

**Advocates for Science and  
Mathematics Education, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2020 and 2019**



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**Advocates for Science and Mathematics Education, Inc.**  
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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors of  
Advocates for Science and Mathematics Education, Inc.  
New Orleans, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Advocates for Science and Mathematics Education, Inc. (Advocates) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 audits 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 auditors' 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 Advocates' 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 Advocates' 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 Advocates as of June 30, 2020 and 2019, and the changes in its net assets, functional expenses and its cash flows for the years 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 accompanying schedule of compensation, benefits and other payments made to agency head and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, and Cost Principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2020 on our consideration of Advocates' 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 solely 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 effectiveness of Advocate's 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 Advocates' internal control over financial reporting and compliance.

*Carly Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
December 29, 2020



**Advocates for Science and Mathematics Education, Inc.**  
**Statements of Financial Position**

<b>June 30,</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,786,228	\$ 1,624,348
Restricted cash	27,390	13,056
Certificates of deposit	26,401	26,401
Other receivables	70,057	171,807
Grants receivable	597,570	51,047
Grants receivable - other local education agency	1,582	233
Prepaid expenses	298	298
Total current assets	2,509,526	1,887,190
Property and equipment, net	73,078	90,825
Total assets	\$ 2,582,604	\$ 1,978,015
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 208,961	\$ 190,929
Refundable advance	34,471	-
Line of credit	-	9,677
Total current liabilities	243,432	200,606
Net assets		
Without donor restriction	2,190,473	1,625,137
With donor restriction	148,699	152,272
Total net assets	2,339,172	1,777,409
Total liabilities and net assets	\$ 2,582,604	\$ 1,978,015

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

**Advocates for Science and Mathematics Education, Inc.**  
**Statement of Activities**

<i>For the year ended June 30,</i>	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>2020 Total</b>
<b>Revenue and Other Support</b>			
State sources	\$ 2,260,784	\$ -	\$ 2,260,784
Local per pupil support	2,744,103	-	2,744,103
Federal sources	1,432,304	-	1,432,304
Donations and contributions	234,092	172,981	407,073
Payroll Protection Program Loan Forgiveness	685,124	-	685,124
Other revenue	8,265	-	8,265
Net assets released from restrictions	176,554	(176,554)	-
<b>Total revenue and other support</b>	<b>7,541,226</b>	<b>(3,573)</b>	<b>7,537,653</b>
<b>Expenses</b>			
<b>Program services</b>			
Instructional	3,412,932	-	3,412,932
School administration	545,497	-	545,497
Pupil support services	584,288	-	584,288
Instructional staff services	122,358	-	122,358
<b>Total program services</b>	<b>4,665,075</b>	<b>-</b>	<b>4,665,075</b>
<b>Supporting services</b>			
General administration	11,258	-	11,258
Central services	280,117	-	280,117
Food services	808,331	-	808,331
Business services	213,345	-	213,345
Ancillary services	997,764	-	997,764
<b>Total supporting services</b>	<b>2,310,815</b>	<b>-</b>	<b>2,310,815</b>
<b>Total expenses</b>	<b>6,975,890</b>	<b>-</b>	<b>6,975,890</b>
<b>Change in Net Assets</b>	<b>565,336</b>	<b>(3,573)</b>	<b>561,763</b>
Net assets at beginning of year	1,625,137	152,272	1,777,409
<b>Net assets at end of year</b>	<b>\$ 2,190,473</b>	<b>\$ 148,699</b>	<b>\$ 2,339,172</b>

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

**Advocates for Science and Mathematics Education, Inc.**  
**Statement of Activities**

<i>For the year ended June 30,</i>	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>2019 Total</b>
<b>Revenue and Other Support</b>			
State sources	\$ 2,373,345	\$ -	\$ 2,373,345
Local per pupil support	2,758,837	-	2,758,837
Federal sources	1,294,747	-	1,294,747
Donations and contributions	272,312	122,643	394,955
Other revenue	57,930	-	57,930
Net assets released from restrictions	85,363	(85,363)	-
<b>Total revenue and other support</b>	<b>6,842,534</b>	<b>37,280</b>	<b>6,879,814</b>
<b>Expenses</b>			
<b>Program services</b>			
Instructional	3,161,626	-	3,161,626
School administration	334,348	-	334,348
Pupil support services	588,883	-	588,883
Instructional staff services	243,209	-	243,209
<b>Total program services</b>	<b>4,328,066</b>	<b>-</b>	<b>4,328,066</b>
<b>Supporting services</b>			
General administration	3,024	-	3,024
Central services	317,145	-	317,145
Food services	955,413	-	955,413
Business services	215,219	-	215,219
Ancillary services	1,074,748	-	1,074,748
<b>Total supporting services</b>	<b>2,565,549</b>	<b>-</b>	<b>2,565,549</b>
<b>Total expenses</b>	<b>6,893,615</b>	<b>-</b>	<b>6,893,615</b>
<b>Change in Net Assets</b>	<b>(51,081)</b>	<b>37,280</b>	<b>(13,801)</b>
Net assets at beginning of year	1,676,218	114,992	1,791,210
<b>Net assets at end of year</b>	<b>\$ 1,625,137</b>	<b>\$ 152,272</b>	<b>\$ 1,777,409</b>

