



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

FINANCIAL STATEMENTS

June 30, 2021 and 2020



	Page
REPORT	
Independent Auditors’ Report	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Benefits and Other Payments Made to Agency Head	19
<u>REPORTS AND SCHEDULES REQUIRED BY GOVERNMENT AUDITING STANDARDS AND UNIFORM GUIDANCE</u>	
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 <i>Government Auditing Standards</i>	20
Independent Auditors’ Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	22
Schedule of Expenditures of Federal Awards.....	24
Notes to Schedule of Expenditures of Federal Awards.....	25
Schedule of Findings and Questioned Costs	27
Summary Schedule of Prior Audit Findings.....	29
Management’s Corrective Action Plan	30



REPORT





Carr, Riggs & Ingram, LLC
111 Veterans Boulevard
Suite 350
Metairie, LA 70005

504.837.9116
504.837.0123 (fax)
CRlcpa.com

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, 2021 and 2020, 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, 2021 and 2020, 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 January 24, 2022 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.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
January 24, 2022



FINANCIAL STATEMENTS



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

June 30,	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 1,662,440	\$ 1,786,228
Cash restricted for student activities	15,089	27,390
Certificates of deposit	26,514	26,401
Other receivables	148,139	70,057
Grants receivable	595,850	597,570
Grants receivable - other local education agency	1,582	1,582
Prepaid expenses	298	298
Total current assets	2,449,912	2,509,526
Property and equipment, net	-	73,078
Total assets	\$ 2,449,912	\$ 2,582,604
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 164,595	\$ 208,961
Refundable advance	-	34,471
Total current liabilities	164,595	243,432
Net assets		
Without donor restriction	2,155,545	2,190,473
With donor restriction	129,772	148,699
Total net assets	2,285,317	2,339,172
Total liabilities and net assets	\$ 2,449,912	\$ 2,582,604

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, 2021</i>	Without Donor Restriction	With Donor Restriction	2021 Total
Revenue and other support			
State sources	\$ 2,333,453	\$ -	\$ 2,333,453
Local per pupil support	2,861,470	-	2,861,470
Federal sources	1,029,018	-	1,029,018
Donations and contributions	259,057	94,173	353,230
Payroll Protection Program Loan Forgiveness	34,471	-	34,471
Other revenue	5,197	-	5,197
Net assets released from restrictions	113,100	(113,100)	-
Total revenue and other support	6,635,766	(18,927)	6,616,839
Expenses			
Program services			
Instructional	3,390,585	-	3,390,585
School administration	691,088	-	691,088
Pupil support services	660,576	-	660,576
Instructional staff services	107,969	-	107,969
Total program services	4,850,218	-	4,850,218
Supporting services			
General administration	2,500	-	2,500
Central services	448,355	-	448,355
Food services	164,924	-	164,924
Business services	204,911	-	204,911
Ancillary services	999,786	-	999,786
Total supporting services	1,820,476	-	1,820,476
Total expenses	6,670,694	-	6,670,694
Change in net assets	(34,928)	(18,927)	(53,855)
Net assets at beginning of year	2,190,473	148,699	2,339,172
Net assets at end of year	\$ 2,155,545	\$ 129,772	\$ 2,285,317

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, 2020</i>	Without Donor Restriction	With Donor Restriction	2020 Total
Revenue and other support			
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)	-
Total revenue and other support	7,541,226	(3,573)	7,537,653
Expenses			
Program services			
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
Total program services	4,665,075	-	4,665,075
Supporting services			
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
Total supporting services	2,310,815	-	2,310,815
Total expenses	6,975,890	-	6,975,890
Change in net assets	565,336	(3,573)	561,763
Net assets at beginning of year	1,625,137	152,272	1,777,409
Net assets at end of year	\$ 2,190,473	\$ 148,699	\$ 2,339,172

