

INNOVATORS IN MILESTONES, INC.

Audit of Financial Statements
June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

December 29, 2015

To the Board of Directors of
Innovators in Milestones, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Innovators in Milestones, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Innovators in Milestones, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to the agency head is presented for the purpose of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedules required by Louisiana State Law, included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplemental information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015 on our consideration of Innovators in Milestones, Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Innovators in Milestones, Inc. internal control over financial reporting and compliance.

Hienz & Macaluso, LLC
Metairie, LA

INNOVATORS IN MILESTONES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

Current Assets	
Cash	\$ 1,189,255
Grant receivable	78,271
Other receivables	-
Prepaid assets	61,883
Total current assets	<u>1,329,409</u>
Property and equipment	
Furniture and equipment	473,165
Less accumulated depreciation	<u>(445,131)</u>
Net property and equipment	<u>28,034</u>
Noncurrent Assets	
Other assets	<u>31,217</u>
Total noncurrent assets	<u>31,217</u>
Total assets	<u>\$ 1,388,660</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 32,011
Capital lease payable	2,004
Accrued salaries and payroll liabilities	166,364
Total current liabilities	<u>200,379</u>
Long-term Liabilities	
Compensated absences payable	24,330
Capital lease payable	1,480
Total long-term liabilities	<u>25,810</u>
Total liabilities	<u>226,189</u>
Net assets	
Unrestricted net assets	<u>1,162,471</u>
Total net assets	<u>1,162,471</u>
Total net assets and liabilities	<u>\$ 1,388,660</u>

The accompanying notes are an integral part of these financial statements.

INNOVATORS IN MILESTONES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

REVENUES

State public school funding	\$	3,994,094
Other state funding		9,287
Federal sources		557,775
Other income		70,545
Interest and dividend income		338
Total revenues		4,632,039

EXPENSES

Instruction:		
Regular education programs		1,461,063
Special education programs		227,960
Other instructional programs		14,869
Pupil support services		212,806
Instructional staff services		272,027
School administration		455,523
Support services:		
General Administration		56,892
Business services		227,280
Operation and maintenance		506,620
Student Transportation		382,594
Central services		4,426
Food services		281,868
Land Acquisition		-
Depreciation		36,107
Total expenses		4,140,035
Change in net assets		492,004
Net assets - beginning of year		670,467
Net assets - end of year	\$	1,162,471

The accompanying notes are an integral part of these financial statements.

INNOVATORS IN MILESTONES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

Cash flows from operating activities	
Increase in net assets	\$ 492,004
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	36,107
Compensated absences	(6,508)
Decrease in grants receivable	18,661
Decrease in other receivables	79
Decrease in prepaid expenses	(6,289)
Decrease in other assets	(24,580)
Increase in accounts payable	(19,870)
Increase in accrued salaries and payroll liabilities	(670)
Total adjustments	<u>(3,070)</u>
Net cash provided by operating activities	<u>488,934</u>
 Cash flows from investing activities:	
Purchase of fixed assets	<u>(18,771)</u>
Net cash flows used by investing activities	<u>(18,771)</u>
 Cash flows from financing activities:	
Payments made on capital lease payable	<u>(1,773)</u>
Net cash flows used by financing activities	<u>(1,773)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	468,390
 Cash and cash equivalents at the beginning of the year	<u>720,865</u>
 Cash and cash equivalents at the end of the year	<u><u>\$ 1,189,255</u></u>

The accompanying notes are an integral part of these financial statements.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – Nature of Operations:

Innovators in Milestones, Inc., a not-for-profit corporation, (Milestone) was formed in August of 1998 in New Orleans, Louisiana. Milestone was dormant from inception through July 1, 2003. Milestone’s stated purpose is to:

- Improve student learning
- Increase learning opportunities and admittance to quality education for all students
- Encourage the use of inventive teaching methods and a variety of governance, management and administrative structures
- Be meticulously accountable for educational results
- Create new professional opportunities for teachers and other school employees

On August 9, 2003, Milestone’s reconstituted charter was approved for one year by the Louisiana State Board of Elementary and Secondary Education (BESE), authorized by LA Charter School Demonstration Project, to operate an independent public school, Milestone SABIS Academy of New Orleans (the School). The current charter has been renewed as of July 1, 2014 and expires on June 30, 2017.

