

ANNUAL FINANCIAL STATEMENTS  
FOR THE  
INNOVATIONS MIDDLE CHARTER SCHOOL  
(A Component Unit of the Orange County Public Schools)  
ORLANDO, FLORIDA  
FISCAL YEAR ENDED JUNE 30, 2012



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## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Directors  
Innovations Middle Charter School  
Orlando, Florida

We have audited the accompanying basic financial statements of Innovations Middle Charter School, a component unit of the Orange County Public Schools, located in Orlando, Florida, as of and for the fiscal year ended June 30, 2012, as listed in the financial section of the table of content. These basic financial statements are the responsibility of the management of Innovations Middle Charter School. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Innovations Middle Charter School, as of June 30, 2012, and the results of its activities and operations for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

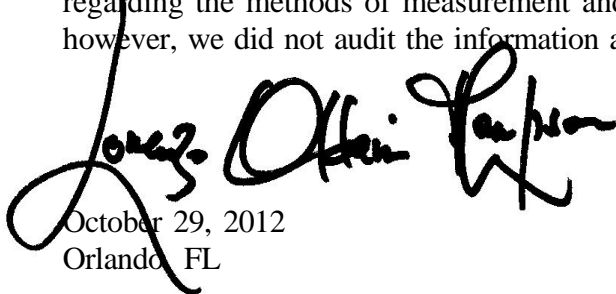
In accordance with Government Auditing Standards, we have also issued our report dated October 29, 2012, on our consideration of the Innovations Middle Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23 be presented to supplement the special purpose financial statements. Such information, although not a part of the special-purpose financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part

of financial reporting for placing the special-purpose financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the special-purpose financial statements, and other knowledge we obtained during the audit of the special-purpose financial information. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise of the School's special-purpose financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. The schedule of net assets, schedule of activities, reconciliation of balance sheet – Governmental funds to the schedule of net assets, and the reconciliation of the statements of revenues, expenditures, and changes in fund balances – governmental funds to the schedule of activities have been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information; however, we did not audit the information and we express no opinion on it.



October 29, 2012  
Orlando, FL

**LOT**

## MANAGEMENT DISCUSSION AND ANALYSIS

As management of the Innovations Middle Charter School, Florida, we offer readers of the IMS financial statements this narrative overview and analysis of the financial activities of the IMS for the fiscal year ended June 30, 2012. Please read it in conjunction with the accompanying transmittal letter beginning on page 24, and the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

- Ø The IMS total net assets at June 30, 2012 were \$618 thousand and were restricted for the use of IMS activities.
- Ø The total operating revenues from all sources were \$1.25 million.
- Ø The total cost of all IMS programs was approximately \$1.169 million.
- Ø At the end of the current fiscal year, unreserved fund balance, restricted especially for IMS expenditures, was \$438 thousand.

### USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements. The three components of the financial statements are:

- 1) Government-wide financial statements which include the Statement of Net Assets and the Statement of Activities. These statements provide information about the activities of IMS as a whole.
- 2) Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the IMS operations in more detail than the government-wide statements by providing information about IMS.
- 3) Notes to the financial statements.

**Innovations Middle Charter School (IMS)** opened its doors in August 2010 and serviced over 225 students during the 2010-2011 school year, and over 300 students during 2011-2012 school year. Innovations Middle Charter School was designed by Orlando educators for the success of middle school students by offering individualized student learning plans and creative, flexible options for students to succeed.

#### **Innovations Middle Charter School Vision, Mission and Core Values:**

Innovations Middle Charter School is a small, community based charter school that focuses on the success of each and every student. The school is located at 2768 North Hiawasse Rd, Orlando (corner of Silver Star and Hiawasse) in a large corner building of the shopping mall where there was once an Orange County Public Library.

#### **Vision:**

The Vision at Innovations Middle Charter School is to be the premier educational model for middle school student success by creating a small school community with focused

and differentiated direct instruction in which all students are valued, accepted for who they are, and encouraged to challenge their academics toward excellence through individualized progressive student learning plans.

**Mission:**

Innovations Middle Charter School is designed to provide a high quality education with an individualized personalized approach for students in grades 6-8 who have been less than successful, are in danger of failing, have failed, are deemed at risk, in need of dropout prevention, in need of academic intervention, are referred by another school in the district, or are over-aged in middle school or prefer to be in a small school setting.

**Core Values:**

- ***Appreciation:*** Each student is welcomed and wanted; each student is special and unique.
- ***Communication:*** All students and their parents have a one -on- one meeting with the administration to get to know each other and determine the students overall general academic needs. These needs are documented in student learning plans.
- ***Relationships:*** All new students are assigned a teacher advisor to address concerns or issues.
- ***High Expectations:*** Clear student expectations, norms and behaviors are exhibited school wide by all students, staff and teachers.
- ***Differentiation:*** A commitment is made to ensure that all students learn, no question is too small, and material is presented in different ways using differentiated instructional methods
- ***Commitment:*** Faculty is commitment to a small school culture where everyone learns.
- ***Community Support:*** Family and community involvement supports student and school successes.
- ***Righteousness:*** School wide modeling of core academic, social and behavioral expectations is consistent and ongoing.