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, 2021</i>	Program Services					Support Services						2021 Total
	Instructional	School administration	Pupil support services	Instructional staff services	Total	General administration	Central services	Food services	Business services	Ancillary services	Total	
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563	\$ -	\$ -	\$ -	\$ 563	\$ 563
Audit/accounting services	-	-	-	-	-	-	-	-	25,700	-	25,700	25,700
Custodial services	-	-	-	-	-	-	-	-	-	25,130	25,130	25,130
Depreciation	-	-	-	-	-	-	-	-	-	8,699	8,699	8,699
Dues/fees	15,836	140,726	-	88	156,650	2,500	-	-	942	-	3,442	160,092
Employee benefits	438,794	60,220	73,728	12,968	585,710	-	20,079	-	18,746	36,205	75,030	660,740
Food service	-	-	-	-	-	-	-	157,247	-	-	157,247	157,247
Insurance	-	35,676	3,388	-	39,064	-	-	-	-	76,973	76,973	116,037
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Legal services	-	6,609	-	-	6,609	-	-	-	-	-	-	6,609
Medical services	-	-	40,500	-	40,500	-	-	-	-	-	-	40,500
Miscellaneous	122,029	16,634	42,092	1,872	182,627	-	52,572	7,677	13,894	101,573	175,716	358,343
Printing and binding	-	-	-	-	-	-	-	-	-	-	-	-
Rent/lease	9,750	2,310	-	-	12,060	-	-	-	22,470	429	22,899	34,959
Repairs and maintenance	-	-	-	-	-	-	-	-	-	124,444	124,444	124,444
Salaries	2,411,628	381,101	438,476	82,384	3,313,589	-	127,759	-	121,553	192,206	441,518	3,755,107
Purchased services	-	-	12,924	-	12,924	-	-	-	-	-	-	12,924
Supplies	208,682	32,245	32,068	4,225	277,220	-	212,449	-	1,606	38,737	252,792	530,012
Telephone and postage	92,699	14,739	17,400	5,406	130,244	-	34,933	-	-	1,886	36,819	167,063
Textbooks	59,256	-	-	-	59,256	-	-	-	-	-	-	59,256
Transportation	29,725	-	-	-	29,725	-	-	-	-	183,915	183,915	213,640
Travel	2,186	828	-	1,026	4,040	-	-	-	-	-	-	4,040
Utilities	-	-	-	-	-	-	-	-	-	145,210	145,210	145,210
Loss on disposal of property and equipment	-	-	-	-	-	-	-	-	-	64,379	64,379	64,379
Total expenses	\$3,390,585	\$ 691,088	\$ 660,576	\$ 107,969	\$4,850,218	\$ 2,500	\$ 448,355	\$ 164,924	\$204,911	\$ 999,786	\$ 1,820,476	\$ 6,670,694

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, 2020</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
Total expenses	\$ 3,412,932	\$ 545,497	\$ 584,288	\$ 122,358	\$ 4,665,075	\$ 11,258	\$ 280,117	\$ 808,331	\$ 213,345	\$ 997,764	\$ 2,310,815	\$ 6,975,890

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>	2021	2020
Operating activities		
Change in net assets	\$ (53,855)	\$ 561,763
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Depreciation expense	8,699	17,747
Loss on disposal of property and equipment	64,379	-
Change in operating assets and liabilities		
Other receivables	(78,082)	101,750
Grants receivable	1,720	(546,523)
Grants receivable - other local education agency	-	(1,349)
Prepaid expenses	-	-
Accounts payable	(44,366)	18,032
Refundable advance	(34,471)	34,471
Net cash provided by (used in) operating activities	(135,976)	185,891
Investing activities		
Purchase of certificates of deposit	(113)	-
Net cash provided by (used in) investing activities	(113)	-
Financing activities		
Repayments on line of credit	-	(9,677)
Net cash provided by (used in) financing activities	-	(9,677)
Net change in cash and cash equivalents and restricted cash	(136,089)	176,214
Cash and cash equivalents and restricted cash at beginning of year	1,813,618	1,637,404
Cash and cash equivalents and restricted cash at end of year	\$ 1,677,529	\$ 1,813,618
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ -	\$ 169
RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 1,662,440	\$ 1,786,228
Restricted cash	15,089	27,390
Cash, cash equivalents, at restricted cash at end of year	\$ 1,677,529	\$ 1,813,618

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. NOLA Public School System (NOLA-PS) 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 NOLA-PS, 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 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 and Cash Equivalents, Cash Restricted for Student Activities

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, 2021 and 2020, 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

Student service fees are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of contracts with customers are satisfied. Prior to the adoption of ASC 606, Advocates recognized student service fees when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured. Income received from student service fees in advance are deferred and recognized over the periods to which the dates and fees are related. There are no performance obligation liabilities or contract assets at June 30, 2021 and 2020, respectively. Student service fee revenues are included in donations and contributions on the statement of activities.