The School operates as a Type 2 charter school as defined in LSA R.S. 17:3971, et. seq. The School serves eligible students in grades kindergarten through eighth grade in the metropolitan New Orleans area with approximately 386 students as of June 30, 2015.

NOTE 2 – Summary of Significant Accounting Policies:

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements of Milestone are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The financial statements of Milestone are required to report information regarding its financial position and activities according to three classes of net assets:

- ❖ Unrestricted Net Assets

- ❖ Temporarily Restricted Net Assets

- ❖ Permanently Restricted Net Assets

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – Summary of Significant Accounting Policies (continued):

In addition, Milestone is required to present a statement of cash flows. At June 30, 2015, Milestone has neither temporarily nor permanently restricted net assets.

Fair Value of Financial Instruments

The estimated fair value of all significant financial statement amounts have been determined by Milestone using available market information and appropriate valuation methodologies.

Milestone considers the carrying amount of cash, to approximate fair value.

Promises to Give

Contributions are recognized when the donor makes a promise to give to Milestone, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. For the year ended June 30, 2015 Milestone has not recorded promises to give.

Minimum Foundation Program (MFP)

Milestone receives funding from BESE in an amount for pupils based on estimated daily attendance in the School. The amount of funding received is adjusted during the school year based on the October 1st student count, the February 1st student count and the results of any audits performed.

Other Funding

Other revenues received by Milestone consist of private and public grants.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among instructional and support services in the accompanying statement of activities.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – Summary of Significant Accounting Policies (continued):

Statement of Cash Flows

For purposes of the statement of cash flows, Milestone considers all investments with original maturities of three months or less to be cash equivalents. At June 30, 2015, cash and cash equivalents are recorded on the financial statement caption “cash” on the statement of financial position.

Use of Estimates

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

Income Taxes

Milestone operates as a nonprofit entity and has been granted tax-exempt status under an advance ruling period by the Internal Revenue Service (IRS) under Section 501(c)(3) of the Internal Revenue Code and is therefore exempt from federal and state income taxes.

At June 30, 2003, Milestone’s advance ruling period ended. The IRS subsequently determined that since Milestone was dormant during the advance ruling period (thereby receiving no public support) it would be classified as a “private foundation.”

Milestone applied with the IRS for termination of the “private foundation” status and for a new five year advance ruling period to be classified as a “publicly supported organization” or “public charity.” That application was approved by the IRS on July 6, 2005, to become effective as of July 1, 2005. The IRS terminated Milestone’s private foundation status as of July 1, 2005 and determined it should be treated as a “public charity” subject to a new five year (60 month) advance ruling period which ended June 30, 2010. Milestone filed Form 990 for the year ended June 30, 2015.

Receivables:

Milestone considers grants receivable to be fully collectible since the balance primarily consists of payments due under government contracts (federal and state grants). If amounts due become uncollectible, they will be charged to operations when that determination is made.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – Summary of Significant Accounting Policies (continued):

Property and Equipment

Property and equipment include furniture and equipment costing \$1,000 or more, and having a useful life greater than one year. Depreciation is computed using the straight-line method over the asset's estimated life. The following are the estimated useful lives of property and equipment:

Useful Lives

Furniture and fixtures	7 years
Security equipment	4 years
Kitchen equipment	3 years
Computer equipment	3 years

NOTE 3 – Cash:

At June 30, 2015, Milestone's cash balance consists of the following:

Demand deposits	<u>\$1,189,255</u>
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NOTE 4 – Risk Management:

Milestone is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets for which Milestone carries commercial insurance, covering the School's operation only. During the year ended June 30, 2015, the Board of Directors was covered with officers' and directors' insurance, which was part of its professional liability policy. Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. There was no amount recorded in the financial statements for a potential loss.

NOTE 5 – Concentrations:

Milestone maintains cash balances at one local bank. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time throughout the year these balances exceed amounts covered by the FDIC. As of June 30, 2015 Milestone's bank balances exceeded amounts insured by the FDIC by \$979,746.