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

**Advocates for Science and Mathematics Education, Inc.**  
**Statement of Functional Expenses**

<i>For the Year Ended June 30,</i>	Program Services					Support Services							2020 Total
	Instructional	School administration	Pupil support services	Instructional staff services	Total	General administration	Central services	Food services	Business services	Ancillary services	Total		
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,763	\$ -	\$ -	\$ -	\$ -	\$ 5,763	\$ 5,763	
Audit/accounting services	-	-	-	-	-	-	-	-	21,900	-	21,900	21,900	
Custodial services	-	-	-	-	-	-	-	-	-	32,058	32,058	32,058	
Depreciation	-	-	-	-	-	-	-	-	-	17,747	17,747	17,747	
Dues/fees	3,320	47,340	694	-	51,354	2,500	98,864	-	486	-	101,850	153,204	
Employee benefits	473,595	49,116	78,493	15,983	617,187	-	24,860	-	17,916	48,324	91,100	708,287	
Food service	-	-	-	-	-	-	-	788,659	-	-	788,659	788,659	
Insurance	-	38,683	-	-	38,683	2,995	-	-	-	71,475	74,470	113,153	
Interest	-	-	-	-	-	-	-	-	169	-	169	169	
Legal services	-	10,217	-	-	10,217	-	-	-	-	-	-	10,217	
Medical services	-	-	49,500	-	49,500	-	-	-	-	-	-	49,500	
Miscellaneous	224,937	33,037	31,946	35,103	325,023	-	20,549	17,771	27,744	37,891	103,955	428,978	
Printing and binding	348	-	-	-	348	-	-	-	-	-	-	348	
Rent/lease	4,168	11,806	-	-	15,974	-	-	1,901	24,585	656	27,142	43,116	
Repairs and maintenance	-	-	-	-	-	-	-	-	-	91,737	91,737	91,737	
Salaries	2,425,925	320,901	356,094	56,049	3,158,969	-	119,836	-	109,716	251,547	481,099	3,640,068	
Purchased services	-	-	29,490	-	29,490	-	-	-	-	-	-	29,490	
Supplies	192,790	11,188	2,702	1,469	208,149	-	7,254	-	10,432	19,589	37,275	245,424	
Telephone and postage	59,964	23,179	32,794	5,692	121,629	-	8,754	-	397	2,949	12,100	133,729	
Textbooks	3,229	-	-	-	3,229	-	-	-	-	-	-	3,229	
Transportation	18,011	-	2,175	-	20,186	-	-	-	-	332,693	332,693	352,879	
Travel	6,645	30	400	8,062	15,137	-	-	-	-	-	-	15,137	
Utilities	-	-	-	-	-	-	-	-	-	91,098	91,098	91,098	
<b>Total expenses</b>	<b>\$ 3,412,932</b>	<b>\$ 545,497</b>	<b>\$ 584,288</b>	<b>\$ 122,358</b>	<b>\$4,665,075</b>	<b>\$ 11,258</b>	<b>\$280,117</b>	<b>\$808,331</b>	<b>\$213,345</b>	<b>\$ 997,764</b>	<b>\$2,310,815</b>	<b>\$6,975,890</b>	