**REPORTING OF IMS AS A WHOLE**

**Statement of Net Assets and the Statement of Activities (Government -wide)**

A frequently asked question regarding the IMS financial position is whether the year's activities contributed positively to the overall financial well being. The Statement of Net Assets and the Statement of Activities report information about the IMS as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the

accounting methodology used by most private-sector companies. All of the current year's revenues and expenditures are taken into account, regardless of when cash is received or paid.

These two statements report IMS net assets and changes therein. Net assets, the difference between assets and liabilities, are one way to measure the IMS financial position. Over time, increases or decreases in net assets are an indicator of whether the financial position is improving or deteriorating.

The Statement of Net Assets and the Statement of Activities present information about the school activities. All of IMS basic services are considered to be governmental activities for children development. Conversely, state passed through local school district funding and grant finance a significant portion of the activities.

## **REPORTING THE IMS'S FUND**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the recording and reporting of various activities undertaken by the IMS and mandated by state law. The IMS fund focuses on how resources flow in and out, with the balances remaining at year-end that are available for spending. This fund uses the modified accrual accounting methodology, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the IMS general operations and the basic services it provides. Also, fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the IMS expenditures. The basic fund financial statements can be found on pages 13 and 14.

## **GOVERNMENT -WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the IMS, assets exceeded liabilities by almost \$618 thousand dollars at the close of the fiscal year ending June 30, 2012. IMS investment in net fixed assets totaled \$180 thousand with outstanding long-term liabilities of \$20 thousand. The net assets of IMS also consisted of available cash after meeting its ongoing obligations. IMS has a contractual agreement with an outside company to provide leased employee services. Consequently, wages and salaries along with fringe benefits are not a component of IMS activities.

**Innovations Middle Charter School  
Net Assets**

	<b>Governmental Activities <u>2012</u></b>
<b><u>Assets</u></b>	
Current and Other Assets	<u>\$644,242</u>
<b>Total Assets</b>	<b>\$644,242</b>
<b><u>Liabilities</u></b>	
Other Liabilities	<u>26,395</u>
<b>Total Liabilities</b>	<b>26,395</b>
<b><u>Net Assets</u></b>	
Unrestricted and Restricted	<u>617,847</u>
<b>Total Net Assets</b>	<b><u>\$617,847</u></b>

**Governmental Activities**

The activities performed by the IMS decreased the current year's net assets by \$1.169 million.

**Innovations Middle Charter School  
Changes in Net Assets**

	<b>Governmental Activities <u>2012</u></b>
<b><u>Revenues</u></b>	
Program Revenues:	
State Passed Through Local School District	\$1,063.029
Grant Passed Through Local School District	166,728
General Revenues:	
Interest Earnings	<u>332</u>
<b>Total Revenues</b>	<b><u>1,250,089</u></b>
Program Expenditures	
All Programs	<u>1,066,476</u>
<b>Total Expenditures</b>	<b><u>1,066,476</u></b>
Increase in Net Assets	183,613
Beginning Fund Balance	<u>434,235</u>
<b>Fund Balance – June 30, 2012</b>	<b><u>\$617,848</u></b>

**FINANCIAL ANALYSIS OF THE IMS'S FUNDS**

As noted earlier, the IMS uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

The focus of the IMS governmental fund is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the IMS financial requirements. The unreserved fund balance at the end of June 30, 2012 of \$438 thousand dollars showed a strong favorable measurement of the IMS's net



resources available for spending in the future, at the end of the fiscal year. At the moment, the IMS uses one governmental fund for all of its functions and activities. It does not utilize either an Enterprise or a Fiduciary Fund.

### **Budgetary Highlights**

The IMS made no adjustments to its original budget. Thus the original and final budgets were similar in amounts.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

Capital assets are used in the performance of the IMS functions. The composition of capital assets includes equipment, buildings, land and park facilities etc.; thus, IMS investment in capital assets consists of leasehold improvements, furniture and equipment, and scientific learning software.

### **Debt**

Currently, the IMS has both current and long-term liabilities. All debt incurred and satisfied within the fiscal year are operational and are classified as current liabilities.

## **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

Management believes that the next year's budget will truly reflect the operational activities of the organization with favorable variances. The economic conditions are grim; however, management foresees intense focus in educating our children using charter schools.

## **CONTACTING THE IMS FINANCIAL MANAGEMENT TEAM**

This financial report is designed to provide a general overview of the IMS finances and to show the IMS accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the management of IMS, 2768 North Hiawasse Road, Orlando, Florida 32808.

