

INNOVATORS IN MILESTONES, INC.**Audit of Financial Statements****June 30, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-28-07

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of Innovators in Milestones, Inc. (a non-profit corporation) as of June 30, 2006 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of Innovators in Milestones, Inc. 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 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 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, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2006 on our consideration of Innovators in Milestones, Inc.'s internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Innovators in Milestones, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hienz & Macaluso, LLC

HIENZ & MACALUSO, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Metairie, LA
December 15, 2006

INNOVATORS IN MILESTONES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2006

ASSETS

Current Assets	
Cash	\$ 324,043
Grants receivable	688,867
Other receivables	6,150
Prepaid expenses	2,222
Total current assets	<u>1,021,282</u>
Property and Equipment	
Furniture and equipment	107,561
Less accumulated depreciation	<u>(48,021)</u>
Net property, plant and equipment	<u>59,540</u>
Noncurrent Assets	
Other assets	<u>13,725</u>
Total noncurrent assets	<u>13,725</u>
Total assets	<u>\$ 1,094,547</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 80,432
Accrued salaries and payroll liabilities	88,418
Deferred revenues	5,191
Total current liabilities	<u>174,041</u>
Long-Term Liabilities:	
Compensated absences	<u>20,978</u>
Total long-term liabilities	<u>20,978</u>
Total liabilities	<u>195,019</u>
Net assets - unrestricted	<u>899,528</u>
Total liabilities and net assets	<u>\$ 1,094,547</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, 2006

REVENUES

State public school funding	\$ 2,151,214
Other state funding	70,846
Federal Sources	1,156,507
Other income	40,046
Total revenues	<u>3,418,613</u>

EXPENSES

Instruction:	
Regular education programs	1,157,310
Special education programs	87,213
Other instructional programs	12,789
Support Services:	
Pupil support services	124,558
Instructional staff services	49,660
School administration	286,494
Business services	245,587
Operation and maintenance	553,438
Student transportation services	2,000
Central services	1,400
Food services	124,392
Depreciation	24,471
Total expenses	<u>2,669,312</u>
Change in net assets	749,301
Net assets, beginning of year	<u>150,227</u>
Net assets, end of year	<u>\$ 899,528</u>

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, 2006**

Cash flows from operating activities	
Increase in net assets	\$ 749,301
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	24,471
Compensated absences	9,063
(Increase) in grants receivable	(449,410)
(Increase) in prepaid expenses	(13)
(Increase) in other assets	(2,000)
Increase in accounts payable	57,302
Decrease in management fees payable	(73,976)
Decrease in accrued salaries and payroll liabilities	(10,067)
Decrease in deferred revenues	(552)
Total adjustments	<u>304,119</u>
Net cash provided by operating activities	1,053,420
Cash flows from investing activities:	
Purchase of fixed assets	(30,024)
Net cash flows used by investing activities	<u>(30,024)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	274,095
Cash and cash equivalents at the beginning of the year	<u>49,948</u>
Cash and cash equivalents at the end of the year	<u>\$ 324,043</u>

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

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 – Nature of Operations:

Innovator's in Milestones, Inc., a not-for-profit corporation, (Milestone) was formed in August of 1998 in New Orleans, Louisiana. Milestone has been dormant since 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 charter was valid through June 30, 2004, subject to renewal by BESE after that date (See Note 6).

The School operates as a Type II 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 parish of Orleans with approximately 292 students as of June 30, 2006.

On July 7, 2003 Milestone engaged New Orleans Education Management, LLC (NOEM) to provide educational and other services to and on behalf of Milestone and the School in accordance with provisions of the Charter School Laws and any other applicable laws and regulations. Under the referenced agreement NOEM is responsible for the day-to-day operations of the School and the education of all students enrolled in the School. Compensation under this agreement amounts to a license fee of 6% of revenue and a management fee of 8% of revenue (revenue for this calculation does not include grants, donations or gifts). The term of this agreement is for five years commencing with the date of execution of the agreement and terminating June 30, 2008 subject to the renewal of the charter and provisions of the Charter School Laws and Regulations and any and all other applicable federal and state laws and regulations.

Furthermore, in the management contract with NOEM, Milestone agrees that in the event that no surplus of funds remains from the per-pupil funding or other revenues, after all expenses of the School have been paid, NOEM will not cover these deficits.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 – Nature of Operations (continued):

The management contract further states that in the event of a projected deficit, NOEM may, in its sole discretion, provide financing to Milestone provided that both parties agree to terms of such financing and further provided that such financing will be re-paid from future surplus.