A significant portion of Advocates' grants and contracts are from Minimum Foundation Program (MFP) and cost-reimbursable federal and state contracts. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Advocates recognizes 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 or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

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 recorded 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. As of June 30, 2021 all barriers have been met. Payroll Protection Program loan forgiveness of \$34,471 and \$685,124 has been recorded for the years ended June 30, 2020 and 2021, respectively.

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 on income other than unrelated business income. There was no unrelated business income for the years ended June 30, 2021 and 2020.

Advocates utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2021 and 2020, Advocates has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 24, 2022, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This change in accounting principal did not have a material impact on the financial statements.

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 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.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

This ASU and its amendments supersede the revenue recognition requirements of Topic 605, *Revenue Recognition*, and most industry specific guidance.

Effective July 1, 2020, Advocates adopted ASC 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment to retained earnings recognized upon adoption. Therefore, the 2020 financial statements have not been restated and continue to be reported under the accounting standards in effect for that year. There was no adjustment recorded upon adoption of ASC 606.

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>	2021	2020
Financial assets, at year-end	\$ 2,449,614	\$ 2,509,228
Less those not available for general expenditures within one year, due to donor imposed restrictions	(15,089)	(27,390)
Financial assets available to meet cash needs for general expenditures	\$ 2,434,525	\$ 2,481,838

The goal of Advocates is to maintain available financial assets to meet its next 90 days of operating expenses. In the event of unanticipated liquidity needs, Advocates has a line of credit with available borrowing of \$100,000.

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

Note 4: GRANTS RECEIVABLE

Grants receivable is comprised of the following balances:

<i>June 30,</i>	2021	2020
Title I	\$ 8,737	\$ 385,238
GEERF	31,560	-
ESSERF	214,809	-
ESSERI	26,813	-
ESSER II	93,756	-
Title II	16,200	34,934
Title IV	14,858	21,123
IDEA-B	54,139	128,289
Child nutrition	105,921	-
Perkins	29,057	27,986
Total grants receivable	\$ 595,850	\$ 597,570

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 \$1,582 at June 30, 2021 and 2020, respectively.

Note 6: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Computers	\$ -	\$ 6,356
Equipment	-	230,919
Leasehold improvements	-	80,335
Property and Equipment	-	317,610
Less: accumulated depreciation	-	(244,532)
Property and Equipment, Net	\$ -	\$ 73,078

Depreciation expense was \$8,669 and \$17,747 for the years ended June 30, 2021 and 2020, respectively. During 2021 Advocates moved into a new building which resulted in the disposal of property and equipment that was no longer in use and located in the old building. The disposal of the property and equipment resulted in a loss on disposal of property and equipment of \$64,379.

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

Note 7: LINE OF CREDIT

As of June 30, 2021, 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 3.25% and 5.41% for the years ended June 30, 2021 and 2020, respectively. Outstanding borrowings under the Credit Agreement are collateralized with the certificates of deposit and accounts receivable. At June 30, 2021 and 2020, the line of credit had no borrowings outstanding.

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 was due in November 7, 2020, with subsequent payments due each month through the loan maturity date of April 7, 2022.

Advocates used the PPP loan funds for its payroll and benefits costs, rent, and utilities, purposes consistent with the PPP. Advocates received loan forgiveness for the full amount during 2021.

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

As of June 30, 2021, Advocates incurred an additional \$34,471 of qualified expenses and has recognized PPP loan revenue related to these qualifying expenses in 2021; consequently all PPP loan funds have been utilized by Advocates.

