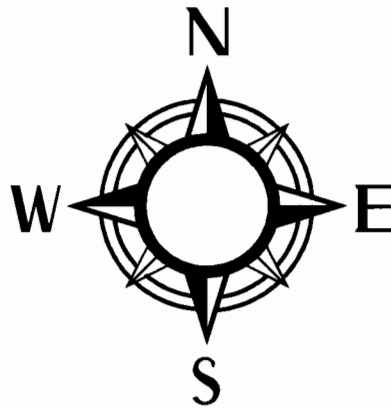


**Charter Renewal  
Application  
for  
Compass Charter  
Middle School**



**A School-Within-A-School  
At  
Bartow Middle School  
550 East Clower Street  
Bartow, Florida 33830**

## Compass Charter Middle School Charter Renewal Document

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# Compass Charter Middle School Charter Renewal Document

## 1. Is the Academic Program a Success?

### **1 A. Has the school made reasonable progress in meeting internally established educational goals during the term of its charter?**

Compass Charter Middle School (CCMS) has been in existence since 2003. The founding board for CCMS established the Florida Comprehensive Assessment Test (FCAT) as the primary tool used to collect achievement data for CCMS. This assessment is administered to all CCMS students each March. Students take the FCAT SSS (Sunshine State Standards) Mathematics and Reading tests and the data is then disaggregated in order to make decisions for the CCMS focus calendar. This data also influences the master schedule as well as how students are scheduled for academic classes. We use the three-year test history report on Genesis, available in the Polk County computer system, to compare a child's test results from year to year. We also use this data to track a student's achievement during the time they remain in the Compass Charter Middle School program.

Compass' focus has not deviated from the original charter application. We target the students who are at-risk, as well as recruit those students who obtained an achievement level of 1 or 2 out of a possible 5 on the FCAT SSS. CCMS has also broadened its focus to include the over-age students. Our data indicates that our students struggle in the areas of reading and mathematics. It was projected that increasing the success rates in these areas would be a long-term process. At the end of the five year window, data concerning the students who were enrolled at CCMS from 2006-2009, who have taken FCAT with us, indicates reading and mathematics are still areas of weakness for our students. Fifty percent of our students are not scoring at level 3 or higher on the FCAT, but are making learning gains, which is an accomplishment considering our target population.

Within the last five years of contract, we were able to bring about more effective change and concentrate on improving our students' ability to make learning gains on the FCAT. During this period, we continued to use the Continuous Improvement Model (CIM), in which the school developed an instructional focus calendar to teach each of the benchmarks that will be tested on FCAT. This instructional focus calendar is planned by the academic teachers in Language Arts, Mathematics, Reading, and Science by utilizing FCAT results from previous years and focusing on the areas of greatest weakness. Weekly focus lessons are based on one of the strands identified as an area of weakness on the FCAT test. A "mini-assessment" is given on the last day of each week. Students who are not successful (achieving a score of less than 80%) on the "mini-assessment" will be provided remediation until the strand is mastered. The CIM has been replaced by the Florida Continuous Improvement Model, which will be implemented during the next contract period. We made several changes that have inspired our students and have enabled students to make learning gains within the school year. We implemented the Learning-Focused Solution model (LFS), a comprehensive continuous improvement model that provides schools with exemplary strategies instruction that integrates research-based exemplary practices. Our

## Compass Charter Middle School Charter Renewal Document

teachers must have a lesson designed to teach the acquisition of a topic, concept, or skill developed within their daily lesson plans typically ranging for 2- 3 lessons per week.. The teachers must formulate an Essential Question, Activating Strategies, Cognitive Teaching Strategies, and Summarizing Strategies that are all components linked together to form a cohesive lesson.

All students who score an achievement level of 1 or 2 on the FCAT are scheduled for an intensive reading and math class in addition to their regular reading and math class. In our reading courses, we are continuing to utilize the computer lab for Academy of Reading one day per week for students to work at their own pace on the benchmarks where they show individual weaknesses. In our mathematics courses, students use the FCAT Explorer program once a week to strengthen their math skills and prepare them for the FCAT.

An intervention tool we use for our higher level 1 or 2 students in reading is our READ 180 lab. It is a comprehensive reading intervention program designed to meet the needs of students whose reading achievement is below the proficient level. It also addresses the needs of those struggling readers that have deficits in their understanding of the reading process and gaps in their foundational skills. The program addresses these gaps by directly addressing individual needs through instructional software, high-interest literature and direct instruction in reading skills.

### **How does READ 180 differ from other reading intervention programs that we are using?**

READ 180 differs from other reading programs because it is a complete program, where students attend a 90 minute block class each day, offering skill development through balanced literacy. The program is as follows:

- Delivers individualized, adjusted reading instruction to move students to grade level at their own pace.
- Provides instant and continuous assessment.
- Delivers comprehensive instruction in areas of phonemic and phonological awareness, fluency, vocabulary, comprehension, spelling, and writing.
- Provides background knowledge for building a mental model, leading to improved reading comprehension.
- Supports and motivates students to become lifelong readers and learners by providing high-interest, leveled Paperbacks and on-level Audio books.

Our lower level 1 and 2 students use another reading intervention tool, the Fast ForWord program, which meets daily and is used to develop and strengthen memory, attention, processing rate, and sequencing. The strengthening of these skills will result in a wide range of improved critical language and reading skills such as phonological awareness, phonemic awareness, fluency, vocabulary, comprehension, decoding, working memory, syntax, grammar, and other skills necessary to learn how to read or to become a better reader.

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In the intensive math class, we use the Options curriculum and work on building prerequisite math skills. The Options curriculum teaches problem solving skills using real life, motivating, hands-on activities and literature aligned with research-based NCTM standards. Within the classroom student's work on the following:

- Number Sense
- Algebra and Functions
- Measurement and Geometry
- Statistics, Data, and Probability
- Problem Solving and Mathematical Reasoning

Within the math classes, all students utilize the Accelerated Math program which is designed to monitor the progress of mathematical skills practice to improve their areas of weakness in math on a daily bases. The program addresses the following:

- Generate individualized practice assignments for all students
- Correct practice assignments, and record results in a data base that is available to the teacher
- Individualized practice assignment based on the results
- Generate math tests for students at the teacher's request
- Motivates students by setting individualized goals and providing feedback
- Intervenes when students need additional help in order to master a mathematical concept

To meet the needs of the over-age child, we utilize the NovaNet program which is an online courseware system. Students attend the NovaNet lab class daily. The goal of this software is to illustrate the following:

- Reach struggling students and recover lost credits
- Increase graduation rates and reduce dropout rates
- Challenge advanced students who want to move ahead
- Prepare students for state and standardized tests

The data below is an indication that during the three year contract period there was an increase in the number of students that scored proficiently in reading and mathematics across all grade levels with the exception of a 1% drop in the 2009 reading score on FCAT SSS for the seventh grade population. See figures 1 and 2 below.

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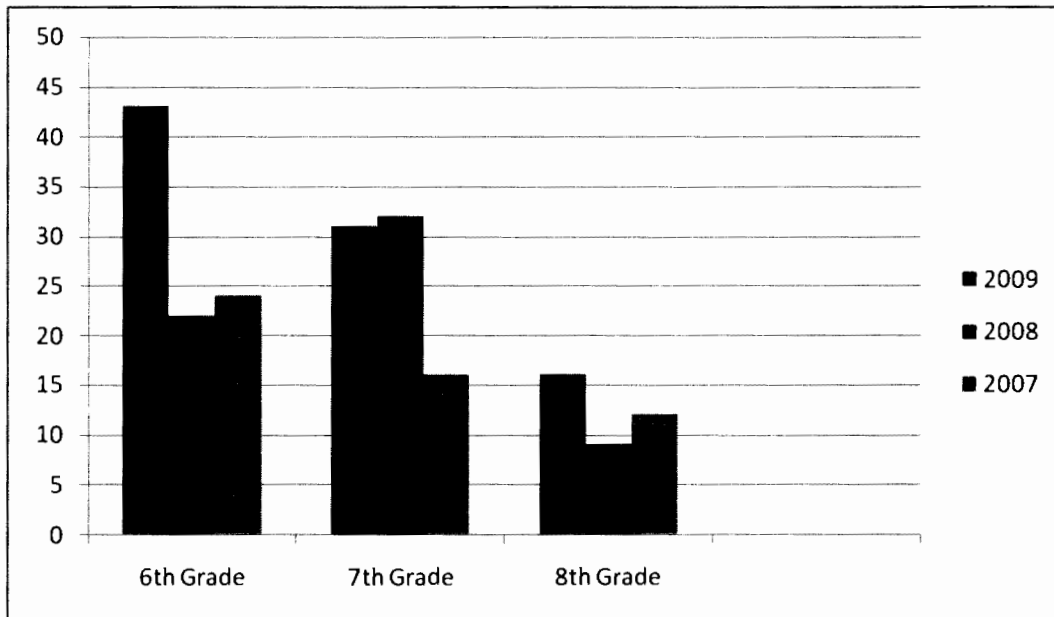


Figure 1 School Percent Scoring 3 or above on FCAT Reading

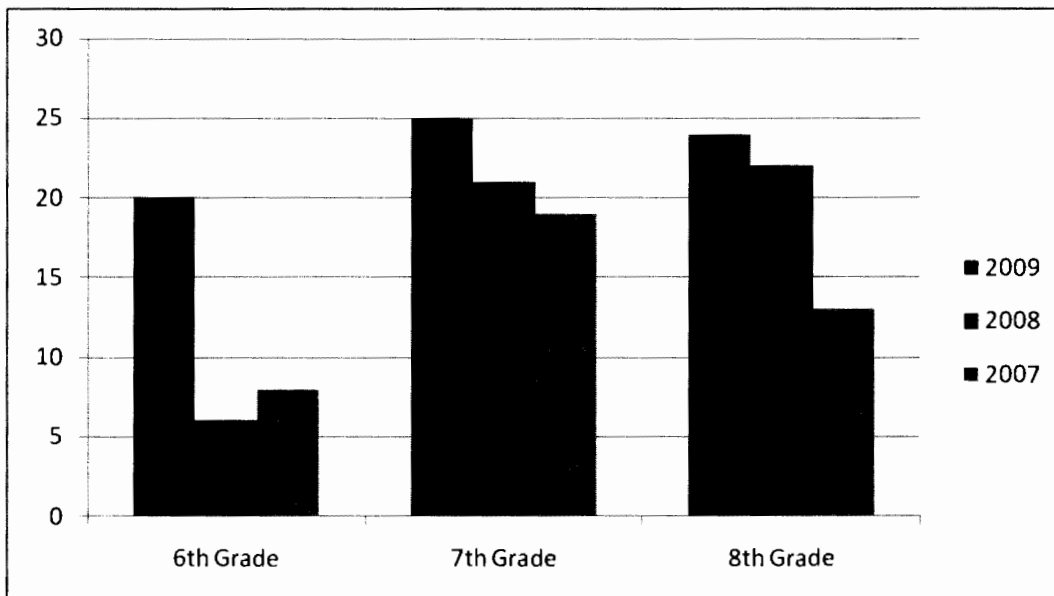


Figure 2 School Percent Scoring 3 or above on FCAT Mathematics

The data in Figures 3 and Figure 4 indicates that Compass Charter Middle School students scored below the district and state averages in both reading and mathematics. However, the population of Compass is comprised of students who “did not pass” FCAT (Passing defined as scoring Achievement Level 3 or above), therefore, the fact that our Level 1 and 2 students are within range of the district and state scores indicates that our program is successful and our at-risk population are making gains.

