

**GULF COUNTY
DISTRICT SCHOOL BOARD**

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2009



BOARD MEMBERS AND SUPERINTENDENT

Gulf County District School Board members and the Superintendent of Schools who served during the 2008-09 fiscal year are listed below:

	<i>District No.</i>
<i>Robert D. Little, III, Vice Chair from 11-18-08</i>	<i>1</i>
<i>George M. Cox, Vice Chair to 11-17-08, Chair from 11-18-08</i>	<i>2</i>
<i>Linda R. Wood, Chair to 11-17-08</i>	<i>3</i>
<i>Billy Charles Quinn, Jr.</i>	<i>4</i>
<i>John W. Wright</i>	<i>5</i>

Tim Wilder, Superintendent

The examination team leader was Alice Pounds, CPA, and the examination was supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Joseph L. Williams, CPA, Audit Manager, via e-mail at joewilliams@aud.state.fl.us or by telephone at (850) 414-9941.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Gulf County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2009

ESE – Exceptional Student Education

ESOL – English for Speakers of Other Languages

IDEA – Individuals with Disabilities Education Act

IEP – Individual Educational Plan

OJT – On-the-Job Training

PK – Prekindergarten

Gulf County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
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For the Fiscal Year Ended June 30, 2009

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EXECUTIVE SUMMARY

Summary of Attestation Examination

Except for the material noncompliance mentioned below involving students in ESOL and the classification and reporting of transported students, the Gulf 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, 2009.

- All six students in our ESOL sample had exceptions involving reporting errors or records that were not properly and accurately prepared or were missing and could not be
- Eighteen of the 131 students in our sample had exceptions involving their reported ridership or eligibility for ridership.

Noncompliance related to FTE resulted in six findings. The resulting audit adjustments to the District's reported, unweighted FTE totaled to a negative .4400 FTE but have a potential impact on the District's weighted FTE of a negative 3.0972 FTE. Noncompliance related to student transportation resulted in five findings and a net audit adjustment of a negative 21 students.

Weighted FTE adjustments are presented in our report for illustrative purposes only. They 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 audit adjustments, which is the responsibility of the Department of Education (DOE). However, the gross dollar effect of our FTE audit adjustments may be estimated by multiplying the net weighted FTE audit adjustment by the base student allocation amount. For the Gulf County District School Board, the estimated gross dollar effect of our FTE audit adjustments is a negative \$12,036 (negative 3.0972 times \$3,886.14).

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

The ultimate resolution of our FTE and student transportation audit adjustments and the computation of their financial impact is the responsibility of DOE.

School District of Gulf Country

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Gulf County. Those services are provided primarily to students attending kindergarten through high school but also to adults seeking vocational-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 Gulf County.

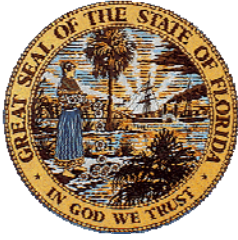
The governing body of the District is the District School Board, which is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. For the fiscal year ended June 30, 2009, the District operated six schools, reported 2,006.6172 unweighted FTE, and received approximately \$666,000 in State funding for those FTE.

Florida Education Finance Program (FEFP)

Florida school districts receive State funding through FEFP, which was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of an educational environment appropriate to his educational needs which is substantially equal to that 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 five hours of class a day or 25 hours per week, which 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 Vocational or Exceptional student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes. The District received approximately \$389,000 in State transportation funding.



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

We have examined management's assertion, included in its representation letter dated February 24, 2010, that the Gulf 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, 2009. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Compliance

Our examination procedures disclosed material noncompliance involving students in ESOL. All six students in our ESOL sample had exceptions involving reporting errors or records that were not properly and accurately prepared or were missing and could not be located. (See SCHEDULE D, Finding Nos. 2, 3, and 5.)

In our opinion, except for the material noncompliance mentioned above involving the reporting of, and preparation and maintenance of supporting documentation for, students in ESOL, the Gulf 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, 2009.