## FINANCIAL STATEMENTS

**INNOVATIONS MIDDLE CHARTER SCHOOL**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 450,972	\$ -	\$ 450,972
Receivables, Net of Allowances for Uncollectable Amounts			
Prepaid Deposits	<u>13,120</u>	<u>-</u>	<u>13,120</u>
Total Current Assets	<u>464,092</u>	<u>-</u>	<u>464,092</u>
Noncurrent Assets			
Capital Assets			
Capital Assets, net of Accum. Depreciation	<u>180,150</u>	<u>-</u>	<u>180,150</u>
Total Noncurrent Assets	<u>180,150</u>	<u>-</u>	<u>180,150</u>
Total Assets	<u>644,242</u>	<u>-</u>	<u>644,242</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	<u>6,870</u>	<u>-</u>	<u>6,870</u>
Total Current Liabilities	<u>6,870</u>	<u>-</u>	<u>6,870</u>
Noncurrent Liabilities			
Other Long Term Payables	<u>19,524</u>	<u>-</u>	<u>19,524</u>
Total Noncurrent Liabilities	<u>19,524</u>	<u>-</u>	<u>19,524</u>
Total Liabilities	<u>26,394</u>	<u>-</u>	<u>26,394</u>
<b>NET ASSETS</b>			
Restricted for:			
Investment in Capital Assets	180,150	-	180,150
Unrestricted	<u>437,698</u>	<u>-</u>	<u>437,698</u>
Total Net Assets	<u>\$ 617,848</u>	<u>\$ -</u>	<u>\$ 617,848</u>

**INNOVATIONS MIDDLE CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

Function / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental Activities:							
Basic Instruction	\$ 513,113	\$ -	\$ 56,367	\$ -	\$ (456,746)	\$ -	\$ (456,746)
Exceptional Instruction	128,278	-	14,092	-	(114,186)	-	(114,186)
Instructional and Curriculum Services	2,630	-	-	-	(2,630)	-	(2,630)
School Administration	396,966	-	88,781	-	(308,185)	-	(308,185)
Food Services	12,291	-	-	-	(12,291)	-	(12,291)
Community Services	13,198	-	7,488	-	(5,710)	-	(5,710)
Total Business-type Activities	-	-	-	-	-	-	-
Total Primary Government	<u>1,066,476</u>	<u>\$ -</u>	<u>\$ 166,728</u>	<u>\$ -</u>	<u>(899,748)</u>	<u>-</u>	<u>(899,748)</u>
Component Units:							
General Revenues:							
State Passed Through Local School District					1,083,029	-	1,083,029
Interest Earnings					<u>332</u>	<u>-</u>	<u>332</u>
Total General Revenues, Special Items, and Transfers					<u>1,083,361</u>	<u>-</u>	<u>1,083,361</u>
Change in Net Assets					183,613	-	183,613
Net Assets - Beginning					<u>434,235</u>	<u>-</u>	<u>434,235</u>
					<u>434,235</u>	<u>-</u>	<u>434,235</u>
Net Assets - Ending					<u>\$ 617,848</u>	<u>\$ -</u>	<u>\$ 617,848</u>

**INNOVATIONS MIDDLE CHARTER SCHOOL  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 450,972
Receivables, Net of Allowances for Uncollectable Amounts	
Prepaid Deposits	13,120
Total Assets	\$ 464,092
 <b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Accounts Payable	\$ 26,395
Total Liabilities	26,395
 <b>FUND BALANCES</b>	
Reserved for:	
Prepaid Deposits	13,120
Unreserved, reported in:	
General Fund	424,577
Total Fund Balances	437,697
Total Liabilities and Fund Balances	\$ 464,092

INNOVATIONS MIDDLE CHARTER SCHOOL  
 RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS  
 TO THE  
 SCHEDULE OF NET ASSETS  
 June 30, 2012

	Amounts
Fund Balances - Total Governmental Funds	\$ 437,696

The net assets reported for governmental activities in the statement of net assets are different because:

Capital Assets used in governmental activities are not financial recourses, therefore, are not reported in the governmental funds. Those assets consist of:

Assets

Leasehold Improvements	\$ 32,479
Furniture and Equipment	48,422
Textbooks	46,297
Vehicle	27,284
Computers and Computer Software	64,325
Total Assets	\$ 218,807

Less Accumulated Depreciation

Leasehold Improvements	(2,555)
Furniture and Equipment	(6,149)
Textbooks	(3,306)
Vehicle	(1,950)
Computer Software	(24,695)
Total Accumulated Depreciation	(38,655)

Total Capital Assets, Net	180,152
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Total Net Assets of Governmental Activities	\$ - \$ - \$ 617,848
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**INNOVATIONS MIDDLE CHARTER SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund	Operating Grant	Capital Outlay	General Total
<b>REVENUES</b>				
State Passed Through Local School District	\$ 1,007,551	\$ -	\$ 75,478	\$ 1,083,029
State Grant Through Local School District	-	166,728	-	166,728
Interest Earnings	<u>332</u>	<u>-</u>	<u>-</u>	<u>332</u>
Total Revenues	<u>1,007,883</u>	<u>166,728</u>	<u>75,478</u>	<u>1,250,089</u>
<b>EXPENDITURES</b>				
Current				
Basic Instruction	456,746	56,367	-	513,113
Exceptional Instruction	114,186	14,092	-	128,278
Instructional and Curriculum Services	2,630	-	-	2,630
School Administration	334,897	33,313	-	368,210
Food Service	12,290	-	-	12,290
Community Service	5,710	7,488	-	13,198
Capital Outlay	-	55,468	75,478	130,946
Debt Service				
Total Expenditures	<u>926,459</u>	<u>166,728</u>	<u>75,478</u>	<u>1,168,665</u>
Excess (deficiency) of Revenues Over Expenditures	<u>81,424</u>	<u>-</u>	<u>-</u>	<u>81,424</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	81,424	-	-	81,424
Fund Balances - Beginning	<u>356,273</u>	<u>-</u>	<u>-</u>	<u>356,273</u>
Fund Balances - Ending	<u>\$ 437,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,697</u>