# Compass Charter Middle School Charter Renewal Document

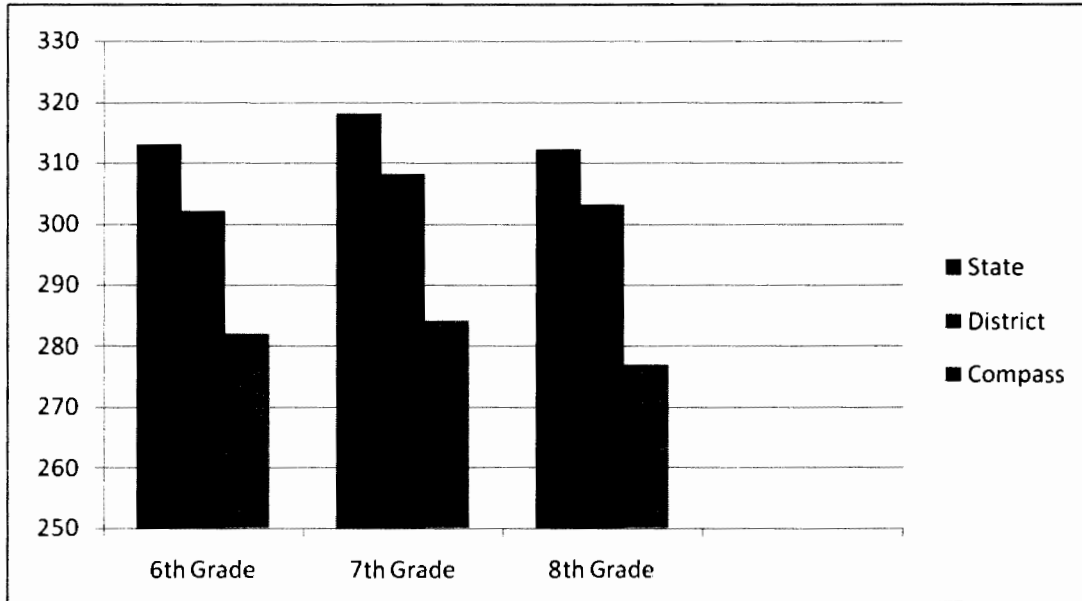


Figure 3 Mean Scores FCAT 2009 Reading

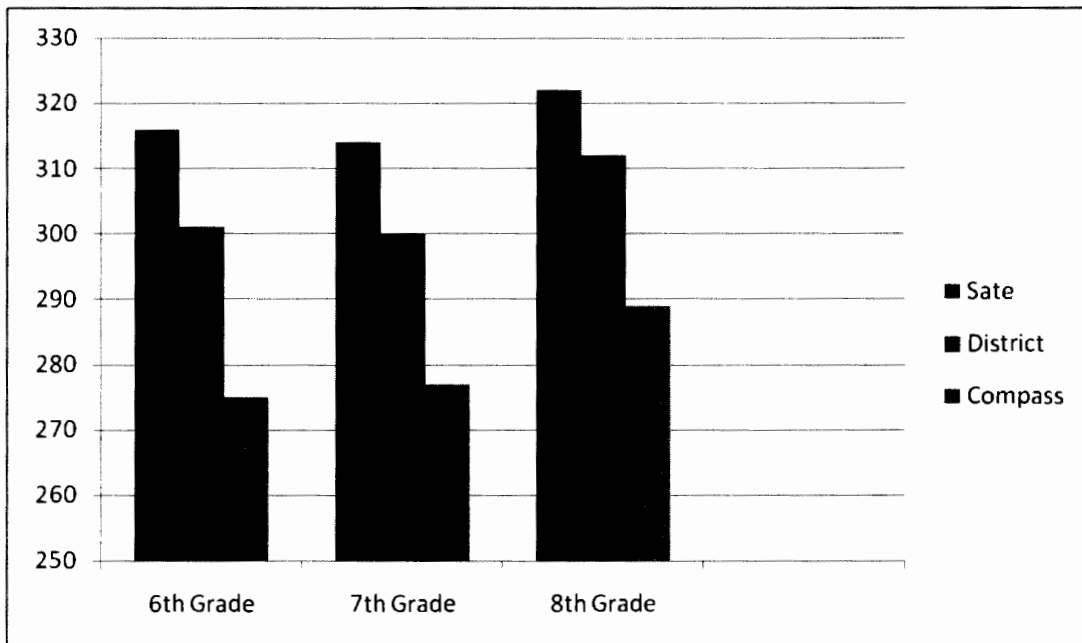


Figure 4 Mean Scores FCAT 2009 Mathematics

A better indicator of our success would be to compare the scores of Compass to the scores of a similar program in the county that targets “at-risk” or over-age populations. One such school is Gause Academy. Comparing the 2009 FCAT data shows that Compass students scored higher than the Gause students in both Reading and Mathematics in all three grade levels. See Figure 5 and Figure 6.

# Compass Charter Middle School Charter Renewal Document

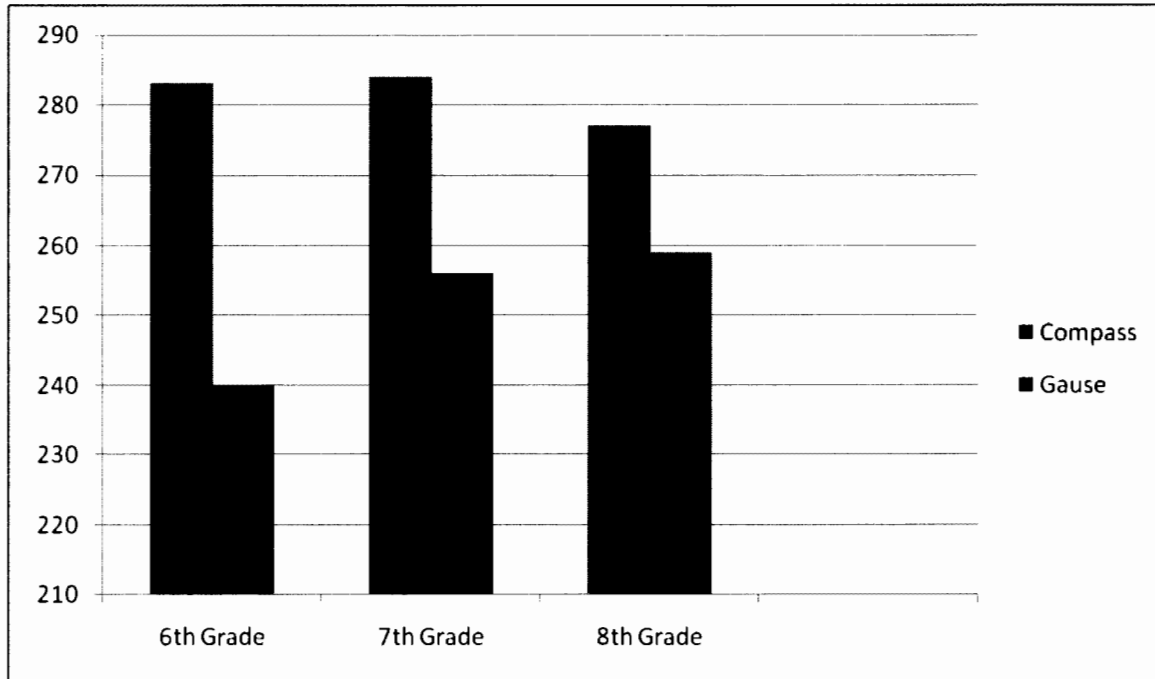


Figure 5 Compass and Gause Comparison—Reading Mean Scale Scores

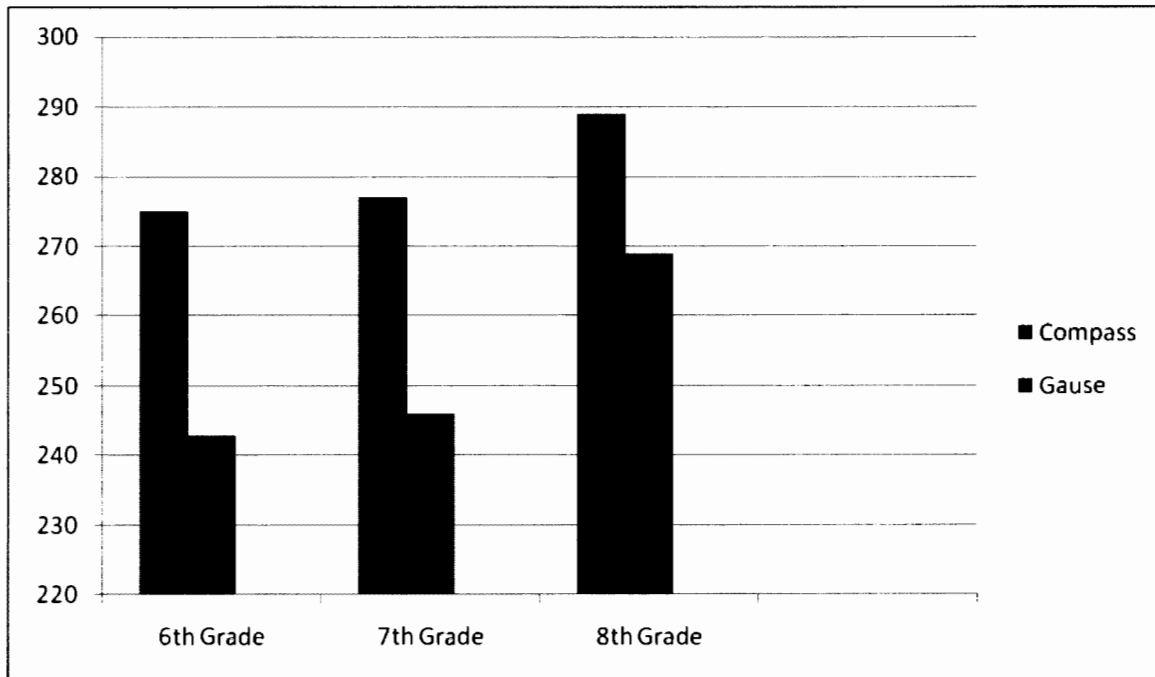


Figure 6 Compass and Gause Comparison—Mathematics Mean Scale Scores

In conclusion, it is our opinion that Compass Charter Middle School has made reasonable progress in meeting the goal of increasing student scores on FCAT SSS as a measure of student success. The areas of reading and mathematics need further improvement and will continue to be addressed

## Compass Charter Middle School Charter Renewal Document

through the further implementation of the Learning Focused Solution model, Intervention Programs, and explicit differential instruction as well as the intentional best practices of our teachers.

### **1B. Has student performance significantly improved and/or been persistently strong on internal and external academic assessments?**

Our teachers follow the curriculum maps provided by the Polk County School District aligned to the Next Generation Sunshine State Standards (NGSSS), Florida Continuous Improvement Model (FCIM) and Learning Focus Solution Model (LFS). With this method, students who transfer back and forth between our school and Bartow Middle School are maintaining a similar pacing of curriculum materials. We have found that placing our students in the smaller classrooms with more hands-on learning and utilizing differentiated instruction, and intervention programs, students' performance has improved. We have positive feedback from parents on their child's improvement, documented on the report card and weekly progress report. The nurturing environment that our teachers strive to achieve through genuine concern for their students, weekly progress report incentive program for passing grades, and the cell phones used for parent communication are all tools that enable student success. When the students know we care about them, and believe in them, and that we are all working together as a team, they begin performing better in class. Our students are learning and becoming more motivated, but as we stated in the original charter application, the results can be viewed in the three- to five-year window for these students. We are not making quick-fixes with these students; we are changing lifestyles, attitudes and confidence levels. These changes take time and with time, we will show that our students can be successful on measures of academic achievement.