Milestone receives primarily all of its revenues from the State of Louisiana subject to its charter agreement with the State. Milestone also receives funding from various other federal, state and local sources. A significant reduction in the level of this funding from the State of Louisiana and other sources could impact Milestone's operations and programs. See Note 2 for additional discussion.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 – Contingencies and Commitments:

Milestone is a recipient of funding from BESE through the State of Louisiana’s appropriation for Type 2 Charter Schools. This funding is governed by various guidelines, regulations and contractual agreements. The administration of the programs and activities funded is under the control and administration of Milestone and is subject to audit and/or review by the applicable funding source. Any funds found to be not properly spent in accordance with the terms, conditions, and regulations of the funding sources may be subject to recapture.

NOTE 7 – Leases:

Total lease expense amounted to \$253,308 for the year ended June 30, 2015.

Milestone executed a lease with the Jefferson Parish School Board for the School facility located at 2012 Jefferson Highway in Jefferson, Louisiana. The lease was effective as of July 1, 2013 and extended through June 30, 2015.

Milestone executed a new lease with St. James Major Catholic Church for the facility located at 3774 and 3800 Gentilly Blvd. in New Orleans, Louisiana effective August 1, 2015 through July 31, 2018.

The minimum future lease payments under the above lease are as follows:

<u>Fiscal Year End</u>	<u>Lease Commitment</u>
June 30, 2016	\$270,380
June 30, 2017	294,960
June 30, 2018	325,012
June 30, 2019	<u>27,312</u>
Total	<u>\$917,664</u>

NOTE 8 – Grant Receivables:

Milestone’s grants receivable as reported on the Statement of Financial Position consist of the following as of June 30, 2015:

Special Education IDEA	\$ 9,199
U.S. Department of Education Grants:	
Title I	<u>69,072</u>
Total grants receivable	<u>\$ 78,271</u>

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 – Property and Equipment:

Milestone’s property and equipment as reported in the Statement of Financial Position as of June 30, 2015 is listed below:

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Furniture and fixture	\$ 336,162	\$ -	\$ -	\$ 336,162
Security equipment	12,692	-	-	12,692
Kitchen equipment	6,760	1,043	-	7,803
Computer equipment	94,096	17,728	-	111,824
Maintenance equipment	1,343	-	-	1,343
Storage buildings	3,341	-	-	3,341
Less: Accumulated Depreciation	<u>(409,024)</u>	<u>(36,107)</u>	-	<u>(445,131)</u>
	<u>\$ 45,370</u>	<u>\$ (17,336)</u>	<u>\$ -</u>	<u>\$ 28,034</u>

Depreciation expense for the year ended June 30, 2015 amounted to \$36,107.

All assets acquired with Department of Education funds are owned by Milestone while used in the purpose for which it was purchased. The Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with these funds will transfer to the appropriate agency.

NOTE 11 – Board Member Compensation:

Board members are not compensated for their service therefore a schedule of board members and compensation is not presented.

NOTE 12 – Retirement Plan

On April 1, 2005 Milestone implemented its 401(k) plan (the Plan) with an effective date of January 1, 2005. Employees must be at least age 21 and have one year of service or 1,000 hours of service to become eligible to participate in the Plan. Participants may contribute between 1% and 75% (elective deferrals) of eligible earnings on a pre-tax basis to participant directed accounts. Each year Milestone will make a matching contribution equal to 20% of a participant’s elective deferrals, however Milestone will not match elective deferrals that exceed 6% of a participant’s eligible earnings. The Plan operates on a calendar year end. Participants and other employees should refer to the Plan document for more detailed information regarding the Plan and Plan requirements. For the year ended June 30, 2015 Milestone recorded retirement expense in the amount of \$3,701.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – Compensated Absences:

Milestone’s employees accrue vacation at various rates based on years of service with the organization. Eligible employees must work a minimum of 25 hours a week. Milestone reported the following for the year ended June 30, 2015:

Balance as of June 30, 2014	\$30,838
Decrease	<u>(8,727)</u>
Balance as of June 30, 2015	<u>\$24,330</u>

Milestone recorded the entire amount as a long-term liability on the Statement of Financial Position because the current portion could not be readily determined and is not considered material to the financial statements.

