

**CLAY 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

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

	<i>District No.</i>
<i>Carol A. Vallencourt</i>	<i>1</i>
<i>Carol Y. Studdard</i>	<i>2</i>
<i>Charles E. Van Zant, Jr., Chair to 11-17-09</i>	<i>3</i>
<i>Frank J. Farrell, Vice Chair from 11-18-09</i>	<i>4</i>
<i>Lisa B. Graham, Vice Chair to 11-17-09, Chair from 11-18-09</i>	<i>5</i>

Ben H. Wortham, 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 J. David Hughes, CPA, Audit Supervisor, via e-mail at davidhughes@aud.state.fl.us or by telephone at (850) 414-9917.

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) 487-9175; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Clay 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

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

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EXECUTIVE SUMMARY

Summary of Attestation Examination

Except for the material noncompliance mentioned below involving the reporting of, and preparation and maintenance of supporting documentation for students in Career Education 9-12 (OJT), the Clay 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.

- Of the 21 students in our Career Education 9-12 (OJT) sample, 3 students had exceptions involving reporting errors and missing documentation.

Noncompliance related to FTE resulted in 16 findings. The resulting audit adjustments to the District's reported, unweighted FTE totaled to a negative .6504 but have a potential impact on the District's weighted FTE of a negative 4.0638. Noncompliance related to student transportation resulted in 2 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 Clay County District School Board, the estimated gross dollar effect of our FTE audit adjustments is a negative \$14,754.11 (negative 4.0638 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 Clay County

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

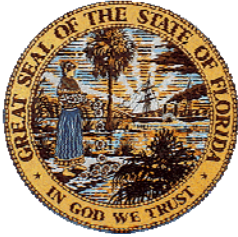
The governing body of the District is the District School Board, which is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. For the fiscal year ended June 30, 2010, the District operated 40 schools and one District cost center serving prekindergarten through twelfth grade students, reported 35,897.59 unweighted FTE for those students, and received approximately \$131 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 programs and services appropriate to the student's educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors. To provide equalization of educational opportunity in Florida, the FEFP formula recognizes: (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per student cost for equivalent educational programs due to sparsity and dispersion of student population. The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an unweighted FTE (full-time equivalent student). For example, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week, which equals one FTE).

Student Transportation

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live two or more miles from school, be physically handicapped, be a Vocational or Exceptional student who is transported from one school center to another where appropriate programs are provided, or meet the criteria for hazardous walking specified in Section 1006.23(4), Florida Statutes. The District received approximately \$7 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 CLAY COUNTY DISTRICT SCHOOL BOARD FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated July 20, 2010, that the Clay 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

Our examination procedures disclosed the following material noncompliance: 3 of the 21 students in our Career Education 9-12 (OJT) sample had exceptions involving reporting errors and missing documentation. (See SCHEDULE D, Finding No. 6.)

In our opinion, except for the material noncompliance mentioned above involving the reporting of, and preparation and maintenance of supporting documentation for, students in Career Education 9-12 (OJT), the Clay 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 other noncompliance with the State requirements mentioned above. We considered this other noncompliance in forming our opinion regarding the District's compliance and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE D. The impact of this noncompliance on the District's reported FTE is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.¹ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the reporting of, and preparation and maintenance of supporting documentation for, students in Career Education 9-12 (OJT). Other noncompliance disclosed by our examination procedures is indicative of control deficiencies,¹ and is also presented herein. The findings, populations, samples, and exception totals that pertain to material and other noncompliance are presented in SCHEDULE A and SCHEDULE D.

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

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

Pursuant to Section 11.45(4)(c), Florida Statutes, this report is a public record and its distribution is not limited. Attestation standards established by the AICPA require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and applicable District management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
April 1, 2011

