

**OKALOOSA COUNTY
DISTRICT SCHOOL BOARD**

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2014



BOARD MEMBERS AND SUPERINTENDENT

Okaloosa County District School Board members and the Superintendent of Schools who served during the 2013-14 fiscal year are listed below:

Member	District No.
Lucinda J. Frakes, Vice Chair	1
Dewey E. Destin, Jr.	2
Rodney L. Walker, Chair	3
Catherine S. Thigpen	4
Melissa Thrush	5

Mary Beth Jackson, Superintendent

The examination team leader was Alice Pounds, CPA, and the examination was supervised by Aileen B. Peterson, CPA, CPM. Please address inquiries regarding this report to J. David Hughes, CPA, Audit Manager, by e-mail at davidhughes@aud.state.fl.us or by telephone at (850) 412-2971.

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) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Okaloosa 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, 2014

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
OJT	On-the-Job Training
PK	Prekindergarten

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation
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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 and Career Education 9-12 (OJT), the Okaloosa 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, 2014:

- Twenty of the 108 students in our ESOL test and 3 of the 30 students in our Career Education 9-12 (OJT) test had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located. None of the students in our ESOL or Career Education 9-12 (OJT) tests attended charter schools.

Noncompliance related to reported FTE resulted in 39 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative 3.1170 (negative 3.1170 is all applicable to District schools other than charter schools) but has a potential impact on the District's weighted FTE of a negative 9.1143 (negative 9.1143 is all applicable to District schools other than charter schools as there were no proposed adjustments for the charter school tested). Noncompliance related to student transportation resulted in 10 findings and a proposed net adjustment of a negative 29 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 Okaloosa County District School Board, the estimated gross dollar effect of our proposed adjustments to reported FTE is a negative \$34,200 (negative 9.1143 times \$3,752.30), of which all is applicable to District schools other than charter schools.

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 OKALOOSA COUNTY

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Okaloosa 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 Okaloosa 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, 2014, State funding through FEFP was provided to the District for 46 District schools other than charter schools, 3 charter schools, and 2 virtual education cost centers serving prekindergarten through twelfth grade students. The District reported 29,875.80 unweighted FTE as recalibrated for those students that included 1,393.81 unweighted FTE as recalibrated for charter school students and received approximately \$82.1 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, including charter schools, 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 brick and mortar school students, 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). For virtual education students, one student would be reported as one FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

For the 2013-14 school year and beyond, all student FTE enrollment is capped at 1.0 FTE except for FTE reported by the Department of Juvenile Justice (DJJ) students beyond the 180-day school year. School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The Department of Education combines all FTE enrollment reported for the student by all school districts, including the Florida Virtual School (FLVS) Part-Time Program, using a common student identifier. The Department of Education then recalibrates all reported FTE student enrollment for each student to 1.0 FTE, if the total reported FTE for the student exceeds 1.0 FTE. The FTE reported for extended school year periods and DJJ FTE enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 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. Additionally, Section 1002.33(20)(c), Florida Statutes, provides that the governing board of the charter school may provide transportation through an agreement or contract with the district school board, a private provider, or parents. The charter school and the sponsor shall cooperate in making arrangements that ensure that transportation is not a barrier to equal access for all students residing within a reasonable distance of the charter school as determined in its charter. The District received approximately \$5.9 million for student transportation as part of the State funding through FEFP.



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

We have examined the Okaloosa County District School Board's compliance 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, 2014. 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 2013-14* 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.

Our examination procedures disclosed the following material noncompliance: 20 of the 108 students in our ESOL test¹ and 3 of the 30 students in our Career Education 9-12 (OJT) test² had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located. None of the students in our ESOL or Career Education 9-12 (OJT) tests attended charter schools.

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 and Career Education 9-12 (OJT), the Okaloosa County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2014.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the District's compliance with State requirements and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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.³ 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 and Career Education 9-12 (OJT). Our examination disclosed certain other findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in SCHEDULE A and EXHIBIT A, respectively. The impact of this noncompliance on the District's reported FTE is presented in SCHEDULES A, B, C, and D.

¹For ESOL, see SCHEDULE D, Finding Nos. 2, 4, 5, 9, 12, 16, 17, 21, 22, 23, 27, 28, and 30.

²For Career Education 9-12 (OJT), see SCHEDULE D, Finding Nos. 19 and 20.

³ 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 deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.

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
Tallahassee, Florida
May 5, 2015

SCHEDULE A

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, TEST SELECTION, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2014

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 (OJT). 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 29,875.80 unweighted FTE as recalibrated, which included 1,393.81 unweighted FTE as recalibrated for the charter schools' students, at 46 District schools other than charter schools, 3 charter schools, and 2 virtual education cost centers reported to the Department of Education for the fiscal year ended June 30, 2014.