NOTE 14 – Subsequent Events:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 29, 2015, and determined that no events occurred that require disclosure, except for the matter discussed below. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 15 – Uncertainty in Income Tax

Milestone has adopted the provisions of the *Accounting for Uncertainty in Income Taxes* topic of the FASB ASC which clarifies the accounting and recognition for income tax positions taken or expected to be taken in the organization’s tax returns. The organization would record interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The organization’s open audit periods are 2011 - 2013. As of the date of this report, Milestone has filed an extension for the 2014 tax return. Management has evaluated the organization’s tax positions and concluded that the organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

SUPPLEMENTARY INFORMATION

**INNOVATORS IN MILESTONES, INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO THE AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2015**

Agency Head Name: D'Juan Hernandez

<u>Purpose</u>	<u>Amount</u>
Salary	<u>\$ 135,081</u>
	<u><u>\$ 135,081</u></u>

INNOVATORS IN MILESTONES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Federal Expenditures
United States Department of Education		
(Passed through the Louisiana Department of Education)		
Special Education Cluster (IDEA)		
Special Education Grant - Grants to States	84.027	\$ 71,108
Total Special Education Cluster (IDEA)		<u>71,108</u>
Title I, Part A Cluster		
* Title I Grants to Local Educational Agencies	84.010	226,387
Total Title I, Part A Cluster		<u>226,387</u>
Improving Teacher Quality State Grants	84.367	<u>4,707</u>
Total United States Department of Education		<u>302,202</u>
United States Department of Agriculture		
(Passed through the Louisiana Department of Education)		
Child Nutrition Cluster		
School Breakfast Program	10.553	81,842
National School Lunch Program	10.555	163,324
Total Child Nutrition Cluster		<u>245,166</u>
Value of USDA Commodities	10.550	<u>10,407</u>
Total United States Department of Agriculture		<u>255,573</u>
Total Federal Financial Assistance		<u>\$ 557,775</u>

* Major program.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A – Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Innovators in Milestones, Inc. (Milestone) and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE B – Sub-recipients:

Milestone has not provided federal awards to sub-recipients.

NOTE C – Reconciliation of Federal Award Expenditures:

The amount of expenditures of federal awards was \$557,775 for the year ended June 30, 2015, as was reported in the schedule of expenditures of federal awards. The amount of federal revenues reported in Milestone's financial statements was \$557,775.

NOTE D – Food donation:

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.



**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***

December 29, 2015

To the Board of Directors of
Innovators in Milestones, Inc.

We have audited, in accordance with the 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, the financial statements of Innovators in Milestones, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Innovators in Milestones, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Innovators in Milestones, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described as finding 2015-01 in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Innovators in Milestones, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported

under *Government Auditing Standards* and which is described as finding 2015-01 in the accompanying schedule of findings and questioned costs.

Innovators in Milestones, Inc.’s Response to Findings

Innovators in Milestones, Inc.’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Innovators in Milestones, Inc.’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hienz & Macaluso, LLC
Metairie, LA



**Independent Auditor's Report on Compliance on Compliance for Each Major Program
and on Internal Control over Compliance Required By OMB Circular A-133**

December 29, 2015

To the Board of Directors of
Innovators in Milestones, Inc.

Report on Compliance for Each Major Federal Program

We have audited Innovators in Milestones, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Innovators in Milestones, Inc.'s major federal programs for the year ended June 30, 2015. Innovators in Milestones, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Innovators in Milestones, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Innovators in Milestones, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Innovators in Milestones, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Innovators in Milestones, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Innovators in Milestones, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Innovators in Milestones, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Innovators in Milestones, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

Hienz & Macaluso, LLC
Metairie, LA

INNOVATORS IN MILESTONES, INC.
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

A. SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unqualified opinion on the financial statements of Innovators in Milestones, Inc.
2. A material weakness identified as finding 2015-01 was disclosed during the audit of the financial statements of Innovators in Milestones, Inc.
3. An instance of noncompliance material to the financial statements of Innovators in Milestones, Inc. identified as finding 2015-01 was disclosed during the audit.
4. No control deficiencies relating to the audit of internal control over major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor’s report on compliance for the major federal programs for Innovators in Milestones, Inc. expresses an unqualified opinion on all major federal programs.
6. The audit disclosed no findings which are required to be reported by OMB Circular A-133.
7. The programs tested as major programs include:

	<u>CFDA Number</u>
Title I Grants to Local Educational Agencies	84.010
8. The threshold for distinguishing Type A and Type B programs was \$300,000.
9. Innovators in Milestones, Inc. was determined to be a low-risk auditee.

B. FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Finding 2015-01 Credit Cards

During the fiscal year ended June 30, 2015, it was noted that the former interim Chief Executive Officer of Innovators in Milestones, Inc., D’Juan Hernandez, had obtained a credit card in the school’s name without proper approval from the Board of Directors and incurred approximately \$13,000 of personal expenses before the purchases were noted. Milestone contacted the applicable law enforcement agencies regarding the unauthorized credit card usage. However, as of the date of the audit report the school is not aware of any charges being filed in this matter. This was due to the lack of proper policies and procedures governing the acquisition and use of credit cards by the school. The failure to have appropriate policies and procedures in place puts the school at risk of fraud or misappropriation of assets.

**INNOVATORS IN MILESTONES, INC.
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

Recommendation

We recommend that Innovators in Milestones, Inc. implement appropriate policies and procedures governing the acquisition and use of credit cards.

Management's Response

Innovators in Milestones, Inc. did not incur any loss as a result of the unapproved acquisition and use of a credit card in the school's name as all amounts were withheld from the final contract payment made to the former contracted CEO. As a result of this occurrence, the following policies will be implemented as it relates to company/school credit cards.

POLICIES ON CREDIT CARD ACQUISITION

- Acquisition of company/school credit cards can only be obtained by written approval from the Finance Committee of the Innovators in Milestones, Inc. board.
- Financial statements will not be presented to determine credit worthiness to any creditor without prior written approval from the Finance Committee of the Innovators in Milestones, Inc. board.

POLICIES ON CREDIT CARD USE

- Use of the credit card will typically be limited to the School Leader, Business Manager and Board President.
- The purpose(s) for which designated cardholders are authorized to make purchases will be clearly indicated.
- All expenditures must have the same level of support as any other disbursement and be charged to the appropriate expense in the General Ledger
- Use of credit card for personal use is not allowed under any circumstances
- The credit card cannot be used for cash advances, non-business related purchases or the purchase of alcohol.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

D. MANAGEMENT LETTER

None.

INNOVATORS IN MILESTONES, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Section I – Internal Control and Compliance Material to the Financial Statements:

Not applicable.

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III - Management Letter:

Not applicable.

**INNOVATORS IN MILESTONES, INC.
MANAGEMENT’S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2015**

Section I – Internal Control and Compliance Material to the Financial Statements:

Finding 2015-01 Credit Cards

During the fiscal year ended June 30, 2015, it was noted that the former interim Chief Executive Officer of Innovators in Milestones, Inc., D’Juan Hernandez, had obtained a credit card in the school’s name without proper approval from the Board of Directors and incurred approximately \$13,000 of personal expenses before the purchases were noted. Milestone contacted the applicable law enforcement agencies regarding the unauthorized credit card usage. However, as of the date of the audit report the school is not aware of any charges being filed in this matter. This was due to the lack of proper policies and procedures governing the acquisition and use of credit cards by the school. The failure to have appropriate policies and procedures in place puts the school at risk of fraud or misappropriation of assets.

Recommendation

We recommend that Innovators in Milestones, Inc. implement appropriate policies and procedures governing the acquisition and use of credit cards.

Management’s Response

Innovators in Milestones, Inc. did not incur any loss as a result of the unapproved acquisition and use of a credit card in the school’s name as all amounts were withheld from the final contract payment made to the former contracted CEO. As a result of this occurrence, the following policies will be implemented as it relates to company/school credit cards.

POLICIES ON CREDIT CARD ACQUISITION

- Acquisition of company/school credit cards can only be obtained by written approval from the Finance Committee of the Innovators in Milestones, Inc. board.
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POLICIES ON CREDIT CARD USE

- Use of the credit card will typically be limited to the School Leader, Business Manager and Board President.
- The purpose(s) for which designated cardholders are authorized to make purchases will be clearly indicated.
- All expenditures must have the same level of support as any other disbursement and be charged to the appropriate expense in the General Ledger
- Use of credit card for personal use is not allowed under any circumstances
- The credit card cannot be used for cash advances, non-business related purchases or the purchase of alcohol.

**INNOVATORS IN MILESTONES, INC.
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2015**

Section II – Internal Control and Compliance Material to Federal Awards:

There were no current year findings.

Section III - Management Letter:

A management letter was not issued in connection with the audit for the year ended June 30, 2015.



