

Education
Mercedes Toural, Associate Superintendent

SUBJECT: REQUEST FOR SCHOOL BOARD APPROVAL OF THE FIRST AMENDMENT TO THE AMENDED CHARTER SCHOOL CONTRACTUAL AGREEMENT WITH THE LIBERTY CITY CHARTER SCHOOL PROJECT, INC.

As per Section 228.056(10)16(c), Florida Statutes, a charter school contractual agreement may be modified during its initial term or any renewal term upon the recommendation of the Sponsor and the approval of both parties to the agreement.

Liberty City Charter School Project, Inc., has requested that the contractual agreement be extended for an additional five years, through school year 2008-2009. The Charter School Contract Review Committee met on March 20, 2002, and by a majority vote, made a recommendation for approval of the amendment to the charter school contractual agreement.

The original charter school contractual agreement was approved by The School Board of Miami-Dade County, Florida, on July 28, 1996, for a three-year period, and subsequently renewed for an additional five-year period through the 2003-2004 school year.

Liberty City Charter School is open to any student in grades kindergarten through eight residing in Miami-Dade County. District schools in close proximity to the charter school include:

School	Student Population	Percentage Utilization (Permanent Capacity)	Percentage Utilization (Permanent and Relocatable Capacity)	Number of Relocatables
Arcola Lake Elem.	684	88	88	0
T. C. Crowder Elem.	199	114	102	1
Little River Elem.	769	119	100	15
Phyllis R. Miller Elem.	1,054	124	124	0
Horace Mann Middle	1,405	114	101	14
Miami Edison Middle	1,097	99	99	0

Source: M-DCPS Report T0500P08-R1 dated 3/2/02

The current Board of Directors of Liberty City Charter School is: Mr. T. Willard Fair, Chairperson; Ms. Courtney Cunningham, Member; Mr. Moises Hunt, Member; Ms. Carol Licko, Member; Mr. Luis Perez, Member; Ms. Cheri Perry, Member; Mr. Castell Vaughn, Member; and Mr. Mark Wallace, Member.

A copy of the amendment to the Amended Charter School Contractual Agreement will be placed on file, and will be available for inspection in the School Board Members' office, in the Office of Board Recording Secretary, and in the Citizen Information Center.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve the extension of the charter school contractual agreement with Liberty City Charter School Project, Inc. for an additional five years through school year 2008-2009.

MB:dcr

FIRST AMENDMENT TO AMENDED CHARTER SCHOOL CONTRACT

THIS FIRST AMENDMENT TO THE AMENDED CHARTER SCHOOL CONTRACT ("AMENDMENT") entered into as of the 16th day of May 2002 by and between THE SCHOOL BOARD OF MIAMI -DADE COUNTY, FLORIDA ("SPONSOR") and THE LIBERTY CITY CHARTER SCHOOL PROJECT, INC., ("SCHOOL").

RECITALS

A. The Sponsor and School entered into that certain Amended Charter School Contract dated as of February 15th, 2001 (the "Amended Charter School Contract"), whereby the Sponsor agreed to permit the School to operate a charter school pursuant to Florida Statutes.

B. The Sponsor and School now desire to amend the Contract to provide for the terms and conditions set forth hereinbelow.

NOW, THEREFORE, in consideration of the mutual benefits to be derived therefrom and of the respective mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Part I. A. (1) of the Contract is hereby amended, and substituted in its place and instead is the following:

PART I. GENERAL PROVISIONS

A. TERM

(1) This Contract shall become effective as of the date first above written upon signing by both parties, commencing on the first day of the 2002-2003 school year, and ending on June 30, 2009, subject to annual review as per §228.056(10)(b), Fla.Stat. (2001), Charter Schools.

2. Part III. A. of the Contract is hereby amended, and substituted in its place and instead is the following:

PART III. STUDENTS

A. DEFINITION OF STUDENTS

(1) The parties agree that the grade levels and student enrollment at the School will be approved based on the school district overcrowding needs, as determined by the Sponsor's policies. Additionally, the School shall be open to any student residing in Miami-Dade County.