On the 2007 FCAT SSS reading and mathematics test, 24 % of our 6<sup>th</sup> grade students, 16% of our 7<sup>th</sup> grade students and 12% of our 8<sup>th</sup> grade students scored a level 3 or above. On the 2008 FCAT SSS reading and mathematics test, 22 % of our 6<sup>th</sup> grade students, 32% of our 7<sup>th</sup> grade students and 9% of our 8<sup>th</sup> grade students scored a level 3 or above. On the 2009 FCAT SSS reading and mathematics test, 43 % of our 6<sup>th</sup> grade students, 31% of our 7<sup>th</sup> grade students and 16% of our 8<sup>th</sup> grade students scored a level 3 or above. In 2009, Compass met 95% of AYP criteria. The percentage of students below grade level in reading and mathematics decreased significantly from 2008 to 2009. The chart below shows this decrease broken down by sub-category:

Figure 7 Percentage of Students Below Grade Level in Reading

	2007	2008	2009
Total	85%	80%	67%
White	79%	76%	66%
Black	93%	84%	65%
Hispanic	N/A	79%	69%
Economically Disadvantaged	86%	80%	67%

# Compass Charter Middle School Charter Renewal Document

Figure 8 Percentage of Students Below Grade Level in Mathematics

	2007	2008	2009
Total	82%	86%	<b>76%</b>
White	79%	81%	<b>77%</b>
Black	88%	94%	<b>79%</b>
Hispanic	N/A	85%	<b>75%</b>
Economically Disadvantaged	86%	87%	<b>79%</b>

## **2. Is the School a Viable Organization?**

### **2A. Is the school financially solvent and stable?**

Compass Charter Middle School has effectively managed its finances by evidence of a net asset balance of \$908,054 at fiscal year end June 30, 2009. During Compass' six years of operation, there have not been any audit findings, management recommendations or operating budget deficits. Management and the Governing Board of Compass are conservative in developing and managing the operating budget. The 2008-2009 Independent Audit is included in the application for review as Attachment #4. Please contact Harry Williams, Principal, Compass Charter Middle School for any questions.

### **2B. Is enrollment stable and near capacity?**

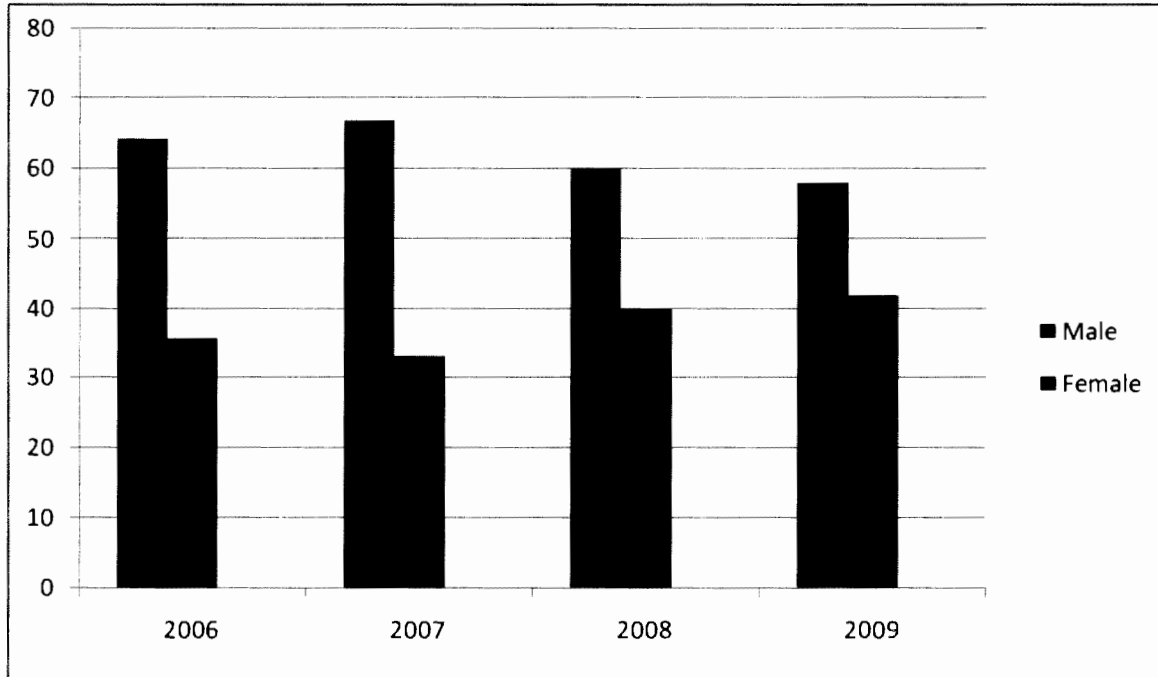
The application process is handled through the Office of School Choice Personnel. After completing the process, all students who met the criteria were accepted and their parents were notified. Compass Charter Middle School enrollment capacity calls for a total of 200 students per year. The enrollment data for the four years is shown in the following table and graphs listed below.

**Figure 9 Total Enrollment**

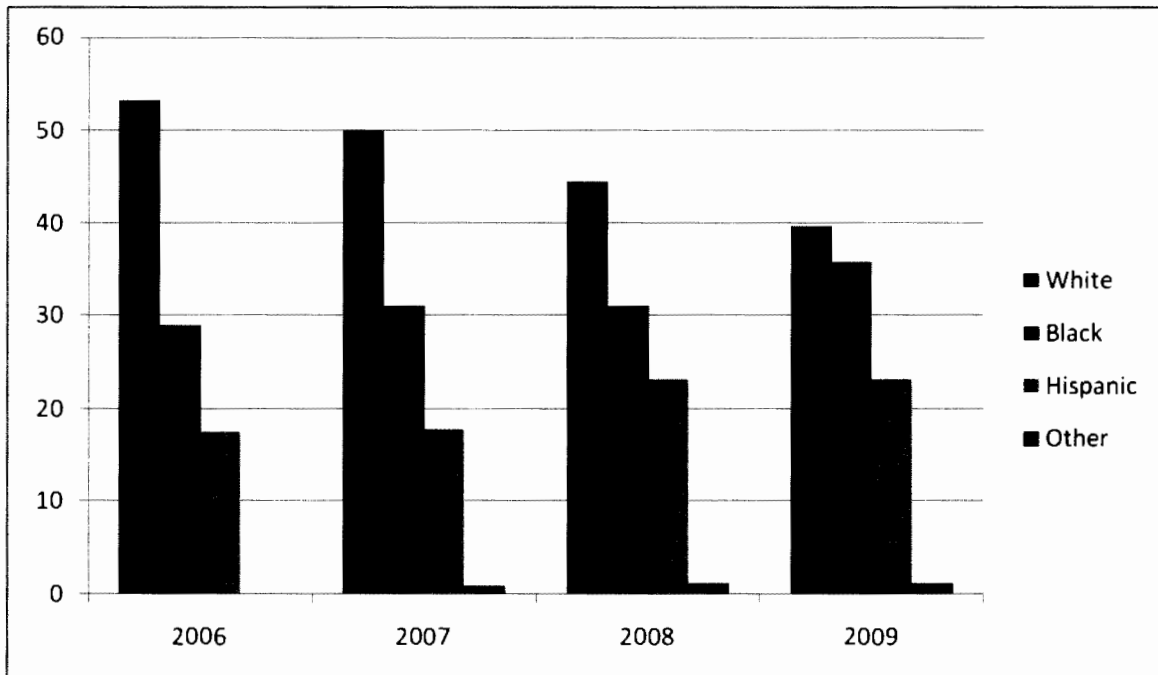
Years	Capacity	October FTE	February FTE
<b>2005-2006</b>	200	176	182
<b>2006-2007</b>	200	180	196
<b>2007-2008</b>	200	191	180
<b>2008-2009</b>	200	180	159

# Compass Charter Middle School Charter Renewal Document

## Figure 10 Total Enrollment by Gender during FTE



## Figure 11 Total Enrollment by Race during FTE



As much as the staff and teachers at Compass Charter Middle School attempt to keep all students in school, there are times when students cannot comply with our contract and policies. At the same time, there is also movement of families between schools within the county and movement outside of the county.

## Compass Charter Middle School Charter Renewal Document

### 2C. Is the school governance sound and professional in performing the governance duties of the charter school?

The governing board of Compass Charter Middle School had a turnover four years ago, a parent's child was promoted to the high school and the parent resigned from the board. She was replaced and the board has remained consistent for the last three years. The board meets bi-monthly to discuss the progress and programs in place at the school. The accountant presents the budgets for their approval. Any proposed amendments to the charter or changes to the academic programs in place are discussed and voted upon. There have been no complaints brought before the Board.

All board members have been fingerprinted and have had background checks through Employee Relations for the Polk County School Board. The teachers and staff are employees of the Compass Charter Middle School and all evaluations are held according the policy of CCMS. Payroll is through a separate agency, and complaint issues are handled through the CCMS governing board and the office of Magnet School choice and Charter.

### 2D. Are the professional staff of the Charter school competent and resourceful?

The professional staff of Compass Charter Middle School follow the same guidelines as the Polk county School Board employees, thus are subject to all conditions of employment and certification as are required of other PCSB employees. District policies concerning Highly Qualified status are also adhered to. A table detailing the experience and certifications of our current staff is included:

**Figure 12 Staff Experience and Certification**

Staff	School Year(s) Employed at CCMS	Subject Taught	Area of Certification	Qualified	Certified	Highly Qualified	Years Experience
Blocher, Amy	2004-2007 2009- present	Academic Instructional Facilitator	M.Ed. Secondary Education, Reading Endorsement, ESOL Endorsement	X	X	X	31
Bones, Adelmarie	2007-2008	Science	Science 6-12	X	X	X	1
Canlon, Michael	2005-2007	Reading	Social Science 6-12	X			1
Cawthron, John	2008-2009	Science	MGIG	X	X	X	23
Centeno, Suheil	2006-2007	Science	Science 6-12	X	X	X	1

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Colon, Nicole	2004-2008	Reading	B.S. Reading	X			4
DiMarco, Jessica	2009-present	Mathematics	MGIG (5-9)	X	X	X	1
Doolittle, Scott	2006-2007	Reading	B. S. Reading	X			1
Filipowicz, Dale	2008-2009	Mathematics Science Social Studies	MGIG (5-9), Social Science 6-12	X	X	X	3
Hazell, Olivia	2006-present	Lead Teacher	Mathematics 5-9, ESOL Endorsement, Business Ed 6-12	X	X	X	9
Jackson, Jennifer	2003-present	Assistant Principal	Mathematics 5-9, Leadership K-12	X	X	X	18
Jennings, Kaprilla	2006-2008	Reading	MGIG Reading Endorsement				3
Jones, LeDarion	2004-present	Technology	Industrial Arts, Technology Ed 6-12	X	X		6
Kilpatrick, Patricia	2002-2009	Math	Mathematics 5-9, Business Ed 6-12	X	X	X	9
Kinsler, Panchita	2002-2009	Physical Education	Physical Education K-12	X	X		21
Lucas, Lorena	2008-present	Language Arts	English 6-12, ESOL Endorsement	X	X	X	1
Maassen, Barbara	2004-2007	Social Studies	Social Science 6-12	X	X	X	3
Martin, Justin	2008-present	Social Studies	Social Science 6-12	X	X	X	1
Megahee, Michael	2008-2009	Language Arts	English 6-12, ESOL Endorsement, Journalism 6-12	X	X	X	26
Mischnick, Brent	2007-2008	Mathematics	Mathematics 5-9	X	X	X	1
Oliver, Pauline	2008-	Reading					30

## Compass Charter Middle School Charter Renewal Document

	present						
Patterson, Lisa	2005-2006	Science	Science 6-12	X	X	X	6
Ramos, Emily	2007-2008	Reading	B.S. English	X			1
Rodriquez, Carmen	2008-present	Mathematics	Mathematics 6-12, MGIG 5-9	X	X	X	3
Santiago, Paula	2007-present	Reading	English 5-9, MGIG	X	X		23
Sohn, Erica	2008-present	Reading	MGIG 5-9, Reading Endorsement	X			2
Smith, Michael	2005-2006	Language Arts	English 6-12	X	X	X	34
Strong, Andrea	2007-2008	Social Studies	Social Science 6-12	X	X	X	1
Torres, Tania	2006-2009	Language Arts	English 6-12	X	X	X	3
Whealton, Leslie	2005-2007	Mathematics	Mathematics 5-9	X	X	X	8
Williams, Harry	2003-present	Principal	Principal K-12	X	X	X	37
Williams, Morris	August-December 2008 2009-present	Science	State of FL Temp Cert	X			1

The uniqueness of our program leads to some expected turnover as teachers adjust to the different scope of challenges they face with the students accepted into our program. It takes some time to find the right mix of experience needed for teachers to be successful with our students. We have addressed this problem by being very selective with staff replacements, taking our time to interview all available candidates and seeking strong references and background checks. We also invite prospective teachers to view our classrooms if action time permits.