**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

December 29, 2015

To the Board of Directors
Innovators in Milestones, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Innovators in Milestones, Inc. (Milestone) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the accompanying schedules of supplemental information and are as follows:

PROCEDURES AND FINDINGS

**General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources (Schedule 1)**

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following reported on the schedule:
 - ❖ Total General Fund Instructional Expenditures;
 - ❖ Total General Fund Equipment Expenditures;
 - ❖ Total Local Taxation Revenues;
 - ❖ Total Local Earnings on Investment in Real Property;
 - ❖ Total State Revenue in Lieu of Taxes;
 - ❖ Nonpublic Textbook Revenue; and
 - ❖ Nonpublic Transportation Revenue.

We reviewed the supporting documentation for the selected transactions and determined that they were classified correctly and reported in the proper amounts on the appropriate schedule.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and Innovators in Milestones, Inc.’s supporting payroll records as of October 1, 2014.

No differences were noted.

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

No differences were noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2014 as reported on the schedule. We traced all 26 teachers and the principal to their respective personnel file and determined if their education level was properly classified on the schedule.

The education levels were properly reported.

Number and Type of Public Schools (Schedule 3)

5. Innovators in Milestones, Inc. only sponsored an combination school (grades K-8), -as reported on the schedule. We compared the list of schools (only one school as reported in Schedule 3) and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No differences were noted.

Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2014 and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined if the individual’s experience was properly classified on the schedule.

We noted no differences.

Public School Staff Data (Schedule 5)

7. We obtained a listing of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced all teachers to their personnel file and determined if their salary, extra compensation, and full-time equivalents were properly included on the schedule.

No differences noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No differences noted.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes and class size for Innovators in Milestones, Inc. as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a sample of ten classes to computerized summary reports of the October 1st roll books for those classes and determined if the class was properly classified in the schedule.

No differences were noted.

Louisiana Educational Assessment Program (LEAP) for The 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Innovators in Milestones, Inc.

No differences were noted.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. This schedule is no longer applicable.

The iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Innovators in Milestones, Inc.

No differences were noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Innovators in Milestones, Inc., the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hienz & Macaluso, LLC
Metairie, LA

INNOVATORS IN MILESTONES, INC.
New Orleans, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2015**

<u>General Fund Instructional and Equipment Expenditures</u>	Column A	Column B
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	967,188	
Other Instructional Staff Activities	8,486	
Instructional Staff Employee Benefits	190,911	
Purchased Professional and Technical Services	29,732	
Instructional Materials and Supplies	88,418	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u> -</u>	<u>\$ 1,284,735</u>
Other Instructional Activities		<u>\$ 60,997</u>
Pupil Support Services	218,381	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services	<u> -</u>	<u>\$ 218,381</u>
Instructional Staff Services	318,178	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	<u> -</u>	<u>\$ 318,178</u>
School Administration	462,640	
Less: Equipment for School Administration	(10,875)	
Net School Administration	<u> -</u>	<u>\$ 451,765</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 2,334,056</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>\$ 10,875</u>

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

INNOVATORS IN MILESTONES, INC.
New Orleans, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2015**

Certain Local Revenue Sources

Local Taxation Revenue:

Advalorem Taxes

Constitutional Ad Valorem Taxes	\$	-
Renewable Ad Valorem Tax	\$	-
Debt Service Ad Valorem Tax	\$	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	\$	-
Result of Court Ordered Settlement (Ad Valorem)	\$	-
Penalties/Interest on Ad Valorem Taxes	\$	-
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)	\$	-

Sales Taxes

Sales and Use Taxes - Gross	\$	-
Sales/Use Taxes - Court Settlement	\$	-
Penalties/Interest on Sales/Use Taxes	\$	-
Sales/Use Taxes Collected Due to TIF	\$	-
Total Local Taxation Revenue	\$	-

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$	-
Earnings from Other Real Property	\$	-
Total Local Earnings on Investment in Real Property	\$	-

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$	-
Revenue Sharing - Other Taxes	\$	-
Revenue Sharing - Excess Portion	\$	-
Other Revenue in Lieu of Taxes	\$	-
Total State Revenue in Lieu of Taxes	\$	-