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

Internal Control Over Compliance

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

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

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

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
May 21, 2010

SCHEDULE A

Gulf 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, 2009

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Students (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE²</u>	<u>% of Pop. (Sample)</u>
1. <u>Basic</u>						
Population ³	6	100.00%	1,111	100.00%	1,440.0485	100.00%
Sample Size ⁴	4	66.67%	44	3.96%	38.0840	2.64%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	2.5778	-
2. <u>Basic with ESE Services</u>						
Population ³	6	100.00%	339	100.00%	473.0776	100.00%
Sample Size ⁴	4	66.67%	20	5.90%	18.5400	3.92%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.0000	-
3. <u>ESOL</u>						
Population ³	3	100.00%	6	100.00%	2.5778	100.00%
Sample Size ⁴	3	100.00%	6	100.00%	2.5778	100.00%
Students w/Exceptions	-	-	(6)	(100.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(2.5778)	-
4. <u>ESE Support Levels 4 and 5</u>						
Population ³	6	100.00%	24	100.00%	29.5400	100.00%
Sample Size ⁴	4	66.67%	24	100.00%	19.0400	64.45%
Students w/Exceptions	-	-	(2)	(8.33%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(.4400)	-
5. <u>Career Education 9-12</u>						
Population ³	2	100.00%	0	0.00%	61.3733	100.00%
Sample Size ⁴	0	0.00%	0	0.00%	.0000	0.00%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.0000	-

<u>All Programs</u>						
Population ³	6	100.00%	1,480	100.00%	2,006.6172	100.00%
Sample Size ⁴	4	66.67%	94	6.35%	78.2418	3.90%
Students w/Exceptions	-	-	(8)	(8.51%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(.4400)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Gulf 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, 2009

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>
<u>Teachers</u>				
Population ³	6	100.00%	43	100.00%
Sample Size ⁴	4	66.67%	18	41.86%
Teachers w/Exceptions	-	-	(2)	(11.11%)

¹ See NOTE A6.

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

³ The population shown for the number of schools is the total number of schools in the District which offered the courses in the program specified (i.e., Basic, ESOL, ESE, and Career Education 9-12). The population shown for the number of students is the total number of students in each program at the schools in our sample. Our Career Education 9-12 population and sample reflects only those students who participated in OJT. The population shown for full-time equivalent (FTE) students is the total FTE for all of the District's schools (sample schools plus nonsample schools) as reported for each survey conducted for the fiscal year ended June 30, 2009. The population shown for teachers is 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. (See NOTE A5.)

⁴ See NOTE B.

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

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Gulf County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
 For the Fiscal Year Ended June 30, 2009

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	1.0000	1.066	1.0660
102 Basic 4-8	.9940	1.000	.9940
103 Basic 9-12	.5838	1.052	.6142
130 ESOL	(2.5778)	1.119	(2.8846)
254 ESE Support Level 4	.5000	3.570	1.7850
255 ESE Support Level 5	(.9400)	4.970	(4.6718)
Total	(.4400)		(3.0972)

¹ See NOTE A6.

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Gulf County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2009

<u>No. Program</u>	<u>Audit Adjustments¹</u>				<u>Total</u>
	<u>#0051</u>	<u>#0061</u>	<u>#0062</u>	<u>#0081</u>	
101 Basic K-3	1.0000	.....	.....	.....	1.0000
102 Basic 4-8	.....	.....	.9940	.....	.9940
103 Basic 9-12	.....	.5838	.....	.....	.5838
130 ESOL	(1.0000)	(.5838)	(.9940)	.....	(2.5778)
254 ESE Support Level 4	.5000	.....	.....	.....	.5000
255 ESE Support Level 5	<u>(.5000)</u>	<u>.....</u>	<u>.....</u>	<u>(.4400)</u>	<u>(.9400)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>(.4400)</u>	<u>(.4400)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Gulf County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2009

Overview

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions* issued by the Department of Education. Except for material noncompliance involving students in ESOL, the Gulf 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, 2009. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 11.

