

**NASSAU COUNTY
DISTRICT SCHOOL BOARD**

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

and

Student Transportation

For the Fiscal Year Ended
June 30, 2010



BOARD MEMBERS AND SUPERINTENDENT

Nassau County District School Board members and the Superintendent of Schools who served during the 2009-10 fiscal year are listed below:

	<u>District No.</u>
<i>Donna Martin</i>	1
<i>Gail G. Cook</i>	2
<i>Muriel N. Creamer, Chair</i>	3
<i>James Adams</i>	4
<i>Kathy Knight Burns, Vice Chair</i>	5

Dr. John L. Ruis, Superintendent

The examination team leader was Ted Montgomery 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.

Nassau County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2010

ELL – English Language Learner

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

Nassau County District School Board
Full-Time Equivalent (FTE) Students and Student Transportation
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EXECUTIVE SUMMARY

Summary of Attestation Examination

The Nassau 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, 2010.

Noncompliance related to FTE resulted in 12 findings. The resulting audit adjustments to the District's reported, unweighted FTE totaled to a negative 1.7833 FTE but have a potential impact on the District's weighted FTE of a negative 7.1496 FTE. Noncompliance related to student transportation resulted in two findings and a net audit adjustment of zero 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 Nassau County District School Board, the estimated gross dollar effect of our FTE audit adjustments is a negative \$25,957 (negative 7.1496 times \$3,630.62).

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 Nassau County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Nassau 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 Nassau 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, 2010, the District operated 18 schools serving prekindergarten through twelfth grade students, reported 11,144.76 unweighted FTE for those students, and received approximately \$9.8 million in State funding for those FTE.

Florida Education Finance Program (FEFP)

Florida school districts receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of an educational environment appropriate to the student's 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 5 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 Career Education 9-12 or ESE student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes. The District received approximately \$2.6 million 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 NASSAU COUNTY DISTRICT SCHOOL BOARD FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated August 19, 2010, that the Nassau 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, 2010. 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

In our opinion, the Nassau 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, 2010.

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

Internal Control Over Compliance

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

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

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

Pursuant to Section 11.45(4)(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
December 6, 2010

SCHEDULE A

Nassau 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, 2010

Description¹	Number of Schools	% of Pop.	Number of Students (w/Exceptions)	% of Pop. (Sample)	Number of Unweighted FTE²	% of Pop. (Sample)
1. Basic						
Population ³	18	100.00%	6,148	100.00%	8,814.9300	100.00%
Sample Size ⁴	9	50.00%	108	1.76%	98.4500	1.12%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	3.3918	-
2. Basic with ESE Services						
Population ³	18	100.00%	1,239	100.00%	1,838.6200	100.00%
Sample Size ⁴	9	50.00%	70	5.65%	63.5666	3.46%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	2.0000	-
3. ESOL						
Population ³	14	100.00%	55	100.00%	53.9200	100.00%
Sample Size ⁴	9	64.29%	28	50.91%	21.7081	40.26%
Students w/Exceptions	-	-	(1)	(3.57%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(3.3918)	-
4. ESE Support Levels 4 and 5						
Population ³	10	100.00%	59	100.00%	53.1600	100.00%
Sample Size ⁴	7	70.00%	52	88.14%	42.5994	80.13%
Students w/Exceptions	-	-	(5)	(9.62%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(2.0000)	-
5. Career Education 9-12						
Population ³	5	100.00%	147	100.00%	384.1300	100.00%
Sample Size ⁴	3	60.00%	78	53.06%	25.8397	6.73%
Students w/Exceptions	-	-	(6)	(7.69%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(1.7833)	-

All Programs						
Population ³	18	100.00%	7,648	100.00%	11,144.7600	100.00%
Sample Size ⁴	9	50.00%	336	4.39%	252.1638	2.26%
Students w/Exceptions	-	-	(12)	(3.57%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(1.7833)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Nassau 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, 2010