SCHEDULE A

Clay 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 Students (w/Exceptions)</u>	<u>% of Population (Sample)</u>	<u>Number of Unweighted FTE</u> ²	<u>% of Population (Sample)</u>
1. Basic						
Population ³	40	100.00%	14,156	100.00%	26,257.4100	100.00%
Sample Size ⁴	16	40.00%	190	1.34%	169.1328	0.64%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	4.6885	-
2. Basic with ESE Services						
Population ³	41	100.00%	3,576	100.00%	8,043.8500	100.00%
Sample Size ⁴	16	39.02%	160	4.47%	149.5031	1.86%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	1.5000	-
3. ESOL						
Population ³	35	100.00%	201	100.00%	356.3600	100.00%
Sample Size ⁴	15	42.86%	96	47.76%	68.0611	19.10%
Students w/Exceptions	-	-	(3)	(3.13%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(2.2369)	-
4. ESE Support Levels 4 and 5						
Population ³	31	100.00%	329	100.00%	326.3400	100.00%
Sample Size ⁴	14	45.16%	239	72.64%	184.1930	56.44%
Students w/Exceptions	-	-	(12)	(5.02%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(2.2034)	-
5. Career Education 9-12						
Population ³	8	100.00%	22	100.00%	913.6300	100.00%
Sample Size ⁴	3	37.50%	21	95.45%	7.4981	0.82%
Students w/Exceptions	-	-	(3)	(14.29%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(2.3986)	-

<u>All Programs</u>						
Population ³	41	100.00%	18,284	100.00%	35,897.5900	100.00%
Sample Size ⁴	16	39.02%	706	3.86%	578.3881	1.61%
Students w/Exceptions	-	-	(18)	(2.55%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(.6504)	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Clay 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 Population</u>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Population (Sample)</u>
<u>Teachers</u>				
Population ³	41	100.00%	611	100.00%
Sample Size ⁴	16	39.02%	99	16.20%
Teachers w/Exceptions	-	-	(3)	(3.03%)

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 reflects only those students who participated in OJT. The population shown for full-time equivalent (FTE) students is the total FTE for all 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

Clay 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	.2000	1.074	.2148
102 Basic 4-8	.6992	1.000	.6992
103 Basic 9-12	3.7893	1.033	3.9143
112 Grades 4-8 with ESE Services	1.5000	1.000	1.5000
130 ESOL	(2.2369)	1.124	(2.5143)
254 ESE Support Level 4	(4.0000)	3.520	(14.0800)
255 ESE Support Level 5	1.7966	4.854	8.7207
300 Career Education 9-12	(2.3986)	1.050	(2.5185)
Total	(6.504)		(4.0638)

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

Clay 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

<u>No. Program</u>	<u>District- Wide</u>	<u>Audit Adjustments¹</u>		<u>Balance Forward</u>
		<u>#0241</u>	<u>#0301</u>	
101 Basic K-3	.2000	.....	.....	.2000
102 Basic 4-8	.0400	.....	.....	.0400
103 Basic 9-12	.....	.....	.....	.0000
112 Grades 4-8 with ESE Services	.....	.....	1.0000	1.0000
130 ESOL	(.2400)	.....	.....	(.2400)
254 ESE Support Level 4	.....	(1.5000)	(2.0000)	(3.5000)
255 ESE Support Level 5	.....	1.5000	1.0000	2.5000
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)

Clay 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 Adjustments ¹				Balance Forward
		#0341	#0351	#0361	#0401	
101	.2000	.....	.....	.....	.....	.2000
102	.0400	.....	.....	.6592	.....	.6992
103	.0000	2.2518	.....	.....	.....	2.2518
112	1.0000	.....	.....	.....	.5000	1.5000
130	(.2400)	(.3336)	.....	(.6592)	.....	(1.2328)
254	(3.5000)	.....	(1.5000)	1.0000	.0000	(4.0000)
255	2.5000	.....	1.5000	(1.0000)	(.5000)	2.5000
300	<u>.0000</u>	<u>(2.5686)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(2.5686)</u>
Total	<u>.0000</u>	<u>(.6504)</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>(.6504)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE C (Continued)

Clay 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

<u>Program No.</u>	<u>Brought Forward</u>	<u>Audit Adjustments¹</u>			<u>Total</u>
		<u>#0431</u>	<u>#0501</u>	<u>#0551</u>	
101	.2000	.....	.....	.....	.2000
102	.6992	.....	.....	.....	.6992
103	2.2518	1.0041	.....	.5334	3.7893
112	1.5000	.....	.....	.....	1.5000
130	(1.2328)	(1.0041)	.....	.....	(2.2369)
254	(4.0000)	(1.0000)	1.0000	.....	(4.0000)
255	2.5000	1.0000	(1.0000)	(.7034)	1.7966
300	<u>(2.5686)</u>	.....	.....	<u>.1700</u>	<u>(2.3986)</u>
Total	<u>(.6504)</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>(.6504)</u>

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

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Clay 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. Except for material noncompliance involving the reporting of, and preparation and maintenance of supporting documentation for, students in Career Education 9-12 (OJT), the Clay 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 16.