INNOVATIONS MIDDLE CHARTER SCHOOL  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
 TO THE  
 SCHEDULE OF ACTIVITIES  
 For the Year Ended June 30, 2012

	Amounts
Net Change in Fund Balances - Total Governmental Funds	\$ 81,424
<p>The change in Net Assets reported for governmental activities in the Statement of Activities is different because:            In the Statement of Activities, the cost of those assets is allocated over their estimated use full lives and reported as depreciation expense.</p>	
Total Fixed Capital Outlay	130,945
Less Depreciation	(28,756)
	102,189
Change in Net Assets of Governmental Activities	\$ -      \$ 183,613



## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Innovations Middle Charter School, all of which conform to generally accepted accounting principles as applicable to governmental units.

#### Entity

As required by generally accepted accounting principles, these financial statements represent all the funds of the Innovations Middle Charter School, a component unit of the Orange County Public School.

**Innovations Middle Charter School (IMS)** opened its doors in August 2010 and serviced over 225 students during the 2010-2011 school year, and over 300 students during 2011-2012 school year. Innovations Middle Charter School was designed by Orlando educators for the success of middle school students by offering individualized student learning plans and creative, flexible options for students to succeed.

#### **Innovations Middle Charter School Vision, Mission and Core Values:**

Innovations Middle Charter School is a small, community based charter school that focuses on the success of each and every student. The school is located at 2768 North Hiawasse Rd, Orlando (corner of Silver Star and Hiawasse) in a large corner building of the shopping mall where there was once an Orange County Public Library.

#### **Vision:**

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#### **Mission:**

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## Core Values:

- ***Appreciation:*** Each student is welcomed and wanted; each student is special and unique.
- ***Communication:*** All students and their parents have a one -on- one meeting with the administration to get to know each other and determine the students overall general academic needs. These needs are documented in student learning plans.
- ***Relationships:*** All new students are assigned a teacher advisor to address concerns or issues.
- ***High Expectations:*** Clear student expectations, norms and behaviors are exhibited school wide by all students, staff and teachers.
- ***Differentiation:*** A commitment is made to ensure that all students learn, no question is too small, and material is presented in different ways using differentiated instructional methods
- ***Commitment:*** Faculty is commitment to a small school culture where everyone learns.
- ***Community Support:*** Family and community involvement supports student and school successes.
- ***Righteousness:*** School wide modeling of core academic, social and behavioral expectations is consistent and ongoing.

The educational program is designed for students' in grades 6-8 who have been unsuccessful, in danger of failing, have failed, been retained, over- aged in middle school, in need of drop-out prevention, referred by another school, or in need of academic intervention with alternative education. The school is perfect for the student who wants to get back to academics and away from the pressure of the larger schools.

## Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government fund financial statements are reported using the current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they are both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenues is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting; however, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The School reports the following major government fund:

General Fund - the general operating fund of the School. It is used to account for all financial resources not required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

#### Assets, Liabilities, and Net Assets or Equity

##### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### Cash and Investments

Cash deposits are stated at cost, which approximates fair value. Investments are stated at fair value in accordance with Government Accounting Standards Board Statement Number 31.

##### Revenue Sources

Revenues for current operations are received primarily from the State of Florida passed through the District, then to IMS, pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FLDOE) for funding through the Florida Education Finance Program.

Funding for the School is adjusted during the year to reflect the revised calculations by FLDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during the designated FTE student survey periods. The School receives federal awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until such eligible expenditures are incurred. Revenues received from these federal awards are recognized to the extent that eligible expenditures have been incurred.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the IMS as a whole. Capital assets are defined by IMS as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. The cost of normal repairs and maintenance that do not add to the value of the assets or materially extend its useful life, are not capitalized.

Capital assets of the School are depreciated using the straight-line method over the following estimated useful lives:

	Estimated
	Useful
Asset Class	Lives (years)
Leasehold Improvements	15
Furniture and Equipment	7
Computer Software	3

Personnel Services

IMS uses an independent charter school human resources contractor for employee services. For purposes of accounting, IMS has no employees in fiscal year ending June 30, 2012. Operating, human resource, and payroll services were performed by ACH of America and the workers at IMS are ACH of America contracted employees. All employees of IMS are cleared through the Orange County Public Schools and have OCPS personnel numbers.

**NOTE B: COMMITMENTS AND CONTINGENCIES**

Litigation

IMS has no legal actions and or claims arising out of the normal course of business.

**NOTE C: RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, general liabilities, and natural disasters for

which the School carries commercial insurance. Under the plan for property insurance, the School's liability is \$1 million. There have been no significant reductions in insurance coverage during the fiscal year 2012. There was no settlement claim resulting from the risks described above in current fiscal year 2012.