SCHOOLS AND STUDENTS

As part of our examination procedures, we tested FTE reported to the Department of Education for schools and students for the fiscal year ended June 30, 2014. (See NOTE B.) The population of schools (51) consisted of the total number of brick and mortar schools in the District that offered courses, including charter schools, as well as the designated District virtual education cost centers in the District that offered virtual instruction in FEFP-funded programs. The population of students (11,714) consisted of the total number of students in each program at the schools and virtual education cost centers in our tests. Our Career Education 9-12 student test data includes only those students who participated in OJT. Our populations and tests of schools and students are summarized as follows:

<u>Programs</u>	<u>Number of Schools</u>		<u>Number of Students</u> <u>at Schools Tested</u>		<u>Students</u> <u>with</u> <u>Exceptions</u>	<u>Recalibrated</u> <u>Unweighted FTE</u>		<u>Proposed</u> <u>Adjustments</u>
	<u>Population</u>	<u>Test</u>	<u>Population</u>	<u>Test</u>		<u>Population</u>	<u>Test</u>	
Basic	49	13	9,281	152	3	23,205.4700	116.8494	19.6557
Basic with ESE Services	49	13	1,741	100	8	5,158.2500	85.5901	(4.0205)
ESOL	30	10	406	108	20	549.3700	81.5585	(17.0722)
ESE Support Levels 4 and 5	31	10	228	118	8	243.2900	100.5332	(1.3280)
Career Education 9-12	11	1	<u>58</u>	<u>30</u>	<u>3</u>	<u>719.4200</u>	<u>6.4212</u>	<u>(.3520)</u>
All Programs	51	15	<u>11,714</u>	<u>508</u>	<u>42</u>	<u>29,875.8000</u>	<u>390.9524</u>	<u>(3.1170)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
POPULATIONS, TEST SELECTION, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2014

TEACHERS

We also tested teachers as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (435 of which all are applicable to District schools other than charter schools) consisted of the total number of teachers at schools in our test who taught courses in ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students, and of the total number of teachers reported under virtual education cost centers in our test who taught courses in Basic, Basic with ESE Services, ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students. From the population of teachers, we tested 156 and found exceptions for 10 of those teachers. None of the charter school teachers taught courses in the above-noted categories; consequently, these teachers did not meet our criteria for testing.

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.)

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

Okaloosa 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, 2014

<u>No. Program</u> ¹	<u>Proposed Net Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	5.8818	1.125	6.6170
102 Basic 4-8	3.6870	1.000	3.6870
103 Basic 9-12	10.0869	1.011	10.1979
111 Grades K-3 with ESE Services	(.8873)	1.125	(.9982)
113 Grades 9-12 with ESE Services	(3.1332)	1.011	(3.1677)
130 ESOL	(17.0722)	1.145	(19.5477)
254 ESE Support Level 4	(.7913)	3.558	(2.8154)
255 ESE Support Level 5	(.5367)	5.089	(2.7313)
300 Career Education 9-12	(.3520)	1.011	(.3559)
Total	(3.1170)		(9.1143)*

*** There were no proposed adjustments for the charter school tested. Thus, there was no effect on the District's weighted FTE.**

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

Okaloosa 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, 2014

<u>No. Program</u>	<u>Proposed Adjustments¹</u>			<u>Balance Forward</u>
	<u>#0051</u>	<u>#0131</u>	<u>#0222</u>	
101 Basic K-3	.3810	1.6820	1.0247	3.0877
102 Basic 4-8	.4190	.4205		.8395
103 Basic 9-12				.0000
111 Grades K-3 with ESE Services		(.0119)		(.0119)
113 Grades 9-12 with ESE Services				.0000
130 ESOL	(.8000)	(2.1025)	(1.0247)	(3.9272)
254 ESE Support Level 4		(.7917)		(.7917)
255 ESE Support Level 5	(.4867)			(.4867)
300 Career Education 9-12	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.0000</u>
Total	<u>(.4867)</u>	<u>(.8036)</u>	<u>.0000</u>	<u>(1.2903)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2014

<u>No.</u>	<u>Brought Forward</u>	<u>Proposed Adjustments¹</u>				<u>Balance Forward</u>
		<u>#0241</u>	<u>#0281</u>	<u>#0541</u>	<u>#0581</u>	
101	3.0877		1.2173	1.0466		5.3516
102	.8395		.4348			1.2743
103	.0000				3.0711	3.0711
111	(.0119)					(.0119)
113	.0000	1.0000			(1.0000)	.0000
130	(3.9272)		(1.6521)	(1.0466)	(2.0711)	(8.6970)
254	(.7917)	(1.0000)				(1.7917)
255	(.4867)					(.4867)
300	<u>.0000</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.0000</u>
Total	<u>(1.2903)</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>(1.2903)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2014

<u>No.</u>	<u>Brought Forward</u>	<u>Proposed Adjustments¹</u>				<u>Balance Forward</u>
		<u>#0601</u>	<u>#0651</u>	<u>#0681</u>	<u>#0701</u>	
101	5.3516			.7965		6.1481
102	1.2743		2.1633			3.4376
103	3.0711	5.1266			1.9998	10.1975
111	(.0119)			.1250		.1131
113	.0000	(1.0000)			(1.9998)	(2.9998)
130	(8.6970)	(5.4154)	(2.1633)	(.7965)		(17.0722)
254	(1.7917)					(1.7917)
255	(.4867)	(.0500)				(.5367)
300	<u>.0000</u>	<u>(.3520)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(.3520)</u>
Total	<u>(1.2903)</u>	<u>(1.6908)</u>	<u>.0000</u>	<u>.1250</u>	<u>.0000</u>	<u>(2.8561)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2014

<u>No.</u>	<u>Brought Forward</u>	<u>Proposed Adjustments¹</u>			<u>Total</u>
		<u>#0801</u>	<u>#7001</u>	<u>#7023</u>	
101	6.1481			(.2663)	5.8818
102	3.4376		.2494		3.6870
103	10.1975			(.1106)	10.0869
111	.1131	(1.0004)			(.8873)
113	(2.9998)			(.1334)	(3.1332)
130	(17.0722)				(17.0722)
254	(1.7917)	1.0004			(.7913)
255	(.5367)				(.5367)
300	<u>(.3520)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(.3520)</u>
Total	<u>(2.8561)</u>	<u>.0000</u>	<u>.2494</u>	<u>(.5103)</u>	<u>(3.1170)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

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 2013-14* 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 and Career Education 9-12 (OJT), the Okaloosa County District School Board complied, in all material respects, with State requirements governing the determination and reporting of FTE for the fiscal year ended June 30, 2014. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 24.