<u>Description</u> ¹	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>
<u>Teachers</u>				
Population ³	18	100.00%	177	100.00%
Sample Size ⁴	9	50.00%	78	44.07%
Teachers w/Exceptions	-	-	(7)	(8.97%)

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 data for students reflect 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, 2010. 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

Nassau 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, 2010

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	1.3717	1.074	1.4732
102 Basic 4-8	1.5364	1.000	1.5364
103 Basic 9-12	.4837	1.033	.4997
113 Grades 9-12 with ESE Services	2.0000	1.033	2.0660
130 ESOL	(3.3918)	1.124	(3.8124)
254 ESE Support Level 4	(2.0000)	3.520	(7.0400)
255 ESE Support Level 5	.0000	4.854	.0000
300 Career Education 9-12	<u>(1.7833)</u>	1.050	<u>(1.8725)</u>
Total	<u>(1.7833)</u>		<u>(7.1496)</u>

¹ See NOTE A6.

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

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Nassau 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, 2010

No. Program	District- Wide	Audit Adjustments¹		Balance Forward
		#0031	#0071	
101 Basic K-3	.....	.....	1.3717	1.3717
102 Basic 4-8	.2194	.4170	.....	.6364
103 Basic 9-12	.1501	.....	.....	.1501
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	(.3695)	(.4170)	(1.3717)	(2.1582)
254 ESE Support Level 4	.....	.....	.....	.0000
255 ESE Support Level 5	.....	.....	.....	.0000
300 Career Education 9-12	.....	.....	.....	<u>.0000</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Nassau 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, 2010

Program No.	Brought Forward	Audit Adjustments¹				Balance Forward
		#0081	#0102	#0191	#0231	
101	1.3717	.....	.....	.....	.....	1.3717
102	.6364	.9000	.....	.....	.....	1.5364
103	.1501	.....	.....	.....	.....	.1501
113	.0000	.....	.....	.5000	1.5000	2.0000
130	(2.1582)	(.9000)	.....	.....	.....	(3.0582)
254	.0000	.....	.5000	(.5000)	(2.0000)	(2.0000)
255	.0000	.....	(.5000)	.....	.5000	.0000
300	<u>.0000</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(.8671)</u>	<u>(.8671)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>(.8671)</u>	<u>(.8671)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Nassau 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, 2010

Program No.	Brought Forward	<u>Audit Adjustments</u>¹	
		#0291	Total
101 Basic K-3	1.3717	.....	1.3717
102 Basic 4-8	1.5364	.....	1.5364
103 Basic 9-12	.1501	.3336	.4837
113 Grades 9-12	2.0000	.....	2.0000
130 ESOL	(3.0582)	(.3336)	(3.3918)
254 ESE Support Level 4	(2.0000)	.....	(2.0000)
255 ESE Support Level 5	.0000	.....	.0000
300 Career Education 9-12	<u>(.8671)</u>	<u>(.9162)</u>	<u>(1.7833)</u>
Total	<u>(.8671)</u>	<u>(.9162)</u>	<u>(1.7833)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Nassau 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, 2010

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. The Nassau 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, 2010. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 15.

Findings

Our examination included the July and October 2009 surveys and the February and June 2010 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2009 survey or the February 2010 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

**Net Audit
 Adjustments
(Unweighted FTE)**

District-Wide - Ineligible Courses Reported in ESOL

1. [Ref. 149] Our examination procedures included an automated comparison of courses reported in ESOL to courses designated for that program by the Department of Education. This comparison disclosed that five courses at four schools were reported incorrectly in ESOL. We made the following audit adjustment:

102 Basic 4-8	.2194	
103 Basic 9-12	.1501	
130 ESOL	<u>(.3695)</u>	<u>.0000</u>
		<u>.0000</u>

Fernandina Beach Middle School (#0031)

2. [Ref. 3101] One ELL student was beyond the maximum six-year period allowed for State funding of ESOL. We made the following audit adjustment:

102 Basic 4-8	.2502	
130 ESOL	<u>(.2502)</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Nassau 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, 2010

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Fernandina Beach Middle School (#0031) (Continued)