**NOTE D: CAPITAL ASSETS**

The following is a summary of changes in the school's capital assets as reported:

Capital Assets Depreciated:	Balances	
	6/30/2012	
Leasehold Improvements	\$32,479	
Furniture and Equipment	48,422	
Computer and Software	64,325	
Textbooks	46,297	
Vehicle	27,284	
Total Assets	<b>218,807</b>	
Less Accumulated Depreciation		
Leasehold Improvements	2,557	
Furniture and Equipment	6,149	
Computer and Software	24,695	
Textbooks	3,306	
Vehicle	1,949	
Total Accumulated Depreciation	<b>38,656</b>	
Total Capital Assets, Net	<b>\$180,150</b>	

Depreciation expense is reflected in the statement of activities. For the year ended June 30, 2012, depreciation expense was \$28,758.

REQUIRED SUPPLEMENTAL INFORMATION

**INNOVATIONS MIDDLE CHARTER SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over / (Under)
	Original	Final		
<b>REVENUES</b>				
State Passed Through Local School District	\$ 963,715	\$ 963,715	\$ 1,083,029	\$ 119,314
Grant Passed Through Local School District	100,000	100,000	166,728	(66,728)
Interest Earnings	-	-	332	332
Total Revenues	<u>1,063,715</u>	<u>1,063,715</u>	<u>1,250,089</u>	<u>186,374</u>
<b>EXPENDITURES</b>				
Current				
Basic Instruction	386,984	386,984	513,113	126,129
Exceptional Instruction	96,746	96,746	128,278	31,532
Instructional and Curriculum Services	-	-	2,630	2,630
Board of Directors	3,000	3,000	-	(3,000)
School Administration	425,930	425,930	368,210	(57,720)
Food Service	5,000	5,000	12,291	7,291
Community Service	76,055	76,055	13,198	(62,857)
Capital Outlays	70,000	70,000	130,945	60,945
Total Expenditures	<u>1,063,715</u>	<u>1,063,715</u>	<u>1,168,665</u>	<u>104,950</u>
Excess (deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>81,424</u>	<u>81,424</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	81,424	81,424
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>356,273</u>	<u>356,273</u>
	<u>-</u>	<u>-</u>	<u>437,697</u>	<u>437,697</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,697</u>	<u>\$ 437,697</u>

**INNOVATIONS EDUCATIONAL SERVICES**  
**SCHEDULE OF FUNCTIONAL EXPENDITURES**  
For the year ended June 30, 2012

	Basic Instruction	Exceptional Instruction	Guidance Services	Instructional and Curriculum Svcs	Board of Directors	School Admin	Food Services	Community Services	Capital Outlay	Total
Continuing Education	\$379	\$95		\$2,630		\$805				\$3,910
Training	964	241								1,205
Uniform Expense	4,608	1,152								5,760
Electricity						21,156				21,156
Supplies Other						3,443				3,443
Office Supplies						11,559				11,559
School Supplies	44,005	11,001					12,291			67,297
Comp and Internet	29,670	7,418								37,088
Other Expenses						42				42
Bank Service Charges						1,783				1,783
Depreciation						28,758				28,758
Processing Fees						54,151				54,151
Dues and Fees	330	83								413
Adv and Promo						37,040				37,040
Gnl Liability Ins						1,487				1,487
Licenses & Fees						244				244
Outside Services	3,204	801								4,005
Professional Fees	17,590	4,398				7,500				29,488
Rent Expense						84,047				84,047
Repairs and Maint						26,820				26,820
Storage Expense						1,498				1,498
Tele Exp	2,687	672								3,359
Transportation								13,198		13,198
Tavel Oth	1,652	413								2,065
Travel Auto	3,101	775								3,876
Travel Meals	2,565	641								3,207
Utilities						9,648				9,648
Administrators						106,987				106,987
Aide	54,099	13,525								67,624
Classroom Teachers	321,934	80,484								402,418
Other Support Personnel	16,793	4,198								20,992
Substitute Teacher	9,530	2,383								11,913
Lease Hold Improvement									10,349	10,349
Furniture & Equipment									29,590	29,590
Software/ Computer									17,425	17,425
Textbooks									46,297	46,297
Vehicle									27,284	27,284
	\$513,113	\$128,278	\$0	\$2,630	\$0	\$396,967	\$12,291	\$13,198	\$130,945	\$1,197,422



LORENZO OLDAIN THOMPSON, CPA., PA. (LOT)

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

Honorable President and  
Members of the Board of Directors  
Innovations Middle Charter School  
Orlando, Florida

We have audited the financial statements of Innovations Middle Charter School, a component unit of the Orange County Public School, Florida, as of and for the year ended June 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Innovations Middle Charter School's internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

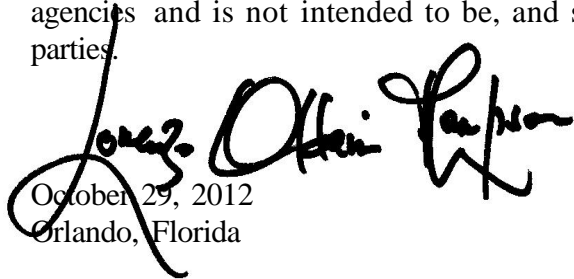
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts; however, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the School, in the accompanying management letter dated September 30, 2012.