Findings

**Proposed Net
Adjustments
(Unweighted FTE)**

Our examination included the July and October 2013 reporting survey periods and the February and June 2014 reporting survey periods (see NOTE A5). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2013 reporting survey period or the February 2014 reporting survey period or both. Accordingly, our Findings do not mention specific reporting survey periods unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Bob Sikes Elementary School (#0051)

1. [Ref. 5101] One ESE student in the Hospital and Homebound Program was reported for more homebound instruction than was provided. We propose the following adjustment:

255 ESE Support Level 5	(.4867)	(.4867)
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The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

<u>Findings</u>	Proposed Net Adjustments (Unweighted FTE)
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Bob Sikes Elementary School (#0051) (Continued)

2. [Ref. 5102] An ELL Committee was not convened to consider one ELL student's continued ESOL placement for a sixth year until October 21, 2013, which was after the student's ESOL anniversary date and after the October 2013 reporting survey period. We propose the following adjustment:

102 Basic 4-8	.4190	
130 ESOL	(.4190)	.0000

3. [Ref. 5171] One teacher taught Primary Language Arts to a class that included an ELL student but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents were not notified of the teacher's out-of-field status in ESOL. We propose the following adjustment:

101 Basic K-3	.3810	
130 ESOL	(.3810)	.0000
		(.4867)

Destin Elementary School (#0131)

4. [Ref. 13101] The file for one ELL student enrolled in the ESOL Program was missing and could not be located. We propose the following adjustment:

101 Basic K-3	.8410	
130 ESOL	(.8410)	.0000

5. [Ref. 13102] The English language proficiency of two ELL students enrolled in the ESOL Program was not assessed within 30 school days prior to the students' ESOL anniversary dates to support the students' continued ESOL placements for a fourth or sixth year. We propose the following adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

		Proposed Net Adjustments (Unweighted FTE)
<u>Findings</u>		
<u>Destin Elementary School (#0131)</u> (Continued)		
101 Basic K-3	.8410	
102 Basic 4-8	.4205	
130 ESOL	<u>(1.2615)</u>	.0000
6. [Ref. 13103] <u>One part-time ESE student was reported for more instructional time than the student received. The amount of instruction documented for vision and physical therapy services was only 150 minutes in the October 2013 reporting survey period and 75 minutes in the February 2014 reporting survey period; however, the student was reported for 1,900 and 225 minutes of instruction in the respective reporting survey periods. We propose the following adjustment:</u>		
254 ESE Support Level 4	<u>(.7917)</u>	(.7917)
7. [Ref. 13104] <u>The number of instructional minutes was overreported for one PK ESE student. The student was reported for 1,330 minutes of weekly instruction but was only provided 1,300 minutes of such instruction in accordance with the School's bell schedule. We propose the following adjustment:</u>		
111 Grades K-3 with ESE Services	<u>(.0119)</u>	(.0119)
		<u>(.8036)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings**Northwood Elementary School (#0222)**

8. [Ref. 22271/72] Two teachers taught Primary Language Arts to classes that included ELL students but were not properly certified to teach ELL students and were not approved by the School Board to teach such students out of field. We also noted that the parents of the ELL students were not notified of the teachers' out-of-field status. Since the students are proposed for adjustment in Finding No. 9 (Ref. 22202), we present this disclosure Finding with no proposed adjustment.

.0000

9. [Ref. 22202] The ELL Student Plan for one student enrolled in the ESOL Program was incomplete as it did not include the student's instructional schedule specifying what courses would employ ESOL strategies. We propose the following adjustment:

101 Basic K-3	.8373	
130 ESOL	(.8373)	.0000

10. [Ref. 22273] One teacher taught Primary Language Arts to a class that included an ELL student but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field until January 27, 2014, which was after the October 2013 reporting survey period. We propose the following adjustment:

101 Basic K-3	.1874	
130 ESOL	(.1874)	.0000
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

<u>Findings</u>	Proposed Net Adjustments (Unweighted FTE)
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Silver Sands School (#0241)

11. [Ref. 24101] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We propose the following adjustment:

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

Wright Elementary School (#0281)

12. [Ref. 28101] The English language proficiency of one ELL student enrolled in the ESOL Program was not assessed within 30 school days prior to the student's ESOL anniversary date and the ESOL placement for a sixth year. We propose the following adjustment:

102 Basic 4-8	.4348	
130 ESOL	(.4348)	.0000

13. [Ref. 28171] One teacher taught Primary Language Arts to a class that included ELL students but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents were not notified of the teacher's out-of-field status in ESOL. We propose the following adjustment:

101 Basic K-3	1.2173	
130 ESOL	(1.2173)	.0000
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

<u>Findings</u>	Proposed Net Adjustments (Unweighted FTE)
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Elliott Point Elementary School (#0541)

14. [Ref. 54171] One teacher taught Primary Language Arts to a class that included ELL students but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents were not notified of the teacher's out-of-field status in ESOL. We propose the following adjustment:

101 Basic K-3	1.0466	
130 ESOL	(1.0466)	.0000
		.0000

Choctawhatchee Senior High School (#0581)

15. [Ref. 58101] The file for one ESE student did not contain an IEP covering the 2013-14 school year. We propose the following adjustment:

103 Basic 9-12	1.0000	
113 Grades 9-12 with ESE Services	(1.0000)	.0000

16. [Ref. 58102] The parents of one ELL student were not notified of the student's placement in the ESOL Program. We propose the following adjustment:

103 Basic 9-12	.8568	
130 ESOL	(.8568)	.0000

17. [Ref. 58103] The ELL Student Plan for one ELL student enrolled in the ESOL Program was not prepared until December 12, 2013, which was after the October 2013 reporting survey. We propose the following adjustment:

103 Basic 9-12	.4284	
130 ESOL	(.4284)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings**Choctawhatchee Senior High School (#0581)** (Continued)

18. [Ref. 58171] One teacher taught English to classes that included ELL students but had earned only 198 of the 240 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	.7859	
130 ESOL	(.7859)	.0000
		.0000

Crestview High School (#0601)

19. [Ref. 60101] One Career Education 9-12 (OJT) student had withdrawn prior to the October 2013 reporting survey period and should not have been reported for FEFP funding. We propose the following adjustment:

103 Basic 9-12	(.2888)	
300 Career Education 9-12	(.2112)	(.5000)

20. [Ref. 60102] The timecards for two Career Education 9-12 (OJT) students were missing and could not be located. We propose the following adjustment:

300 Career Education 9-12	(.1408)	(.1408)
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21. [Ref. 60103] The files for two ELL students enrolled in the ESOL Program did not contain *ELL Student Plans* covering the 2013-14 school year. We propose the following adjustment:

103 Basic 9-12	.9292	
130 ESOL	(.9292)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

<u>Findings</u>	Proposed Net Adjustments (Unweighted FTE)
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Crestview High School (#0601) (Continued)

22. [Ref. 60104] ELL Committees were not convened to consider two ELL students' continued ESOL placements within 30 school days prior to the students' ESOL anniversary dates. We also noted that the students' instructional schedules that specify what courses would employ ESOL strategies were not included as part of the students' ELL Student Plans when the ELL Student Plans were developed. Additionally, the English language proficiency assessment for one of the students was not assessed within 30 days prior to the student's ESOL anniversary date and the student's ESOL placement for a fourth year. We propose the following adjustment:

103 Basic 9-12	1.6861	
130 ESOL	<u>(1.6861)</u>	.0000

23. [Ref. 60105] The ELL Student Plans for four ELL students enrolled in the ESOL Program were incomplete as the ELL Student Plans did not include the students' instructional schedules specifying what courses would employ ESOL strategies. We propose the following adjustment:

103 Basic 9-12	2.8001	
130 ESOL	<u>(2.8001)</u>	.0000

24. [Ref. 60106] The source attendance record for one ESE student was missing and could not be located. We propose the following adjustment:

113 Grades 9-12 with ESE Services	<u>(1.0000)</u>	(1.0000)
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25. [Ref. 60107] The homebound instructor's contact log for one ESE student enrolled in the Hospital and Homebound Program was missing and could not be located. We propose the following adjustment:

255 ESE Support Level 5	<u>(.0200)</u>	(.0200)
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The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

		Proposed Net Adjustments (Unweighted FTE)
<u>Findings</u>		
<u>Crestview High School (#0601)</u> (Continued)		
26.	[Ref. 60108] <u>One ESE student reported in the Hospital and Homebound Program was reported for more homebound instruction than was provided. We propose the following adjustment:</u>	
	255 ESE Support Level 5	(.0300) (.0300)
		(1.6908)
<u>Max Bruner Junior Middle School (#0651)</u>		
27.	[Ref. 65101] <u>Two ELL students were beyond the maximum six-year period allowed for State funding of ESOL. We propose the following adjustment:</u>	
	102 Basic 4-8	.8262
	130 ESOL	(.8262) .0000
28.	[Ref. 65102] <u>The <i>ELL Student Plan</i> for one student enrolled in the ESOL Program was incomplete as it did not include the student's instructional schedule specifying what courses would employ ESOL strategies. We propose the following adjustment:</u>	
	102 Basic 4-8	1.0000
	130 ESOL	(1.0000) .0000
29.	[Ref. 65171] <u>One teacher taught Language Arts to classes that included ELL students but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents were not notified of the teacher's out-of-field status in ESOL. We propose the following adjustment:</u>	

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

		Proposed Net Adjustments (Unweighted FTE)
<u>Findings</u>		
<u>Max Bruner Junior Middle School (#0651)</u> (Continued)		
102 Basic 4-8	.3371	
130 ESOL	(.3371)	.0000
		.0000
<u>Longwood Elementary School (#0681)</u>		
30. [Ref. 68101] <u>The English language proficiency of one ELL student enrolled in the ESOL Program was not assessed within 30 school days prior to the student's ESOL anniversary date and the ESOL placement for a fourth year. We propose the following adjustment:</u>		
101 Basic K-3	.4179	
130 ESOL	(.4179)	.0000
31. [Ref. 68102] <u>One ESE student's entire schedule was not reported. The student's instruction in physical, occupational, and language therapies was inadvertently omitted. We propose the following adjustment:</u>		
111 Grades K-3 with ESE Services	.1250	.1250
32. [Ref. 68171] <u>One teacher taught Primary Language Arts to a class that included an ELL student but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents were not notified of the teacher's out-of-field status in ESOL. We propose the following adjustment:</u>		
101 Basic K-3	.3786	
130 ESOL	(.3786)	.0000
		.1250

