

Education
Mercedes Toural, Associate Superintendent

**SUBJECT: REQUEST FOR SCHOOL BOARD APPROVAL OF THE FIFTH
 AMENDMENT TO THE CHARTER SCHOOL CONTRACTUAL
 AGREEMENT WITH CORAL REEF MONTESSORI ACADEMY
 CHARTER SCHOOL, INC.**

**COMMITTEE: ELEMENTARY AND SECONDARY EDUCATION AND SCHOOL
 OPERATIONS**

As per Section 228.056(10)(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.

The original charter school contractual agreement was approved by The School Board of Miami-Dade County, Florida, on May 13, 1998, for a three-year term commencing with the 1998-1999 school year. The charter school contractual agreement was subsequently extended to ten years through the 2007-2008 school year. Coral Reef Montessori Academy Charter School, Inc. is located at 19000 SW 112 Avenue, Miami, Florida 33157, and serves a maximum of 500 students in grades kindergarten through eight.

Coral Reef Montessori Academy Charter School, Inc. has requested a fifth amendment which allows the relocation of a maximum of 96 students to a second location at Kids at Play Learning Center, 22121 SW 112 Avenue, Miami, Florida 33170, for the remainder of the 2002-2003 school year. Commencing with school year 2003-2004, the school will relocate to a permanent facility being constructed at SW 107 Avenue and 216 Street, Miami, Florida, as per the fourth amendment to the charter school contractual agreement approved by the School Board on April 17, 2002.

The Charter School Contract Review Committee met on October 3, 2002, and by a majority vote made a recommendation for approval of the fifth amendment to the Charter School Contractual Agreement.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve the fifth amendment to the Charter School Contractual Agreement with Coral Reef Montessori Academy Charter School, Inc., to relocate a maximum of 96 students to a second location at Kids at Play Learning Center, 22121 SW 112 Avenue, Miami, Florida 33170, for the remainder of the 2002-2003 school year.

FIFTH AMENDMENT TO CHARTER SCHOOL CONTRACT

THIS FIFTH AMENDMENT TO THE CHARTER SCHOOL CONTRACT (“AMENDMENT”) entered into as of the 24th day of October, 2002 by and between THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA (“SPONSOR”) and CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC. (“SCHOOL”).

RECITALS

A. The Sponsor and School entered into that certain Charter School Contract dated as of May 13, 1998 and Amended on February 15, 2001 (the “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 IV. A. (8) of the Contract is hereby amended, and substituted in its place and stead is the following:

(8) The School shall provide the Sponsor with annual financial reports as of June 30 of each year for inclusion in the Sponsor’s financial statements. These reports shall include a complete set of annual financial statements and notes thereto, prepared in accordance with Generally Accepted Accounting Principles and reflecting the detail of revenue sources and expenditures 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 1 OF EACH YEAR

AUDITED STATEMENTS

NO LATER THAN SEPTEMBER 20 OF EACH YEAR

An annual financial audit, requested and paid for by the School, shall be performed by a licensed 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 N, and in accordance with the requirements specified in the Audit Completion Checklist attached as Appendix N-1. The School further agrees to provide the Sponsor with a copy of such audit and the corresponding responses to the findings, which shall be bound together in one complete report. Funding for any subsequent year or 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. Additionally, failure of the School to comply with the timely submission of all financial statements will result in the Sponsor's withholding of subsequent payments to the School without penalty of interest as described in Section IV (4) of this contract until such time as the statements are received. The Sponsor reserves the right to perform additional audits at its expense as part of the Sponsor's financial monitoring responsibilities as it deems necessary. Additionally, a cumulative

listing of all property purchased with public funds i.e., Florida Education Finance Program (FEFP), grant, and any other public-generated funds, and a cumulative listing of all property purchased with private funds will 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 to extend or pledge its tax-exempt authority in any way for the use and benefit of the School.

2. Part IV. C. (3) of the Contract is hereby amended, and substituted in its place and stead is the following:

PART IV. FINANCIAL ACCOUNTABILITY

C. FACILITIES

(3) The School will be located at Southwest 107th Avenue and 216th Street, Miami, Florida. Due to construction delays, for the remainder of the 2002-2003 school year the School will operate its program at these locations:

19000 SW 112th Ave., Miami, Florida 33157; and

22121 SW 112th Ave., Miami, Florida 33170.

The parties agree that at no time during the length of this contract the School will enroll more students at either of the two charter school facilities than is permitted by zoning capacity, applicable laws and regulations.

3. 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 Charter School Contract as of the day and year first above written.

ATTEST:

CORAL REEF MONTESSORI ACADEMY
CHARTER SCHOOL, INC.

By: _____
Secretary

By: _____
President

ATTEST:

THE SCHOOL BOARD OF MIAMI-DADE
COUNTY, FLORIDA

By: _____
Merrett R. Stierheim, Secretary

By: _____
Perla Tabares Hantman, Chair

APPROVED AS TO FORM:

Attorney for the Board

Appendix N

RULES OF THE
AUDITOR GENERAL



CHAPTER 10.850

CHARTER SCHOOL AUDITS

EFFECTIVE 06-30-01

Appendix N-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.

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