

	Buses	Students	
Description	Proposed Net Adjustment	With Exceptions	Proposed Net Adjustment
We noted that the reported number of buses in operation was overstated.	(6)		
We sampled 433 of the 28,874 students reported as being transported by the District.		38	(25)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 205 students.	_	205	(205)
Total	(6)	243	(230)

Our proposed net adjustment presents the net effect of noncompliance disclosed by our examination procedures. (See SCHEDULE G.)

The ultimate resolution of our proposed net adjustment and the computation of its financial impact is the responsibility of the Department of Education.

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

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 2011-2012* issued by the Department of Education. The Santa Rosa 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, 2012. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 38.

Findings	**Students Transported Proposed Net 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 and October 2011 surveys and the February and June 2012 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 2011 survey and once for the February 2012 survey) will be presented in our Findings as two sample students.

1. [Ref. 51] Our general tests disclosed exceptions involving 6 buses and 80 students, as follows:

   a. Six bus driver reports (two buses in the July 2011 survey, one bus in the October 2011 survey, and three buses in the June 2012 survey) were missing and could not be located. Therefore, we could not validate the ridership for 79 of the students reported on those buses (27 students in the July 2011 survey, 50 students in the October 2011 survey, and 2 students in the June 2012 survey).

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings				**Students Transported Proposed Net Adjustments**
b. The number of days in term was incorrectly reported as 8 days rather than 10 days for 3 students, 2 of whom were cited in 1.a. above and for whom ridership could not be validated.				
We propose the following adjustments:				
a. July 2011 Survey				
Number of Buses in Operation	(2)			
10 Days in Term				
Two Miles or More			(27)	
October 2011 Survey				
Number of Buses in Operation	(1)			
90 Days in Term				
Two Miles or More			(50)	
June 2012 Survey				
Number of Buses in Operation	(3)	(6)		
8 Days in Term				
Two Miles or More			(2)	(79)
b. June 2012 Survey				
10 Days in Term				
Two Miles or More			1	
8 Days in Term				
Two Miles or More			(1)	0
2. [Ref. 52] We noted 145 students (19 students were in our sample) who were incorrectly reported for State transportation funding. The students were enrolled in a Federally funded program and should not have been reported for State transportation funding. We propose the following adjustment:				

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Students Transported Proposed Net Adjustments**
July 2011 Survey		
10 Days in Term		
Hazardous Walking	(19)	
Two Miles or More	(126)	(145)

3. [Ref. 53] Five students in our sample were not in membership during the July 2011 survey week and should not have been reported for State transportation funding. We propose the following adjustment:

July 2011 Survey		
10 Days in Term		
Hazardous Walking	(1)	
Two Miles or More	(4)	(5)

4. [Ref. 54] One student in our sample was not on a route that met the criteria for hazardous walking conditions and should not have been reported in the Hazardous Walking ridership category. We propose the following adjustment:

October 2011 Survey		
90 Days in Term		
Hazardous Walking	(1)	(1)

5. [Ref. 55] Three students in our sample were reported incorrectly in the Teenage Parents and Infants ridership category. The students were not enrolled in a Teenage Parent Program; however, we determined that the students were eligible for reporting in the Two Miles or More ridership category. We propose the following adjustments:

October 2011 Survey		
90 Days in Term		
Teenage Parents and Infants	(1)	
Two Miles or More	1	
February 2012 Survey		
90 Days in Term		
Teenage Parents and Infants	(2)	
Two Miles or More	2	0