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

		Proposed Net Adjustments (Unweighted FTE)	
<u>Findings</u>			
<u>Choice High School And Technical Center (#0701)</u>			
33.	[Ref. 70101] <u>The files for three ESE students did not contain IEPs covering the October 2013 or February 2014 reporting survey periods. We propose the following adjustment:</u>		
	103 Basic 9-12	1.9998	
	113 Grades 9-12 with ESE Services	(1.9998)	.0000
			.0000
<u>Richbourg School (#0801)</u>			
34.	[Ref. 80101] <u>Two ESE students were not reported in accordance with the students' <i>Matrix of Services</i> forms. We propose the following adjustment:</u>		
	111 Grades K-3 with ESE Services	(1.0004)	
	254 ESE Support Level 4	1.0004	.0000
			.0000
<u>Okaloosa Virtual Instruction Program (#7001)</u>			
35.	[Ref. 700101] <u>Due to an isolated data-entry error, the FTE for one Basic virtual education student was incorrectly reported. The student had successfully completed six year-long virtual education courses and was eligible to be reported for 1.0000 FTE but was only reported for .7506 FTE. We propose the following adjustment:</u>		
	102 Basic 4-8	.2494	.2494
			.2494

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings**Okaloosa Online Non Franchised (#7023)**

36. [Ref. 702371] One teacher was not properly certified and was not approved by the School Board to teach General Science out of field until January 27, 2014, which was after the October 2013 reporting survey period. We also noted that the parents of the students were not notified of the teacher's out-of-field status. Since the class was comprised of all Basic virtual education students, we present this disclosure Finding with no proposed adjustment.

.0000

37. [Ref. 702301] One Basic virtual education student was incorrectly reported for FEFP funding for three virtual education courses that the student did not successfully complete. We propose the following adjustment:

101 Basic K-3	(.2663)	(.2663)
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38. [Ref. 702302] One Basic virtual education student was incorrectly reported for FEFP funding for two virtual education courses. We noted that there was no record indicating that the student was taking one of the courses and had not successfully completed the remaining course (received a failing grade). We propose the following adjustment:

103 Basic 9-12	(.1106)	(.1106)
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The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

<u>Findings</u>	Proposed Net Adjustments (Unweighted FTE)
<u>Okaloosa Online Non Franchised (#7023)</u> (Continued)	
39. [Ref. 702303] <u>Two ESE virtual education students were incorrectly reported for FEFP funding for virtual education courses that the students had not successfully completed (one student received a failing grade and one student did not earn credit). We propose the following adjustment:</u>	
113 Grades 9-12 with ESE Services	(.1334)
	(.5103)
Proposed Net Adjustment	<u>(3.1170)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2014

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 1 of the 11 days of a survey window are reported for FEFP funding and documentation is retained to support this reporting; (2) students' instructional schedules and the associated instructional minutes are accurately reported; (3) reported instructional minutes for students in the Hospital and Homebound Program are based on the homebound instructors' contact logs that are retained and completed not to exceed the time authorized on the students' IEPs; (4) ESE students are reported in accordance with the students' *Matrix of Services* forms; (5) IEPs and *ELL Student Plans* are timely prepared and retained in the students' files that are maintained; (6) English language proficiency assessments are timely completed and ELL Committees are timely convened within the students' ESOL anniversary dates and prior to the students' ESOL placements beyond three years and annually each year thereafter to consider the students' continued ESOL placements; (7) *ELL Student Plans* include course schedules specifying those courses that would employ ESOL strategies; (8) parents are timely notified of their child's ESOL placement; (9) ELL students are not reported beyond the maximum six-year period allowed for State funding of ESOL; (10) course schedules and the associated FTE are reviewed and verified for virtual education students enrolled in virtual education programs to ensure that the course schedules are accurately reported and FTE is only reported for courses that have been successfully completed; (11) students in Career Education 9-12 (OJT) are reported in accordance with the students' timecards that are retained in readily-accessible files; (12) teachers are properly certified or, if teaching out of field, are timely approved by the School Board to teach out of field; (13) parents are timely notified when their children are assigned to out-of-field teachers; and (14) teachers earn the in-service training points in ESOL strategies 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)

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2014

REGULATORY CITATIONS

Reporting

Section 1007.271(21), FS Dual Enrollment Programs

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 2013-14

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 2013-14

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook

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, and Programmatic Assessments of English Language Learners
Rule 6A-6.09021, FAC	Annual English Language Proficiency Assessment for English Language Learners (ELLs)
Rule 6A-6.09022, FAC	Extension of Services in English for Speakers of Other Languages (ESOL) Program
Rule 6A-6.0903, FAC	Requirements for Exiting English Language Learners from the English for Speakers of Other Languages Program
Rule 6A-6.09031, FAC	Post Reclassification of English Language Learners (ELLs)
Rule 6A-6.0904, FAC	Equal Access to Appropriate Instruction for English Language Learners

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2014

REGULATORY CITATIONS (Continued)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 2013-14

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 Individualized 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, Evaluation, Determination
of Eligibility, Reevaluation and the Provision of Exceptional Student
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

Rule 6A-6.0361, FAC Contractual Agreement with Nonpublic Schools and Residential Facilities

Matrix of Services Handbook (2012 Revised Edition)

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2014

REGULATORY CITATIONS (Continued)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

Virtual Education

Section 1002.321, FS	Digital Learning
Section 1002.37, FS	The Florida Virtual School
Section 1002.45, FS	Virtual Instruction Programs
Section 1002.455, FS	Student Eligibility for K-12 Virtual Instruction
Section 1003.498, FS	School District Virtual Course Offerings

Charter Schools

Section 1002.33, FS	Charter Schools
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The accompanying notes are an integral part of this schedule.

