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, 2003

The School is a developmental research school affiliated with the College of Education at Florida Atlantic University, pursuant to Section 1002.32, Florida Statutes. 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 "each developmental research school is to enhance instruction and research in such specialized subjects by using resources available in a state university campus, while also providing an education in nonspecialized subjects."

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

Dean of the College of Education
Dr. Gregory Aloia

Faculty Members
Rangasamy Ramasamy
Toni Kirkwood
Richard Knee
Bob Shockley

Community Representatives
John Pisapia, Chairman

Parent Representatives
Hope Atwell
Fred Platt

This examination was conducted by Michael D. Yurick and supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Joe Williams, Audit Manager, via e-mail at 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
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
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For the Fiscal Year Ended June 30, 2003

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AUDITOR GENERAL
STATE OF FLORIDA

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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
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated May 4, 2004, that the Alexander D. Henderson University School complied with the requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2003. These requirements are found primarily in Chapter 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-1, Florida Administrative Code, and secondarily in Chapters 1000 through 1010, 1012, and 1013, Florida Statutes, and State Board of Education Rules, Chapters 6A-4 and 6A-6, Florida Administrative Code. As discussed in the representation letter, management is responsible for the School's compliance with those statutes and rules. Our responsibility is to express an opinion on the School's compliance based on our examination.

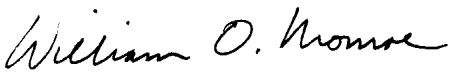
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the School's compliance with the aforementioned FEFP 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 FEFP 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 the aforementioned requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2003.

The results of our examination disclosed instances of noncompliance with the FEFP 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, Florida Atlantic University, 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,



William O. Monroe, CPA
June 30, 2004

SCHEDULE A

Alexander D. Henderson University School
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2003

Description[1]	Number of Schools	% of Pop.	Number of Students (w/Exceptions)	% of Pop. (Sample)	Number of Unweighted FTE[2]
1. Basic					
Population[3]	1	100.00%	508	100.00%	493.7400
Sample Size[4]	1	100.00%	23	4.53%	22.5000
Net Audit Adjustments[5]	-	-	(0)	(0.00%)	.0000
2. English for Speakers of Other Languages (ESOL)					
Population[3]	1	100.00%	5	100.00%	4.5000
Sample Size[4]	1	100.00%	3	60.00%	2.5000
Net Audit Adjustments[5]	-	-	(0)	(0.00%)	.0000
3. Exceptional - Basic with ESE Services					
Population[3]	0	0.00%	0	0.00%	.0000
Sample Size[4]	0	0.00%	0	0.00%	.0000
Net Audit Adjustments[5]	-	-	(0)	(0.00%)	.0000
4. Exceptional - ESE Support Levels 4 and 5					
Population[3]	0	0.00%	0	0.00%	.0000
Sample Size[4]	0	0.00%	0	0.00%	.0000
Net Audit Adjustments[5]	-	-	(0)	(0.00%)	.0000
5. Vocational 6-12					
Population[3]	0	0.00%	0	0.00%	.0000
Sample Size[4]	0	0.00%	0	0.00%	.0000
Net Audit Adjustments[5]	-	-	(0)	(0.00%)	.0000
All Programs					
Population[3]	1	100.00%	513	100.00%	498.2400
Sample Size[4]	1	100.00%	26	5.07%	25.0000
Net Audit Adjustments[5]	-	-	(0)	(0.00%)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Alexander D. Henderson University School
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
POPULATIONS, SAMPLES, AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2003

Description[1]	Number of Schools	% of Pop.	Number of Teachers (w/Exceptions)	% of Pop. (Sample)	Number of Unweighted FTE[2]
Teacher Certification					
Teacher Population	1	100.00%	3	100.00%	-
Teacher Sample Size[4]	1	100.00%	3	100.00%	-
Net Audit Adjustments[5]	-	-	(1)	(33.33%)	-
Basic	-	-	-	-	2.5000
ESOL	-	-	-	-	(2.5000)
Basic with ESE Services	-	-	-	-	.0000
ESE Support Levels 4 and 5	-	-	-	-	.0000
Vocational 6-12	-	-	-	-	.0000
					.0000
Net Audit Adjustments - Students and Teachers					.0000

[1] *See NOTE A6.*

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

[3] *The population shown for the number of students is the total number of students in the program indicated. The population shown for full-time equivalent (FTE) students is the total FTE as reported by the School for each survey conducted for the fiscal year ended June 30, 2003. (See NOTE A5.)*

[4] *See NOTE B.*

[5] *Our audit adjustments generally reclassify reported FTE to Basic education for all exceptions except for those involving a student's attendance or enrollment (the audit adjustments for which take the reported FTE to zero).*