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



**Advocates for Science and Mathematics Education, Inc.**  
**Statement of Functional Expenses**

<i>For the Year Ended June 30,</i>	Program Services					Support Services					2019 Total	
	Instructional	School administration	Pupil support services	Instructional staff services	Total	General administration	Central services	Food services	Business services	Ancillary services		Total
Audit/accounting services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,600	\$ -	\$ 25,600	\$ 25,600
Custodial services	-	-	-	-	-	-	-	-	-	27,913	27,913	27,913
Depreciation	-	-	-	-	-	-	-	-	-	20,127	20,127	20,127
Dues/fees	20,454	47,256	3,865	-	71,575	2,500	-	-	715	-	3,215	74,790
Employee benefits	445,465	36,686	79,444	24,020	585,615	-	20,703	-	22,302	42,915	85,920	671,535
Food service	14,917	2,268	1,679	-	18,864	-	3,424	933,889	-	-	937,313	956,177
Insurance	-	22,783	3,880	-	26,663	524	-	-	-	79,024	79,548	106,211
Interest	-	-	-	-	-	-	-	-	725	-	725	725
Legal services	4,514	4,559	-	-	9,073	-	-	-	-	-	-	9,073
Miscellaneous	117,579	11,871	53,128	55,209	237,787	-	163,533	19,211	10,093	37,628	230,465	468,252
Rent/lease	7,760	15,196	-	-	22,956	-	-	2,313	21,229	87	23,629	46,585
Repairs and maintenance	-	-	-	-	-	-	-	-	1,821	42,466	44,287	44,287
Salaries	2,287,181	173,118	438,386	144,699	3,043,384	-	120,138	-	128,549	268,465	517,152	3,560,536
Supplies	158,852	5,179	6,260	555	170,846	-	4,629	-	4,185	24,775	33,589	204,435
Telephone and postage	33,219	15,349	1,117	2,956	52,641	-	4,718	-	-	500	5,218	57,859
Textbooks	7,915	-	-	330	8,245	-	-	-	-	-	-	8,245
Transportation	57,080	-	-	-	57,080	-	-	-	-	438,505	438,505	495,585
Travel	6,690	83	1,124	15,440	23,337	-	-	-	-	-	-	23,337
Utilities	-	-	-	-	-	-	-	-	-	92,343	92,343	92,343
<b>Total expenses</b>	<b>\$ 3,161,626</b>	<b>\$ 334,348</b>	<b>\$ 588,883</b>	<b>\$ 243,209</b>	<b>\$4,328,066</b>	<b>\$ 3,024</b>	<b>\$317,145</b>	<b>\$955,413</b>	<b>\$215,219</b>	<b>\$1,074,748</b>	<b>\$2,565,549</b>	<b>\$6,893,615</b>

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

**Advocates for Science and Mathematics Education, Inc.**  
**Statements of Cash Flows**

<i>For the years ended June 30,</i>	<b>2020</b>	<b>2019</b>
<b>Operating Activities</b>		
Change in net assets	\$ 561,763	\$ (13,801)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Depreciation expense	17,747	20,127
Change in operating assets and liabilities		
Other receivables	101,750	71,046
Grants receivable	(546,523)	18,143
Grants receivable - other local education agency	(1,349)	65,942
Prepays	-	110
Accounts payable	18,032	(151,234)
Refundable advance	34,471	-
Net cash provided by (used in) operating activities	<b>185,891</b>	<b>10,333</b>
<b>Financing Activities</b>		
Change in line of credit, net	(9,677)	-
Net cash provided by (used in) financing activities	<b>(9,677)</b>	<b>-</b>
Net change in cash and cash equivalents and restricted cash	<b>176,214</b>	<b>10,333</b>
Cash and cash equivalents and restricted cash at beginning of year	<b>1,637,404</b>	<b>1,627,071</b>
Cash and cash equivalents and restricted cash at end of year	<b>\$ 1,813,618</b>	<b>\$ 1,637,404</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 169	\$ 725
<b>RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION</b>		
Cash and cash equivalents	\$ 1,786,228	\$ 1,624,348
Restricted cash	27,390	13,056
Cash, cash equivalents, at restricted cash at end of year	<b>\$ 1,813,618</b>	<b>\$ 1,637,404</b>

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

## **Advocates for Science and Mathematics Education, Inc.**

### **Notes to Financial Statements**

#### **Note 1: DESCRIPTION OF THE ORGANIZATION**

Advocates for Science & Mathematics Education, Inc. (Advocates) (a nonprofit organization) was incorporated in 2006 for the purpose of operating a charter school in New Orleans, Louisiana. Advocates operates New Orleans Charter Science and Mathematics High School (d/b/a Sci High) (the School). The School is an open-admission public charter school that prepares all students for college admissions and successful careers. The School provides a rigorous high school curriculum with an emphasis in science and mathematics in a supporting environment of learning and respect that prepares students to make informed choices about post-secondary pursuits. The Orleans Parish School Board (OPSB) granted Advocates a Type 3 charter to operate the School. Advocates has the full responsibility for the finances and operations of the School. As of July 1, 2017 Advocates became its own local education agency (LEA). Advocates no longer reports to OPSB, but instead reports directly to the Louisiana Department of Education. The change allowed Advocates to get more funds that are directly from State and Federal sources.

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of Accounting***

The financial statements of Advocates have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

##### ***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, 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.

##### ***Cash Equivalents and Restricted Cash***

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. Advocates considers cash balances with a board or donor imposed restriction (purpose or time) to be restricted cash.