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2014

NOTE A – SUMMARY

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

1. School District of Okaloosa County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Okaloosa County, Florida. Those services are provided primarily to 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 Okaloosa County.

For the fiscal year ended June 30, 2014, State funding through FEFP was provided to the District for 46 District schools other than charter schools, 3 charter schools, and 2 virtual education cost centers serving prekindergarten through twelfth grade students. The District reported 29,875.80 unweighted FTE as recalibrated that included 1,393.81 unweighted FTE as recalibrated for charter school students and received approximately \$82.1 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, including charter schools, 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.

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2014

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. For brick and mortar school students, 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). For virtual education students, one student would be reported as one FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

4. Recalibration of FTE to 1.0

For the 2013-14 school year and beyond, all student FTE enrollment is capped at 1.0 FTE except for FTE reported by the Department of Juvenile Justice (DJJ) students beyond the 180-day school year. School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The Department of Education combines all FTE enrollment reported for the student by all school districts, including the Florida Virtual School (FLVS) Part-Time Program, using a common student identifier. The Department of Education then recalibrates all reported FTE student enrollment for each student to 1.0 FTE, if the total reported FTE for the student exceeds 1.0 FTE. The FTE reported for extended school year periods and DJJ FTE enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY (Continued)

5. 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.

6. FTE Reporting Survey Periods

FTE is determined and reported during the school year by means of four FTE membership survey periods that are conducted under the direction of district and school management. Each survey period is a testing of FTE membership for a period of one week. The survey periods for the 2013-14 school year were conducted during and for the following weeks: survey period one was performed for July 8 through 12, 2013; survey period two was performed for October 14 through 18, 2013; survey period three was performed for February 10 through 14, 2014; and survey period four was performed for June 16 through 20, 2014.

7. 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.

8. 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

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Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY (Continued)

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 - TESTING

Our examination procedures provided for the selection of tests of schools, students, and teachers using judgmental methods for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2014. Our testing 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 selected for testing:

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Bob Sikes Elementary School	1 through 3
2. Destin Elementary School	4 through 7
3. Northwood Elementary School	8 through 10
4. Silver Sands School	11
5. Wright Elementary School	12 and 13
6. Elliott Point Elementary School	14
7. Choctawhatchee Senior High School	15 through 18
8. Crestview High School	19 through 26
9. Max Bruner Junior Middle School	27 through 29
10. Longwood Elementary School	30 through 32
11. Choice High School And Technical Center	33
12. Richbourg School	34
13. Okaloosa Virtual Instruction Program	35
14. Okaloosa Online Non Franchised	36 through 39
15. Liza Jackson Preparatory School*	NA

* Charter School



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 OKALOOSA COUNTY DISTRICT SCHOOL BOARD FLORIDA EDUCATION FINANCE PROGRAM (FEFP) STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated October 7, 2014, that the Okaloosa County District School Board complied with State requirements governing the determination and reporting of the number of students transported for the fiscal year ended June 30, 2014. 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 2013-14* 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.

In our opinion, management's assertion that the Okaloosa County District School Board complied with State requirements governing the determination and reporting of the number of students transported under the FEFPP for the fiscal year ended June 30, 2014, is fairly stated, in all material respects.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the District's compliance with State requirements and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in SCHEDULE G and EXHIBIT A, respectively. 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 impact of this noncompliance on the District's reported number of transported students is 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.

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 deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.*

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
Tallahassee, Florida
May 5, 2015

SCHEDULE F

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation

POPULATIONS, TEST SELECTION, AND TEST RESULTS

For the Fiscal Year Ended June 30, 2014

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 tested students for the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2014. (See NOTE B.) The population of vehicles (479) consisted of the total of the numbers of vehicles (buses, vans, or passenger cars) reported by the District for each reporting survey period. For example, a vehicle that transported students during the July and October 2013 and February and June 2014 reporting survey periods would be counted in the population as four vehicles. Similarly, the population of students (28,150) consisted of the total numbers of students reported by the District as having been transported for each reporting survey period. (See NOTE A2.) The District reported students in the following ridership categories:

<u>Ridership Category</u>	<u>Number of Students Transported</u>
Teenage Parents and Infants	47
Hazardous Walking	1,486
IDEA – PK through Grade 12, Weighted	1,658
All Other FEFP Transportation Eligible Students	<u>24,959</u>
Total	<u>28,150</u>

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)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
POPULATIONS, TEST SELECTION, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2014

Our examination results are summarized below:

<u>Description</u>	<u>Buses</u>	<u>Students</u>	
	Proposed Net <u>Adjustment</u>	With <u>Exceptions</u>	Proposed Net <u>Adjustment</u>
We noted that the reported number of buses in operation was overstated.	(1)		
We tested 498 of the 28,150 students reported as being transported by the District.		19	(11)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 19 students.	—	<u>19</u>	<u>(18)</u>
Total	<u>(1)</u>	<u>38</u>	<u>(29)</u>

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

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

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 2013-14* issued by the Department of Education. The Okaloosa County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported for the fiscal year ended June 30, 2014. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 43.