(2) The School will target students within the Urban League of Greater Miami's Child Development Zone, a location identified by the Urban League as an area with the most critical of needs - and the potential for success so viable. In addition, the School will recruit students residing in the immediate community surrounding the school building as well as continue to accept students county-wide as required by the Sponsor. The School will serve not more than 400 students in K-8th grade. Following is the student enrollment breakdown by year:

Year 4: 2002-2003 - Grades K-7 - up to 360 students

Years 5 - 10: 2003-2009 - Grades K-8 - up to 400 students

In order to minimize the negative impact to district schools that are underenrolled and located in the School's targeted enrollment area, the parties agree to limit the enrollment from such schools as follows:

Percentage of utilization of permanent and relocatable program capacity of students' home school	Maximum overall number of students to be admitted by charter school from underenrolled school
99% to 90%	Up to 50 students

89% to 80%	Up to 40 students
79% to 70 %	Up to 30 students
69% to 60 %	Up to 20 students
Below 60 %	Up to 10 students

(3) The parties agree that the School shall achieve a racial/ethnic balance reflective of the community it serves, as defined above, or within the racial/ethnic range of other Public Schools in the school district. The School guarantees that its admissions policies shall be nonsectarian.

3. Part IV. A. (8) of the Contract is hereby amended, and substituted in its place and instead is the following

PART IV. FINANCIAL ACCOUNTABILITY

A. ADMINISTRATIVE MANAGEMENT

(8) The School shall provide the Sponsor with annual financial reports as of June 30 of each year, which shall include a complete set of financial statements and notes thereto prepared in accordance with Generally Accepted Accounting Principles for inclusion into the Sponsor's financial statements annually, formatted by revenue source and expenditures, detailed by function and object. Additionally, the financial statements must be presented in the new format as required by Governmental Accounting Standards Board (GASB) Statement 34, applicable for state and local governments and their component units which became effective for periods beginning after June 15, 2001. The following timeline must be adhered to for submitting the School's financial reports:

UNAUDITED STATEMENTS

NO LATER THAN AUGUST 1ST OF EACH YEAR

AUDITED STATEMENTS

NO LATER THAN SEPTEMBER 20TH OF EACH YEAR

An annual financial audit, requested and paid for by the School, shall be performed by a qualified Certified Public Accountant. The audit shall be performed in accordance with Generally Accepted Auditing Standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the Rules of the Auditor General, State of Florida, incorporated into this Contract as Appendix M, and in accordance with the requirements specified in Appendix M-1, a copy of which is attached and incorporated into this Contract. The School further agrees to provide the Sponsor with a copy of such audit and the corresponding responses to such findings, which shall be bound together in one complete report. Funding for any subsequent year of Contract extension, if approved by the School Board, shall be contingent upon the receipt and subsequent approval of the audit by the Sponsor and/or its representatives, and such funding shall be adjusted as necessary to reflect audit results. The Sponsor reserves the right to perform additional audits at its expense as part of the Sponsor's financial responsibilities as it deems necessary. Additionally, a cumulative listing of all property, purchased with public funds (i.e., FEFP, grant, and any other public-generated funds) shall be submitted yearly along with the annual audited financial statements. These lists will include: (1) date of purchase; (2) item purchased; (3) cost of item; and (4) item location.

If the School has been granted tax-exempt status, the School will provide the Sponsor with a copy of correspondence from the Internal Revenue Service (IRS) granting tax-exempt status as a section 501(c)(3) organization. The School also will provide the Sponsor a copy of its Form 990, Return of Organization Exempt from Income Tax, and all schedules and attachments, within 15 days of filing with the IRS. If the IRS does not require Form 990 to be filed, the School will provide the Sponsor with written confirmation from the IRS of such non-requirement. Notwithstanding anything set forth in this contract, the Sponsor does not covenant or extend to pledge its tax-exempt authority in any way for the use and benefit of the School.

4. Part IV. A. (9) of the Contract is hereby amended, and substituted in its place and instead is the following

PART IV. FINANCIAL ACCOUNTABILITY

A. ADMINISTRATIVE MANAGEMENT

(9) The School will contract with a private agency to provide food service beginning with the 2004-2005 school year.

(a) When a private agency is contracted to provide food services, the School assumes all responsibility for providing food and related services and for meeting reporting requirements. Therefore, Appendix N to this Contract is hereby withdrawn as of the 2004-2005 school year.