Note 9: NET ASSETS

Net assets with donor restrictions as of June 30, 2021 and 2020 consisted of purpose restricted contributions from donors in the amount of \$129,772 and \$148,699, respectively. Net assets with donor restriction as of June 30 consisted of the following purpose restricted amounts:

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

Note 9: NET ASSETS (CONTINUED)

	2021	2020
Career Development Fund	\$ (2,175)	\$ 18,577
Chevron – Project Lead The Way (PTLW)	3,039	3,039
Student Activity Fund	15,089	27,390
Student Services	51,647	61,891
Supplemental Course Academy	38,019	13,649
Trauma Informed Grant	1,866	1,866
New Schools New Orleans SPED Launch	18,900	18,900
Miscellaneous	3,387	3,387
Total net assets with donor restrictions	\$ 129,772	\$ 148,699

Note 10: REVENUE

Advocates is recognizing revenue over time for student service fees. As June 30, 2021, there are no amounts of performance obligations to be satisfied. Advocates' method of recognizing revenue for student service fees is the input method for performance obligations to be utilized over time as the services are performed. Student service fees include monetary payment for supplies and curricular or co-curricular activity. Student service fees totaled \$25,083 and \$80,935 during the years ended June 30, 2021 and 2020, respectively.

Note 11: CONCENTRATIONS OF CREDIT RISK

Advocates maintains cash with a financial institution in excess of the FDIC limit of \$250,000 by \$1,722,484 and \$1,722,034 at June 30, 2021 and 2020, 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.

Note 12: SIGNIFICANT CONCENTRATIONS

For the years ended June 30, 2021 and 2020, Advocates received approximately 16% and 19%, respectively, of its total revenue from federal sources and approximately 79% and 66%, respectively, of its total revenue from state and local public school funds. As of June 30, 2021 and 2020, Advocates had approximately 6% and 15%, respectively, of its total grants receivable from local sources and approximately 94% and 85%, respectively, of its total grants receivable from federal and state sources.

Advocates for Science and Mathematics Education, Inc.

Notes to Financial Statements

Note 13: 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 was 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. This lease was terminated effective April 30, 2021.

Effective December 18, 2020, a rent-free lease agreement is held with NOLA Public School System (NOLA-PS) 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 OPSB 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 14: CONTINGENCIES

The continuation of Advocates is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contract with NOLA-PS. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, 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 contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

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 a significant negative impact on the operating activities and results of Advocates. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and 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 economy overall, all which are uncertain.

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

Note 15: RETIREMENT PLAN

All contracted employees that are of 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% unless adjusted by the participant. 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 \$94,868 and \$94,971 for the years ended June 30, 2021 and 2020, respectively.

Note 16: 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 \$297,840 and \$295,077 in revenue from the Foundation for general school needs and activities during the years ended June 30, 2021 and 2020, respectively, of which, \$148,139 and \$70,057 were outstanding at June 30, 2021 and 2020, respectively, and recorded under other receivables in the accompanying financial statements.



SUPPLEMENTARY INFORMATION



Advocates for Science and Mathematics Education, Inc.
Schedule of Compensation, Benefits and
Other Payments Made to Agency Head
For the Year Ended June 30, 2021

Agency Head Name: Monique Cola, Principal

PURPOSE	AMOUNT
Salary	\$ 141,500
Benefits-health insurance	4,492
Benefits-retirement	4,230
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	181
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
Total	\$ 150,403



Carr, Riggs & Ingram, LLC
111 Veterans Boulevard
Suite 350
Metairie, LA 70005

504.837.9116
504.837.0123 (fax)
CRLcpa.com

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, 2021, 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 January 24, 2022.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a

certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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*.

Advocates' Response to Finding

Advocates' response to the finding 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 the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
January 24, 202



Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 837-9116
(504) 837-0123(fax)
www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAMS 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 Each 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 programs for the year ended June 30, 2021. Advocates' major federal programs are 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 programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 major federal programs 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 programs. However, our audit does not provide a legal determination of Advocates' compliance.

Opinion on Each 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 each of its major federal programs for the year ended June 30, 2021.