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 period. Our detailed tests involved verification of the specific ridership categories reported for students tested from the July and October 2013 reporting survey periods and the February and June 2014 reporting survey periods. Adjusted students who were in more than one reporting survey period are accounted for by reporting survey period. For example, a student tested twice (i.e., once for the October 2013 reporting survey period and once for the February 2014 reporting survey period) will be presented in our Findings as two test students.

1. [Ref. 51] Our general review of the transportation records disclosed that the number of buses in operation was overstated by one bus in the October 2013 reporting survey period. The bus was reported under two different bus numbers. We propose the following adjustment:

October 2013 Survey

Number of Buses in Operation (1)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation

FINDINGS AND PROPOSED ADJUSTMENTS

For the Fiscal Year Ended June 30, 2014

**Students
 Transported
 Proposed Net
Adjustments**

Findings

2. [Ref. 52] Our general tests disclosed that two students (one in the October 2013 reporting survey period and one in the February 2014 reporting survey period) were not listed as riding the bus; therefore, the students should not have been reported for State transportation funding. We propose the following adjustments:

October 2013 Survey**90 Days in Term**

All Other FEFP Eligible Students (1)

February 2014 Survey**90 Days in Term**

IDEA - PK through Grade 12, Weighted (1) (2)

3. [Ref. 53] Our general test disclosed that 13 students were enrolled in a Federally-funded program and should not have been reported for State transportation funding. We propose the following adjustment:

July 2013 Survey**16 Days in Term**

All Other FEFP Eligible Students (13) (13)

4. [Ref. 54] Our general tests disclosed that one student who was enrolled in the Hospital and Homebound Program during the February 2014 reporting survey period was not attending school and should not have been reported for State transportation funding. We propose the following adjustment:

February 2014 Survey**36 Days in Term**

All Other FEFP Eligible Students (1) (1)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Students
 Transported
 Proposed Net
 Adjustments**

Findings

5. [Ref. 55] Our general tests disclosed that one student was incorrectly reported in the IDEA - PK through Grade 12, Weighted ridership category. The student was not placed in an ESE Program until February 24, 2014, which was after the February 2014 reporting survey period. However, we determined that the student was eligible for reporting in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

February 2014 Survey**90 Days in Term**

IDEA - PK through Grade 12, Weighted	(1)	
All Other FEFP Eligible Students	1	0

6. [Ref. 61/62] Our general tests disclosed that the number of days in term were incorrectly reported, as follows:

- a. (Ref. 61) The 29 students attending AMIkids Emerald Coast School were incorrectly reported for 25 and 17 days in term, respectively, in the July 2013 (13 students) and June 2014 (16 students) reporting survey periods. The students should have been reported for 31 and 15 days in term, respectively, in accordance with the School's calendar.
- b. (Ref. 62) The 13,617 students reported in the February 2014 reporting survey period were incorrectly reported for 90 days in term. Schools were closed 5 days due to inclement weather; therefore, the students were transported for 85 days. We further noted that the District received a waiver from the Commissioner of Education for 2 of the days; consequently, the students should have been reported for 87 days in term.

We propose the following adjustments:

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

<u>Findings</u>	<u>Students Transported Proposed Net Adjustments</u>	
a. <u>Ref. 61</u>		
<u>July 2013 Survey</u>		
<u>31 Days in Term</u>		
All Other FEFP Eligible Students	13	
 <u>25 Days in Term</u>		
All Other FEFP Eligible Students	(13)	
 <u>June 2014 Survey</u>		
<u>17 Days in Term</u>		
All Other FEFP Eligible Students	(16)	
 <u>15 Days in Term</u>		
All Other FEFP Eligible Students	<u>16</u>	0
 b. <u>Ref. 62</u>		
<u>February 2014 Survey</u>		
<u>90 Days in Term</u>		
Teenage Parents and Infants	(16)	
Hazardous Walking	(741)	
IDEA - PK through Grade 12, Weighted	(682)	
All Other FEFP Eligible Students	(12,178)	
 <u>87 Days in Term</u>		
Teenage Parents and Infants	16	
Hazardous Walking	741	
IDEA - PK through Grade 12, Weighted	682	
All Other FEFP Eligible Students	<u>12,178</u>	<u>0</u>
 7. <u>[Ref. 57] The bus drivers' reports indicated that four students (two were in our test) did not ride the assigned bus during the October 2013 reporting survey period and should not have been reported for State transportation funding. We propose the following adjustment:</u>		
 <u>October 2013 Survey</u>		
<u>90 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(1)	
All Other FEFP Eligible Students	<u>(3)</u>	(4)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2014

**Students
 Transported
 Proposed Net
Adjustments**

Findings

8. [Ref. 58] Eight students in our test were incorrectly reported in the All Other FEFP Eligible Students ridership category. We determined that two of these students should have been reported in the Hazardous Walking ridership category and the remaining six students were not otherwise eligible for State transportation funding. We propose the following adjustments:

July 2013 Survey**12 Days in Term**

All Other FEFP Eligible Students	(2)
----------------------------------	-----

October 2013 Survey**90 Days in Term**

Hazardous Walking	1
All Other FEFP Eligible Students	(4)