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 are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made", and in accordance with SFAS No. 117, "Financial Statements of Not-for-Profit Organizations". SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires Milestone to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Under SFAS No. 117, Milestone is 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

In addition, Milestone is required to present a statement of cash flows. At June 30, 2006, Milestone has neither temporarily nor permanently restricted net assets.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

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

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, 2005 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 15th student count and the results of any audits performed.

Other Funding

Other revenues received by Milestone consist of private and public grants, summer school and extended day revenue.

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 revenues, expenses, and change in fund net assets. Accordingly, certain costs have been allocated among instructional and support services in the accompanying statement of revenues, expenses, and change in fund net assets.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

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, 2006, 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 filed form 990-PF, Return of Private Foundation, for fiscal years ended June 30, 2006.

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 ends June 30, 2010.

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, 2006

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

Property and Equipment

Property and equipment include furniture and equipment costing \$ 200 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:

	<u>Useful Lives</u>
Furniture and fixtures	7 years
Security equipment	4 years
Kitchen equipment	3 years
Computer equipment	3 years

NOTE 3 – Cash:

At June 30, 2006, Milestone's cash balance consists of the following:

Demand deposits	<u>\$ 324,043</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, 2006, the Board of Directors was covered with officers' and directors' insurance, which was part of its professional liability policy listed below. As of June 30, 2006 Milestone had the following insurance policies in effect (note all policies were renewed upon expiration):

<u>Type of Coverage</u>	<u>Expiration</u>	<u>Coverage Limits</u>
General liability	July 1, 2006	Aggregate \$ 2,000,000 Each occurrence \$ 1,000,000 Injury \$ 1,000,000
Automotive	July 1, 2006	Combined \$ 1,000,000
Professional liability	August 1, 2006	Combined \$ 2,000,000 Deductible \$ 25,000
Property	July 1, 2006	Contents \$ 500,000 90 % Co-insurance
Workman's Compensation	September 11, 2006	Statutory

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 4 – Risk Management (continued):

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 two local banks. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. From time to time throughout the year these balances exceed amounts covered by the FDIC. As of June 30, 2006 Milestone's bank balances exceeded amounts insured by the FDIC by \$ 310,365.

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.

NOTE 6 – Contingencies and Commitments:

Milestone is a recipient of funding from BESE through the State of Louisiana's Minimum Foundation Program. 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 terms, conditions and regulations of the funding sources may be subject to recapture.

As of December 15, 2006, Milestone has not received its renewed charter contract with BESE and the Louisiana Department of Education (LDOE). Milestone's current charter expired on June 30, 2004. However, Milestone operated as a charter school during the 2005-2006 school year and is operating as a charter school during the 2006-2007 school year, and through the date of this report has received its monthly funding from BESE through the State of Louisiana's Minimum Foundation Program.

See Note 10 (NOEM Contract) for discussion of management and license fees and related liabilities for those fees due to NOEM.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 7: Leases:

Milestone leases its facility and equipment and other school property under two leases with Springfield Property Management LLC (Springfield). The first lease is for personal property in connection with the operation of the School is effective July 1, 2003. The lease is effective for four years through July 1, 2007. At the end of this term the lessor has an option to renew the lease for an additional three years by giving Milestone written notice of its intent at least thirty days prior. Milestone's monthly lease payments are \$ 2,333.33.

The second lease is for the School facility located at 5951 Patton Street in New Orleans, Louisiana. This lease is effective as of July 1, 2003 and extends through May 29, 2007. Springfield has executed the lease with the owners of the property and is sub-leasing the facility to Milestone. Upon expiration of this lease the owners have the option to renew the lease with Springfield. If this should occur, Milestone will have an option to renew the lease for a term of five years. Base rents under the new lease would be calculated using the current lease amounts and adjusted based on changes in the "Consumer Price Index for all Urban Consumers".

Rents paid under the facility lease are determined based on the following:

1. Monthly leasehold payment of \$ 5,280.33 (\$ 63,364 per year)
2. A one-time additional rent payment due with the first month's rental payment of the fourth year in the amount of \$ 77,408
3. An additional amount per month as follows:

<u>School Year</u>	<u>Monthly rent payment</u>
2005-2006	\$ 20,126.52
2006-2007	\$ 20,320.04

Total lease expense amounted to \$ 388,654 for the year ended June 30, 2006.