All current staff members of Compass Charter Middle School have attended numerous in-services and training offered at both our school and Title 1. All have attended LFS training. Teachers have also been trained in desegregating FCAT data for use in their classroom, the new Pinnacle grade book and attendance system. In addition, our reading teachers have attended numerous in-services training at our school site on SRA kits, fluency checks, Accelerated Reader, Words Their Way with English Learners, the Option Curriculum, and Academy of Reading. They also work closely with our Reading Coach to develop and implement a comprehensive reading program for our struggling students. These training sessions and the results they produce within their classroom are included as a part of each teacher's annual evaluation. All future professional staff hired at Compass will be enrolled in LFS training and are implementing the strategies and lessons included in the rigor and relevance framework.

# Compass Charter Middle School Charter Renewal Document

## **3. Is the School Faithful to the Terms of Its Charter?**

### **3A. Have the school's program and operation been consistent with the terms of its charter?**

Compass Charter Middle School deliberately established a school culture where learning, civility, caring, and academic success are not just considered good things, but are the expectations. Our focus has not changed and our resolve to see our goals through has not diminished. We are helping the students we are reaching out to, and the evidence is shown in the Student Performance questions answered in section one. Our administration believes in our program and works closely with our staff to ensure that all students have an opportunity to succeed. The teachers and staff are dedicated to the success of our students. This dedication shows up in ways other than just test scores and GPA figures, as they must also work with our students on developing social skills, conflict resolution skills, study skills, and goal setting.

Our students know our community of teachers and respect them. The caring nature our teachers and their understanding of building positive relationships is an essential component to the success of our program. Because our teachers take a personal interest in at-risk students, they strive to achieve their potential. Each of our teachers has a cell phone to effectively communicate with the parents of our students during the time they are available. The school atmosphere is always welcoming for our parents and they know we all are working together as a team for the improvement of their child's education. Our teachers work diligently to ensure that they are providing the best education possible for our students.

The measurable performance objectives stated in our founding charter were to improve FCAT scores in Reading and Mathematics, to improve attendance rates, and to use the Successful School Surveys. The particular data relating to the FCAT assessment is shown in Figures 1-4 above. We realize that our school is not scoring at a proficiency level according to the district; however, we are scoring above similar at-risk centers within the district, and our students are making individual learning gains. Our School Improvement Rating has increased from "Maintaining" status to "Improving" status within the State of Florida grading system, which is the highest level a school can receive for alternative grading. See Attachments 5 and 6.

Our program to improve attendance rates has been very successful. We now utilize the Connect-Ed program which contacts the parents of any child that is absent via phone or e-mail if provided. The parents have responded positively to these phone calls, as they are assured that we care if their child is missing from school and likewise parents have responded positively by informing us if their child will be absent from school.

### **Annual School Survey Overall Results (4.00 scale)**

The Successful School Survey results indicate that parents are satisfied overall with Compass Charter Middle School. We scored above the district averages in 80% of the areas during the last two years.

## Compass Charter Middle School Charter Renewal Document

### 3B. Is the school within the bounds of applicable statutory and regulatory requirements?

All records for Compass Charter Middle School shall be public for any person to inspect as defined in Chapter 119 of Florida Statutes. All Board of Directors' meetings are made public, advertised and open to the public in accordance with S.286.011 of Florida Statutes, and minutes are available for inspection.

- **Special Education**

Compass Charter Middle School follows the Polk County School Board policies with regard to Exceptional Student Education (ESE). We do offer one ESE class which targets the ESE students who require specially designed instruction in Strategies for Learning. This course is taught by a Bartow Middle School ESE certified teacher and Bartow Middle School receives FTE funding for the students enrolled in this class. The model for ESE students is full inclusion in regular classes with consultation services and monitoring by the ESE teacher. The CCMS staff are responsible for monitoring grades and behavior. There are currently 22 students included in our ESE program and all IEP's and reevaluations are in compliance with district, state and federal regulations. The students enrolled in Compass under the ESE program have the required Individual Education Plan (IEP) completed by a qualified ESE staffing specialist from Bartow Middle School. An ESE referral coordinator is on staff at Bartow Middle along with an ESE classroom teacher. There have been no complaints filed against the school with regard to ESE. Future plans for the school's ESE program are to continue full inclusion, with the offering of one Learning Strategies course and consultative services for all other ESE students through the Bartow Middle School ESE teacher.

- **Limited English Proficiency**

Students who enroll in Compass Charter Middle School and have been previously identified by Polk County School District as having Limited English Proficiency (LEP) are afforded all services and test modifications laid out on their individual ESOL plans. The Office of School Choice application states that a student must currently be enrolled in a Polk County School to apply, so we do not have to give the home language survey. All students who enroll in our school have the survey in their cumulative folder and LEP students have already been identified by their prior school. We currently have 9 students identified by PCSB as LEP, and those students are enrolled in the appropriate ESOL Language Arts course, taught by a Bartow Middle School ESOL teacher. Bartow Middle School receives FTE funding for students enrolled in the ESOL Language Arts class.

- **Student Learning Time**

Compass follows the standard school calendar followed by all public schools in Polk County. Our operation times, class schedules, and holiday/vacation schedules are identical to our host school, Bartow Middle School. Compass students who have not passed the FCAT Reading tests are placed in an intensive reading course in addition to their regular reading course to offer needed remediation. We also have students who

## Compass Charter Middle School Charter Renewal Document

scored level one on the FCAT Mathematics portion of the test in an intensive math course to provide remediation in basic math and computational skills.

- **State Testing Requirements**

Summary data on the number of students who were tested using FCAT SSS are included in Figure 13 below. Some students were provided testing modifications in accordance with their individual IEP's. Students were tested by an ESE teacher from Bartow Middle School in order to monitor the required accommodations. Students were given flexible setting, scheduling, and presentation. Our LEP students were tested by the ESOL teacher from Bartow Middle School who provided them with a heritage language dictionary approved for use on the FCAT assessments in addition to modifications that were necessary according to their LEP plan.

School Year	% tested
2008-2009	99%
2007-2008	100%
2006-2007	98%
2005-2006	97%

Figure 13 Percent of Students Tested Each Year at CCMS

- **Student Discipline**

Compass Charter Middle School abides by the Polk County School Board Code of Student Conduct in relation to discipline policies and procedures. The table below illustrates the number of in-school suspensions, out-of-school suspensions, bus suspensions and expulsions during the last two years. This data was reported by number of incidents, and not by number of students.

Areas of Discipline	2007-2008	2008-2009
	School Year	School Year
<b>In-School Suspension</b>	<b>276</b>	<b>17</b>
<b>Out-of-School Suspension</b>	<b>169</b>	<b>158</b>
<b>Bus Suspension</b>	<b>25</b>	<b>28</b>
<b>Expulsions</b>	<b>0</b>	<b>0</b>

Figure 14 Comparison of CCMS Discipline 2007 and 2008

**Some reasons why students would have received in-school suspension include:**

- Repeated dress code violations
- Tardy policy violations
- Disruption of class

## Compass Charter Middle School Charter Renewal Document

- Skipping class, and
- In lieu of Saturday work detail

### The reason a student would receive out-of-school suspension are:

- Repeated dress code violations
- Repeated tardy policy violations
- Interference with the educational process
- Profanity directed at a school board employee
- Fighting

Inappropriate behavior on the bus that places other students at-risk is reason for bus suspension and expulsions would fall under the guidelines outlined in the Student Code of Conduct punishable as subsequent offenses.

- **Health and Safety**

Compass is housed inside the facility of Bartow Middle School. All inspections and certificates for Fire, Health, and Safety including asbestos and radon presence are conducted as part of Bartow Middle School inspections in accordance with Polk County School Board policy.

- **Legal**

There are currently no pending and /or threatened legal actions involving the school. There have been no complaints received regarding allegations of harassment. The school has maintained an atmosphere free from discrimination for both students and staff. CMCS follows the same procedures for investigation of claims of harassment or discrimination as outlined in Polk County School Board policy.

- **Miscellaneous**

The school is utilizing technology in the management of the school and updating technology as needed. All teachers have access to computers in their classrooms to use in recording grades and attendance for their students. The grades/attendance data are automatically sent to the county for student records and report cards. In addition, these computers have Internet access, and teachers have projectors available for their use so that lessons can be projected from the Internet to the classroom screens for enhanced curriculum opportunities. The school has purchased the necessary licenses for the software that all teachers have access to along with proper professional development to implement the software. We are in compliance with all software copyrights.

The staff and administration follow PCSB guidelines for maintaining the confidentiality of student records and/or responding to subpoenas. Confidential data is kept in a secured location in accordance with PCBS policy and procedures.

## Compass Charter Middle School Charter Renewal Document

### **4. If the school's charter is renewed, what are its plans for the seven years of the next charter?**

#### **4A. Please describe how your founding charter has served the school during its initial contract term. What has the school learned during its first term about the strengths and weaknesses of its charter, and what changes in the charter does this experience suggest?**

The founding board of Compass Charter Middle School was designed to impact at-risk students who, at the middle school level, were already showing little success in the regular academic program. A careful analysis of data gathered in the first two years of the charter has shown that we have been successful in impacting many of these students, enabling them to successfully meet the academic criteria for promotion to the next grade level within one year.