Nonpublic Textbook Revenue

Nonpublic Transportation Revenue

\$	-
\$	-

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

Education Levels of Public School Staff
 As of October 1, 2014

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	3	25%	11	85%				
Master's Degree	5	42%	2	15%			1	100%
Master's Degree + 30	3	25%						
Specialist in Education								
Ph. D. or Ed. D.	1	8%						
Total	12	100%	13	100%	0	0%	1	100%

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

Number and Type of Schools
For the Year Ended June 30, 2015

Type	Number
Elementary	
Middle Jr. High	
Secondary	
Combination	1
Total	1

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

Experience of Public Principals, Assistant Principals and Full time Classroom Teachers
As of October 1, 2014

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals								0
Principals							1	1
Classroom Teachers	3		13	1	2	1	5	25
Total	3	0	13	1	2	1	6	26

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

Public School Staff Data: Average Salaries
 For the Year Ended June 30, 2015

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$44,030	\$44,030
Average Classroom Teachers Salary Excluding Extra Compensation	\$43,137	\$43,137
Number of Teacher Full-Time Equivalents (FTES) used in Computation of Average Salaries	24.17	24.17

See Independent Accountant’s Report on Applying Agreed-Upon Procedures.

Class Size Characteristics
 As of October 1, 2014

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Class								
Middle High								
Middle High Activity Class								
High								
High Activity Class								
Combination	35%	73	42%	88	21%	45	2%	4
Combination Activity Class	30%	10	49%	16	18%	6	3%	1

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2015

District Achievement Level Results	English Language Arts						Mathematics					
	2015		2014		2013		2015		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	0	0%	2	4%	1	2%	0	0%	2	4%	2	4%
Mastery	9	21%	4	9%	6	11%	1	2%	4	9%	2	4%
Basic	19	45%	23	50%	27	49%	13	31%	20	44%	20	36%
Approaching Basic	12	29%	11	24%	16	29%	22	53%	12	26%	11	20%
Unsatisfactory	2	5%	6	13%	5	9%	6	14%	8	17%	20	36%
Total	42	100%	46	100%	53	100%	42	100%	46	100%	55	100%

District Achievement Level Results	Science						Social Studies					
	2015		2014		2013		2015		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	0	0%	1	2%	0	0%	0	0%	0	0%	0	0%
Mastery	1	2%	1	2%	3	5%	3	7%	1	2%	2	4%
Basic	24	57%	22	49%	21	38%	23	55%	13	29%	22	40%
Approaching Basic	15	36%	20	45%	22	40%	14	33%	22	49%	20	36%
Unsatisfactory	2	5%	1	2%	9	16%	2	5%	9	20%	11	20%
Total	42	100%	45	100%	55	100%	42	100%	45	100%	55	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2015		2014		2013		2015		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	2	6%	0	0%	2	5%	0	0%	0	0%
Mastery	17	46%	5	16%	6	20%	14	38%	0	0%	2	7%
Basic	14	38%	17	53%	13	43%	5	14%	22	69%	20	67%
Approaching Basic	5	13%	7	22%	10	33%	12	32%	4	12%	6	20%
Unsatisfactory	1	3%	1	3%	1	3%	4	11%	6	19%	2	7%
Total	37	100%	32	100%	30	100%	37	100%	32	100%	30	100%

District Achievement Level Results	Science						Social Studies					
	2015		2014		2013		2015		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	3%	0	0%	1	3.33%	1	3%	0	0%	0	0%
Mastery	5	13%	2	6%	3	10%	4	11%	4	13%	1	3%
Basic	15	41%	20	63%	13	43%	16	43%	16	50%	18	60%
Approaching Basic	10	27%	6	19%	10	33%	14	38%	9	28%	9	30%
Unsatisfactory	6	16%	4	12%	3	10%	2	5%	3	9%	2	7%
Total	37	100%	32	100%	30	100%	37	100%	32	100%	30	100%

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

INNOVATORS IN MILESTONES, INC.
New Orleans, LA

Schedule 8

Graduation Exit Examination (GEE)
For the Year Ended June 30, 2015

Not Applicable.