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

<u>Fiscal Year End</u>	<u>Lease Commitment</u>
June 30, 2007	<u>\$ 314,884</u>
Total	<u>\$ 314,884</u>

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 8: Grants Receivable:

Milestone's grants receivable as reported on the Statement of Financial Position consist of the following as of June 30, 2006:

LEAP 21 Tutoring	\$ 7,653
Reading Initiative	12,800
Special Education IDEA	15,944
U.S. Department of Education Grants:	
Title I	74,875
Title II	16,471
Title IV	1,201
Title VI	3,105
Classroom based Tech	4,485
Charter School Grant	18,871
Hurricane Grant	51,685
Impact Aid	392,800
Restart Grant	87,499
Homeless Youth	994
Extended School Year Program	484
Total grants receivable	<u>\$ 688,867</u>

NOTE 9: Property and Equipment:

Milestone's property and equipment as reported in the Statement of Financial Position as of June 30, 2006 is listed below:

	<u>July 1, 2005</u>		<u>Additions</u>		<u>Deletions</u>		<u>June 30, 2006</u>
Furniture & fixtures	\$ 14,598	\$	15,482	\$	-	\$	30,080
Security equipment	11,299		-		-		11,299
Kitchen equipment	3,249		-		-		3,249
Computer equipment	48,391		14,542		-		62,933
Less: Accumulated Depreciation	<u>(23,550)</u>		<u>(24,471)</u>		<u>-</u>		<u>(48,021)</u>
	<u>\$ 53,987</u>	\$	<u>5,553</u>	\$	<u>-</u>	\$	<u>59,540</u>

Depreciation expense for the year ended June 30, 2006 amounted to \$ 24,471.

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.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 10: NOEM Contract:

As discussed in Note 1 to the financial statements Milestone has a management contract with NOEM. For the year ended June 30, 2006 Milestone incurred expenses for management fees under this contract in the amount of \$ 172,097 (representing 8% of State Public School Funding). At June 30, 2006 Milestone owed NOEM \$ 0 for management fees under that contract for the year ended June 30, 2006. As previously discussed in Note 1 to the financial statements the contract with NOEM states that this liability will be re-paid from future surplus of the School, and not by NOEM, unless financing arrangements can be made.

For the year ended June 30, 2006 Milestone also incurred expenses for a license fee, under the same contract with NOEM, in the amount of \$ 129,073 (representing 6% of State Public School Funding). At June 30, 2006 Milestone owed NOEM \$ 0 for the license fee under that contract for the year ended June 30, 2006.

NOTE 11: Annual Financial Report Reconciliation:

The reconciliation between total expenses reported on the AFR and total expenses presented in these financial statements is as follows:

Total expenses per AFR	\$ 2,674,865
Depreciation expense recorded in financial statements	24,471
Purchased fixed assets capitalized in financial statements	<u>(30,024)</u>
Total expenses per financial statements	<u>\$ 2,669,312</u>

NOTE 12: Board member's Compensation:

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

NOTE 13: Retirement Plan (401 (k) 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, 2006 Milestone recorded retirement expense in the amount of \$ 3,068.

INNOVATORS IN MILESTONES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 14: 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, 2006:

Balance as of July 1, 2005	\$ 11,915
Increase	<u>9,063</u>
Balance as of June 30, 2006	<u>\$ 20,978</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.