The School's response to matters identified in our audit is described in the accompanying management letter. We did not audit the School's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board, management, the School District of Orange County, the State of Florida Office of the Auditor General, and other regulatory agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

  
October 29, 2012  
Orlando, Florida

**LOT**

OTHER SUPPLEMENTAL INFORMATION

## Management Letter

The Honorable President and  
Board Members of  
Innovations Middle Charter School  
Orlando, Florida

We have audited the financial statements of the Innovations Middle Charter School, Florida, as of and for the year ended June 30, 2012, and have issued our report thereon dated September 30, 2012.

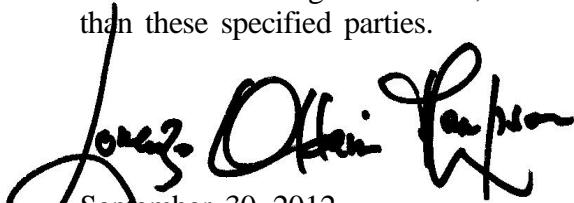
We conducted our audit in accordance with United States generally accepted auditing standards, and *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Compliance and Internal Control over financial reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to State Project, and Schedule of Findings and Questioned Costs. Disclosures in that report, which are dated September 30, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of local government entity audits performed in the State of Florida and require that certain items be addressed in this letter.

- ü Section 10.854(1)(e)3, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. See the attached Management Recommendations schedule.
  
- ü Section 10.854(1)(e)4, Rules of the Auditor General, requires that we address violations of provisions of contracts of grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
  
- ü Section 10.854(1)(e)5, Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.

- ü Section 10.854(1)(e)6, Rules of the Auditor General, requires the name or official title of the school. The official title of the school is Innovations Middle Charter School, which is included in the financial operations of Orange County Public Schools, Orlando, Florida and operates in accordance with Section 1002.33, Florida Statutes.
- ü Section 10.854(1)(e)2, Rules of the Auditor General, requires a statement be included as to whether or not the school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- ü Pursuant to Sections 10.854(1)(e)7.a. and 10.855(10), Rules of the Auditor General, we applied financial assessment procedures. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the School District of Orange County, and the Florida Auditor General and other regulatory agencies of the federal and state governments, and is not intended to be, and should not be, used by anyone other than these specified parties.



September 30, 2012  
Orlando, Florida

**LOT**

**Innovations Middle Charter School**  
**Schedule of Management Recommendations**

**June 30, 2012**

**CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

There was no current reportable finding.

**PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

Internal Controls:

2011 - 1:

Criteria: Organizational Structure

Condition: During the review of the organizational structure, we noted that the size of the organization's accounting and administrative staff precludes certain internal controls.

Effect: Less than optimum segregation of duties

Recommendation: This situation dictates that management remains involve in the financial affairs of the organization to provide oversight and independent review of functions.

Management Response: Innovations Middle Charter School is managed by the non-compensated governing board members, and not a paid management company. Due to the charter having difficulty securing an effective school leader, many of the duties that would have been segregated were in fact manage by the governing board president who function as the management company via the directive of the board.

Status as of June 30, 2012: There has been a 2<sup>nd</sup> layer of internal control added with an additional signer on the business account. She receives bills and verifies invoices for payment processing.

2011 - 2

Criteria: Signing and dating of the Minutes

Condition: Upon examination of the minutes which document approval of the Board execution of functions and responsibilities, some of the minutes were not signed and or dated.

Effect: To indicate approval of decisions made by the Board.

Recommendations: The management of the organization must sign and date the minutes showing indication of review.

Management Response: The Board always reviews the previous meeting minutes, yet must use due diligence to make sure that they are dated and signed.

Status as of June 30, 2012: All board meeting minutes for the 2011 – 2012 school year have proper documented signatures, dates and agendas.

### ***General Ledger Review***

2011 - 3

Criteria: Accounting Manual

Condition: The organization does not have a formal accounting manual documenting the procedures for fiscal operations. A written accounting manual is necessary to ensure that transactions are treated in a standardized manner and that proper internal controls exist in the accounting system. Should employees have a question as to the proper handling of a transaction in accordance with management's authorization, such information is not available in writing. Employees can consult with the ACH company for all employee/paid issues.

Effects: Consequences of the failure to adhere to the condition:

- 1) Potential misappropriation of funds.
- 2) Incorrect coding of transactions.
- 3) Lack of reporting compliance .

Recommendation : Management should develop and implement operating guidelines demonstrating how each fiscal activity is prepared including a description of each fiscal procedure, such as invoice paying, maintenance of accounts, and expense allocation methodology.

Management Response: Employees are ACH employees, and there are establish policies, limitations, and allowances for invoices, purchases, and allocations, as defined by the Board. If employees have questions about their payroll, they can contact ACH and the time sheets are verified and signed by the principal who submit them to the president, who then submits them to ACH. All authorizations for expenditures must be pre-approved.

Status as of June 30, 2012: Management revised the invoice paying procedures; and implemented a monthly ongoing review.

### ***Financial Statements***

2011 - 4

Criteria: Monthly closing

Condition: Monthly closing is a consistent and relevant process and it should incorporate both financial and variance analyses.

Effect: Under or over reporting of income.

Recommendations:

- a) Financial statements must be analyzed and timely reports must be presented to the Board with variance explanations.
- b) All appropriate accounts (bank, accrual, payables etc.) must be prepared, reconciled, and approved with signatures.
- c) The Financial reports must be approved with signatures and date by the Board monthly.