**Advocates for Science and Mathematics Education, Inc.**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Grants and Other Receivables and Allowance for Doubtful Accounts***

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Advocates uses the direct write-off method of writing off uncollectible grants and other receivables. As write-offs have been minimal in previous years, management represents that this does not significantly differ from use of the allowance method. At June 30, 2020 and 2019, management did not deem any grants and other receivables to be uncollectible; therefore, no allowance was recorded.

***Property and Equipment***

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Equipment and computers	5-12 years
Leasehold improvements	7 years

***Net Assets***

Advocates reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.



## **Advocates for Science and Mathematics Education, Inc.**

### **Notes to Financial Statements**

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Revenue and Revenue Recognition***

Advocates primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and the OPSB. For the years ended June 30, 2020 and 2019, Advocates recognized revenue under this grant of \$5,004,887 and \$5,132,182, respectively.

Advocates recognizes MFP, donations, and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been met.

A portion of Advocates revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Advocates has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

##### ***Revenue With and Without Donor Restriction***

Donations that are restricted by the donor are reported as increases in revenue without donor restriction if the restrictions expire (that is, a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted donations are reported as increases in revenue with donor restriction, depending on the nature of the restriction.

When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction. Net assets with donor restrictions as of June 30, 2020 and 2019 consisted of purpose restricted contributions from donors in the amount of \$148,699 and \$152,272, respectively (see Note 9).

##### ***Refundable Advance and Payroll Protection Program Loan Forgiveness***

In May 2020, Advocates received a loan in the amount of \$719,595 under the Paycheck Protection Program (PPP) pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (the SBA). (See Note 8.)

Advocates is recording the PPP loan following the guidance under FASB ASC 958-605 Government Grant Model. PPP loan funds are considered a conditional contribution and recorded as a refundable advance on the statements of financial position until all barriers are substantially met. Advocates considers the barriers to be incurrence of eligible costs and maintaining specified levels of payroll and employment.

## **Advocates for Science and Mathematics Education, Inc.**

### **Notes to Financial Statements**

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Functional Allocation of Expenses***

Directly identifiable expenses are charged to programs and supporting services. The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. The financial statements of Advocates report certain categories of expenses that are attributable to more than one program or supporting function. The majority of these expenses are allocated based on actual time and effort. However, several of these expenses (e.g., rent/lease, supplies, phone/internet, etc.) require allocation based on usage (e.g., building square footage, estimated consumption, etc.) by each function.

##### ***Income Taxes***

Under section 501(c)(3) of the Internal Revenue Code, Advocates is exempt from income taxes. Therefore, no provision for federal income tax has been made in the financial statements. Advocates believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to financial statements.

##### ***Reclassifications***

Certain reclassifications were made to prior year balances to conform to current year presentations as follows; \$50,584 reported as grants receivable in the June 30, 2019 statement of financial position and revenue from federal sources in the statement of activities was reclassified to other receivables and other revenue.

##### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 29, 2020. See Note 8 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

##### ***Recently Adopted Accounting Pronouncements***

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. ASU 2016-18 provides guidance on the classification and presentation of changes in restricted cash on the statement of cash flows. The ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The ASU is effective for fiscal year-ended June 30, 2020, but early adoption is permitted. On July 1, 2019, Advocates applied the provisions of this ASU on a modified retrospective basis. There was no impact to Advocates' financial statements from the adoption of this standard.



## Advocates for Science and Mathematics Education, Inc. Notes to Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### ***Recently Adopted Accounting Pronouncements (Continued)***

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for transactions in which Advocates serves as a resource recipient for the fiscal year ended June 30, 2020. Advocates has adopted this ASU in the current year. On July 1, 2019, Advocates applied the provisions of this ASU on a modified retrospective basis. There was no impact to Advocates' financial statements from the adoption of this standard.

#### ***Recently Issued Accounting Pronouncements***

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments will supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance and requires expanded disclosures about revenue recognition to enable financial statement users to understand the nature, timing, amount, and uncertainty of revenue and cash flows arising from contracts with customers. On June 3, 2020, FASB issued ASU 2020-05 effectively delaying required implementation of the new revenue recognition standard to annual periods beginning after December 31, 2019. Advocates elected not to early adopt the provisions of ASU 2014-09 for the year ended June 30, 2020. Advocates is currently evaluating the impact of this ASU on its financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the current leasing guidance. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Advocates is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