Findings

**Net Audit
 Adjustments
 (Unweighted FTE)**

Our examination included the July and October 2008 surveys and the February and June 2009 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2008 survey or the February 2009 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Port St. Joe Elementary School (#0051)

1. [Ref. 5101] One ESE student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustment:

254 ESE Support Level 4	.5000	
255 ESE Support Level 5	(.5000)	.0000

2. [Ref. 5102] The files for two ELL students did not contain ELL Student Plans that were valid for the 2008-09 school year. We also noted that the parents of one of these students were not notified of their child's placement in the ESOL program. We made the following audit adjustment:

101 Basic K-3	1.0000	
130 ESOL	(1.0000)	.0000
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Gulf County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2009

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings**Port St. Joe High School (#0061)**

3. [Ref. 6101] The files for two ELL students did not contain *ELL Student Plans* that were valid for the 2008-09 school year. We also noted that the parents of one of the students were not notified of the student's placement in ESOL. We made the following audit adjustment:

103 Basic 9-12	.5838	
130 ESOL	(.5838)	<u>.0000</u>
		<u>.0000</u>

Port St. Joe Middle School (#0062)

4. [Ref. 6271] Two teachers who taught Basic subject area classes that included ELL students had earned none of the 60 in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. Since the affected students were adjusted in Finding No. 5 (Ref. 6201), we made no audit adjustments here.

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5. [Ref. 6201] Two students were reported incorrectly in ESOL in the October 2008 survey. The students had been dismissed from ESOL prior to that survey and should have been reported in program No. 102 (Basic 4-8). We made the following audit adjustment:

102 Basic 4-8	.9940	
130 ESOL	(.9940)	<u>.0000</u>
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Gulf County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2009

**Net Audit
 Adjustments
(Unweighted FTE)**

Findings

Wewahitchka High School (#0081)

6. [Ref. 8101] The instructional time for one Hospital and Homebound student was overreported in the October 2008 survey. The student was reported for 1,500 instructional minutes of homebound instruction but received only 180 minutes of such instruction. We made the following audit adjustment:

255 ESE Support Level 5	(.4400)	(.4400)
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Management’s Response – Management submitted a copy of the homebound instructor’s contact log sheets for the student cited in our Finding.

Auditor’s Resolution – We reviewed the log sheets submitted with Management’s Response and determined that they were the same log sheets that had been provided to us during our examination’s field work and supported our Finding. Accordingly, our Finding stands as presented.

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(.4400)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Gulf 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, 2009

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) students are reported in the proper FEFP funding categories and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE; (2) FTE is correctly reported for students in the Hospital and Homebound program; (3) ESE students in ESE Support Levels 4 and 5 are reported in accordance with their *Matrix of Services* forms; and (4) teachers earn the required in-service training points in ESOL strategies on a timely basis.

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

Regulatory Citations**Reporting**

Section 1011.60, F.S.Minimum Requirements of the Florida Education Finance Program
 Section 1011.61, F.S.Definitions
 Section 1011.62, F.S.Funds for Operation of Schools
 Rule 6A-1.0451, F.A.C.FEFP Student Membership Surveys
 Rule 6A-1.04513, F.A.C.Maintaining Auditable FTE Records
 FTE General Instructions 2008-2009

Attendance

Section 1003.23, F.S.Attendance Records and Reports
 Rules 6A-1.044(3) and
 (6)(c), F.A.C.Pupil Attendance Records
 Rule 6A-1.04513, F.A.C.Maintaining Auditable FTE Records
 FTE General Instructions 2008-2009
 Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Gulf 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, 2009

Regulatory Citations (Continued)

English for Speakers of Other Languages (ESOL)

- Section 1003.56, F.S. English Language Instruction for Limited English Proficient Students
- Section 1011.62(1)(g), F.S. Education for Speakers of Other Languages
- Rule 6A-6.0901, F.A.C. Definitions Which Apply to Programs for English Language Learners
- Rule 6A-6.0902, F.A.C. Requirements for Identification, Eligibility, Programmatic and Annual Assessments of English Language Learners
- Rule 6A-6.0904, F.A.C. Equal Access to Appropriate Instruction for English Language Learners

Exceptional Education

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

Teacher Certification

- Rule 6A-6.0907, F.A.C. Inservice Requirements for Personnel of Limited English Proficient Students

The accompanying notes are an integral part of this schedule.

