

Miami Arts Charter School
Corrective Action Plan
For the Year Ended June 30, 2010

Viability for Continuing Operation

As a first year school opening in 2009-10, Miami Arts Charter School incurred numerous unexpected expenses that were unavoidable due to capital improvements and construction work that had to be completed in order to satisfy changes in requirements by local municipalities and governmental agencies. This included renovations in the food service area to satisfy code as per the Florida Department of Health. Other start-up expenses included interior renovations necessary to provide additional and adequate instructional classroom spaces, including dance room renovations, flooring and other such costs necessary to deliver instruction to our students. This corrective action plan provides assurance that the school is capable of working, functioning, and continuing to develop adequately and that it has more than a reasonable chance of succeeding and being financially sustainable. This plan provides for eliminating our 06/30/10 General Fund deficit of \$50,669 and providing for a Fund Balance and a balance of Unrestricted Net Assets of \$72,240 by the end of the current fiscal year. This amounts to 2.1% of our net FEFP funding, which will be available as a reserve by the end of the year.

Audit Finding Specifics and Explanations

Our audit report for the year ended June 30, 2010 reported that: "Our audit revealed that the School had a deficit in unreserved net assets and a governmental fund deficit of \$50,669 for which sufficient resources were not available to cover the deficit. The fiscal year 2011 budget, which has been approved by the board, projects the elimination of this deficit by the end of the fiscal year."

Financial Status at Initiation of the Corrective Action Plan

The school has always and continues to meet all required obligations in a timely manner including all payroll and payroll taxes as required. As noted by the auditor, our current board approved budget provides for the elimination of the deficit by the end of the current fiscal year. Please see the detailed budget and the FDOE Revenue Estimate Worksheet, which are attached.

Time Frame for Correction

As noted above, the board approved budget calls for the correction to be accomplished within the current school year.

Miami Arts Charter School
Corrective Action Plan
For the Year Ended June 30, 2010

Projected Weighted FTE for Current Year and Next Year

Projected Weighted FTE for year ending June 30, 2011 - 626

Projected Weighted FTE for year ending June 30, 2012 - 626

Projected Expenditures for Current Year and Next Year

Projected Expenditures for year ending June 30, 2011 - \$3,597,144

Projected Expenditures for year ending June 30, 2012 - \$3,600,000

Dollar Amounts of Identified Cost Reductions

The prior year's significant start-up and building renovation costs as noted above will not require repetition this year. Last year, these costs amounted to approximately \$599,000. This year, our expected comparable costs will only be approximately \$81,000, a reduction of \$518,000.

Internal Measures to Monitor Plan

Our Board of Directors shall be responsible for monitoring the financial recovery plan in order to ensure compliance. Budget to actual reports will be prepared by our contracted CPA and provided to the Board of Directors on a monthly basis in a format sufficient to enable them to monitor our progress toward achieving the plan objectives in the agreed upon time frame.

Summary Narrative of Plan

The object is to recover from a fund balance deficit of \$50,699 and to end the 2011 year with a fund balance of which is 2.1% of the net annual FEFP revenues. This will be achieved by the reduction of building renovation and other start-up costs.

Reports to Governing Board and Sponsor

With the assistance of our contracted CPA, the monthly budget to actual reports required by the District will be submitted in a timely manner. In addition, monthly budget to actual reports will be provided to the Board of Directors in a format sufficient to enable them to monitor our progress toward achieving the plan objectives in the agreed-upon time frame.

