



Item: AF: I-4G

## AUDIT AND FINANCE COMMITTEE

Wednesday, October 24, 2007

**SUBJECT: REVIEW OF AUDITS: REPORT NO. 2007-199, A. D. HENDERSON  
UNIVERSITY SCHOOL, FLORIDA EDUCATION FINANCE PROGRAM (FEFP),  
FULL-TIME EQUIVALENT (FTE) STUDENTS FOR THE FISCAL YEAR ENDED  
JUNE 30, 2006.**

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### PROPOSED COMMITTEE ACTION

Information Only.

### BACKGROUND INFORMATION

The audit of A. D. Henderson University School was conducted pursuant to 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, 2006. 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 reported in the audit, the A. D. Henderson University School 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, 2006.

### IMPLEMENTATION PLAN/DATE

Not Applicable.

### FISCAL IMPLICATIONS

Not Applicable.

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**Supporting Documentation:** Report No. 2007-199.

**Presented by:** Dr. Kenneth A. Jessell, VP Financial Affairs

**Phone:** 561-297-3266



**AUDITOR GENERAL**  
WILLIAM O. MONROE, CPA



**ALEXANDER D. HENDERSON UNIVERSITY SCHOOL**  
**FLORIDA EDUCATION FINANCE PROGRAM (FEFP)**  
**FULL-TIME EQUIVALENT (FTE) STUDENTS**

For the Fiscal Year Ended June 30, 2006

General oversight and guidance is provided to the School by an advisory board, pursuant to Section 1002.32(8), Florida Statutes. The board was composed of the following members during our examination period:

Executive Director

Glenn Thomas

Faculty Members

David Perry

Rangasamy Ramasamy

Barbara Ridener

Deborah Shepherd

Gina Sands

Community Representative

Jerry Alfano

Parent Representatives

Fred Platt, Chairman

Maria Gordillo

Student Representative

William Nachlas

This examination was conducted by Pamela R. Kelly, CPA, and 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](mailto:joewilliams@aud.state.fl.us) or by telephone at (850) 414-9941.

This report, as well as other audit reports prepared by the Auditor General, can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Alexander D. Henderson University School  
Full-Time Equivalent (FTE) Students  
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For the Fiscal Year Ended June 30, 2006

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WILLIAM O. MONROE, CPA  
AUDITOR GENERAL

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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 ALEXANDER D. HENDERSON UNIVERSITY SCHOOL FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated April 10, 2007, that the Alexander D. Henderson University School complied with the 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, 2006. 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 School's compliance with State requirements. Our responsibility is to express an opinion on the School's compliance based on our examination.

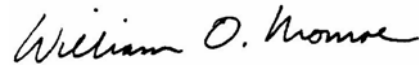
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the School'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 School's compliance with these requirements is, however, ultimately the responsibility of the Department of Education.

In our opinion, the Alexander D. Henderson University School 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, 2006.

The results of our examination disclosed instances of noncompliance with the State requirements mentioned above. We considered these instances of noncompliance in forming our opinion regarding management's assertion and these items did not affect our opinion as stated above. All of the instances of noncompliance disclosed by our examination procedures are discussed in SCHEDULE D. The impact of those instances of noncompliance on the School's reported number of full-time equivalent (FTE) students is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

This report is intended for the information 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 the Alexander D. Henderson University School. Copies of this report are available pursuant to Section 11.45(4)(c), Florida Statutes, and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink that reads "William O. Monroe". The signature is written in a cursive style with a clear, legible font.

William O. Monroe, CPA

June 1, 2007

SCHEDULE A

Alexander D. Henderson University School  
Full-Time Equivalent (FTE) Students  
**POPULATIONS, SAMPLES, AND TEST RESULTS**  
For the Fiscal Year Ended June 30, 2006

<u>Description</u> <sup>1</sup>	<u>Number of Students (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE</u> <sup>2</sup>	<u>% of Pop. (Sample)</u>
<u>1. Basic</u>				
Population <sup>3</sup>	625	100.00%	601.3681	100.00%
Sample Size <sup>4</sup>	24	3.84%	23.0000	3.82%
Students w/Exceptions	(0)	(0.00%)	-	-
Net Audit Adjustments <sup>5</sup>	-	-	1.0000	-
<u>2. Basic with ESE</u>				
Population <sup>3</sup>	71	100.00%	54.5000	100.00%
Sample Size <sup>4</sup>	8	11.27%	6.0000	11.01%
Students w/Exceptions	(1)	(12.50%)	-	-
Net Audit Adjustments <sup>5</sup>	-	-	(1.0000)	-
<u>3. English for Speakers of Other Languages (ESOL)</u>				
Population <sup>3</sup>	9	100.00%	7.2173	100.00%
Sample Size <sup>4</sup>	3	33.33%	1.6948	23.48%
Students w/Exceptions	(0)	(0.00%)	-	-
Net Audit Adjustments <sup>5</sup>	-	-	.0000	-
<hr/>				
<u>All Programs</u>				
Population <sup>3</sup>	705	100.00%	663.0854	100.00%
Sample Size <sup>4</sup>	35	4.96%	30.6948	4.63%
Students w/Exceptions	(1)	(2.86%)	-	-
Net Audit Adjustments <sup>5</sup>	-	-	.0000	-