INNOVATORS IN MILESTONES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Program Title/General Ledger	Federal CFDA Number	Agency Contract Number	Federal Expenditures	Totals
<u>U.S. DEPARTMENT OF EDUCATION:</u>				
Passed through the Louisiana Department of Education				
Title I, Part A	84.010	S010A030018		
Title I Grant Income VI			\$ 239,858	
Total Title I				\$ 239,858
Title II, Part A	84.367	S367B030017		
Title II Eisenhower Prof Dev			19,725	
Total Title II				19,725
Title IV	84.186	S186A030019		
Title IV Safe & Drug Free			4,564	
Total Title IV				4,564
Public Charter School Federal Grant Program	84.282A	S282A010015-03A		
Public Chtr Sch Fed Grant Program			205,610	
Total Pub Chtr Sch Fed Grant Program				205,610
Enhancing Education through Technology	84.318	S318X030018		
EETT Grant Income VI			3,105	
Total EETT				3,105
IDEA Part B-Special Education	84.027	H027A030033		
Special Education IDEA - Part B			15,944	
Total IDEA Part B				15,944
Hurricane Education Recovery				
HERA-Restart Local Public School Districts*	84.938A	S938A080002A	174,643	
HERA-Assistance for Homeless Youth*	84.938B	S938B080018	994	
Temporary Emergency Impact Aid*	84.938C	S938C080045	392,800	
Total Hurricane Education Recovery				568,437
Total U.S. Department of Education Passed through Louisiana Department of Revenue				<u>1,057,243</u>
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>				
Passed through the Louisiana Department of Education				
National School Breakfast and Lunch*	10.553 and 10.555	05-SFS-113A	93,248	
Total food service				93,248
Entitlement Commodities				
Value of USDA commodities*	10.550	none	\$ 6,016	
Total entitlement commodities				6,016
Total U.S. Department of Agriculture Passed through Louisiana Department of Revenue				<u>99,264</u>
Total expenditures of federal awards				<u>\$ 1,156,507</u>

* Indicates a major program

INNOVATORS IN MILESTONES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

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 \$ 1,156,507 for the year ended June 30, 2006, as was reported in the schedule of expenditures of federal awards. The amount of federal revenues reported in Milestone's financial statements was \$ 1,156,507.

NOTE D – Food donation:

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

**Hienz
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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 of
Innovators in Milestones, Inc.

We have audited the financial statements of Innovators in Milestones, Inc., (an nonprofit corporation) as of and for the year ended June 30, 2006 and have issued our report thereon dated December 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Innovators in Milestones, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors, management, BESE, federal awarding agencies and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. 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

HIENZ & MACALUSO, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Metairie, LA
December 15, 2006



ROBERT W. HIENZ, C.P.A.
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**Independent Auditor's Report on Compliance with Requirements
Applicable to each Major Program and on Internal Control over Compliance
In Accordance With OMB Circular A-133**

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

Compliance

We have audited the compliance of Innovators in Milestones, Inc. (a nonprofit corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Innovators in Milestones, Inc.'s management. Our responsibility is to express an opinion on Innovators in Milestones, Inc.'s compliance based on our audit.

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. Our audit does not provide a legal determination of Innovators in Milestones, Inc.'s compliance with those requirements.

In our opinion, Innovators in Milestones, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control over Compliance

The management of Innovators in Milestones, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Innovators in Milestones, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, BESE, federal awarding agencies and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. 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

HIENZ & MACALUSO, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Metairie, LA
December 15, 2006

INNOVATORS IN MILESTONES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

We have audited the financial statements of Innovators in Milestones, Inc. as of and for the year ended June 30, 2006, and have issued our report thereon dated December 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits outlined in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Louisiana Governmental Auditing Guide. Our audit of the basic financial statements as of June 30, 2006 resulted in an unqualified opinion.

Section I – Summary of Auditor's Results

- a. Report on Internal Control and Compliance Material to the Financial Statements:

Internal Control

Material Weakness ___ Yes X No Reportable Conditions ___ Yes X No

Compliance

Compliance Material to Financial Statements ___ Yes X No

- b. Federal awards:

Internal Control

Material Weakness ___ Yes X No Reportable Conditions ___ Yes X No

Type of Report on Compliance For Major Programs - Unqualified

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ___ Yes X No

Was a management letter issued? ___ Yes X No

Identification of major programs: 1. CFDA #84.938-Name of federal program:
Hurricane Education Recovery; 2. CFDA 10.553 & 10.555-Name of federal program:
Food and Nutrition Service

Dollar threshold used to distinguish between Type A/Type B programs: \$ 300,000

In the auditee a "low risk" auditee, as defined by OMB Circular A-133? NO

Section II – Financial Statement Findings and Questioned Costs

There were no financial statement findings or questioned costs for the year ended June 30, 2006.

INNOVATORS IN MILESTONES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

Section III – Federal Award Findings and Questions Costs

There were no federal award findings or questioned costs for the year ended June 30, 2006.

Section IV – Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2006.

**INNOVATORS IN MILESTONES, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006**

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, 2006**

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

There were no current or prior year findings.

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

There were no current or prior year findings.

Section III - Management Letter:

A management letter was not issued in connection with the audit for the year ended June 30, 2006.