3. [Ref. 3171] One teacher taught Primary Language Arts to a class that included ELL students but had earned only 78 of the 300 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We made the following audit adjustment:

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

Southside Elementary School (#0071)

4. [Ref. 7171/72/73] Three teachers taught Primary Language Arts to classes that included ELL students but had not earned the number of in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. Two teachers had earned 60 of 300 required points and one had earned 120 of 300 required points. We made the following audit adjustments:

<u>Ref. 7171</u>		
101 Basic K-3	.7000	
130 ESOL	(.7000)	.0000
<u>Ref. 7172</u>		
101 Basic K-3	.1500	
130 ESOL	(.1500)	.0000
<u>Ref. 7173</u>		
101 Basic K-3	.1717	
130 ESOL	(.1717)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Nassau 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, 2010

**Net Audit
 Adjustments
 (Unweighted FTE)**

Findings

Southside Elementary School (#0071) (Continued)

5. [Ref. 7174] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher held certification in Elementary Education but taught courses that required certification in ESOL. We also noted that the parents of ELL students taught by this teacher were not notified of the teacher's out-of-field status. We made the following audit adjustment:

101 Basic K-3	.3500	
130 ESOL	(.3500)	.0000
		.0000

Emma Love Hardee Elementary School (#0081)

6. [Ref. 8171] One teacher taught Primary Language Arts to a class that included ELL students but had earned only 60 of the 300 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We made the following audit adjustment:

102 Basic 4-8	.9000	
130 ESOL	(.9000)	.0000
		.0000

Yulee Elementary School (#0102)

7. [Ref. 10201] 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
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Nassau 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, 2010

<u>Findings</u>	<u>Net Audit Adjustments (Unweighted FTE)</u>	
<u>West Nassau County High School (#0191)</u>		
8. [Ref. 19101] <u>One ESE student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustment:</u>		
113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	.0000
		<u>.0000</u>
<u>Yulee High School (#0231)</u>		
9. [Ref. 23101] <u>Three ESE students were not reported in accordance with the students' Matrix of Services forms. We made the following audit adjustment:</u>		
113 Grades 9-12 with ESE Services	1.5000	
254 ESE Support Level 4	(2.0000)	
255 ESE Support Level 5	.5000	.0000
10. [Ref. 23102] <u>The timecards for three Career Education 9-12 (OJT) students were missing and could not be located. We made the following audit adjustment:</u>		
300 Career Education 9-12	(.8671)	(.8671)
		<u>(.8671)</u>
<u>Fernandina Beach High School (#0291)</u>		
11. [Ref. 29101] <u>The timecards for three Career Education 9-12 (OJT) students were missing and could not be located. We made the following audit adjustment:</u>		
300 Career Education 9-12	(.9162)	(.9162)
12. [Ref. 29171] <u>One teacher taught Primary Language Arts classes to ELL students; however, the teacher was not approved by the School Board to teach out of field. We made the following audit adjustment:</u>		

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Nassau 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, 2010

<u>Findings</u>	Net Audit Adjustments (Unweighted FTE)	
<u>Fernandina Beach High School (#0291)</u> (Continued)		
103 Basic 9-12	.3336	
130 ESOL	(.3336)	.0000
		(.9162)
		<u>(1.7833)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Nassau 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, 2010

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) only ESOL-eligible courses are reported for funding in ESOL; (2) students are reported in the proper funding categories and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE Support Levels 4 and 5; (3) students in Career Education 9-12 (OJT) are reported in accordance with timecards that are accurately completed, signed, and retained in readily accessible files; (4) teachers are either properly certified, or if out of field, are timely approved by the School Board to teach out of field; (5) ESOL teachers earn the number of in-service training points in ESOL strategies required by rule and their in-service training timelines; and (6) parents are timely and appropriately notified when their children are assigned to out-of-field teachers or placed in ESOL.