- Our Success program has helped students complete middle school in two years instead of the traditional three years.
- We served students in differentiated instruction including small group and computer-assisted approaches.
- Our staff has been trained to utilize a variety of instructional strategies including LFS, CRISS, Differentiated Instruction, and the Florida Continuous Improvement Model.
- Intervention tools are used to help improve Levels 1 & 2 in Reading and Math on FCAT.
- We motivate students, increase promotion rates and reduce dropout rates through the use of our programs.
- Due to the state budget shortfall this year, we reduced our teaching staff and our student enrollment in order to maintain small class sizes that allow for the individualized instruction at-risk students need.
- Prepare students to improve on state and standardized tests.
- We would like to add 1-5<sup>th</sup> grade class of 20 students during the 2010-11 school year and an additional 5<sup>th</sup> grade class the following year to our school. The purpose of this program is to address the over-age child by offering to 5<sup>th</sup> graders who have been retained the opportunity to be in 9<sup>th</sup> grade in four years instead of 8<sup>th</sup> grade. All students and parents are required to sign a contract outlining the expectations for completing the CCMS program. The first year our 5<sup>th</sup> graders will be taught by a highly qualified certified elementary teacher and will take the regular 5<sup>th</sup> grade curriculum. During their 2<sup>nd</sup> year, they will be enrolled as a 6<sup>th</sup> grader and will take four 6<sup>th</sup> grade academic classes and two 7<sup>th</sup> grade academic classes. The third year they will take the remaining two 7<sup>th</sup> grade academic classes and four 8<sup>th</sup> grade academic classes. If these students are successful on the contract, they will be promoted to the 8<sup>th</sup> grade at the end of the 3<sup>rd</sup> nine weeks. The curriculum for the 5<sup>th</sup> grade will be aligned with the Next Generation Sunshine State Standards (NGSSS) and curriculum maps for Reading, Mathematics and Science provided by the PCSB. The 5<sup>th</sup> grade teacher will receive professional development as needed in order to implement LFS, FCIM, and the Rigor and Relevance Framework. The teacher will follow the CCMS instructional focus calendar and utilize weekly Mini Focus Lessons for Reading, Mathematics, and Science for school-wide areas of weakness. In reading, the Harcourt Trophies series will be used. This program

## Compass Charter Middle School Charter Renewal Document

includes the following reading interventions for struggling students, ELL students and ESE students: Words Their Way, Elements of Reading Vocabulary, Read for Real, Six Minute Solutions, and Hundred Book Challenge. We will also utilize the Fast ForWord reading intervention program with these students. Enrichment activities used for students who need to be challenged are the Voyager Passport system. The 5<sup>th</sup> grade resources for Mathematics are as follows: Scott Foresman Mathematics, Accelerated Math, and FCAT Explorer. The resources used for Science and Social Studies will be the Harcourt Science textbook, and Harcourt Social Studies textbook. 5<sup>th</sup> grade students will be separated from the general middle school population. The Learning Focus Strategies used with these students will be Acceleration, Distributive Practice, Error Analysis, Higher Order Thinking/Questioning, and Previewing. Reading and Language Arts will be taught during a 90 minute block. Students will then be grouped by ability and spend the next 30 minutes working on individual areas of weakness in Reading (iii). Mathematics will be taught in a 60 minute block. Students will again be ability grouped for another 30 minute session to work on areas of weakness in Mathematics (iii). Students in our 5<sup>th</sup> grade program will also receive instruction in Science, Social Studies and Physical Education. 5<sup>th</sup> grade ELL and ESE students will follow the full inclusion model with accommodations being provide as prescribed by the ELL plan or IEP.

**4B. Please attach the accountability plan that defines the school's student and school performance objectives for its next charter term. Describe how these objectives are aligned with the current state curriculum frameworks.**

The new CCMS Accountability Plan is Attachment 1, and includes 10 goals. Additionally, the Accountability Plan Progress Report, reflecting performance related to current school goals and indicators of progress, is included as Attachment 2.

#### Alignment with State Curriculum Frameworks

CCMS students will complete all State mandated testing as required under State and charter law. Additional testing will be utilized within the school to assist in the appropriate placement of students within math and reading settings.

CCMS will continue to implement State promotion requirements as found in the Student Progression Plan for Polk County and the Rules of the Florida Department of Education.

CCMS will maintain an individual permanent record for each charter school student as official documentation of the student's achievement. This record will comply with all State requirements for recording and safekeeping of student records. The student's permanent record will be compared to the requirements specified by State law and to all CCMS program requirements. If all requirements have been met, the student will be promoted to the next grade level or the high school, depending on which program they have completed.

# Compass Charter Middle School Charter Renewal Document

Among the formal measures that will be used to document academic progress and provide comparative achievement information are the following:

- Standard grades in individual classes
- Overall GPAs
- FCAT
- Course success rates
- Program completion rates

## **4C. How will the school evaluate and disseminate effective elements of the school's structure or program?**

The effective elements of Compass Charter Middle programs will be evaluated and disseminated through a system of continuous progress monitoring as follows:

- Pre and Post Testing through the use of Academy of Reading/Accelerated Math
- FCAT results
- FAIR
- Compass Odyssey
- Fast ForWord

In addition to testing data, other pertinent data such as attendance will also be recorded and updated in Genesis. All data will be recorded and analyzed by subgroups to determine how effective the school's programs are for each subgroup. By continuously analyzing data, we can easily adjust programs or interventions as needed.

Each CCMS student and parent will have the opportunity to meet with CCMS staff to discuss the programs offered and whether CCMS will best meet the needs of each individual applicant. After enrollment, all students and parents meet with the Principal to sign the CCMS contract, which defines the requirements of the program.

## **4D. What facility or facilities do you plan to use during the term of the next charter?**

Compass Charter Middle School will continue to be housed within Bartow Middle School. All health, safety and building requirements as described in the Florida Statutes are and will remain in compliance, as Bartow Middle School is a public school in Polk County.

## **4E. Please attach a projected budget for the requested length of term requested by the renewal. If requesting a long-term contract, please attach a comprehensive Business Plan that demonstrates support for the request.**

The CCMS 7 year projected budget is included as Attachment 3.

**COMPASS CHARTER  
MIDDLE SCHOOL, INC.**

A Charter School and Component Unit of the  
District School Board of Polk County, Florida

INDEPENDENT AUDITOR'S REPORT

*for the fiscal year ended JUNE 30, 2009*

***King & Walker, CPAs, PL***

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*Certified Public Accountants*

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# COMPASS CHARTER MIDDLE SCHOOL, INC.

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**KING & WALKER, CPAs, PL**  
*Certified Public Accountants*

David M. King, CPA  
Robert I. Walker, CPA

840 W. Lutz Lake Fern Road  
Lutz, FL 33548  
office (813) 610-0659 fax (813) 949-9376

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**Independent Auditor's Report on Basic Financial Statements and  
Required Supplementary Information**

To the Board of Directors Compass Charter Middle School, Inc.,  
a Charter School and Component Unit of the  
District School Board of Polk County, Florida

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Compass Charter Middle School, Inc. ("School"), a charter school and component unit of the District School Board of Polk County, Florida, as of and for the fiscal year ended June 30, 2009, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express opinions on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Compass Charter Middle School, Inc. as of June 30, 2009, and the respective changes in financial position thereof 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 a report dated August 10, 2009, on our consideration of the Compass Charter Middle School, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts and grants, and other guidelines included under the heading *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. That 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.

The Management's Discussion and Analysis and the Budgetary Comparison Schedule are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 express no opinion thereon.

Respectfully submitted,

*King & Walker, CPAs*

August 10, 2009  
Tampa, Florida

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)

The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Compass Charter Middle School, Inc. ("School") provides an overview of the School's activities for the fiscal year ended June 30, 2009.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to financial statements found on pages 8 through 22.

### **FINANCIAL HIGHLIGHTS**

- For the fiscal year ended June 30, 2009, the School's expenses exceeded revenues as shown on the School's statement of activities by \$19,338.
- Total net assets as of June 30, 2009, were \$908,054.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

### **Government-Wide Financial Statements**

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net assets and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net assets provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's net assets and the results of operations, during the fiscal year. An increase or decrease in net assets is an indication of whether the School's financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

## **Fund Financial Statements**

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide financial statements.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund financial statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund financial statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates two governmental funds; a General Fund and a Special Revenue Fund. The General Fund is considered to be a major fund. Data from the other governmental fund is combined into a single aggregated presentation.

The School adopts an annual budget for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund to demonstrate compliance with the budget.

## **Notes to Financial Statements**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the School's net assets as of June 30, 2009:

	<b>Net Assets, End of Year</b>		
	Governmental Activities		
	6-30-08	6-30-09	Increase (Decrease)
<b>ASSETS</b>			
Current and Other Assets	\$ 927,738	\$ 940,416	\$ 12,678
Capital Assets, net	43,597	25,223	(18,374)
Total Assets	<u>971,335</u>	<u>965,639</u>	<u>(5,696)</u>
<b>LIABILITIES</b>			
Current and Other Liabilities	<u>43,943</u>	<u>57,585</u>	<u>13,642</u>
<b>NET ASSETS</b>			
Invested in Capital Assets	43,597	25,223	(18,374)
Unrestricted	<u>883,795</u>	<u>882,831</u>	<u>(964)</u>
Total Net Assets	<u>927,392</u>	<u>908,054</u>	<u>(19,338)</u>
Total Liabilities and Net Assets	<u>\$ 971,335</u>	<u>\$ 965,639</u>	<u>\$ (5,696)</u>

The decrease in total net assets is due to the annual capital asset depreciation expense.

The key elements of the changes in the School's net assets for the fiscal year ended June 30, 2009 are as follows:

	<b>Operating Results for the Year</b>		
	<u>Governmental Activities</u>		
	<u>6-30-08</u>	<u>6-30-09</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
Federal sources	\$ 90,408	\$ 104,394	\$ 13,986
State and Local sources	1,145,047	1,032,663	(112,384)
Grants, Contributions and Other	56,929	35,444	(21,485)
<b>Total Revenues</b>	<u>1,292,384</u>	<u>1,172,501</u>	<u>(119,883)</u>
<b>Expenses:</b>			
Instruction	591,065	668,782	77,717
Pupil Personnel Services	117,496	151,362	33,866
Instructional Staff Development	2,909	-	(2,909)
Board of Education	22,419	18,670	(3,749)
School Administration	180,362	219,240	38,878
Fiscal Services	26,197	20,940	(5,257)
Central Services	-	900	900
Pupil Transportation	71,482	78,213	6,731
Operation of Plant	31,568	33,732	2,164
Maintenance of Plant			-
Community Services			-
<b>Total Expenses</b>	<u>1,043,498</u>	<u>1,191,839</u>	<u>148,341</u>
<b>Increase/(Decrease) in Net Assets</b>	<u>\$ 248,886</u>	<u>\$ (19,338)</u>	<u>\$ (268,224)</u>

The largest revenue source for the School is the State of Florida (84 percent). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. State revenue decreased in the current fiscal due to the economic environment in the State of Florida during the current fiscal year and a slight decrease in student full time equivalents.

Expenses increased between fiscal years due to general economic cost increases.

## **FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

### **Governmental Funds**

As the School completed the year, its governmental funds reported a combined fund balance of \$900,906.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The general fund budget for the fiscal year ended June 30, 2009, was developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, the School revised its budget several times. For the year ended June 30, 2009, actual expenditures were \$86,667 below the budgeted amounts. Refer to the Budgetary Comparison Schedule – General Fund for additional reference.

Total revenues were \$213 over the budgeted amount.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

At the end of fiscal 2009, the School had invested \$185,120 in capital assets, including furniture, fixtures and equipment.

The fiscal 2009 general fund budget did not include significant spending for capital acquisitions. More detailed information about the School's capital assets is presented in Note 3 to the financial statements.

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

The following economic indicators were taken into account when adopting the general fund budget for fiscal year 2010:

- Projected decrease in population.
- Conservative estimate of FEFP revenue.
- Projected salary and benefit increases.
- Increases in the cost of insurance and other business operating expenses.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the School's, finances and to demonstrate the School's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School's administrative offices at 550 E. Clower Street, Bartow, Florida 33830.

**COMPASS CHARTER MIDDLE SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**STATEMENT OF NET ASSETS  
June 30, 2009**

	<u>Government Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 820,666
Accounts Receivable	112,475
Other Current Assets	7,275
Total Current Assets	<u>940,416</u>
Capital Assets:	
Furniture, Fixtures and Equipment	185,120
Less Accumulated Depreciation	<u>(159,897)</u>
Total Capital Assets, Net	<u>25,223</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 965,639</u></b>
<b>LIABILITIES</b>	
Accounts Payable and Accrued Expenses	\$ 55,151
Deferred Revenue	<u>2,434</u>
<b>TOTAL LIABILITIES</b>	<b><u>57,585</u></b>
<b>NET ASSETS</b>	
Invested in Capital Assets	25,223
Unrestricted	<u>882,831</u>
Total Net Assets	<u>908,054</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 965,639</u></b>

The accompanying notes to the financial statements are an integral part of this statement.