Findings

**Net Audit
 Adjustments
(Unweighted FTE)**

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.

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 seven courses taught at three schools were reported incorrectly in ESOL. We made the following audit adjustment:

101 Basic K-3	.2000	
102 Basic 4-8	.0400	
130 ESOL	<u>(.2400)</u>	<u>.0000</u>
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Clay 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>W. E. Cherry Elementary School (#0241)</u>		
2. [Ref. 24101] <u>Two ESE students were not reported in accordance with the students' Matrix of Services forms. We made the following audit adjustment:</u>		
254 ESE Support Level 4	(1.5000)	
255 ESE Support Level 5	<u>1.5000</u>	<u>.0000</u>
		<u>.0000</u>
<u>Keystone Heights Elementary (#0301)</u>		
3. [Ref. 30101] <u>One ESE student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustment:</u>		
254 ESE Support Level 4	(1.0000)	
255 ESE Support Level 5	<u>1.0000</u>	<u>.0000</u>
4. [Ref. 30102] <u>One ESE student's Matrix of Services form was missing and could not be located. We made the following audit adjustment:</u>		
112 Grades 4-8 with ESE Services	1.0000	
254 ESE Support Level 4	<u>(1.0000)</u>	<u>.0000</u>
		<u>.0000</u>
<u>Clay High School (#0341)</u>		
5. [Ref. 34101] <u>One student was beyond the maximum six-year period allowed for State funding of ESOL. We made the following audit adjustment:</u>		
103 Basic 9-12	.3336	
130 ESOL	<u>(.3336)</u>	<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Clay 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

Clay High School (#0341) (Continued)

6. [Ref. 34102] The timecards for three Career Education 9-12 (OJT) students indicated that the students were not employed during the week of the reporting survey. We also noted that there was no documentation that the students were engaged in a job search. We made the following audit adjustment:

300 Career Education 9-12	(.6504)	(.6504)
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7. [Ref. 34171] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Biology but taught a course that required certification in Agriculture. We also noted that the parents of the students concerned were not notified of the teacher’s out-of-field status. We made the following audit adjustment:

103 Basic 9-12	1.9182	
300 Career Education 9-12	(1.9182)	.0000
		(.6504)

Lakeside Junior High School (#0351)

8. [Ref. 35101] Two ESE students were not reported in accordance with the students’ Matrix of Services forms. We made the following audit adjustment:

254 ESE Support Level 4	(1.5000)	
255 ESE Support Level 5	1.5000	.0000
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Clay 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

Findings	Net Audit Adjustments (Unweighted FTE)	
<u>Orange Park Junior High School (#0361)</u>		
9. [Ref. 36101] <u>One ESE student was not reported in accordance with the student's <i>Matrix of Services</i> form. We made the following audit adjustment:</u>		
254 ESE Support Level 4	1.0000	
255 ESE Support Level 5	<u>(1.0000)</u>	.0000
10. [Ref. 36171] <u>One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Music but taught a course that required certification in Reading. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:</u>		
102 Basic 4-8	.6592	
130 ESOL	<u>(.6592)</u>	.0000
		<u>.0000</u>
<u>Ridgeview Elementary School (#0401)</u>		
11. [Ref. 40101] <u>Two ESE students were not reported in accordance with the students' <i>Matrix of Services</i> forms. We made the following audit adjustment:</u>		
112 Grades 4-8 with ESE Services	.5000	
254 ESE Support Level 4	<u>(.5000)</u>	
254 ESE Support Level 4	.5000	
255 ESE Support Level 5	<u>(.5000)</u>	.0000
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Clay 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>Ridgeview High School (#0431)</u>		
12. [Ref. 43101] <u>One ESE student was not reported in accordance with the student's Matrix of Services form. We made the following audit adjustment:</u>		
254 ESE Support Level 4	(1.0000)	
255 ESE Support Level 5	<u>1.0000</u>	.0000
13. [Ref. 43102] <u>Two students were reported in the ESOL Program; however, the students' files contained documentation that indicated the students had been dismissed from ESOL prior to the reporting survey period. We made the following audit adjustment:</u>		
103 Basic 9-12	.5871	
130 ESOL	<u>(.5871)</u>	.0000
14. [Ref. 43171] <u>One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in ESE but taught a course that required certification in Math. We also noted that the parents of the students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:</u>		
103 Basic 9-12	.4170	
130 ESOL	<u>(.4170)</u>	.0000
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Clay 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