Gulf County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2009

NOTE A - SUMMARY

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

1. School District of Gulf County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Gulf County, Florida. Those services are provided primarily to students attending kindergarten through high school but also to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Gulf County. For the fiscal year ended June 30, 2009, the District operated six schools, reported 2,006.6172 unweighted FTE, and received approximately \$666,000 in State funding for those FTE. The primary sources of funding for the District are funds from FEFP, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through FEFP, which was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of an educational environment appropriate to his educational needs which is substantially equal to that 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.

Gulf County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2009

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an FTE. For example, for kindergarten through third grade, one FTE is defined as one student in membership in a program or a group of programs for 20 hours per week for 180 days; for grade levels four through twelve, one FTE is defined as one student in membership in a program or a group of programs for 25 hours per week for 180 days.

4. Calculation of FEFP Funds

The amount of State and local FEFP funds is calculated by the Department of Education by multiplying the number of unweighted FTE in each educational program by the specific cost factor of each program to obtain weighted FTEs. Weighted FTEs are multiplied by the base student allocation amount and that product is multiplied by the appropriate cost differential factor. Various adjustments are then added to this product to obtain the total State and local FEFP dollars. All cost factors, the base student allocation amount, cost differential factors, and various adjustment figures are established by the Florida Legislature.

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys, which are conducted under the direction of district and school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2008-2009 school year were conducted during and for the following weeks: survey one was performed for July 14 through 18, 2008; survey two was performed for October 13 through 17, 2008; survey three was performed for February 9 through 13, 2009; and survey four was performed for June 8 through 12, 2009.

Gulf County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2009

NOTE A - SUMMARY (Continued)

6. Educational Programs

FEFP funds ten specific programs under which instruction may be provided as authorized by the Florida Legislature. The general program titles under which these specific programs fall are as follows: (1) Basic, (2) ESOL, (3) ESE, and (4) Career Education 9-12.

7. Statutes and Rules

The following statutes and rules are of significance to the administration of Florida public education:

Chapter 1000, F.S.	.....K-20 General Provisions
Chapter 1001, F.S.	.....K-20 Governance
Chapter 1002, F.S.	.....Student and Parental Rights and Educational Choices
Chapter 1003, F.S.	.....Public K-12 Education
Chapter 1006, F.S.	.....Support for Learning
Chapter 1007, F.S.	.....Articulation and Access
Chapter 1010, F.S.	.....Financial Matters
Chapter 1011, F.S.	.....Planning and Budgeting
Chapter 1012, F.S.	.....Personnel
Chapter 6A-1, F.A.C.	.....Finance and Administration
Chapter 6A-4, F.A.C.	.....Certification
Chapter 6A-6, F.A.C.	.....Special Programs I

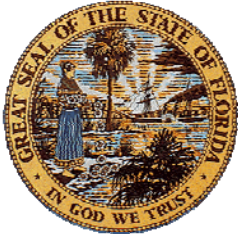
NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers, using statistical and judgmental methods, for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2009. 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:

Gulf County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2009

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Port St. Joe Elementary School	1 and 2
2. Port St. Joe High School	3
3. Port St. Joe Middle School	4 and 5
4. Wewahitchka High School	6



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

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

We have examined management's assertion, included in its representation letter dated February 24, 2010, that the Gulf 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, 2009. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

Compliance

Our examination procedures disclosed material noncompliance involving the District's reported student ridership as follows: 18 of the 131 students in our sample had exceptions involving their reported ridership category or eligibility for ridership. (See SCHEDULE G, Finding Nos. 2, 3, and 4.)

In our opinion, except for the instances of material noncompliance mentioned above involving the classification and reporting of transported students, the Gulf 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, 2009.

The results of our examination disclosed other noncompliance with the State requirements mentioned above. We considered this other noncompliance in forming our opinion regarding management's assertion and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE G. The impact of this noncompliance on the District's reported number of transported students is presented in SCHEDULE F and SCHEDULE G.