**COMPASS CHARTER MIDDLE SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2009**

Governmental Activities:	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets	Total
Instruction	\$ 668,782	\$ -	\$ 104,394	\$ -	\$ (564,388)	\$ (564,388)
Pupil Personnel Services	151,362				(151,362)	(151,362)
Board of Education	18,670				(18,670)	(18,670)
School Administration	219,240				(219,240)	(219,240)
Fiscal Services	20,940				(20,940)	(20,940)
Central Services	900				(900)	(900)
Pupil Transportation	78,213				(78,213)	(78,213)
Operation of Plant	33,732				(33,732)	(33,732)
Total Governmental Activities	<u>\$ 1,191,839</u>	<u>\$ -</u>	<u>\$ 104,394</u>	<u>\$ -</u>	<u>(1,087,445)</u>	<u>(1,087,445)</u>
General Revenues:						
State and Local sources					1,032,663	1,032,663
Contributions and Other Revenue					35,444	35,444
Total General Revenues					<u>1,068,107</u>	<u>1,068,107</u>
Change in Net Assets					(19,338)	(19,338)
Net Assets - July 1, 2008					927,392	927,392
Net Assets - June 30, 2009					<u>\$ 908,054</u>	<u>\$ 908,054</u>

The accompanying notes to the financial statements are an integral part of this statement.

**COMPASS CHARTER MIDDLE SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
*June 30, 2009*

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 820,666	\$ -	\$ 820,666
Accounts Receivable	110,041	2,434	112,475
Other Current Assets	7,275	-	7,275
Total Assets	<u>\$ 937,982</u>	<u>\$ 2,434</u>	<u>\$ 940,416</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable and Accrued Expenses	\$ 37,076	\$ -	\$ 37,076
Deferred Revenue	-	2,434	2,434
Total Liabilities	<u>37,076</u>	<u>2,434</u>	<u>39,510</u>
Fund Balances:			
Unreserved:			
Undesignated	900,906	-	900,906
Total Fund Balances	<u>900,906</u>	<u>-</u>	<u>900,906</u>
Total Liabilities and Fund Balances	<u>\$ 937,982</u>	<u>\$ 2,434</u>	<u>\$ 940,416</u>

The accompanying notes to the financial statements are an integral part of this statement.

**COMPASS CHARTER MIDDLE SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS**

*June 30, 2009*

<b>Total Fund Balances - Governmental Funds</b>	\$ 900,906
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets is \$185,120, and the accumulated depreciation is \$159,897.	25,223
--	--------

Amounts accrued for compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(18,075)
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<b>Total Net Assets - Governmental Activities</b>	<u>\$ 908,054</u>
---	-------------------

The accompanying notes to financial statements are an integral part of this statement.

**COMPASS CHARTER MIDDLE SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
*For the Fiscal Year Ended June 30, 2009*

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Intergovernmental:			
Federal Through Local	\$ -	\$ 104,394	\$ 104,394
State and Local	1,032,663		1,032,663
Contributions and Other Revenue	<u>35,444</u>		<u>35,444</u>
Total Revenues	<u>1,068,107</u>	<u>104,394</u>	<u>1,172,501</u>
<b>Expenditures</b>			
Current - Education:			
Instruction	\$ 536,534	\$ 104,394	\$ 640,928
Pupil Personnel Services	151,362		151,362
Board of Education	18,670		18,670
School Administration	219,100		219,100
Fiscal Services	20,940		20,940
Central Services	900		900
Pupil Transportation	78,213		78,213
Operation of Plant	<u>33,732</u>		<u>33,732</u>
Total Expenditures	<u>1,059,451</u>	<u>104,394</u>	<u>1,163,845</u>
Net Change in Fund Balances	8,656	-	8,656
Fund Balances, July 1, 2008	<u>892,250</u>	<u>-</u>	<u>892,250</u>
Fund Balances, June 30, 2009	<u>\$ 900,906</u>	<u>\$ -</u>	<u>\$ 900,906</u>

The accompanying notes to financial statements are an integral part of this statement.

**COMPASS CHARTER MIDDLE SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2009*

<b>Net Change in Fund Balances - Governmental Funds</b>	\$	8,656
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount of depreciation expense in excess of capital outlays in the current period.	(18,374)
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Compensated absences included in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

<u>(9,620)</u>
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<b>Change in Net Assets - Governmental Activities</b>	\$	<u><u>(19,338)</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

# COMPASS CHARTER MIDDLE SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Polk County, Florida

## NOTES TO FINANCIAL STATEMENTS

June 30, 2009

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ➤ Reporting Entity

The Compass Charter Middle School, Inc. ("School") is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act and Section 1002.33, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of five members. Effective July 1, 2002, the School converted from a public school to a charter school.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Polk County, Florida, ("District"). The current charter is effective until June 30, 2010, and may be renewed in increments of five or fifteen years by mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the District. The School is considered a component unit of the District; and meets the definition of a governmental entity under the *Audit and Accounting Guide – State and Local Governments* issued by the American Institute of Certified Public Accountants; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

#### ➤ Basis of Presentation

The School's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. Accordingly, both government-wide and fund financial statements are presented.

**COMPASS CHARTER MIDDLE SCHOOL, INC.**  
A Charter School and Component Unit of the District School Board of Polk County, Florida

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2009**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements - Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental fund is as follows:

- General Fund - to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

All other governmental funds are non-major and are presented in the aggregate.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

# COMPASS CHARTER MIDDLE SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Polk County, Florida

## NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Budgetary Basis Accounting**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services and capital outlay).

➤ **Cash Deposits**

Cash deposits consist primarily of demand deposits and certificates of deposit held by banks qualified as public depositories under Florida law. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ **Capital Assets and Depreciation**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Donated capital assets are recorded at fair value at the date of donation. Capital assets are defined by the School as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	3 - 5 years

Current-year information relative to changes in capital assets is described in a subsequent note.

**COMPASS CHARTER MIDDLE SCHOOL, INC.**  
A Charter School and Component Unit of the District School Board of Polk County, Florida

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

➤ **Compensated Absences**

Compensated absences (i.e. paid absences for employee vacation and sick leave) are recorded as an expenditure in governmental funds when leave is used or when accrued as payable to employees entitled to cash payment in lieu of taking leave. In the government-wide financial statements, compensated absences are recorded as an expense when earned by the employees. The liability for compensated absences is classified as current in the government-wide financial statements because the amount of vacation and sick time to be used after the following year cannot be reasonably estimated.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. As such, the School's revenue stream is largely dependent upon the general state of the economy and the amounts allotted to the Florida Department of Education (FDOE) by the state legislature. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the FDOE for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during designated full-time equivalent (FTE) student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made. The District receives a 5% administrative fee from the School, which is reflected in the accompanying statement of activities and statement of revenues, expenditures and change in fund balances – governmental funds.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2009, the School reported 172.3 unweighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School also receives funding through donations, fundraising efforts, and local property tax collections.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

A schedule of revenue sources for the current year is presented in a subsequent note.

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States (GAAP) management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of net assets and affect revenues and expenditures for the period presented. Actual results could differ significantly from those estimates.

**2. ACCOUNTS RECEIVABLE**

Accounts receivable included in the accompanying statement of net assets and balance sheet – governmental funds includes \$109,814 due under the Florida Education Finance Program and \$2,434 due from the IDEA grant from the Polk County School District and \$227 in receivables from other sources. Based on the collectability of funds from these sources, an allowance for doubtful accounts is not considered necessary.

**COMPASS CHARTER MIDDLE SCHOOL, INC.**  
**A Charter School and Component Unit of the District School Board of Polk County, Florida**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**3. CHANGES IN CAPITAL ASSETS**

Changes in capital assets are presented in the table below.

	<u>Balance</u> <u>7/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2009</u>
<u>Governmental Activities:</u>				
Furniture, Fixtures and Equipment	\$ 185,120	\$ -	\$ -	\$ 185,120
Total Capital Assets Being Depreciated	<u>185,120</u>	<u>-</u>	<u>-</u>	<u>185,120</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	<u>(141,523)</u>	<u>(18,374)</u>	<u>-</u>	<u>(159,897)</u>
Total Accumulated Depreciation	<u>(141,523)</u>	<u>(18,374)</u>	<u>-</u>	<u>(159,897)</u>
Governmental Activities Capital Assets, net	<u>\$ 43,597</u>	<u>\$ (18,374)</u>	<u>\$ -</u>	<u>\$ 25,223</u>

Depreciation expense was charged to functions as follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Instruction	\$ 18,234
School Administration	<u>140</u>
Total governmental activities depreciation expense	<u>\$ 18,374</u>

**4. COMMITMENTS AND CONTINGENT LIABILITIES**

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2009, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**COMPASS CHARTER MIDDLE SCHOOL, INC.**  
**A Charter School and Component Unit of the District School Board of Polk County, Florida**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**5. SCHEDULE OF FEDERAL, STATE & LOCAL REVENUE SOURCES**

The following is a schedule of the School's federal, state and local revenue for the 2008-09 fiscal year:

Source	Amount
<i><u>FEDERAL:</u></i>	
Through the Polk County School District:	
Title I	\$ 64,800
IDEA	39,594
Total Federal	104,394
<i><u>STATE:</u></i>	
Florida Education Finance Program	659,773
Categorical Educational Programs:	
Class Size Reduction	152,669
Transportation	53,268
Supplementary Academic Instruction	45,216
Discretionary Tax Equalization Funds	25,808
Instructional Materials	16,026
Discretionary Lottery Allocation	3,930
ESE Guaranteed Allocation	30,361
Total State Revenue	987,051
<i><u>LOCAL:</u></i>	
Discretionary Millage	45,612
Total Local Revenue	45,612
Total State and Local Revenue	\$ 1,032,663

As provided in the charter school contract, the District has charged the School an administrative fee equal to 5% of total funding or \$48,981, which is reflected as a school administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

Accounting policies relating to certain State revenue sources are described in Note 1.

**6. RISK MANAGEMENT PROGRAM**

Workers' compensation, health and hospitalization, general liability, professional liability and property insurance coverage is being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not exceeded commercial coverage.

**COMPASS CHARTER MIDDLE SCHOOL, INC.**

**A Charter School and Component Unit of the District School Board of Polk County, Florida**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2009**

**7. CAMPUS FACILITY**

Title to the school building and facilities and other capital assets acquired prior to July 1, 2002, remain with the District. Florida Statutes provide that the use of the school building and facilities be furnished to charter schools on the same basis as made available to other public schools in the district. No rental or leasing fee may be charged by the district school board to the charter school or to the parents and teachers who organize the charter school.

In management's opinion, the value of the facilities utilized by the school is significant; therefore, any substantial changes in the Florida Statutes related to facilities used by conversion charter schools could have a material effect on the School's operations.

**8. RETIREMENT PROGRAM**

**Defined Benefit Plan**

All regular School employees are covered by the Florida Retirement System (FRS). The FRS is primarily a State-administered, cost-sharing, multiple-employer, defined benefit retirement plan (Plan). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS. Benefits in the Plan vest at six years of service. The Plan also includes an early retirement provision, but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability and death benefits and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (DROP) subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust and accrue interest. The School had no DROP participants during fiscal 2009.