Tynes Elementary School (#0501)

15. [Ref. 50101] The Matrix of Services form for one ESE student (reported for a Matrix score of 22 points) incorrectly included four Special Considerations points for which the student was not eligible as follows: (a) one point was designated for students with a Matrix score of 17 points and a Level 5 rating in three domains; however, the adjusted Matrix score was 21 points, and (b) three points designated for a student receiving services in the Visually Impaired Program was mistakenly indicated but was not applicable. We made the following audit adjustment:

254 ESE Support Level 4	1.0000	
255 ESE Support Level 5	(1.0000)	<u>.0000</u>
		<u>.0000</u>

Fleming Island High School (#0551)

16. [Ref. 55101] One student was reported incorrectly in Program No. 255 (ESE Support Level 5) in the October 2009 and February 2010 surveys based on the student's placement in the Hospital and Homebound Program for 120 minutes per week; however, the student was also provided on-campus instruction for 1,070 and 1,040 minutes, respectively, and should have been reported in Program Nos. 103 (Basic 9-12) and No. 300 (Career Education 9-12) for that instruction. We made the following audit adjustment:

103 Basic 9-12	.5334	
255 ESE Support Level 5	(.7034)	
300 Career Education 9-12	<u>.1700</u>	<u>.0000</u>
		<u>.0000</u>
Net Audit Adjustment		<u>(.6504)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Clay 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 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 students in ESE Support Levels 4 and 5; (3) ESE students are reported in accordance with their *Matrix of Services* forms; (4) students who are receiving one-on-one instruction at home (under the Hospital and Homebound Program placement) or at school receiving on-campus basic instruction are reported in accordance with their level of service and placements; (5) students reported in Career Education 9-12 (OJT) are employed and reported in accordance with their timecards; (6) students are not funded for ESOL beyond six years; and (7) teachers are either properly certified, or if out of field, are timely approved by the School Board to teach out of field; and parents are timely and appropriately notified when their children are assigned to out-of-field teachers.

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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Clay 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-6.0902, F.A.C. Requirements for Identification, Eligibility, Programmatic and Annual Assessments of English Language Learners
- 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

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Clay 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

- Section 1012.42(2), F.S.Teacher Teaching Out-of-Field; Notification Requirements
- Section 1012.55, F.S.Positions for Which Certificates Required
- 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.

Clay 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 Clay County

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

For the fiscal year ended June 30, 2010, the District operated 40 schools and one District cost center serving prekindergarten through twelfth grade students, reported 35,897.59 unweighted FTE, and received approximately \$131 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 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.

Clay 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.

Clay 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

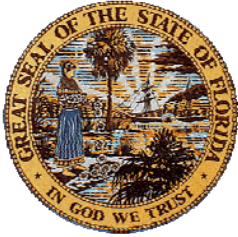
NOTE B - SAMPLING

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:

Clay 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. R. C. Bannerman Learning Center	NA
2. W. E. Cherry Elementary School	2
3. Keystone Heights Elementary	3 and 4
4. S. Bryan Jennings Elementary School	NA
5. Clay High School	5 through 7
6. Lakeside Junior High School	8
7. Orange Park Junior High School	9 and 10
8. Middleburg High School	NA
9. Ridgeview Elementary School	11
10. Ridgeview High School	12 through 14
11. Lake Asbury Junior High School	NA
12. Tynes Elementary School	15
13. Thunderbolt Elementary School	NA
14. Fleming Island High School	16
15. Oakleaf Junior High School	NA
16. Oakleaf Village Elementary School	NA



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 CLAY COUNTY DISTRICT SCHOOL BOARD STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated July 20, 2010, that the Clay 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 Clay 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 other noncompliance with the State requirements mentioned above. We considered this other noncompliance in forming our opinion regarding the District's compliance and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE 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.

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

Pursuant to Section 11.45(4)(c), Florida Statutes, this report is a public record and its distribution is not limited. Attestation standards established by the AICPA require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and applicable District management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
April 1, 2011

SCHEDULE F

Clay 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 Population</u>	<u>No. of Students Transported</u>	<u>% of Population (Sample)</u>
Population ¹	510	100.00%	30,838	100.00%
Sample ²	-	-	332	1.08%
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 30,838 students in the following ridership categories: 2,173 in IDEA (K-12), Weighted; 7 in IDEA (K-12), Unweighted; 484 in IDEA (PK), Weighted; 4 in IDEA (PK), Unweighted; 26 in Teenage Parents and Infants; 1,311 in Hazardous Walking; and 26,833 in Two Miles or More. The District also reported operating a total of 510 buses. (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, if any, are not included. (See Finding Nos. 1 and 2.)