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 2009-10

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Nassau 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, 2010

Regulatory Citations (Continued)

English for Speakers of Other Languages (ESOL) (Continued)

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

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

Career Education On-the-Job Attendance

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

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

Career Education On-the-Job Funding Hours

Rule 6A-6.055(3), F.A.C.Definitions of Terms Used in Vocational Education and Adult Programs
FTE General Instructions 2009-10

Teacher Certification

Section 1012.42(2), F.S.Teacher Teaching Out-of-Field; Notification Requirements

Section 1012.55, F.S.Positions for Which Certificates Required

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Nassau 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, 2010

Regulatory Citations (Continued)

Teacher Certification (Continued)

- Rule 6A-1.0502, F.A.C. Non-certificated Instructional Personnel
- Rule 6A-1.0503, F.A.C. Definition of Qualified Instructional Personnel
- Rule 6A-4.001, F.A.C. Instructional Personnel 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.

Nassau County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

NOTE A - SUMMARY

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

1. School District of Nassau County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Nassau 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 Nassau County.

For the fiscal year ended June 30, 2010, the District operated 18 schools serving prekindergarten through twelfth grade students, reported 11,144.76 unweighted FTE for those students, and received approximately \$9.8 million in State funding for those FTE. The primary sources of funding for the District are funds from FEFP, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of an educational environment appropriate to the student's 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.

Nassau County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

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

4. Calculation of FEFP Funds

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

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys that are conducted under the direction of district and school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2009-10 school year were conducted during and for the following weeks: survey one was performed for July 13 through 17, 2009; survey two was performed for October 12 through 16, 2009; survey three was performed for February 8 through 12, 2010; and survey four was performed for June 14 through 18, 2010.

Nassau County District School Board
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

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

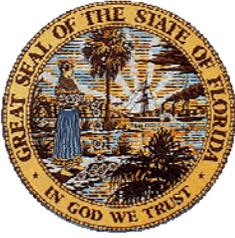
NOTE B - SAMPLING

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, 2010. 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:

Nassau County District School Board
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2010

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
District-Wide -- Ineligible Courses Reported in ESOL	1
1. Fernandina Beach Middle School	2 and 3
2. Southside Elementary School	4 and 5
3. Emma Love Hardee Elementary School	6
4. Yulee Elementary School	7
5. Hilliard Middle-Senior High School	NA
6. West Nassau County High School	8
7. Yulee Middle School	NA
8. Yulee High School	9 and 10
9. Fernandina Beach High School	11 and 12



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 NASSAU COUNTY DISTRICT SCHOOL BOARD STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated August 19, 2010, that the Nassau 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, 2010. 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

In our opinion, the Nassau 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, 2010.

The results of our examination disclosed noncompliance with the State requirements mentioned above. We considered this noncompliance in forming our opinion regarding the District's compliance and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE G. The impact of this noncompliance on the District's reported number of transported students is presented in 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 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 the classification and reporting of transported students. The findings, populations, samples, and exception totals that pertain to noncompliance are presented in SCHEDULE F and SCHEDULE G.

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

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
December 6, 2010

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.*

SCHEDULE F

Nassau County District School Board
 Student Transportation
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2010

<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	163	100.00%	11,776	100.00%
Sample ²	-	-	182	1.55%
With Exceptions ³	-	-	0	(0.00%)
Net Audit Adjustments	-	-	0	(0.00%)

¹ The population figures for students are the totals of the figures reported for each survey conducted for the fiscal year ended June 30, 2010. The District reported 11,776 students in the following ridership categories: 312 in IDEA (K-12), Weighted; 75 in IDEA (PK), Weighted; and 11,389 in Two Miles or More. The District also reported operating a total of 163 vehicles (162 buses and 1 District-owned station wagon). (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 Nos. 1 and 2 are not included.

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Nassau County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2010

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. The Nassau 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, 2010. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 27.

**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 2009 surveys and the February and June 2010 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 2009 survey and once for the February 2010 survey) will be presented in our findings as two sample students.