**Advocates for Science and Mathematics Education, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Total Federal Expenditures (\$)</i>
<u>United States Department of Education/Orleans Parish School Board</u>			
Title I Grants to Local Educational Agencies	84.010	n/a	\$ 377,006
Title I Grants to Local Educational Agencies- Direct Student Services	84.010	n/a	8,232
<i>Total Title I</i>			385,238
Supporting Effective Instruction State Grants	84.367	n/a	34,934
Career and Technical Education -- Basic Grant to States	84.048	n/a	27,986
Student Support and Academic Enrichment Program (Title IV)	84.424	n/a	21,123
<u>United States Department of Education/Orleans Parish School Board/Special Education Cluster</u>			
Special Education_ Grants to States	84.027	n/a	128,289
<i>Total Special Education Cluster</i>			128,289
<i>Total Department of Education</i>			597,570
<u>United States Department of Agriculture/Direct Program/Child Nutrition Cluster</u>			
National School Lunch Program	10.555	5F9270	161,158
School Breakfast Program	10.553	5F9270	91,298
<i>Total Child Nutrition Cluster</i>			252,456
<u>United States Department of Agriculture/Direct Program</u>			
Child and Adult Care Food Program	10.558	5F9270	42,978
<i>Total United States Department of Agriculture</i>			295,434
<b><i>Total Expenditures of Federal Awards</i></b>			<b>\$ 893,004</b>

*See accompanying independent auditors' report and notes to the schedule of expenditures of federal awards.*



**Advocates for Science and Mathematics Education, Inc.**  
**Notes to Financial Statements**

**Note 8: REFUNDABLE ADVANCE: PPP LOAN REVENUE (CONTINUED)**

Advocates is using the PPP loan funds for its payroll and benefits costs, rent, and utilities, purposes consistent with the PPP. While Advocates currently believes that its use of the PPP funds are meeting the conditions for forgiveness of the PPP loan and has prepared and submitted the SBA’s forgiveness application to the bank for approval, no assurance can be provided that Advocates will obtain forgiveness of the loan, in whole or in part.

As of June 30, 2020, Advocates has incurred \$685,124 of qualified expenses under this PPP loan and has recognized PPP loan revenue related to these qualifying expenses.

As of July 31, 2020, Advocates has incurred an additional \$34,471 of qualified expenses, consequently all PPP loan funds have been utilized by Advocates.

**Note 9: NET ASSETS**

Net assets with donor restrictions as of June 30, 2020 and 2019 consisted of purpose restricted contributions from donors in the amount of \$148,699 and \$152,272, respectively. Net assets with donor restriction as of June 30 consisted of the following purpose restricted amounts:

	2020	2019
Career Development Fund	\$ 18,577	\$ 31,993
Chevron – Project Lead The Way (PTLW)	3,039	6,806
Student Activity Fund	27,390	13,056
Student Services	61,891	61,498
Supplemental Course Academy	13,649	16,327
Trauma Informed Grant	1,866	932
New Schools New Orleans SPED Launch	18,900	18,900
Miscellaneous	3,387	2,760
<b>Total net assets with donor restrictions</b>	<b>\$ 148,699</b>	<b>\$ 152,272</b>

**Note 10: CONCENTRATIONS OF CREDIT RISK**

Advocates maintains cash with a financial institution in excess of the FDIC limit of \$250,000 by \$1,722,034 and \$1,549,445 at June 30, 2020 and 2019, respectively. Advocates has not experienced any losses in such accounts. Advocates has no policy requiring collateral or other security to support its deposits.

Advocates requires no collateral to secure the federal grant receivables or other receivable balances.

All of the students of Advocates live in the Greater New Orleans area.

**Advocates for Science and Mathematics Education, Inc.**  
**Notes to Financial Statements**

**Note 11: SIGNIFICANT CONCENTRATIONS**

For the years ended June 30, 2020 and 2019, Advocates received approximately 19% and 19%, respectively, of its total revenue from federal sources and approximately 66% and 75%, respectively, of its total revenue from state and local public school funds. As of June 30, 2020 and 2019, Advocates had approximately 15% and 77%, respectively, of its total grants receivable from local sources and approximately 85% and 23%, respectively, of its total grants receivable from federal and state sources.

**Note 12: RENT-FREE LEASE AGREEMENT**

A rent-free lease agreement is held with the Louisiana Department of Education, Recovery School District (the RSD) for the use of buildings and grounds as school facilities. This lease is currently set to mature on June 30, 2024. Use of the facilities is not recorded as an in-kind contribution from RSD as the value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

**Note 13: CONTINGENCIES**

The continuation of Advocates is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contracts with OPSB. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contracts, or if such appropriation is reduced by the governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues from that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contracts, the contracts shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

**Note 14: RETIREMENT PLAN**

All contracted employees that are of the age 21 or older are eligible to participate in the defined contribution plan. The plan is a 401(k) defined contribution plan. Employees are automatically enrolled into the plan with an initial deferral amount of 3%. Employees are allowed to make contributions during the year subject to limitations imposed by the IRS. Advocates provides an employer matching of 3% the employee's salary. Advocates made contributions of \$106,201 and \$94,868 for the years ended June 30, 2020 and 2019, respectively.