**INNOVATORS IN MILESTONES, INC.
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date _____

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Hienz & Macaluso LLC

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Innovators in Milestones, Inc.

We have performed the procedures included in the *Louisiana 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. 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 are as follows:

PROCEDURES AND FINDINGS

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (SCHEDULE D)

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 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 II)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-Time Classroom Teachers" (SCHEDULE IV) to the combined total number of full-time classroom teachers per this schedule and Milestone Academy of Learning Experiences and Skills, Inc.'s supporting payroll records as of October 1, 2005.

No differences were noted.

3. We reconciled the combined total of principals per the schedule "Experience of Public Principals and Full-Time Classroom Teachers" (SCHEDULE IV) to the combined total of principals and assistant principals per this schedule.

No differences were noted. Milestone had one principal and no assistant principals.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2005 as reported on the schedule. We traced all 20 teachers and the principal to their respective personnel file and determined if their education level was properly classified on the schedule.

The individual's education level was properly reported.

Number and Type of Public Schools (SCHEDULE III)

5. Innovators in Milestones, Inc. only sponsored an elementary school (grades K-7), - as reported on the schedule. We compared the list of schools (only one school as reported in Schedule III) 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 and Full-Time Classroom Teachers (SCHEDULE IV)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2005 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. The individual's experience was properly classified on the schedule.

Public School Staff Data (SCHEDULE V)

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. For all 21 teachers, we recalculated the average salaries and full-time equivalents reported in the schedule.

No differences noted.

Class Size Characteristics (SCHEDULE VI)

9. We obtained a list of classes and class size for Milestone as reported on the schedule and reconciled school type classifications to Schedule III 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 VII)**

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 Milestone.

No differences were noted.

The Graduation Exit Exam for the 21st Century (SCHEDULE VIII)

11. Because this schedule only applies to grades ten and eleven, we did not obtain test scores as provided by the testing authority or reconcile scores as reported by the testing authority to scores reported in the schedule by Milestone.

This schedule was not-applicable for Milestone because the school did not have grades ten or eleven for the year ended June 30, 2006.

The Iowa Tests (SCHEDULE IX)

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 Milestone.

This schedule is presented for information purposes only for 2005 and 2004 – the Iowa tests were replaced beginning in 2006 therefore this schedule is not applicable for 2006. Note that Milestone did not have grade 9 for the year ended June 30, 2006, 2005 or 2004.

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

Hienz & Macaluso, LLC
Metairie, LA
December 15, 2006

SCHEDULES REQUIRED BY STATE LAW

SCHEDULE I

- General Fund Instructional and Support Expenditures And Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

SCHEDULE II

- Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Masters + 30; Specialist in Education; and Ph.D. or Ed.D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

SCHEDULE III

- Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the AFSR.

SCHEDULE IV

- Experience of Public Principals and Full-Time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the AFSR.

SCHEDULE V

- Public School Staff Data

This schedule includes average classroom teacher salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the AFSR.

SCHEDULES REQUIRED BY STATE LAW

SCHEDULE VI

- Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20; 21-26; 27-33; and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

SCHEDULE VII

- Louisiana Educational Assessment Program (LEAP) For the 21st Century

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

SCHEDULE VIII

- The Graduation Exit Exam for the 21st Century

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

SCHEDULE IX

- The IOWA Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data. This schedule was replaced in 2006 is no longer applicable.

Innovators in Milestones, Inc.
Milestone SABIS Academy of New Orleans
New Orleans, Louisiana

Schedule 1

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2006

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$181,562	
Other Instructional Staff Salaries	\$29,766	
Employee Benefits	\$88,990	
Purchased Professional and Technical Services:	\$137,344	
Instructional Materials and Supplies	\$184,952	
Instructional Equipment	\$1,400	
Total Teacher and Student Interaction Activities		\$592,115

Other Instructional Activities	\$4,444	\$4,444
--------------------------------	---------	---------

Pupil Support Activities	\$33,287	
Less: Equipment for Pupil Support Activities		
Net Pupil Support Activities		\$33,287

Instructional Staff Services	\$16,193	
Less: Equipment for Instructional Staff Services		
Net Instructional Staff Services		\$16,193

Total General Fund Instructional Expenditures		\$646,038
---	--	-----------

Total General Fund Equipment Expenditures	\$12,150	
---	----------	--

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	0
Renewable Ad Valorem Tax	0
Debt Service Ad Valorem Tax	0
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	0
Sales and Use Taxes	0
Total Local Taxation Revenue	0