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE A (Continued)**

Alexander D. Henderson University School  
 Full-Time Equivalent (FTE) Students  
**POPULATIONS, SAMPLES, AND TEST RESULTS**  
 For the Fiscal Year Ended June 30, 2006

<u>Description</u> <sup>1</sup>	<u>Number of Teachers (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>
<u>Teachers</u>		
Population <sup>3</sup>	12	100.00%
Sample Size <sup>4</sup>	5	41.67%
Teachers w/Exceptions	(0)	(0.00%)

<sup>1</sup> See NOTE A6.

<sup>2</sup> 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.)

<sup>3</sup> The population shown for the number of students is the total number of students in each program at the School. The population shown for full-time equivalent (FTE) students is the total FTE reported in the programs indicated for the fiscal year ended June 30, 2006. The population shown for teachers is the total number of teachers who taught courses to Exceptional or Limited English Proficient (LEP) students. (See NOTE A5.)

<sup>4</sup> See NOTE B.

<sup>5</sup> Our audit adjustments present the net effects of the instances 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 audit adjustment take the reported FTE to zero.

**The accompanying notes are an integral part of this schedule.**



SCHEDULE B

Alexander D. Henderson University School  
 Full-Time Equivalent (FTE) Students  
**EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE**  
*(For Illustrative Purposes Only)*  
 For the Fiscal Year Ended June 30, 2006

<u>No. Program</u> <sup>1</sup>	<u>Net Audit Adjustment</u> <sup>2</sup>	<u>Cost Factor</u>	<u>Weighted FTE</u> <sup>3</sup>
102 Basic 4-8	1.0000	1.000	1.0000
112 Grades 4-8 with ESE Services 9-12	<u>(1.0000)</u>	1.000	<u>(1.0000)</u>
Total	<u>.0000</u>		<u>.0000</u>

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<sup>1</sup> See NOTE A6.

<sup>2</sup> These adjustments are for unweighted FTE. (See SCHEDULE C.)

<sup>3</sup> 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

Alexander D. Henderson University School  
 Full-Time Equivalent (FTE) Students  
**AUDIT ADJUSTMENTS BY SCHOOL**  
 For the Fiscal Year Ended June 30, 2006

<u>No. Program</u>	<u>Audit Adjustments</u> <sup>1</sup>
102 Basic 4-8	1.0000
112 Grades 4-8 with ESE Services	<u>(1.0000)</u>
Total	<u>.0000</u>

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<sup>1</sup> These adjustments are for unweighted FTE. (See NOTE A4.)

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE D**

Alexander D. Henderson University School  
 Full-Time Equivalent (FTE) Students  
**FINDINGS AND AUDIT ADJUSTMENTS**  
 For the Fiscal Year Ended June 30, 2006

**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 Alexander D. Henderson University School complied, in all material respects, with State requirements governing the determination and reporting of FTE for the fiscal year ended June 30, 2006. All of the instances of noncompliance disclosed by our examination procedures are discussed below and require management's attention and action, as recommended on page 8.

**Findings**

**Net Audit  
 Adjustments  
(Unweighted FTE)**

1. [Ref. 1102] The Individual Educational Plan (IEP) for one Exceptional student in the October and February surveys was not signed by the student's general education teacher. We made the following audit adjustment:

102 Basic 4-8	1.0000	
112 Grades 4-8 with ESE Services	(1.0000)	<u>.0000</u>
		<u>.0000</u>

*The accompanying notes are an integral part of this schedule.*

SCHEDULE E

Alexander D. Henderson University School  
Full-Time Equivalent (FTE) Students  
**RECOMMENDATIONS AND REGULATORY CITATIONS**  
For the Fiscal Year Ended June 30, 2006

**Recommendations**

**We recommend** that management exercise more care to ensure that IEPs are signed by appropriate District professionals.

The absence of statements in this report regarding practices and procedures followed by the School 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 School's obligation to comply with all State requirements governing full-time equivalent (FTE) students and the Florida Education Finance Program (FEFP).