**Miami Arts Charter School
Operating Budget
2010/11 Fiscal Year**

Unweighted FTE - 626.00

	Red Book Code	General Fund	Charter School Grant	Capital Projects
Revenues				
Federal Thru State - Charter School Grant	3290		75,000	
Base FEFP Funding	3310	3,473,895	0	107,558
Local Funding Sources				
Student Lab Fees	3469	62,600		
Misc Local	3495	1,000		
Total Local Funding Sources		63,600	0	0
Total Revenues		3,537,495	75,000	107,558
Expenditures				
Instruction				
Instructional Salaries - 27 Teachers	5000 120	1,483,750		
Substitutes	140	17,000		
Employee Benefits	200	204,252		
Instructional Supplies	510		15,000	
Instructional Materials	520		30,000	
Total Instruction	5000	1,705,002	45,000	0
Pupil Personnel Services				
Guidance Conselor	6100 130	40,000		
Attendance	160	30,000		
Activities Director	160	28,000		
Employee Benefits	200	14,497		
Total Pupil Personnel Services	6100	112,497	0	0
Instructional/Curriculum Development Svcs				
Scheduling Software	6300 360	2,200	0	0
Instructional Staff Training Services				
Contracted Professional Fees	6400 310	0	5,000	0
Board				
Board Training	7100 310	500		
Audit	310	12,000		
Total Board	7100	12,500	0	0
General Administration				
District Admn Fee	7200 730	71,515	0	0
School Administration				
Administration Salaries	7300 100	275,000		
Employee Benefits	200	31,578		
Insurance	320	8,000		
Copier Leases	360	15,000		
Postage and Meter Usage	370	1,000		
Supplies	510	1,000		
Dues and Fees	730	500		
Total School Administration	7300	332,078	0	0

Miami Arts Charter School
Operating Budget
2010/11 Fiscal Year

Unweighted FTE - 626.00

	Red Book Code	General Fund	Charter School Grant	Capital Projects
Facilities Acquisition and Construction	7400			
Facility Rental	360	632,442		107,558
Staff Parking Rental	360	16,500		
Furniture, Fixtures, Equipment	640		25,000	
Total Facilities Acquisition and Construction	7400	648,942	25,000	107,558
Fiscal Services	7500			
Fiscal Staff	100	35,000		
Employee Benefits	200	5,058		
Accounting/Finance Consultant	310	9,000		
Dues and Fees	730	1,500		
Total Fiscal Services	7500	50,558	0	0
Food Services	7600			
Purchased Services	390	10,000	0	0
Central Services	7700			
Security Salaries	100	35,000		
Employee Benefits	200	5,058		
Total Central Services	7700	40,058	0	0
Operation of Plant	7900			
Custodial Salaries	100	40,000		
Employee Benefits	200	5,540		
Commercial Property Insurance	320	42,000		
Telephone Base and Long Distance	370	19,500		
Water/Sewer	380	24,000		
Purchased Services (Landscaping)	390	2,400		
Electric and Natural Gas	430	90,000		
Supplies - Custodial	510	5,000		
Operation of Plant		228,440	0	0
Maintenance of Plant	8100			
Zone Mechanic	100	45,000		
Employee Benefits	200	6,023		
Supplies - Maintenance	510	5,000		
Total Maintenance of Plant	8100	56,023	0	0
Instructional Related Technology	8200			
Technology Specialist	100	45,000		
Employee Benefits	200	6,023		
Total Instructional Related Technology	8200	51,023	0	0
Debt Service	9200			
Accumulation of Rental Deposit	730	93,750	0	0
Total Expenditures		3,414,586	75,000	107,558
Excess of Revenues over Expenditures		122,909	0	0
Fund Balance - July 1, 2010	2800	(50,669)	0	0
Fund Balance - June 30, 2011	2760	72,240	0	0