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Students Transported Proposed Net Adjustments**
6. [Ref. 56] The IEPs for seven students in our sample did not specify the needs of the students as it related to their disabilities in requiring specialized transportation. However, we noted that these students were eligible for reporting in the Two Miles or More ridership category. We propose the following adjustments:		
October 2011 Survey		
90 Days in Term		
IDEA (K-12), Weighted	(4)	
Two Miles or More	4	
February 2012 Survey		
90 Days in Term		
IDEA (K-12), Weighted	(3)	
Two Miles or More	3	0
7. [Ref. 57] One student in our sample was incorrectly reported in the IDEA (K-12), Unweighted ridership category. The student lived more than two miles from school and should have been reported in the Two Miles or More ridership category. We propose the following adjustment:		
February 2012 Survey		
90 Days in Term		
IDEA (K-12), Unweighted	(1)	
Two Miles or More	1	0
8. [Ref. 58] Two students in our sample were incorrectly reported in the IDEA (K-12), Unweighted ridership category. The students' IEPs supported that the students met at least one of the five criteria required for reporting in an IDEA-Weighted ridership classification. Thus, the students should have been reported in the IDEA (K-12), Weighted ridership category. We propose the following adjustments:		

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
For the Fiscal Year Ended June 30, 2012

Findings		**Students Transported Proposed Net Adjustments**
July 2011 Survey		
10 Days in Term		
IDEA (K-12), Weighted	1	
IDEA (K-12), Unweighted	(1)	
June 2012 Survey		
10 Days in Term		
IDEA (K-12), Weighted	1	
IDEA (K-12), Unweighted	(1)	0
Proposed Net Adjustment		(230)

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2012

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses used to transport students and the number of days in term are accurately reported; (2) students enrolled in Federally funded programs are not reported for State transportation funding; (3) transported students are reported in the correct ridership classification and have documentation to support that reporting; (4) bus driver reports are available, legible, and maintained in readily-accessible files; (5) only those students who are documented as enrolled in school during the survey week concerned and transported by the District at least one time during the 11-day survey window are reported for State transportation funding; and (6) 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., FS .....Transportation of Public K-12 Students
Section 1011.68, FS .....Funds for Student Transportation
Chapter 6A-3, FAC .....Transportation
Student Transportation General Instructions 2011-2012

The accompanying notes are an integral part of this schedule.

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

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 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(4), Florida Statutes.

2. Transportation in Santa Rosa County

For the fiscal year ended June 30, 2012, the District received approximately $5.5 million for student transportation as part of the State funding through FEFP. The District's transportation reporting by survey was as follows:

Survey Period	Number of Vehicles	Number of Students
July 2011	37	305
October 2011	200	14,087
February 2012	200	14,104
June 2012	35	378
Total	472	28,874

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., FS .....Transportation of Public K-12 Students
Section 1011.68, FS .....Funds for Student Transportation
Chapter 6A-3, FAC .....Transportation

Santa Rosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2012

NOTE B – SAMPLING

Our examination procedures provided for the selection of samples of buses and students using judgmental methods for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2012. 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

SANTA ROSA COUNTY DISTRICT SCHOOLS

Timothy S. Wyrosdick
Superintendent of Schools

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April 12, 2013

David W. Martin
Auditor General
Room 476A; Claude Pepper Bldg.
111 West Madison Street
Tallahassee, FL 32399-1450

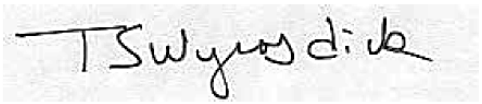
Dear Mr. Martin,

The responses we provided to the original AG 424 findings will stand. We reviewed the Draft Report for the FEFP, FTE, and Student Transportation as provided to us, and do not dispute any information contained therein.

In regard to corrective actions, we plan to implement the recommended actions in the Draft Report (pages 21 and 38) in order to prevent possible future findings.

It is, and always has been, the Santa Rosa County School District's desire to accurately report in all programs so we can realize the funding we are entitled to earn.

Sincerely,



Timothy S. Wyrosdick
Superintendent of Schools

DISTRICT 1 Diane Scott
DISTRICT 2 E. Hugh Winkles
DISTRICT 3 Diane Coleman
DISTRICT 4 Jennifer Granse
DISTRICT 5 Scott Peden