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Alexander D. Henderson University School
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, 2003

No.	Program[1]	Net Audit Adjustment[2]	Cost Factor	Weighted FTE[3]
101	Basic K-3	2.5000	1.005	2.5125
130	ESOL	(2.5000)	1.275	(3.1875)
Total		.0000		(.6750)

[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

Alexander D. Henderson University School
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
AUDIT ADJUSTMENTS BY PROGRAM
For the Fiscal Year Ended June 30, 2003

No.	Program	Audit Adjustments[1] #0011	Total
101	Basic K-3	2.5000	(2.5000)
130	ESOL	(2.5000)	2.5000
Total		.0000	.0000

[1] *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
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
For the Fiscal Year Ended June 30, 2003

Overview

The management of the Alexander D. Henderson University School is responsible for determining and reporting the number of full-time equivalent (FTE) students in compliance with requirements of the Florida Education Finance Program (FEFP). These requirements are found primarily in Chapter 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-1, Florida Administrative Code, and secondarily in Chapters 1000 through 1010, 1012, and 1013, Florida Statutes, and State Board of Education Rules, Chapters 6A-4 and 6A-6, Florida Administrative Code. In our opinion, the School complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2003. However, our examination procedures did disclose instances of noncompliance which, while not of material impact on the School's compliance, are nevertheless worthy of management's attention and action, as recommended on page 8.

Findings		**Net Audit Adjustment (Unweighted**
Alexander D. Henderson University School (#0011)		
1. [Ref. 1170] The parents of the students taught by one out-of-field teacher were not notified of the teacher's out-of-field status. We made the following audit adjustments:		
101 Basic K-3	2.5000	
130 ESOL	(2.5000)	.0000
		.0000
		.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Alexander D. Henderson University School
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2003

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that the parents of students assigned to an out-of-field teacher are notified of the teacher's out-of-field status.

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 of the statutory and rule provisions governing the Florida Education Finance Program (FEFP).

Regulatory Citations

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
Section 1003.56, F.S. ..... English Language Instruction for Limited English Proficient Students
Rule 6A-1.0503, F.A.C. ..... Qualified Instructional Personnel
Rule 6A-4.001, F.A.C. ..... Instructional Personnel Certification

The accompanying notes are an integral part of this schedule.

SCHEDULE F

Alexander D. Henderson University School
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2003

Management agreed with our findings and recommendations.

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
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2003

NOTE A - SUMMARY

A summary discussion of the essential features of the Alexander D. Henderson University 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 and was affiliated with the University's College of Education. The School offers instruction in Basic and English for Speakers of Other Languages (ESOL) programs for students in kindergarten through eighth grade. For the fiscal year ended June 30, 2003, the School reported 498.24 un-weighted full-time equivalent (FTE) students, and received approximately $2.2 million in State FEFP funding for those FTE. The primary source of funding for the School is State funds allocated from the Florida Education Finance Program (FEFP).

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
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2003

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 (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 FEFP Funds

The amount of State and local FEFP funds is calculated by the Department of Education by multiplying the number of un-weighted 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 FEFP dollars. All cost factors, the base student allocation amount, cost differential factors, and various adjustment figures are established by the Florida Legislature.

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys, which are conducted under the direction of school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2002-2003 school year were conducted during and for the following weeks: survey one was performed for July 15-19, 2002; survey two was performed for October 7-11, 2002; survey three was performed for February 3-7, 2003; and survey four was performed for June 16-20, 2003.

Alexander D. Henderson University School
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2003

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) English for Speakers of Other Languages (ESOL); (3) Exceptional; and (4) Vocational (6-12).

7. Statutes and Rules

The following statutes and rules are of significance to the administration of Florida public education and the Florida Education Finance Program (FEFP):

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-3, F.A.C. ..... Transportation
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 of FTE membership as reported to the Department of Education for the fiscal year ended June 30, 2003. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the School's compliance with applicable Florida Statutes and State Board of Education Administrative Rules.

MANAGEMENT'S RESPONSE

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OFFICE OF THE DEAN
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GREGORY F. ALOIA, DEAN
GFALOIA@FAU.EDU

July 6, 2004

William O. Monroe, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

This correspondence is Management's response to the FTE Audit Report of the A. D. Henderson University School at Florida Atlantic University for the 2003-04 school year.

We concur with the findings and accept the recommendation that additional attention be given to the notification of parents regarding "out of field teachers." Management will review policy with all involved to prevent a reoccurrence of this issue.

Sincerely,

Glenn Thomas, Director
A.D. Henderson University School

GT/tr