**Regulatory Citations**

Exceptional Education

- Section 1003.57(5), 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. ....Development of Individual Educational Plans for Students with Disabilities

*The accompanying notes are an integral part of this schedule.*

**SCHEDULE F**

Alexander D. Henderson University School  
Full-Time Equivalent (FTE) Students  
**SUMMARY OF MANAGEMENT'S RESPONSE**  
For the Fiscal Year Ended June 30, 2006

*Management agreed with our finding and recommendation.*

*A copy of management's response may be found on page 13 of this report.*

*The accompanying notes are an integral part of this schedule.*

Alexander D. Henderson University School  
Full-Time Equivalent (FTE) Students  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2006

**NOTE A - SUMMARY**

A summary discussion of the significant features of the School, the Florida Education Finance Program (FEFP), full-time equivalent (FTE) students, and related areas follows:

**1. Alexander D. Henderson University School**

The Alexander D. Henderson University School was established pursuant to Section 1002.32, Florida Statutes, as a developmental research school on the campus of Florida Atlantic University. The statute specifies that developmental research schools are to provide "a vehicle for the conduct of research, demonstration, and evaluation regarding management, teaching, and learning." The statute also states that "the primary goal of a lab school is to enhance instruction and research in [mathematics, science, computer science, and foreign languages] by using resources available in a state university campus, while also providing an education in nonspecialized subjects." The School offers instruction in Basic education, Basic education with Exceptional services, and English for Speakers of Other Languages (ESOL), and serves students in kindergarten through twelfth grade. For the fiscal year ended June 30, 2006, the School reported 663.0854 unweighted full-time equivalent (FTE) students, and received approximately \$3.3 million in State funding for those FTE under the Florida Education Finance Program (FEFP). The primary source of funding for the School is State funds allocated from the Florida Education Finance Program.

**2. Florida Education Finance Program (FEFP)**

Florida school districts and developmental research schools receive State funding through the Florida Education Finance Program (FEFP), which was established by the Florida Legislature in 1973. It is the intent of the law "to guarantee to each student in the Florida public school system the availability of programs and services appropriate to his 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.

Alexander D. Henderson University School  
Full-Time Equivalent (FTE) Students  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2006

**NOTE A - SUMMARY** (Continued)

**3. Full-Time Equivalent (FTE) Students**

The funding provided by FEEP 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 (full-time equivalent) student. For example, for kindergarten through third grade, one FTE is defined as one student in membership in a program or a group of programs for 20 hours per week for 180 days; for grade levels four through twelve, one FTE is defined as one student in membership in a program or a group of programs for 25 hours per week for 180 days.

**4. Calculation of FEEP Funds**

The amount of State and local FEEP funds is calculated by the Department of Education by multiplying the number of unweighted full-time equivalent (FTE) students 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 FEEP 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. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2005-2006 school year were conducted during and for the following weeks: survey one was performed for July 11-15, 2005; survey two was performed for October 10-14, 2005; survey three was performed for February 6-10, 2006; and survey four was performed for June 12-16, 2006.

Alexander D. Henderson University School  
Full-Time Equivalent (FTE) Students  
**NOTES TO SCHEDULES**  
For the Fiscal Year Ended June 30, 2006

**NOTE A - SUMMARY** (Continued)

**6. Educational Programs**

The Florida Education Finance Program (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) English for Speakers of Other Languages (ESOL); (3) Exceptional; 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 students and teachers, using statistical and judgmental methods, for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2006. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the School's compliance with State requirements governing FTE and the Florida Education Finance Program (FEFP).



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**MANAGEMENT'S RESPONSE**

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A.D. Henderson University School Lottery  
FAU High School  
Karen Slattery Educational Center for  
Child Development  
Pine Jog Environmental Center  
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Boca Raton, FL 33431  
(561) 297-3564  
FAX (561) 297-3613

6/13/2007

Mr. William O. Monroe  
Auditor General  
State of Florida  
G74 Claude Pepper Bldg.  
111 West Madison St.  
Tallahassee, FL 32399-1450

Subject: Report on examination of full-time equivalent (FTE) students, as reported by the Alexander D. Henderson University School under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2006.

Dear Mr. Monroe,

We have reviewed the report of the FTE examination for the A.D. Henderson University School for the fiscal year ending June 30, 2006.

The finding that one IEP was not properly signed has been noted and we concur with the finding. Corrective action will be increased management oversight and review of the actual IEP signature process and a periodic review of all IEP forms to ensure proper compliance.

We appreciated the professionalism and expertise of your staff.

Sincerely,

A handwritten signature in black ink, appearing to read 'Glenn Thomas', is written over a horizontal line.

Glenn Thomas,  
Executive Director  
PK-12 School and Programs