**Funding Policy**

The contribution rates for members are established, and may be amended, by the State of Florida. During the 2009 fiscal year, contribution rates were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular	0%	9.85%
Florida Retirement System, Reemployed Retiree	(B)	(B)

**COMPASS CHARTER MIDDLE SCHOOL, INC.**  
A Charter School and Component Unit of the District School Board of Polk County, Florida

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

- (A) Employer rates include 1.11% for the post-employment health insurance supplement and 0.05% for administrative costs of the Public Employee optional Retirement Program.
- (B) Contributions rates are dependent upon the retirement class in which reemployed.

The School's liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the School. The School's contribution to the Plan for the year ended June 30, 2009 amounted to \$67,537 which was equal to the required contributions for the fiscal year.

**Defined Contribution Plan**

Effective July 1, 2002, the Public Employee Optional Retirement Program (PEORP) was implemented as a defined contribution plan alternative available to all FRS members in lieu of the defined benefit plan. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PERORP is funded by employer contributions that are based on salary and membership class (i.e.: regular, reemployed retiree, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The School had no PEORP participants during fiscal 2009.

**Pension Reporting**

The financial statements and other supplemental information of the FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained by contacting the Florida Department of Financial Services in Tallahassee, Florida. Also, an annual report on the FRS, which includes its financial statements, required supplemental information, actuarial report and other relevant information, may be obtained from the State of Florida, Division of Retirement in Tallahassee, Florida.

**9. FUNDING AND CREDIT RISK CONCENTRATIONS**

The School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

**10. LEGAL MATTERS**

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

**COMPASS CHARTER MIDDLE SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - (UNAUDITED)**  
*For the Fiscal Year Ended June 30, 2009*

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
Intergovernmental:				
Federal through Local	\$ -	\$ -	\$ -	\$ -
State and Local	1,050,592	1,032,894	1,032,663	(231)
Contributions and Other Revenue	38,000	35,000	35,444	444
<b>Total Revenues</b>	<b>1,088,592</b>	<b>1,067,894</b>	<b>1,068,107</b>	<b>213</b>
<b>Expenditures:</b>				
Current - Education:				
Instruction	684,580	596,747	536,534	60,213
Pupil Personnel Services	156,203	157,292	151,362	5,930
Instructional Media	100	100	-	100
Instruction & Curriculum Development	100	100	-	100
Instructional Staff Training	10,000	10,000	-	10,000
Board of Education	24,284	23,150	18,670	4,480
School Administration	217,239	216,826	219,100	(2,274)
Fiscal Services	21,433	20,940	20,940	-
Central Services	900	900	900	-
Pupil Transportation	71,482	78,213	78,213	-
Operation of Plant	41,850	41,850	33,732	8,118
<b>Total Expenditures</b>	<b>1,228,171</b>	<b>1,146,118</b>	<b>1,059,451</b>	<b>86,667</b>
<b>Net Change in Fund Balance</b>	<b>(139,579)</b>	<b>(78,224)</b>	<b>8,656</b>	<b>86,880</b>
Fund Balance, July 1, 2008	678,276	882,970	892,250	9,280
<b>Fund Balance, June 30, 2009</b>	<b>\$ 538,697</b>	<b>\$ 804,746</b>	<b>\$ 900,906</b>	<b>\$ 96,160</b>

**KING & WALKER, CPAs, PL**  
*Certified Public Accountants*

David M. King, CPA  
Robert I. Walker, CPA

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Lutz, FL 33548  
office (813) 610-0659 fax (813) 949-9376

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors Compass Charter Middle School, Inc.,  
a Charter School and Component Unit of the  
District School Board of Polk County, Florida

We have audited the basic financial statements of the Compass Charter Middle School, Inc. ("School"), a charter school and component unit of the District School Board of Polk County, Florida, as of and for the fiscal year ended June 30, 2009, and have issued our report thereon included under the heading *Independent Auditor's Report on Basic Financial Statements and Required Supplementary Information*. 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 of the School's financial statements for the fiscal year ended June 30, 2009, we considered the School's internal control 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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, and other guidelines, 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 that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the School and its management, the District School Board of Polk County, Florida, the Florida Department of Education, the Florida Auditor General, and other granting agencies and is not intended to be and should not be used by anyone other than these specific parties.

Respectfully submitted,

*King & Walker, CPAs*

August 10, 2009  
Tampa, Florida

**KING & WALKER, CPAs, PL**  
*Certified Public Accountants*

**David M. King, CPA**  
**Robert I. Walker, CPA**

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**Management Letter as Required by Rules of the Florida Auditor General,  
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors Compass Charter Middle School, Inc.,  
a Charter School and Component Unit of the  
District School Board of Polk County, Florida

We have audited the basic financial statements of the Compass Charter Middle School, Inc. ("School"), a charter school and component unit of the District School Board of Polk County, Florida, as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated August 10, 2009.

We have issued our independent auditor's report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards* dated August 10, 2009. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. In addition, our audit was conducted in accordance with provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of charter school audits performed in the State of Florida and require certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.854(1)(e)1.), require that we comment as to whether corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. The School has taken the appropriate corrective action to correct the finding in the prior audit.

The Rules of the Auditor General (Section 10.854(1)(e)2.), require that we make a statement as to whether the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes regarding financial emergency. We applied financial condition assessment procedures pursuant to Rules of the Auditor General (Section 10.855(10)). The School has not met any of the conditions of the referenced statute and is not in a state of financial emergency.

Pursuant to Sections 10.854(1)(3)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition 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.

The Rules of the Auditor General (Section 10.854(1)(e)3.), requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

The Rules of the Auditor General (Section 10.854(1)(e)4,5.), require disclosure in the management letter of matters that are not clearly inconsequential considering both quantitative and qualitative factors which include the following:

- Violations of laws, rules, regulations, contracts, and grant agreements or abuse that have occurred, or are likely to have occurred.
- Improper expenditures discovered within the scope of the financial audit which may or may not materially affect the financial statements.
- Control deficiencies that are not significant deficiencies, including, but not limited to: (1) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (2) failures to properly record financial transactions, and (3) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

Our audit disclosed no matters required to be disclosed by this Rule.

The Rules of the Auditor General (Section 10.854(1)(e)6.), require we disclose the name or official title of the school or center. The school's official name is Compass Charter Middle School, Inc.

This letter is intended for the information and use of the School and its management, the District School Board of Polk County, Florida, the Florida Department of Education, the Florida Auditor General, and other granting agencies and is not intended to be and should not be used by anyone other than these specific parties.

Respectfully submitted,

*King & Walker, CPAs*

August 10, 2009  
Tampa, Florida

**COMPASS CHARTER MIDDLE SCHOOL, INC.**  
**A Charter School and Component Unit of the District School Board of Polk County**

**MANAGEMENT'S RESPONSE TO AUDIT FINDINGS**

**Year Ended June 30, 2009**

The following is the School's response to the item in the Management Letter dated August 10, 2009, as required by Rule 10.857, Rules of the Auditor General:

No response required.

## School Improvement Ratings for Alternative Schools

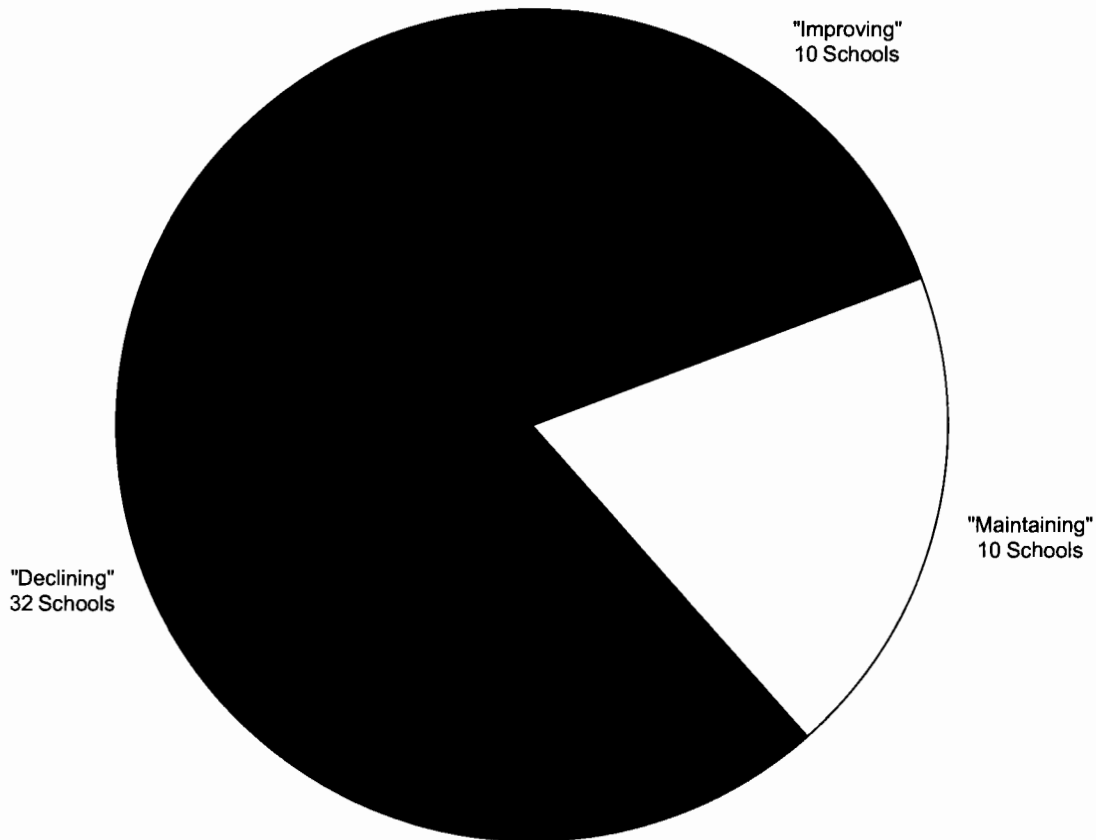
Alternative Schools that provide dropout prevention and academic intervention services have the option of receiving a school grade or a school improvement rating (Section 1008.34, Florida Statutes). If an alternative school chooses to receive a school improvement rating, the performance of the students at the alternative school are included in the calculation of the rating and the school grade of the students' home school.

### Improvement Rating Designations

<b>Improving</b>	<ul style="list-style-type: none"> <li>• Students attending the alternative school are making more academic progress than when the students were served in their home schools.</li> <li>• Percent of students making learning gains in both reading and mathematics in the current year must be <u>at least five (5) percentage points</u> higher than the percent of the same students making learning gains in reading and in mathematics in the prior year.</li> <li>• Test at least 90% of eligible students.</li> </ul>
<b>Maintaining</b>	<ul style="list-style-type: none"> <li>• Students attending the alternative school are making progress equivalent to the progress made when the students were served in their home schools.</li> <li>• Percent of students making learning gains in both reading and mathematics in the current year must be <u>less than five (5) percentage points above or below</u> the percent of the same students making learning gains in reading and in mathematics in the prior year.</li> <li>• Test at least 90% of eligible students.</li> </ul>
<b>Declining</b>	<ul style="list-style-type: none"> <li>• Students attending the alternative school are making less academic progress than when the students were served in their home schools.</li> <li>• Percent of students making learning gains in either reading or mathematics in the current year must be <u>at least five (5) percentage points lower</u> than the percent of the same students making learning gains in reading and in mathematics in the prior year.</li> <li>• Test at least 90% of eligible students.</li> </ul>

Since ratings are dependent on progress in both reading and mathematics, a school's rating can be no higher than the status of the learning gains comparison for its lowest performing subject. For example, if a school is assigned a "maintaining" status for reading, but a "declining" status for mathematics, the school's overall would be "declining."

# School Improvement Rating for Alternative Schools 2009



In 2009, 10 alternative schools earned an "Improving" rating; 10 alternative schools earned a "Maintaining" rating; and 32 alternative schools earned a "Declining" rating.