**Advocates for Science and Mathematics Education, Inc.**  
**Notes to Financial Statements**

**Note 15: RELATED PARTY TRANSACTIONS**

The Foundation for Science and Mathematics Education, Inc. (the Foundation) was formed for the benefit of, to perform the functions of, and to carry out the purposes of Advocates. Advocates recorded approximately \$295,077 and \$229,705 in revenue from the Foundation for general school needs and activities during the years ended June 30, 2020 and 2019, respectively, of which, \$70,057 and \$121,223 were outstanding at June 30, 2020 and 2019, respectively, and recorded under other receivables in the accompanying financial statements.

**Note 16: COVID-19 PANDEMIC**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have significant negative impact on the operating activities and the results of the School. The occurrence and extent of such impact will depend on future developments including (i) the duration and the spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the overall economy, all of which are uncertain.

**Advocates for Science and Mathematics Education, Inc.**  
**Schedule of Compensation, Benefits and**  
**Other Payments Made to Agency Head**  
**For the Year Ended June 30, 2020**

Agency Head Name: Monique Cola, Principal

<b>PURPOSE</b>	<b>AMOUNT</b>
Salary	\$ 137,000
Benefits-health insurance	17,308
Benefits-retirement	4,110
Deferred compensation	-
Workers comp	-
Benefits-life insurance	-
Benefits-long term disability	-
Benefits-short term disability	-
Benefits-AD&D	-
Benefits-FICA & Medicare	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	205
Travel	30
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
<b>Total</b>	<b>\$ 158,653</b>



**INDEPENDENT AUDITORS' 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**

Board of Directors of  
Advocates for Science and Mathematics Education, Inc.  
New Orleans, Louisiana

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 Advocates for Science and Mathematics Education, Inc. (Advocates) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows, for the year then ended, and the related notes to financial statements, and have issued our report thereon dated December 29, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Advocates' internal control over financial reporting (internal control) as a basis for designing 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 Advocates' internal control. Accordingly, we do not express an opinion on the effectiveness of the Advocates' 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 Advocates' financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

As part of obtaining reasonable assurance about whether Advocates' 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 Advocates' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Advocates' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carly Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
December 29, 2020



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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors of  
Advocates for Science and Mathematics Education, Inc.  
New Orleans, Louisiana

### **Report on Compliance for The Major Federal Program**

We have audited Advocates for Science and Mathematics Education, Inc.'s (Advocates) (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Advocates' major federal program for the year ended June 30, 2020. Advocates' major federal program is identified in the summary of auditors' 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for Advocates' major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Advocates' 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 the major federal program. However, our audit does not provide a legal determination of Advocates' compliance.



**Advocates for Science and Mathematics Education, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

**Opinion on The Major Federal Program**

In our opinion, Advocates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

**Report on Internal Control over Compliance**

Management of Advocates 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 Advocates' internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Advocates' 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Advocates' response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Advocates' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Advocates for Science and Mathematics Education, Inc.  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020**

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Caru, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
December 29, 2020

**Advocates for Science and Mathematics Education, Inc.**  
**Notes to Financial Statements**

**Note 3: FINANCIAL ASSET AVAILABILITY**

Advocates maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as Advocates' expenditures come due. The following reflects Advocates' financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>June 30,</i>	<b>2020</b>	2019
Financial assets, at year-end	\$ 2,509,228	\$ 1,886,892
Less those not available for general expenditures within one year, due to donor imposed restrictions	<b>(27,390)</b>	(13,056)
Financial assets available to meet cash needs for general expenditures	<b>\$ 2,481,838</b>	\$ 1,873,836

**Note 4: GRANTS RECEIVABLE**

Grants receivable is comprised of the following balances:

<i>June 30,</i>	<b>2020</b>	2019
Title I	\$ 385,238	\$ -
State of Louisiana Dept. of Treasury	-	1,724
Title II	<b>34,934</b>	14,158
Title IV	<b>21,123</b>	17,108
Greater New Orleans Foundation	-	13,057
IDEA-B	<b>128,289</b>	-
Perkins	<b>27,986</b>	-
Freeport-McMoRan Grant	-	5,000
Total grants receivable	<b>\$ 597,570</b>	\$ 51,047

**Note 5: GRANTS RECEIVABLE - OTHER LOCAL EDUCATION AGENCY**

Grants receivable – other local education agency (LEA) consists of amounts requested for federal grants that are for another LEA. Advocates' grants receivable – other LEA was \$1,582 and \$233 at June 30, 2020 and 2019, respectively.