5. Part VII. B. of the Contract is hereby amended, and substituted in its place and instead is the following:

PART VII HUMAN RESOURCES

B. PRIVATE OR PUBLIC EMPLOYEES

The School shall be a private employer. Teachers may choose to be a part of a professional group that subcontracts with the School to operate the instructional program under the auspices of a partnership or cooperative that they collectively own. Teachers and other staff on approved charter school leave from the Sponsor will be considered employees of the School and as such will not be covered by the contract between the United Teachers of Dade (UTD) and Miami-Dade County Public Schools.

6. All other conditions of the Contract shall remain the same and are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Amended Charter School Contract as of the day and year first above written.

ATTEST:

THE LIBERTY CITY CHARTER SCHOOL PROJECT, INC.

By: _____
Secretary

By: _____
President

ATTEST:

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

By: _____
Merrett R. Stierheim, Superintendent

By: _____
Perla Tabares Hantman, Chair

APPROVED AS TO FORM:

Attorney for the Board

Appendix M

**RULES OF THE
AUDITOR GENERAL**



CHAPTER 10.850

CHARTER SCHOOL AUDITS

EFFECTIVE 06-30-01

Appendix M-1

AUDIT COMPLETION CHECKLIST FOR CHARTER SCHOOLS AND OTHER ORGANIZATIONS MIAMI-DADE COUNTY PUBLIC SCHOOLS

The following information should be included in the yearly audit by the organizations submitting their annual external audit. For charter schools, the Auditor General of the State of Florida has issued rules that must be complied with (Chapter 10.850). **Please share this checklist with your external auditor.**

- _____ 1. The name and address of the school.
- _____ 2. The name of the principal running the school.
- _____ 3. Current list of the Board of Directors of the school.
- _____ 4. If the school is operated by a management company:
 - _____ a. Name of the company
 - _____ b. Address
 - _____ c. List of principal officials
 - _____ d. Contractual arrangement with the company, such as length of contract, terms, total fees paid for the year, etc. (This information should be included in the footnotes to the financial statements).
- _____ 5. The financial statements must include comparative totals for the prior year.
- _____ 6. The financial statements must comply with GASB 34 requirements, if applicable.
- _____ 7. In the footnotes of the financial statements, the following should be disclosed:
 - _____ a. Total school enrollment and grade configuration. If separate facilities are in operation, disclose name, address, and the enrollment and grade configuration at each facility.
 - _____ b. Full disclosure of related party transactions, which should include the related party's name and address, and disclosure of the transaction, particularly if it is a loan that needs to be repaid (principal and interest paid and unpaid). If the debt is in arrears, disclosure of arrangements made to satisfy the debt.
 - _____ c. Full disclosure of any other debts in arrears, particularly as they relate to the payment of withholding/social security taxes. Arrangements made to pay the debt(s).
 - _____ d. For charter schools, full disclosure in the notes or as a separate schedule in the audit of the tangible personal property purchased with public funds. (It is a current contractual requirement for charter schools; however, we recommend that it be part of the audit).
 - _____ e. If there is a deficit cash position or significant losses shown in the financial statements, full disclosure as to how the school plans to keep operating. The issue is whether sufficient resources would be available to maintain the school open. This issue may be addressed in the Management Letter.
 - _____ f. Any disclosure of events subsequent to the balance sheet date that the auditor believes are important to the readers of the financial statements (e.g., significant contractual arrangements and financing or refinancing of debt, payment of past due taxes, etc.).
- _____ 8. If the audit is not submitted within the contractually required deadline, the Management Letter must comment on it with the appropriate response from the organization as to how it is going to be remedied in future audit submittals.
- _____ 9. If there are Management Letter findings, each finding must include a response by the organization. If there were prior audit findings, the current audit must include the status of action taken, i.e., whether the recommendation was fully implemented and, if not, when (date) it will be fully implemented. Note that quarterly reports may be required on a case-by-case basis depending on the severity or lack of resolution of the issues noted in the Management Letter.
- _____ 10. Please enter the following information about the Certified Public Accountant issuing the audit report:
CPA's Name _____
CPA's Address _____
License No. _____ Status _____
Expiration Date _____

In reference to this checklist, please refer any questions to the Office of Management and Compliance Audits, attention Mr. Norberto Ferradaz, CPA (305) 995-1318.

Please forward a copy of the completed checklist with your audit.