Source: Florida Department of Education

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<u>BEGINNING FUND BAL.</u>	<u>ACCT NO.</u>	<u>2010/2011</u>		<u>2011/2012</u>		<u>2012/2013</u>		<u>2013/2014</u>		<u>2014/2015</u>		<u>2015/2016</u>		<u>2016/2017</u>	
		<u>AMOUNT</u>	<u>FTE 180</u>	<u>AMOUNT</u>	<u>FTE 195</u>	<u>AMOUNT</u>	<u>FTE 195</u>	<u>AMOUNT</u>	<u>FTE 195</u>	<u>AMOUNT</u>	<u>FTE 195</u>	<u>AMOUNT</u>	<u>FTE 195</u>	<u>AMOUNT</u>	<u>FTE 195</u>
	12760000	671,363.78		677,458.78		703,187.78		727,723.78		750,516.78		772,003.78		791,623.78	
<b>REVENUE</b>	<b>ACCT NO.</b>	<b>REVENUES</b>	<b>FTE 180</b>	<b>REVENUES</b>	<b>FTE 195</b>	<b>REVENUES</b>	<b>FTE 195</b>	<b>REVENUES</b>	<b>FTE 195</b>	<b>REVENUES</b>	<b>FTE 195</b>	<b>REVENUES</b>	<b>FTE 195</b>	<b>REVENUES</b>	<b>FTE 195</b>
STATE STABILIZATION FUND	13210000	57,171.00		844,803.00		853,251.00		861,784.00		870,402.00		879,106.00		887,897.00	
FEFP	13310000	711,553.00		15,548.00		15,703.00		15,860.00		16,019.00		16,179.00		16,341.00	
INSTRUCTIONAL MATERIALS	13336000	14,211.00		60,000.00		60,000.00		60,000.00		60,000.00		60,000.00		60,000.00	
TRANSPORTATION	13354000	53,000.00		172,781.00		174,509.00		176,254.00		178,017.00		179,797.00		181,595.00	
CLASS SIZE REDUCTION	13355000	157,911.00		85,218.00		86,070.00		86,931.00		87,800.00		88,678.00		89,565.00	
SCHOOL TAXES	13411000	77,887.00		8,000.00		8,000.00		8,000.00		8,000.00		8,000.00		8,000.00	
SCHOOL INTEREST	13430000	7,500.00													
MISCELLANEOUS	13490000														
<b>TOTAL REVENUE</b>		<b>1,079,233.00</b>		<b>1,186,350.00</b>		<b>1,197,533.00</b>		<b>1,208,829.00</b>		<b>1,220,238.00</b>		<b>1,231,760.00</b>		<b>1,243,398.00</b>	
<b>OPERATING EXPENSES</b>		<b>1,750,596.78</b>		<b>1,863,808.78</b>		<b>1,900,720.78</b>		<b>1,936,552.78</b>		<b>1,970,754.78</b>		<b>2,003,763.78</b>		<b>2,035,021.78</b>	
<b>ACCOUNT NAME</b>	<b>ACCT NO.</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
Salaries-Teach (8) / (9)	15000120	356,139.00	400,094.00	404,095.00	408,136.00	412,217.00	416,339.00	420,502.00							
Salaries - Para (1)	15000150	14,765.00	14,913.00	15,062.00	15,213.00	15,365.00	15,519.00	15,674.00							
Retirement-Instruction	15000210	37,461.00	41,916.00	42,335.00	42,758.00	43,186.00	43,618.00	44,054.00							
Soc Sec/Medicare-Instructional	15000220	28,374.00	31,748.00	32,066.00	32,386.00	32,710.00	33,037.00	33,367.00							
Medical Insurance-Instructional	15000230	54,149.00	61,778.00	63,631.00	65,540.00	67,506.00	69,531.00	71,617.00							
Workers Comp -Instructional	15000240	4,799.00	5,380.00	5,433.00	5,485.00	5,539.00	5,593.00	5,647.00							
Travel - Instructional	15000330	250.00	250.00	250.00	250.00	250.00	250.00	250.00							
Other Purchased Services	15000390	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00							
Supplies-Instructional	15000510	12,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00							
Textbooks-Instructional	15000520	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00							
Equipment-Instructional	15000640	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00							
Software-Instructional	15000690														
Salaries-Sub Teachers	15000750	10,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00							
Misc. Exp -Instructional	15000790	100.00	100.00	100.00	100.00	100.00	100.00	100.00							
<b>INSTRUCTION</b>		<b>535,037.00</b>	<b>600,179.00</b>	<b>606,972.00</b>	<b>613,868.00</b>	<b>620,873.00</b>	<b>627,987.00</b>	<b>635,211.00</b>							

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	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Salaries- Guidance (1)	16100130 41,941.00	42,360.00	42,784.00	43,212.00	43,644.00	44,080.00	44,521.00
Retirement-Student Support	16100210 4,236.00	4,278.00	4,321.00	4,364.00	4,408.00	4,452.00	4,497.00
Social Security-Student Support	16100220 3,208.00	3,241.00	3,273.00	3,306.00	3,339.00	3,372.00	3,406.00
Medical Insurance-Student Support	16100230 6,017.00	6,198.00	6,384.00	6,576.00	6,773.00	6,976.00	7,185.00
Workers Comp-Student Support	16100240 528.00	534.00	539.00	544.00	550.00	555.00	561.00
Travel-Student Support	16100330						
Other Purchased Services	16100390 1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Supplies	16100510 250.00	250.00	250.00	250.00	250.00	250.00	250.00
<b>PUPIL PERSONNEL SVCS</b>	<b>57,180.00</b>	<b>57,861.00</b>	<b>58,551.00</b>	<b>59,252.00</b>	<b>59,964.00</b>	<b>60,685.00</b>	<b>61,420.00</b>
Supplies	16200510 100.00	100.00	100.00	100.00	100.00	100.00	100.00
<b>MEDIA</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Supplies - Curriculum	16300510 100.00	100.00	100.00	100.00	100.00	100.00	100.00
<b>INSTR/CURRICULUM DEV SVCS</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Travel-Instr Staff Trng Svcs	16400330 10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
<b>INSTR STAFF TRNG SVCS</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>
Contracted Services-Admin/Gov	17100310 11,000.00	11,500.00	11,500.00	12,000.00	12,000.00	12,500.00	12,500.00
Contracted Services-Audit	17100311 2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Contracted Services-Legal	17100312 9,100.00	9,200.00	9,300.00	9,400.00	9,500.00	9,600.00	9,700.00
Liability Insurance-Charter Board	17100320						
Travel-Charter Board	17100330						
Supplies	17100510 150.00	150.00	150.00	150.00	150.00	150.00	150.00
Dues & Fees-Board	17100730 499.00	499.00	499.00	499.00	499.00	499.00	499.00
<b>BOARD</b>	<b>23,249.00</b>	<b>23,849.00</b>	<b>23,949.00</b>	<b>24,549.00</b>	<b>24,649.00</b>	<b>25,249.00</b>	<b>25,349.00</b>

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2010/2011 Through 2016/2017**

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Salaries - (2)	17300110 125,118.00	126,369.00	127,633.00	128,909.00	130,198.00	131,500.00	132,815.00
Salaries - Admin-Secretaries (2)	17300160 62,046.00	62,666.00	63,293.00	63,926.00	64,565.00	65,211.00	65,863.00
Retirement-Admin	17300210 18,904.00	19,093.00	19,284.00	19,476.00	19,671.00	19,868.00	20,066.00
Soc. Sec./Medicare-Admin	17300220 14,318.00	14,461.00	14,606.00	14,752.00	14,899.00	15,048.00	15,199.00
Medical Insurance-Admin	17300230 24,066.00	24,788.00	25,532.00	26,298.00	27,087.00	27,900.00	28,737.00
Workers Comp-Admin	17300240 2,358.00	2,382.00	2,406.00	2,430.00	2,454.00	2,479.00	2,503.00
Travel-Admin	17300330 750.00	750.00	750.00	750.00	750.00	750.00	750.00
Postage	17300370 1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Other Purchased Services-Admin	17300390 1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Supplies-Admin	17300510 3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Equipment-Admin	17300640 1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Dues & Fees-Admin	17300730 500.00	500.00	500.00	500.00	500.00	500.00	500.00
Misc Expense	17300790 50,937.00	55,918.00	56,477.00	57,041.00	57,612.00	58,188.00	58,770.00
PCSB Admin Cost	17300791 305,497.00	313,427.00	316,981.00	320,582.00	324,236.00	327,944.00	331,703.00
<b>SCHOOL ADM (OFFICE OF PRIN)</b>							
Contracted Services-Fiscal	17500310 21,775.00	23,905.00	24,144.00	24,385.00	24,629.00	24,875.00	25,124.00
Contracted Services - Payroll	17500311 4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00
<b>FISCAL SERVICES</b>	<b>25,975.00</b>	<b>28,105.00</b>	<b>28,344.00</b>	<b>28,585.00</b>	<b>28,829.00</b>	<b>29,075.00</b>	<b>29,324.00</b>
Contracted Services-Asses/Eval	17700310 900.00	900.00	900.00	900.00	900.00	900.00	900.00
Software - Central Services	17700690 900.00	900.00	900.00	900.00	900.00	900.00	900.00
<b>CENTRAL SERVICES</b>	<b>900.00</b>	<b>900.00</b>	<b>900.00</b>	<b>900.00</b>	<b>900.00</b>	<b>900.00</b>	<b>900.00</b>
Contracted Services - Transp.	17800390 78,000.00	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00
<b>PUPIL TRANSPORTATION</b>	<b>78,000.00</b>	<b>88,000.00</b>	<b>88,000.00</b>	<b>88,000.00</b>	<b>88,000.00</b>	<b>88,000.00</b>	<b>88,000.00</b>
Contracted Services	17900310 100.00	100.00	100.00	100.00	100.00	100.00	100.00
Bldg Insurance-Operations	17900320 2,500.00	2,750.00	3,000.00	3,250.00	3,500.00	3,750.00	4,000.00
Telephone	17900370 9,000.00	9,250.00	9,500.00	9,750.00	10,000.00	10,250.00	10,500.00
Other Purchased Services- PCSB	17900390 25,000.00	25,500.00	26,000.00	26,500.00	27,000.00	27,500.00	28,000.00
Supplies-Operations	17900510 500.00	500.00	500.00	500.00	500.00	500.00	500.00
<b>OPERATION OF PLANT</b>	<b>37,100.00</b>	<b>38,100.00</b>	<b>39,100.00</b>	<b>40,100.00</b>	<b>41,100.00</b>	<b>42,100.00</b>	<b>43,100.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,073,138.00</b>	<b>1,160,621.00</b>	<b>1,172,997.00</b>	<b>1,186,036.00</b>	<b>1,198,751.00</b>	<b>1,212,140.00</b>	<b>1,225,207.00</b>
<b>CURRENT YEAR NET INCOME(LOSS)</b>	<b>6,095.00</b>	<b>25,729.00</b>	<b>24,536.00</b>	<b>22,793.00</b>	<b>21,487.00</b>	<b>19,620.00</b>	<b>18,191.00</b>
<b>ENDING FUND BALANCE</b>	<b>677,458.78</b>	<b>703,187.78</b>	<b>727,723.78</b>	<b>750,516.78</b>	<b>772,003.78</b>	<b>791,623.78</b>	<b>809,814.78</b>
<b>ENDING FUND BAL. AS % OF AVAILABLE FUNDS</b>	<b>38.70%</b>	<b>37.73%</b>	<b>38.29%</b>	<b>38.76%</b>	<b>39.17%</b>	<b>39.51%</b>	<b>39.79%</b>