**Advocates for Science and Mathematics Education, Inc.**  
**Notes to Financial Statements**

**Note 6: PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Computers	\$ 6,356	\$ 6,356
Equipment	230,919	230,919
Leasehold improvements	80,335	80,335
Property and Equipment	317,610	317,610
Less: accumulated depreciation	(244,532)	(226,785)
Property and Equipment, Net	\$ 73,078	\$ 90,825

Depreciation expense was \$17,747 and \$20,127 for the years ended June 30, 2020 and 2019, respectively.

**Note 7: LINE OF CREDIT**

As of June 30, 2020, Advocates had available a line of credit (the Credit Agreement) with a local financial institution which provided for borrowings up to \$100,000 using a variable interest rate based on changes in the U.S. Prime Rate of 5.41% and 4.75% for the years ended June 30, 2020 and 2019, respectively. Outstanding borrowings under the Credit Agreement are collateralized with the certificates of deposit and accounts receivable. At June 30, 2020 and 2019, the line of credit had borrowings outstanding of \$0 and \$9,677, respectively.

**Note 8: REFUNDABLE ADVANCE: PPP LOAN REVENUE**

On May 7, 2020, Advocates received a loan in the amount of \$719,595 under the Payroll Protection Program (PPP) pursuant to the CARES Act and administered by the SBA. The PPP provides for forgivable loans to qualifying businesses. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll costs, rent and utilities.

Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. According to terms of the promissory note, the first payment of principal and interest is due in November 7, 2020, with subsequent payments due each month through the loan maturity date of April 7, 2022. If Advocates submits its loan forgiveness application within ten months after the end of its loan forgiveness covered period, the principal and interest payments shall be deferred until SBA determines the loan forgiveness amount.

**Advocates for Science and Mathematics Education, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

**Note 1: GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the revenues from federal awards of Advocates for Science and Mathematics Education, Inc. (Advocates) (a nonprofit organization) as defined in Note 2 to Advocates' basic financial statements for the year ended June 30, 2020. All federal financial assistance received directly from federal agencies is included on the Schedule, as well as federal assistance passed through other government agencies.

**Note 2: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Advocates and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Advocates has not elected to use the 10% de minimis indirect rate allowed under the Uniform Guidance.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal awards revenues are reported in Advocates' basic financial statements as program revenues.

**Note 4: LOANS**

Advocates did not expend federal awards related to loans or loan guarantees during the year.

**Note 5: FEDERALLY FUNDED INSURANCE**

Advocates has no federally funded insurance.

**Note 6: NONCASH ASSISTANCE**

Advocates had no federal noncash assistance for the fiscal year ended June 30, 2020.

**Advocates for Science and Mathematics Education, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

**Note 7: RECONCILIATION OF FEDERAL EXPENDITURES TO FEDERAL REVENUE**

Below is a reconciliation of the Schedule of Expenditures of Federal Award to the Federal Revenues as presented on the Statement of Activities for the year ended June 30, 2020:

**For the year ended June 30, 2020**

---

Total federal expenditures	\$ 893,004
On-behalf payments received	539,300
<hr/>	
Total federal revenues	\$ 1,432,304

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**Note 8: ON-BEHALF PAYMENTS**

Advocates submitted \$539,300 in claims on behalf of Celerity Schools (Lanier, Dalton, and Glen Oaks) for the Child Nutrition Cluster and remitted those amounts to Celerity Schools once received. These amounts are not included in the schedule of federal expenditures as they were not federal expenditures of Advocates.



**Advocates for Science and Mathematics Education, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(es) identified? \_\_\_\_\_ yes   X   none noted

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?   X   yes \_\_\_\_\_ no
- Significant deficiency(es) identified? \_\_\_\_\_ yes   X   none noted

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)?   X   yes \_\_\_\_\_ none noted

Identification of major federal programs:

Federal CFDA Number	Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs.

Auditee qualified as a low-risk auditee for federal purposes? \_\_\_\_\_ yes   X   no

**Advocates for Science and Mathematics Education, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

*There were no findings noted related to the financial statements for the year ended June 30, 2020.*

**C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

*There were no findings noted related to compliance and other matters for the year ended June 30, 2020.*

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

**2020-001: REVIEW AND APPROVAL OF LEVEL OF EFFORT APPLICATION AND REPORTING**

**Title and CFDA Number of Federal Program:** CFDA 84.010 Title I – Grants to Local Educational Agencies

**Federal Award Identification Number and Year:** S010A190018 / 2020

**Name of Federal Agency:** Department of Education

**Pass-through Agency:** Louisiana Department of Education

**Questioned Costs:** No questioned costs noted.

**Criteria:** As described in 2 CFR Part 200.61, subrecipients of federal funds must design and implement internal controls designed to provide reasonable assurance regarding the achievement of the reliability of the reporting for internal and external use.