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	0
Earnings from Other Real Property	0
Total Local Earnings on Investment in Real Property	0

State Revenue in Lieu of Taxes:

Revenue Sharing-Constitutional Tax	0
Revenue Sharing-Other Taxes	0
Revenue Sharing-Excess Portion	0
Other Revenue in Lieu of Taxes	0
Total State Revenue in Lieu of Taxes	0

Nonpublic Textbook Revenue	0
Nonpublic Transportation Revenue	0

Innovators In Milestones, Inc
Milestone SABIS Academy of New Orleans
New Orleans, Louisiana

Education Levels of Public School Staff
As of October 1, 2005

Category	Full-Time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	10	50.00%	3	15.00%				
Master's Degree	2	10.00%	3	15.00%				
Master's Degree + 30	2	10.00%			1	100.00%		
Specialist in Education								
Ph. D. or Ed. D.								
Total	14	70.00%	6	30.00%	1	100.00%	0	0.00%

Education Levels of Public School Staff
As of June 30, 2006

Category	Full-Time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	10	50.00%	3	15.00%				
Master's Degree	3	15.00%	3	15.00%				
Master's Degree + 30	1	5.00%			1	100.00%		
Specialist in Education								
Ph. D. or Ed. D.								
Total	14	70.00%	6	30.00%	1	100.00%	0	0.00%

Schedule 3

Innovators In Milestones, Inc
Milestone SABIS Academy
New Orleans, LA

**Number and Type of Public Schools
For the Year Ended June 30, 2006**

Type	Number
Elementary	
Middle/Jr. High	
Charter School Elementary	1
Secondary	
Combination	
Total	

Schedule 4

Innovators in Milestones, Inc.
Milestone SABIS Academy of New Orleans
New Orleans, LA

Experience of Public Principals and Full-Time Classroom Teachers
As of October 1, 2006

	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	2	7	1	2	5		20
Total	3	2	8	0	2	5	2	27

Innovators In Milestones, Inc	Schedule 5
Milestone SABIS Academy of New Orleans	

Public School Staff Data For the Year Ended June 30, 2006
--

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$28,399	\$27,955
Average Classroom Teachers' Salary Excluding Extra Compensation	\$27,150	\$26,913
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	20.77	19.23

Innovators In Milestones, Inc
Milestone SABIS Academy of New Orleans

Schedule 6

Class Size Characteristics
As of October 1, 2005

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Charter Elementary	27.14%	38	29.29%	41	25.00%	35	1.43%	2
Charter Elementary Activity Classes	4.29%	6	8.57%	12	4.29%	6		
Middle/Jr High								
Middle/Jr High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

Schedule 7

Innovators in Milestones, Inc.
Milestone SABIS Academy of New Orleans
New Orleans, LA

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2006

District Achievement Level Results	English Language Arts						Mathematics					
	2006			2005			2004			2006		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 4												
Advanced												
Proficient	4	13.33%		5	8.77%		1	2.33%		1	3.33%	
Basic	7	23.33%		13	22.81%		10	23.26%		6	20.00%	
Approaching Basic	12	40.00%		23	40.35%		13	30.23%		11	36.67%	
Unsatisfactory	7	23.33%		16	28.07%		19	44.19%		12	40.00%	
Total	30	100.00%		57	100.00%		43	100.00%		30	100.00%	

District Achievement Level Results	Science						Social Studies					
	2006			2005			2004			2006		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 8												
Advanced												
Proficient												
Basic	3	13.84%		4	13.33%					4	17.39%	
Approaching Basic	5	22.73%		20	66.67%					4	17.39%	
Unsatisfactory	14	63.54%		6	20.00%					15	65.22%	
Total	22	100.00%		30	100.00%		10	100.00%		23	100.00%	

Innovators in Milestones, Inc
Milestone SABIS Academy of New Orleans
New Orleans, LA

Schedule 8

**The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2006**

[illegible][illegible]

Innovators in Milestones, Inc.
 Milestone SABIS Academy of New Orleans
 New Orleans, LA

The IOWA Tests
 For the Year Ended June 30, 2006

	COMPOSITE	
	2005	2004
Test of Basic Skills (ITBS)		
Grade 3	24	26
Grade 5	47	35
Grade 6	33	24
Grade 7	33	31
Tests of Educational Development (ITED)		
Grade 9		