The accompanying notes are an integral part of this schedule.

SCHEDULE G

Clay 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 Clay 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 30.

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] The number of days-in-term for the July 2009 survey was incorrectly reported for 87 students as follows: (a) 85 ESE students were reported for 7 days-in-term, however, the District's calendar supported only 6 days, and (b) two students, reported in Two Miles or More, were reported for 7 days-in-term; however, the District calendar supported 12 days. We made the following audit adjustment:

July 2009 Survey**7 Days-in-Term**

IDEA (K-12), Weighted

(84)

IDEA (K-12), Unweighted

(1)

Two Miles or More

(2)

(87)

**Students
 Transported
 Net Audit
 Adjustments**

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

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

<u>Findings</u>	<u>Students Transported</u>	<u>Net Audit Adjustments</u>
<u>July 2009 Survey</u> (Continued)		
<u>12 Days-in-Term</u>		
Two Miles or More	2	
<u>6 Days-in-Term</u>		
IDEA (K-12), Weighted	84	
IDEA (K-12), Unweighted	<u>1</u>	87
<p>2. [Ref. 52] <u>The number of days-in-term for 69 students (40 in the October 2009 survey and 29 in the February 2010 survey) were reported incorrectly. We determined that a programming error caused students to be reported for varying days-in-term (ranging from 18 to 72 days). However, the students were being transported regularly to their home schools during the entire semester and should have been reported for the entire 90-day term. We made the following audit adjustments:</u></p>		
<u>October 2009 Survey</u>		
<u>72 Days-in-Term</u>		
IDEA (K-12), Weighted	(2)	
Two Miles or More	(5)	
<u>54 Days-in-Term</u>		
Hazardous Walking	(2)	
Two Miles or More	(29)	
<u>36 Days-in-Term</u>		
Two Miles or More	(1)	
<u>18 Days-in-Term</u>		
Two Miles or More	<u>(1)</u>	(40)
<u>90 Days-in-Term</u>		
IDEA (K-12), Weighted	2	
Hazardous Walking	2	
Two Miles or More	<u>36</u>	40

The accompanying notes are an integral part of this schedule.

SCHEDULE G (Continued)

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

<u>Findings</u>		<u>Students Transported</u>	<u>Net Audit Adjustments</u>
<u>February 2010 Survey</u>			
<u>72 Days-in-Term</u>			
IDEA (K-12), Weighted	(2)		
Two Miles or More	(4)		
<u>54 Days-in-Term</u>			
Hazardous Walking	(2)		
Two Miles or More	(20)		
<u>18 Days-in-Term</u>			
Hazardous Walking	(1)		(29)
<u>90 Days-in-Term</u>			
IDEA (K-12), Weighted	2		
Hazardous Walking	3		
Two Miles or More	<u>24</u>		<u>29</u>
Net Audit Adjustment			<u>0</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE H

Clay 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.

Clay 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 Clay County

For the fiscal year ended June 30, 2010, the District received approximately \$7 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	42	365
October 2009	202	15,223
February 2010	215	14,866
June 2010	<u>51</u>	<u>384</u>
Total	<u>510</u>	<u>30,838</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

Clay 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**

SCHOOL DISTRICT OF CLAY COUNTY



**Ben Wortham
Superintendent of Schools**

900 Walnut Street
Green Cove Springs, Florida 32043

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BOARD MEMBERS

Janice Kerekes
District 1
Carol Studdard
District 2
Stephanie Van Zant
District 3
Frank Farrell
District 4
Lisa Graham
District 5

March 31, 2011

Office of the Auditor General
Mr. David W. Martin, C.P.A., Auditor General
J. David Hughes, Audit Supervisor, Section 241
Room 476B, Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Re: Report on the examination of full-time equivalent (FTE) students and student transportation, as reported by the Clay County District School Board for the fiscal year ended June 30, 2010.

Dear Auditor General 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 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 concur with the findings. We will make every attempt to ensure compliance with the appropriate reporting of days-in-term in future surveys.

If you have any questions or concerns, please contact Denise Adams, Deputy Superintendent, at (904) 284-6515.

Sincerely,

Ben Wortham
Superintendent of Schools