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

Iowa and iLEAP Tests
For the Year Ended June 30, 2015

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	6	11%	5	9%	2	4%	1	2%
Basic	24	43%	32	57%	27	49%	28	51%
Approaching Basic	14	25%	13	23%	19	34%	14	25%
Unsatisfactory	12	21%	6	11%	7	13%	12	22%
Total	56	100%	56	100%	55	100%	55	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	2	4%	0	0%	0	0%	0	0%
Mastery	5	10%	3	6%	5	11%	2	4%
Basic	29	59%	24	49%	17	35%	21	44%
Approaching Basic	6	12%	10	20%	17	35%	13	27%
Unsatisfactory	7	15%	12	25%	9	19%	12	25%
Total	49	100%	49	100%	48	100%	48	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	2	4%	1	2%	0	0%
Mastery	2	4%	4	7%	5	9%	4	7%
Basic	29	53%	24	44%	21	38%	26	47%
Approaching Basic	15	27%	12	22%	20	36%	10	18%
Unsatisfactory	9	16%	13	23%	8	15%	15	28%
Total	55	100%	55	100%	55	100%	55	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	3	7%	0	0%	0	0%	0	0%
Mastery	2	5%	2	5%	5	12%	4	10%
Basic	18	44%	26	63%	23	56%	26	63%
Approaching Basic	16	39%	7	17%	8	20%	6	15%
Unsatisfactory	2	5%	6	15%	5	12%	5	12%
Total	41	100%	41	100%	41	100%	41	100%

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

Iowa and iLEAP Tests (Continued)
For the Year Ended June 30, 2015

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	1	3%	2	5%	0	0%
Mastery	6	16%	2	5%	3	8%	2	5%
Basic	12	32%	23	61%	16	42%	17	45%
Approaching Basic	15	39%	10	26%	14	37%	14	37%
Unsatisfactory	5	13%	2	5%	3	8%	5	13%
Total	38	100%	38	100%	38	100%	38	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	3%	0	0%	0	0%	0	0%
Mastery	5	16%	4	12%	0	0%	1	3%
Basic	15	47%	13	41%	12	37%	16	50%
Approaching Basic	4	12%	10	31%	14	44%	12	38%
Unsatisfactory	7	22%	5	16%	6	19%	3	9%
Total	32	100%	32	100%	32	100%	32	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	3%	0	0%	1	3%	1	2%
Mastery	2	5%	4	10%	1	2%	3	8%
Basic	23	58%	22	55%	14	35%	13	32%
Approaching Basic	9	22%	10	25%	20	50%	16	40%
Unsatisfactory	5	12%	4	10%	4	10%	7	18%
Total	40	100%	40	100%	40	100%	40	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	2	7%	0	0%	0	0%	0	0%
Mastery	3	10%	2	6%	6	20%	6	21%
Basic	19	66%	23	75%	12	40%	13	45%
Approaching Basic	4	14%	4	13%	8	27%	9	31%
Unsatisfactory	1	3%	2	6%	4	13%	1	3%
Total	29	100%	31	100%	30	100%	29	100%

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

Iowa and iLEAP Tests (Continued)
For the Year Ended June 30, 2015

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	6	15%	2	5%	3	8%	1	3%
Basic	10	24%	17	41%	17	41%	21	51%
Approaching Basic	15	37%	16	39%	12	29%	14	34%
Unsatisfactory	10	24%	6	15%	9	22%	5	12%
Total	41	100%	41	100%	41	100%	41	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	0	0%	0	0%	1	2%
Mastery	7	12%	4	7%	1	2%	3	5%
Basic	19	33%	27	47%	19	33%	22	38%
Approaching Basic	26	46%	25	44%	19	33%	18	32%
Unsatisfactory	5	9%	1	2%	18	32%	13	23%
Total	57	100%	57	100%	57	100%	57	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	4%	0	0%	0	0%	4	8%
Mastery	11	22%	2	4%	3	6%	1	2%
Basic	26	51%	21	41%	24	47%	26	51%
Approaching Basic	10	19%	22	43%	16	31%	17	33%
Unsatisfactory	2	4%	6	12%	8	16%	3	6%
Total	51	100%	51	100%	51	100%	51	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	2%	0	0%	0	0%	0	0%
Mastery	9	20%	1	2%	5	11%	5	11%
Basic	23	51%	19	42%	18	40%	21	47%
Approaching Basic	10	22%	24	54%	16	36%	15	33%
Unsatisfactory	2	5%	1	2%	6	13%	4	9%
Total	45	100%	45	100%	45	100%	45	100%

See Independent Accountant's Report on Applying Agreed-Upon Procedures.