Management Response: Monthly financials are prepared by the school's accountant by reviewing the bank statements and they are verified by the Board President. The monthly financials are due to the District on the 20<sup>th</sup> of each month. The Board will work with the accountant to include appropriate functions and objects, with accruals and depreciation expenses. The accountant and the President/ Executive Director will sign and date such monthly financials upon submittal.

Status as of June 30, 2012: Monthly financials reviewed, shared and verified with account, executive director, president, and governing board. Financials are signed electronically and sent to District monthly by 20<sup>th</sup> of each month. Binder with monthly financials is available in front office of school for public review.

2011 - 5

Criteria: Fixed Assets

Condition: Fixed assets are tangible assets of a relatively permanent nature that are used in the operation of the business. It is necessary to identify each physical item with a unique identification number for tracking purposes.

Effect: Fixed assets could become untraceable and increase loss of the organization resources.

Recommendation : All fixed assets must be tagged with a unique number.

Management Response: All items over \$1,000 from the grant have been tagged with a unique number; items over \$1,000 are rear and include only the moveable walls which are inventory. All computers, equipment, and laptops are tagged and inventory via labels and spreadsheets (all under \$300 cost each).

Status as of June 30, 2012: Immediately corrected on October, 2011.

### **Significant Audit Findings**



### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following significant misstatement detected as a result of our audit procedures were corrected by management:

- 1) Accumulated depreciation amounts for current years were neither posted to the ledger monthly nor annually.
- 2) Depreciation expenses for current years were neither posted to the ledger monthly nor annually.

Status as of June 30, 2012: Both accumulated depreciation and depreciation expense are posted monthly on financial statements.

### Difficulty Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and conducting the audit.

### Disagreement with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that there were no such disagreements during the course of our audit.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management; however, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We wish to thank the President and her staff for their support and assistance during the audit. We were cordially welcome and our requests were satisfied within a reasonable time period.

This information is intended solely for the use of the Audit Committee, the Board of Directors, and management of Innovations Middle Charter School, the School District of Orange County, the Florida Auditor General and other regulatory agencies of federal and state government and is not intended to be and should not be used by anyone other than those specified parties.

## **Profile of the Innovations Middle Charter School**

**Innovations Middle Charter School (IMS)** opened its doors in August 2010 and serviced over 225 students during the 2010-2011 school year, and over 300 students during 2011-2012 school year. Innovations Middle Charter School was designed by Orlando educators for the success of middle school students by offering individualized student learning plans and creative, flexible options for students to succeed.

## **Innovations Middle Charter School Governing Board 2011-2012**

**Vice President/Chairman** Dr. Tamala Wright has over 12 years' experience working with at risk students. Her management, oversight, and school improvement initiatives have paved the way for students to be successful in elementary, middle, and high school programs; Dr. Wright worked with at risk middle school students for Orange County Public Schools as a Student Success Resource Teacher, and currently is a Science teacher in an OCPS Middle School.

**Secretary:** Keith Allen has over 15 years' experience working with at risk students in Orlando, FL and specializes in middle school success programs. He has served the students in Orlando in many academic leadership roles and is an experienced math teacher. Presently, Mr. Allen is an administrator at an alternative school in Orlando, Florida.

**Board Member:** Warren Jones has worked with at risk youth as a mentor, trainer, coach, teacher, instructor and administrator. A longtime resident of Orlando, Mr. Jones' compassion for students and families in Orlando are at the forefront of his mission. Currently, Mr. Jones is an administrator at an alternative school in Orlando, Florida.

**Board Member:** Dr. Darryl Allen is an Accounting Professor at University of Central Florida, and prior to that had a one year visiting appointment at Georgetown University teaching accounting at the graduate level. Dr. Allen has a PhD from George Washington University and an MBA from Marymount University, Virginia. Prior to becoming a college professor, Dr. Allen has over 28 years of experience working in the corporate environment to include 25 years with Mobile Oil from account supervisor, financial analyst, Controller, and Land Developer. Dr. Allen has great financial experience in project development, earning analysis and project valuation. He is also a member of The American Institute of Certified Public Accountants in Virginia since 1987.

**Board Member:** Krista Morton is an experienced school administrator and certified ESE instructor. She has worked with at risk students in multiple counties, and with various community organizations. She is a firm believer of Differentiated and Personalized instruction tailored to the individual needs of the student. Ms. Morton is a dedicated educator and her love for student success is paramount. She currently is an administrator of a drop- out prevention and recovery charter school in South East Florida.

**Board Member:** Sue Blanton is a volunteer and mentor. She is a longtime resident in Florida and has a background in Human Resources: Susan Blanton is a community

Resources manager. Sue lends her expertise with community development and is often volunteering at the school.

Dr. Lightner transitioned from President of the governing board to *Executive Director* for the 2011-2012 school year. Her experience, leadership and expertise in processes, data management and curriculum will drive student academic instruction and success.

Mr. Thomas Cole continued as Principal of Innovations Middle Charter School until February 2012, where he resigned to pursue opening his own charter school in Brevard County. Mr. Cole worked with Dr. Lightner and the governing board to ensure a smooth administrative transition of duties.