Revenue Estimate Worksheet for Miami Arts Charter School

Based on the Second Calculation of the FEFP 2010-11

School District: Miami-Dade

1. 2010-11 FEFP State and Local Funding

Base Student Allocation \$3,623.76 District Cost Differential: 1.0107

Program (a)	Number of FTE (b)	Program Cost Factor (c)	Weighted FTE (b) x (c) (d)	2010-11 Base Funding WFTE x BSA x DCD (e)
101 Basic K-3		1.089	0.0000	\$ -
111 Basic K-3 with ESE Services		1.089	0.0000	\$ -
102 Basic 4-8	360.00	1.000	360.0000	\$ 1,318,512
112 Basic 4-8 with ESE Services	13.00	1.000	13.0000	\$ 47,613
103 Basic 9-12	246.00	1.031	253.6260	\$ 928,914
113 Basic 9-12 with ESE Services	7.00	1.031	7.2170	\$ 26,433
254 ESE Level 4 (Grade Level PK-3)		3.523	0.0000	\$ -
254 ESE Level 4 (Grade Level 4-8)		3.523	0.0000	\$ -
254 ESE Level 4 (Grade Level 9-12)		3.523	0.0000	\$ -
255 ESE Level 5 (Grade Level PK-3)		4.935	0.0000	\$ -
255 ESE Level 5 (Grade Level 4-8)		4.935	0.0000	\$ -
255 ESE Level 5 (Grade Level 9-12)		4.935	0.0000	\$ -
130 ESOL (Grade Level PK-3)		1.147	0.0000	\$ -
130 ESOL (Grade Level 4-8)		1.147	0.0000	\$ -
130 ESOL (Grade Level 9-12)		1.147	0.0000	\$ -
300 Career Education (Grades 9-12)		1.035	0.0000	\$ -
Totals	626.00		633.8430	\$ 2,321,472

2. ESE Guaranteed Allocation:	FTE	Grade Level	Matrix Level	Guarantee Per Student
Additional Funding from the ESE		PK-3	251	\$ 1,070
Guaranteed Allocation. Enter the FTE		PK-3	252	\$ 3,455
from 111,112, & 113 by grade and		PK-3	253	\$ 7,050
matrix level. Students who do not	13.00	4-8	251	\$ 1,200
have a matrix level should be		4-8	252	\$ 3,584
considered 251. This total should		4-8	253	\$ 7,179
equal all FTE from programs 111, 112	7.00	9-12	251	\$ 854
& 113 above.		9-12	252	\$ 3,238
		9-12	253	\$ 6,833
Total FTE with ESE Services	20.00	Total from ESE Guarantee		\$ 21,578

3. Supplemental Academic Instruction:	District SAI Allocation	Per Student
	\$ 117,656,882	
	<i>divided by district FTE</i>	\$ 338
<i>(with eligible services)</i>	347,893.72	\$ 211,588

4. Reading Allocation:
Charter Schools should contact their school district sponsor regarding eligibility and distribution of reading allocation funds.

Total Base Funding, ESE Guarantee, and SAI \$ 2,554,638

5. Class size Reduction Funds:	Weighted FTE (From Section 1)	X	DCD	X	Allocation factors*	=	Total
PK - 3	0.0000		1.0107	1325.66	=	0	
4-8	373.0000		1.0107	904.24	=	340,890	
9-12	260.8430		1.0107	906.42	=	238,963	
Total *	633.8430			Total Class Size Reduction Funds	\$	579,853	

(*Total FTE should equal total in Section 1, column (d).)