February 2014 Survey**87 Days in Term**

Hazardous Walking	1	
All Other FEFP Eligible Students	(2)	(6)

9. [Ref. 59] Six students in our test were incorrectly reported in the Hazardous Walking ridership category. Five of the students lived more than two miles from their assigned school and should have been reported in the All Other FEFP Eligible Students ridership category. The remaining student's route to school did not cross a designated hazardous area and the student was not otherwise eligible for State transportation funding. We propose the following audit adjustments:

October 2013 Survey**90 Days in Term**

Hazardous Walking	(4)
All Other FEFP Eligible Students	3

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation

FINDINGS AND PROPOSED ADJUSTMENTS

For the Fiscal Year Ended June 30, 2014

<u>Findings</u>	<u>Students Transported Proposed Net Adjustments</u>	
<u>February 2014 Survey</u>		
<u>87 Days in Term</u>		
Hazardous Walking	(2)	
All Other FEFP Eligible Students	<u>2</u>	(1)
10. [Ref. 60] <u>Three students in our test were incorrectly reported in the Teenage Parents and Infants ridership category. Two of the students and the parent of one PK student were not enrolled in the Teenage Parents and Infants Program. We determined that one of the students lived more than two miles from their assigned school and was eligible for reporting in the All Other FEFP Eligible Students ridership category and the remaining two students were not otherwise eligible for State transportation funding. We propose the following adjustments:</u>		
<u>October 2013 Survey</u>		
<u>90 Days in Term</u>		
Teenage Parents and Infants	(1)	
All Other FEFP Eligible Students	1	
<u>February 2014 Survey</u>		
<u>87 Days in Term</u>		
Teenage Parents and Infants	<u>(2)</u>	<u>(2)</u>
Proposed Net Adjustment		<u>(29)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation

RECOMMENDATIONS AND REGULATORY CITATIONS

For the Fiscal Year Ended June 30, 2014

RECOMMENDATIONS

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses, the number of days in term, and the number of students who ride the buses are accurately reported; (2) only those students who are recorded on a bus driver's report as having been transported by the District at least once during the 11-day survey window and are in membership during the reported survey period are reported for State transportation funding; (3) students enrolled in Federally-funded programs are not reported for State transportation funding; (4) only ESE students whose need for special transportation services has been properly documented on their IEPs and have met at least one of the five criteria required for classification in an IDEA-Weighted ridership category are reported in a weighted ridership category; (5) only eligible students who are on a route that is approved and determined as meeting the criteria for hazardous walking conditions and that cross the specific hazardous walking locations are reported in the Hazardous Walking ridership category; and (6) only students and parents of students enrolled in the Teenage Parent Program are reported in the Teenage Parents and Infants ridership category for State transportation funding.

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

Section 1002.33, FS Charter Schools
 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 2013-14

The accompanying notes are an integral part of this schedule.

Okaloosa County District School Board
 Florida Education Finance Program (FEFP)
 Student Transportation
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2014

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 Okaloosa County

For the fiscal year ended June 30, 2014, the District received approximately \$5.9 million for student transportation as part of the State funding through FEFP. The District's transportation reporting by survey period was as follows:

<u>Survey Period</u>	<u>Number of Vehicles</u>	<u>Number of Students</u>
July 2013	55	583
October 2013	201	13,770
February 2014	200	13,622
June 2014	<u>23</u>	<u>175</u>
Total	<u>479</u>	<u>28,150</u>

3. Statutes and Rules

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

Section 1002.33, FS Charter Schools
 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

Okaloosa County District School Board
Florida Education Finance Program (FEFP)
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2014

NOTE B – TESTING

Our examination procedures provided for the selection of tests 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, 2014. Our testing 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**

SCHOOL DISTRICT OF OKALOOSA COUNTY

SUPERINTENDENT OF SCHOOLS
MARY BETH JACKSON

ATTORNEY TO THE BOARD
C. JEFFREY McINNIS, Esq.



BOARD MEMBERS
DEWEY DESTIN
CATHY THIGPEN
MELISSA THRUSH
RODNEY WALKER
LAMAR WHITE

May 5, 2015

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

Dear Mr. Martin;

The School Board of Okaloosa County submits this letter in response to the Auditor General's Draft Report of the Florida Education Finance Program for the 2013-2014 school year.

We have received and reviewed the findings contained in this draft report and agree with the findings as noted. However, while the school district understands the measures that led to the material noncompliance noted in our Career Education 9-12 program, we do not agree that 3 errors at one school represents a systemic problem for the school district's program.

We have begun implementing the corrective action necessary to remedy many of the problems noted. We continue to seek guidance from the Florida Department of Education that will bring the documentation of our ESOL students into compliance and ensure that schools' personnel are aware of the established guidelines in Rule and Statute. Monthly meetings have been held since the time of the audit's conclusion to facilitate communication between the ESOL district representative and schools. In addition, during the 2016 school year the district will pilot an online documentation program that will allow the district liaison the opportunity to more easily provide real time feedback to schools regarding their ESOL documentation.

To address the remaining findings of the audit, schools administrators have been met with individually to review their findings and develop corrective action to ensure accurate reporting of teacher certification and other pertinent FTE information. In addition, the school district will continue to offer one-on-one training and workshops to bolster data entry accuracy in the future. As we continue to examine the report and its recommendations, further corrective actions will be initiated in an effort to avoid such findings in the future.

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

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

Sincerely,


Mary Beth Jackson
Superintendent of Schools
Okaloosa County School District

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