### **Innovations Middle Charter School Vision, Mission and Core Values:**

Innovations Middle Charter School is a small, community based charter school that focuses on the success of each and every student. The school is located at 2768 North Hiawasse Rd, Orlando (corner of Silver Star and Hiawasse) in a large corner building of the shopping mall where there was once an Orange County Public Library.

#### **Vision:**

The Vision at Innovations Middle Charter School is to be the premier educational model for middle school student success by creating a small school community with focused and differentiated direct instruction in which all students are valued, accepted for who they are, and encouraged to challenge their academics toward excellence through individualized progressive student learning plans.

#### **Mission:**

Innovations Middle Charter School is designed to provide a high quality education with an individualized personalized approach for students in grades 6-8 who have been less than successful, are in danger of failing, have failed, are deemed at risk, in need of dropout prevention, in need of academic intervention, are referred by another school in the district, or are over-aged in middle school or prefer to be in a small school setting.

#### **Core Values:**

- ***Appreciation:*** Each student is welcomed and wanted; each student is special and unique.
- ***Communication:*** All students and their parents have a one -on- one meeting with the administration to get to know each other and determine the students overall general academic needs. These needs are documented in student learning plans.
- ***Relationships:*** All new students are assigned a teacher advisor to address concerns or issues.

- ***High Expectations:*** Clear student expectations, norms and behaviors are exhibited school wide by all students, staff and teachers.
- ***Differentiation:*** A commitment is made to ensure that all students learn, no question is too small, and material is presented in different ways using differentiated instructional methods
- ***Commitment:*** Faculty is commitment to a small school culture where everyone learns.
- ***Community Support:*** Family and community involvement supports student and school successes.
- ***Righteousness:*** School wide modeling of core academic, social and behavioral expectations is consistent and ongoing.

The educational program is designed for students' in grades 6-8 who have been unsuccessful, in danger of failing, have failed, been retained, over- aged in middle school, in need of drop-out prevention, referred by another school, or in need of academic intervention with alternative education. The school is perfect for the student who wants to get back to academics and away from the pressure of the larger schools.

During the 2011-2012 school year, 77 8th grade students successfully were promoted to 9<sup>th</sup> grade, high school. Three middle school students successfully finished the Innovations Fast Track Program and were double promoted from 7<sup>th</sup> to 9<sup>th</sup> grade.

The school was open for the Fast Track students every Saturday from 8-12; 2:45-4:00 daily, winter and spring breaks, as well as Summer Time. All labs were open with teacher assistance. As the focus of the school is on the individual student needs, success for the student must include academics, social and life skills, coping and interpersonal skills, organizational, communication and study skills.

The Innovations curriculum and program provides students with training in general, standard based middle school curriculum, while improving academic performance, self-esteem, social and civic responsibility- all aspects needed to be successful in high school and beyond. The school promotes an atmosphere that promotes individualized and flexible plans for all students. We develop plans and explore ways to help every child achieve success. IMS recognizes that not all students learn the same way, or at the same pace.

Innovations Middle School operates under the philosophy that "all children can learn". Children are most motivated to learn and learn best when their individuality is recognized and encouraged, when they feel safe and protected, and when they feel connected to a larger collective community. Innovations Middle School strives to create a small school community in which all students are valued, parents are encouraged to participate and everyone is accepted for whom they are and what they want to be.

The school is dedicated to educating a community of students where all can be successful. Innovations Middle School assist students in discovering and realizing their

dreams, provides high quality learning opportunities to promote personal responsibility and inspire a thirst for knowledge and a yearning for success!

The student learning plan addresses the student's unique academic and social needs as deemed necessary to succeed in middle school. The learning plan addresses the child's academics as they pertain to promotion requirements and grade level expectations. Non-academic issues, personal or social concerns that may have contributed to his/her educational misfortunes are also be reviewed and addressed in the plan. Factors such as grade level reading appropriateness, math skills and abilities, age level vs. grade level, retention status, credit recovery and individual learning preferences are addressed in the learning plans.

The goal is to design a learning plan that is timely, relevant and meaningful to the at risk or frustrated student who has not been successful in the standard public school arena, while preparing that same student with the necessary academic, social and personal skills to be successful in high school.

At Innovations Middle School, students are presented with common sense, academic learning plans that help them succeed in middle school. It is important to create plans for students to be successful in middle school and prepared for high school.

The flexible 10 period day at Innovations Middle School works with the student and the family to create a school bell schedule designed for the student or family individual needs. The flexible period schedule can be worked out from 7:30 am to 3:30 pm. The 10 period day assists students with the opportunity to make up failed or missed coursework, take additional courses for academic readiness, grade level correction and/or grade level promotion. All students must take a baseline reading, math and writing baseline tests (designed by Innovations educators) to determine basic subject area academic skills. These tests assist us with customizing the student learning plans with respect to grade level expectations and academic levels.

Innovations Middle Charter School is excited about the upcoming 2012-2013 school year with Title One status and has a school improvement plan that targets student success. New curriculum, books and software has been purchased that focuses on Common Core Standards, and FCAT 2.0 success: Digits Math, Journeys/Voyager Learning, Pearson Writing Coach. Scientific Learning has been renewed for reading intervention and practice, and a library/media center has been started.