Internal Control Over Compliance

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

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

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

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
May 21, 2010

SCHEDULE F

Gulf County District School Board
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2009

<u>Description</u>	<u>Number of Vehicles</u>	<u>% of Pop.</u>	<u>No. of Students Transported</u>	<u>% of Pop. (Sample)</u>
Population ¹	58	100.00%	1,954	100.00%
Sample ²	-	-	131	6.70%
<u>Sample Students</u>				
With Exceptions ³	-	-	18	(13.74%)
Net Audit Adjustments	-	-	(17)	(12.98%)
<u>Non-Sample Students</u>				
With Exceptions ³	-	-	8	0.41%
Net Audit Adjustments	-	-	(4)	0.20%
<u>Sample and Non-Sample Students</u>				
Net Audit Adjustments	-	-	(21)	1.07%

¹ The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2009. The District reported 1,954 students in the following ridership categories: 22 in IDEA (K-12), Weighted; 31 in IDEA (K-12), Unweighted; and 1,901 in Two Miles or More. The District also reported operating a total of 58 vehicles (52 buses, 4 vans, and 2 passenger cars). (IDEA stands for Individuals with Disabilities Education Act.)

² See NOTE B.

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

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Gulf County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2009

Overview

Management is responsible for determining and reporting the number of students transported in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E., and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions* issued by the Department of Education. Except for instances of material noncompliance involving the classification and reporting of transported students, the Gulf 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, 2009. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 24.

**Students
 Transported
 Net Audit
 Adjustments**

Findings

Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey. Our detailed tests involved verification of the specific ridership categories reported for students sampled from the July and October 2008 surveys and the February and June 2009 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 2008 survey and once for the February 2009 survey) will be presented in our findings as two sample students.

1. [Ref. 51] Our general tests disclosed the following exceptions: (a) the number of days-in-term for three students in the July 2008 survey was incorrectly reported as a 12-day term (it should have been reported as an 8-day term); (b) two bus drivers' reports (one for the July 2008 survey and one for the October 2008 survey) were missing and could not be located to support the ridership of two students (one in each survey); and (c) six PK students were incorrectly reported in Two Miles or More (four were eligible for IDEA (PK), Unweighted and two should not have been reported for State transportation funding). We made the following audit adjustments:

July 2008 Survey**12 Days-in-Term**

IDEA (K-12), Weighted (<i>Non-Sample Students</i>)	(3)
--	-----

Two Miles or More (<i>Non-Sample Student</i>)	(1)
---	-----

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Gulf County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2009

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustments</u>
July 2008 Survey (Continued)		
<u>8 Days-in-Term</u>		
IDEA (K-12), Weighted (<i>Non-Sample Students</i>)	3	
October 2008 Survey		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted (<i>Non-Sample Student</i>)	(1)	
IDEA (PK), Unweighted (<i>Non-Sample Students</i>)	2	
Two Miles or More (<i>Non-Sample Students</i>)	(4)	
February 2009 Survey		
<u>90 Days-in-Term</u>		
IDEA (PK), Unweighted (<i>Non-Sample Students</i>)	2	
Two Miles or More (<i>Non-Sample Students</i>)	(2)	(4)

2. [Ref. 52] The IEP for one student in IDEA (K-12), Weighted indicated that the student had a medical condition that necessitated special transportation services; however, the supporting doctor's prescription was missing and could not be located. We made the following audit adjustment:

July 2008 Survey		
<u>8 Days-in-Term</u>		
IDEA (K-12), Weighted (<i>Sample Student</i>)	(1)	
IDEA (K-12), Unweighted (<i>Sample Student</i>)	<u>1</u>	0

3. [Ref. 53] Six students who were Specific Learning Disabled, Language Impaired or Speech Impaired were incorrectly reported in IDEA (K-12), Unweighted. According to the Student Transportation General Instructions, students in these ESE classifications are not eligible for reporting in IDEA (K-12), Unweighted unless transportation services are authorized by the students' IEPs based on the students' ESE conditions. We noted that two of the cited students' IEPs authorized transportation services as a courtesy rather than being based on their ESE conditions. The IEPs for the other four students did not authorize special transportation services. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Gulf County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2009