**Condition:** There is no control in place to review and approve the application (including the level of effort calculation) or the reimbursement requests before they are submitted to the federal agency for reporting purposes as required by 2 CFR Part 200, Appendix XI Compliance Supplement.

**Cause:** Controls over the compliance requirement for level of effort and reporting were not designed and implemented appropriately.

**Effect:** Lack of controls over this compliance requirement may impact compliance.

**Advocates for Science and Mathematics Education, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)**

**Auditors' Recommendation:** Management should design, implement, and document policies and procedures to review and approve the Title I application (including the level of effort calculation), and all related reimbursement requests.

**Management's Response:** See corrective action plan on page 32.

**E. MANAGEMENT LETTER**

*No management letter was issued for the year ended June 30, 2020.*



**Advocates for Science and Mathematics Education, Inc.  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2020**

**A. PRIOR AUDIT FINDINGS**

**2019-001: FAILURE TO COMPLY WITH LOUISIANA AUDIT LAW**

**Criteria:** Advocates is required to comply with Louisiana Revised Statute 24:513 [Audit Law]. Per LA RS 24:513, annual financial statement “audits shall be completed within six months of the close of the entity’s fiscal year.”

**Condition:** The annual financial statement audit for the fiscal year ended June 30, 2019 was not completed within six months of the close of Advocates’ fiscal year.

**Status:** Resolved.



December 29, 2020

**PART III – Findings Related to Major Federal Award Program**

2020-001: MATERIAL WEAKNESS: LEVEL OF EFFORT AND REPORTING

**Planned Corrective Action:** Management will design, implement, document control policies to review and approve the TITLE I application (including the level of effort calculation) and reimbursement requests.

**Anticipated Completion Date:** January 30, 2021

**Responsible Party:** Melanie Flot, Director of Finance

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Melanie Flot, Director of Finance

**Advocates for Science and  
Mathematics Education, Inc.**

**BESE AGREED-UPON PROCEDURES REPORT**

**June 30, 2020**



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CPAs and Advisors

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Advocates for Science and Mathematics Education, Inc.  
the Louisiana Department of Education,  
and the Louisiana Legislative Auditor:

We have performed the procedures in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Advocates for Science & Mathematics Education, Inc. (a nonprofit organization) (the School), the Louisiana Department of Education, and the Louisiana Legislative Auditor on the performance and statistical data accompanying the annual financial statements of the School for the fiscal year ended June 30, 2020; 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) Bulletin in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for the performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

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

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1. We will select a sample of 25 transactions, review supporting documentation, and observe that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

**Results: No exceptions were found as a result of applying the procedure.**

***Class Size Characteristics (Schedule 2)***

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2. We will obtain a list of classes by school, school type, and class size as reported on the schedule. We will then trace a sample of 10 classes to the October 1st roll books for those classes and observe that the class was properly classified on the schedule.

**Results: No exceptions were found as a result of applying the procedure.**

***Education Levels/Experience of Public School Staff (NO SCHEDULE)***

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3. We will obtain October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtain management's representation that the data/listing was complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

**Results: No exceptions were found as a result of applying the procedure.**

***Public School Staff Data: Average Salaries (NO SCHEDULE)***

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4. We will obtain June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

**Results: No exceptions were found as a result of applying the procedure.**

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Cam, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
December 29, 2020



**Advocates for Science Mathematics  
Schedule 1**

**General Fund Instructional and Support Expenditures and  
Certain Local Revenue Sources  
For the Year Ended June 30, 2020**

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General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 1,993,980	
Other instructional staff activities	60,884	
Instructional Staff Employee benefits	443,027	
Purchased professional and technical services	1,036	
Instructional materials and supplies	170,501	
Less instructional equipment	-	
Total teacher and student interaction activities		2,669,428

Other instructional activities		242,369
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Pupil support activities	570,844	
Less equipment for pupil support activities	-	
Net pupil support activities		570,844

Instructional Staff Services	113,073	
Less equipment for instructional staff services	-	
Net instructional staff services		113,073

School Administration		
Less: Equipment for School Administration	502,033	
Net School Administration		502,033

Total general fund instructional expenditures		\$ 4,097,746
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NOTE: The remainder of Schedule 1 is not applicable to the School.

*See independent accountants' report on applying agreed-upon procedures.*

**Advocates for Science Mathematics  
Schedule 2**

**Class Size Characteristics  
As of October 1, 2019**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	57%	115	31%	62	1%	3	1%	2
High Activity Classes	6%	13	4%	8	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

*See independent accountants' report on applying agreed-upon procedures.*