1. [Ref. 51/52] The number of days-in-term for the July 2009 survey was incorrectly reported for 58 students. Fifty-five students were reported for an 18-day term but should have been reported for a 9-day term; 2 students were reported for a 90-day term but should have been reported for a 9-day term; and 1 student was reported for a 20-day term but should have been reported for a 22-day term. We made the following audit adjustments:

<u>July 2009 Survey (Ref. 51)</u>		
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted	(2)	
<u>18 Days-in-Term</u>		
IDEA (K-12), Weighted	(18)	
IDEA (PK), Weighted	(6)	
Two Miles or More	(31)	(57)

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

Nassau County District School Board
 Student Transportation
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2010

<u>Findings</u>		Students Transported Net Audit Adjustments
<u>9 Days-in-Term</u>		
IDEA (K-12), Weighted	20	
IDEA (PK), Weighted	6	
Two Miles or More	<u>31</u>	57
 <u>July 2009 Survey (Ref. 52)</u>		
<u>20 Days-in-Term</u>		
IDEA (K-12), Weighted	(1)	
 <u>22 Days-in-Term</u>		
IDEA (K-12), Weighted	<u>1</u>	0
 2. <u>[Ref. 53] The number of days-in-term for the June 2010 survey was incorrectly reported for 83 students. Eighty students were reported for a 20-day term and three students were reported for a 90-day term. All of the students should have been reported for a 7-day term. We made the following audit adjustment:</u>		
 <u>June 2010 Survey</u>		
<u>90 Days-in-Term</u>		
Two Miles or More	(3)	
 <u>20 Days-in-Term</u>		
IDEA (K-12), Weighted	(22)	
IDEA (PK), Weighted	(2)	
Two Miles or More	<u>(56)</u>	(83)
 <u>7 Days-in-Term</u>		
IDEA (K-12), Weighted	22	
IDEA (PK), Weighted	2	
Two Miles or More	<u>59</u>	<u>83</u>
 Net Audit Adjustments		<u>0</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Nassau County District School Board
Student Transportation
RECOMMENDATION AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2010

Recommendation

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that transported students are reported for the correct number of days-in-term.

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.

Nassau County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

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 ESE student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes.

2. Transportation in Nassau County

For the fiscal year ended June 30, 2010, the District received approximately \$2.6 million 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 2009	9	58
October 2009	72	5,753
February 2010	70	5,882
June 2010	<u>12</u>	<u>83</u>
Total	<u>163</u>	<u>11,776</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

Nassau County District School Board
Student Transportation
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2010

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, 2010. 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



The Nassau County School District

1201 Atlantic Avenue
Fernandina Beach, Florida 32034

John L. Ruis, Ed.D.
Superintendent of Schools

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December 2, 2010

Mr. David Martin, CPA
State of Florida Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

The following is our response to the findings of our audit of the Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students and Student Transportation for the fiscal year ended June 30, 2010.

FTE Audit Findings – We have reviewed the items identified in the report. We concur with the findings. We will share with the responsible parties the errors identified during the course of this audit and work on identifying appropriate actions to ensure future compliance with all requirements.

Student Transportation Findings – We have reviewed the identified items with appropriate staff members and ensured their understanding of the errors which occurred. We have subsequently corrected the errors. Staff members have been directed in the proper reporting of the dates for these summer FTE cycles. We will make every attempt to ensure compliance with the appropriate reporting of days in future surveys.

Sincerely,

Dr. John L. Ruis
Superintendent of Schools

- CC: Dr. Edward Turvey, Assistant Superintendent of Instruction
- Susan Farmer, Executive Director of Business Services
- David Buchanan, Director of Transportation
- Suzanne Davis, Director of Personnel
- Linda Morris, Director of Elementary Education
- Dale Braddock, Director of Secondary Education
- Joyce Menz, Director of Staff Development
- Pauline Gregory, Director of Exceptional Student Education
- Mary Duffy, Coordinator of Student Services

Our mission is to develop each student as an inspired life-long learner and problem-solver with the strength of character to serve as a productive member of society.

AN EQUAL OPPORTUNITY EMPLOYER