6A. Divide school's Weighted FTE (WFTE) total computed					
in (d) above:	<u>633,8430</u>	by district's WFTE:	<u>374,691.57</u>		
to obtain school's WFTE share.					0.1692%
6B. Divide school's Unweighted FTE (UFTE) total computed					
in (b) above:	<u>626.00</u>	by district's UFTE:	<u>347,893.72</u>		
to obtain school's UFTE share.					0.1799%
6C. Divide school's High School Unweighted FTE (UFTE) total computed					
in (b) above:	<u>253.00</u>	by district's UFTE:	<u>347,893.72</u>		
to obtain school's UFTE share.					0.0727%
Letters Refer to Notes At Bottom:					
7. Other FEEP (WFTE share)	(a)	<u>10,024,920</u>	x	0.1692%	\$ <u>16,962</u>
Applicable to all Charter Schools:					
Declining Enrollment		0			
Sparsity Supplement		0			
Minimum Guarantee		0			
Program Related Requirements:					
Safe Schools		10,024,920			
Lab School Discretionary		0			
8. Discretionary Local Effort (WFTE share)	(d)	<u>107,562,643</u>	x	0.1692%	\$ <u>181,996</u>
9. Discretionary Millage Compression Allocation					
.748 mills (UFTE share)	(b)	<u>0</u>	x	0.1799%	\$ <u>-</u>
.250 mills (UFTE share)	(b)	<u>0</u>	x	0.1799%	\$ <u>-</u>
10. State Fiscal Stabilization Fund Entitlement (WFTE share)	(a)	<u>115,794,872</u>	x	0.1692%	\$ <u>195,925</u>
Charter schools should contact their school district sponsor regarding whether the entitlement is from State Fiscal Stabilization Funds or the General Fund. See footnote h below.					
11. Proration to Funds Available (WFTE share)	(a)	<u>0</u>	x	0.1692%	\$ <u>-</u>
12. Discretionary Lottery (WFTE share)	(a)	<u>983,006</u>	x	0.1692%	\$ <u>1,663</u>
13. Instructional Materials Allocation (UFTE share)	(b)	<u>27,848,909</u>	x	0.1799%	\$ <u>50,100</u>
Science Laboratory Materials (high school only)	(c)	<u>434,083</u>	x	0.0727%	\$ <u>316</u>
Dual Enrollment Instructional Materials Allocation (See footnote i below)					
14. Student Transportation	(e)				
		<u>Enter All Riders</u>	x	337	\$ <u>-</u>
		<u>Enter ESE Student Riders</u>	x	1,297	\$ <u>-</u>
15. Florida Teachers Lead Program Stipend	(f)				
16. Food Service Allocation	(g)				
17. Performance Pay Plan					
				Total	\$ <u><u>3,581,453</u></u>
				Average Per Student	\$ <u>5,721</u>
				District Admin Fees	\$ <u>71,515</u>
				Capital Outlay Set-Aside	\$ <u>107,558</u>
				Net General Fund Revenue	\$ <u><u>3,402,380</u></u>

NOTES:

- (a) District allocations multiplied by percentage from item 6A.
- (b) District allocations multiplied by percentage from item 6B.
- (c) District allocations multiplied by percentage from item 6C.
- (d) Proceeds of millage levy multiplied by percentage from item 6A.
- (e) Consistent with Chapter 1006.21, Florida Statutes and DOE Student Transportation General Instructions. Numbers entered here will be multiplied by the district level transportation funding per rider. "All Riders" should include both basic and ESE Riders. "ESE Student Riders" should include only ESE Riders.
- (f) Teacher Lead Program Allocation per 1012.71, Florida Statutes
- (g) Funding based on student eligibility and meals provided, if participating in the National School Lunch Program.
- (h) If the district's decision is to use the State Fiscal Stabilization Funds, then the charter school will have to comply with the district's requirements for assurances and reporting.
- (i) As provided in the 2008 General Appropriations Act, school districts are required to pay for instructional materials used for the instruction of public school

high school students who are earning credit toward high school graduation under the dual enrollment program as provided in section 1011.62(1)(i), Florida Statutes.

Administrative fees charged by the school district shall be calculated based upon 5 percent of available funds from the FEFP and categorical funding for which charter students may be eligible. For charter schools with a population of 251 or more students the difference in the fee calculation and the fee withheld may only be used for capital outlay purposes specified in 1013.62(2) F.S. To calculate the administrative fee to be withheld for schools with more than 250 students, divide the school population into 250. Multiply that fraction times the funds available, then times 5%.

FEFP and categorical funding are recalculated during the year to reflect the revised number of full-time equivalent students reported during the survey periods designated by the Commissioner of Education.

Revenues flow to districts from state sources and from county tax collectors on various distribution schedules.

**Please note that class size allocation factors have been adjusted for the Class Size Proration.*