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustments</u>
<u>October 2008 Survey</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Unweighted (<i>Sample Students</i>)	(6)	(6)
4. [Ref. 54/57] <u>Eleven students were incorrectly reported in Two Miles or More. The students lived less than two miles from school and should not have been reported for State transportation funding. We made the following audit adjustments:</u>		
<u>October 2008 Survey</u>		
<u>90 Days-in-Term</u>		
Two Miles or More (<i>Sample Students</i>)	(7)	
<u>February 2009 Survey</u>		
<u>90 Days-in-Term</u>		
Two Miles or More (<i>Sample Students</i>)	(3)	
<u>June 2009 Survey</u>		
<u>4 Days-in-Term</u>		
Two Miles or More (<i>Sample Student</i>)	(1)	(11)
5. [Ref. 56] <u>The District incorrectly reported the number of buses-in-operation in the June 2009 survey as three buses. The District should have reported only two buses. We made the following audit adjustment:</u>		
<u>June 2009 Survey</u>		
Number of Buses	(1)	--
Net Audit Adjustments		<u>(21)</u>
<u>Summary</u>		
Sample Students w/Exceptions	<u>18</u>	--
Sample Students - Net Audit Adjustments	--	(17)
Non-Sample Students w/Exceptions	<u>8</u>	--
Non-Sample Students - Net Audit Adjustments	--	<u>(4)</u>
Net Audit Adjustments		<u>(21)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Gulf County District School Board
Student Transportation
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2009

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the correct number of days-in-term and the correct number of buses-in-operation are reported for each survey; (2) ESE students who receive special transportation services have their need for such services clearly specified on their IEPs; (3) the distance from home to school, for students in Two Miles or More, is verified prior to being reported; and (4) only those students who ride a bus during the survey period are reported with each survey's results.

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

Regulatory Citations

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

The accompanying notes are an integral part of this schedule.

Gulf County District School Board
 Student Transportation
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2009

NOTE A - SUMMARY

A summary discussion of the significant features of student transportation and related areas follows:

1. Student Eligibility

Any student who is transported by bus must meet one or more of the following conditions in order to be eligible for State transportation funding: live two or more miles from school, be physically handicapped, be a Career Education or Exceptional student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes.

2. Transportation in Gulf County

For the fiscal year ended June 30, 2009, the District received approximately \$389,000 in State transportation funding. The District’s transportation reporting by survey was as follows:

<u>Survey Period</u>	<u>No. of Vehicles</u>	<u>No. of Students</u>
July 2008	5	25
October 2008	24	971
February 2009	24	938
June 2009	<u>5</u>	<u>20</u>
Total	<u>58</u>	<u>1,954</u>

3. Statutes and Rules

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

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

Gulf County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2009

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of buses and students, using statistical and judgmental methods, for testing the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2009. 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



TIM WILDER, SUPERINTENDENT

150 MIDDLE SCHOOL ROAD • PORT ST. JOE, FLORIDA 32456 • PHONE: (850) 229-8256 or (850) 639-2871 • FAX (850) 229-6089

May 20, 2010

David W. Martin, Auditor General
for the State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Mr. Martin,

Please find below the audit responses from Gulf District Schools for your draft report dated April 19, 2010.

FTE

Finding 1 (5101) – We agree with the audit findings.

Finding 2 (5102) – We agree with the audit findings.

Finding 3 (6101) – We agree with the audit findings

Finding 4 (6271) - We agree with the audit findings

Finding 5 (6201) – We agree with the audit findings.

Finding 6 (8101) - At the time of the audit the instructor's contact log was missing. The log has been located and is attached as proof of services.

TRANSPORTATION

Finding 1 (51) - We agree with the audit findings.

Finding 2 (52) - We agree with the audit findings.

Finding 3 (53) - We agree with the audit findings.

Tomorrow's Future Begins In Today's Classrooms

DANNY LITTLE
DISTRICT 1

GEORGE M. COX
DISTRICT 2

LINDA ROBERTS WOOD
DISTRICT 3

BILLY C. QUINN, JR.
DISTRICT 4

JOHN W. WRIGHT
DISTRICT 5

Finding 4 (54) - We agree with the audit findings.

Finding 4 (57) - We agree with the audit findings.

Finding 5 (56) - We agree with the audit findings.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Wilder". The signature is fluid and cursive, with a large initial "T" and "W".

Tim Wilder
Superintendent
Gulf District Schools