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 each of the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of the major federal programs 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
January 24, 2022

Advocates for Science and Mathematics Education, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Amounts to Sub-recipients</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	\$ -	\$ 253,181
Title I Grants to Local Educational Agencies- Direct Student Services	84.010	n/a	-	8,801
<i>Total Title I</i>				261,982
Supporting Effective Instruction State Grants	84.367	n/a	-	21,624
Career and Technical Education -- Basic Grant to States	84.048	n/a	-	29,057
Student Support and Academic Enrichment Program (Title IV)	84.424	n/a	-	14,857
<u>United States Department of Education/Orleans Parish School Board/Special Education Cluster</u>				
Special Education_ Grants to States	84.027	n/a	-	105,687
<i>Total Special Education Cluster</i>				105,687
COVID-19 Governor's Emergency Education Relief (GEERF) Fund	84.425C	n/a	-	31,560
COVID-19 Elementary and Secondary School Emergency (ESSERF_Formula) Fund	84.425D	n/a	-	214,809
COVID-19 Elementary and Secondary School Emergency (ESSERF_Incentive) Fund	84.425D	n/a	-	25,433
COVID-19 Elementary and Secondary School Emergency (ESSERF_II_Formula) Fund	84.425D	n/a	-	93,756
<i>Total Education Stabilization Fund</i>				365,558
<i>Total Department of Education</i>				798,765
<u>United States Department of Agriculture/Direct Program/Child Nutrition Cluster</u>				
National School Lunch Program	10.555	5F9270	-	69,597
School Breakfast Program	10.553	5F9270	-	10,313
Summer Food Service Program for Children	10.559	5F9270	-	105,148
<i>Total Child Nutrition Cluster</i>				185,058
<u>United States Department of Agriculture/Direct Program Child and Adult Care Food Program</u>				
Child and Adult Care Food Program	10.558	5F9270	-	4,845
<i>Total United States Department of Agriculture</i>				189,903
<i>Total Expenditures of Federal Awards</i>				\$ 988,668

Advocates for Science and Mathematics Education, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

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, 2021. All federal financial assistance received directly from federal agencies is included on the Schedule, as well as federal assistance passed through other government agencies.

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.

Note 2: DE MINIMIS INDIRECT RATE

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, 2021.

Advocates for Science and Mathematics Education, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

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, 2021:

For the year ended June 30, 2021	
Total federal expenditures	\$ 988,668
Child nutrition program net cash resources	38,971
Unreconciled difference	1,379
Total federal revenues	<u>\$ 1,029,018</u>

Advocates for Science and Mathematics Education, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

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? X yes _____ none noted

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X 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)? _____ yes X none noted

Identification of major federal programs:

Federal Assistance Listing Number	Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund

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, 2021

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2021-001 Significant Deficiency: Inappropriate tracking and recording of property and equipment

<i>Criteria:</i>	<i>Safeguarding of assets is the primary responsibility of a non-profit entity.</i>
<i>Condition:</i>	<i>Property and equipment schedules were not properly reviewed for useful life or tracked to ensure the property and equipment were in use.</i>
<i>Cause:</i>	<i>Advocates did not properly track and dispose of fixed in assets in a timely manner.</i>
<i>Effect:</i>	<i>Advocates recorded a \$64,379 loss on disposal of assets for property and equipment that was no longer in use.</i>
<i>Auditors' Recommendation:</i>	<i>It is recommended that Advocates install proper segregation of duties and controls around the tracking, recording, and disposal of property and equipment.</i>
<i>Managements Response:</i>	<i>See corrective action plan on page 29.</i>

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, 2021.

D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

There were no findings noted related to findings and questioned costs related to major federal award programs for the year ended June 30, 2021.

E. MANAGEMENT LETTER

No management letter was issued for the year ended June 30, 2021.

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

A. PRIOR AUDIT FINDINGS

2020-001: FAILURE TO COMPLY WITH LOUISIANA AUDIT LAW

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.

Status: Resolved.



Monday, January 24, 2022

Carr, Riggs & Ingram, LLC
111 Veterans Memorial Blvd. Suite 350
Metairie, LA 70005

Dear Sirs/Madams:

PART II – Findings Related to The Financial Statements

2021-001 Significant Deficiency: Inappropriate tracking and recording of property and equipment

Planned Corrective Action: Management will install proper segregation of duties, design, implement, and document control policies around the tracking, recording, and disposal of property and equipment.

Anticipated Completion Date: January 30, 2022

Responsible Party: Dr. David Trautenberg, Director of Finance and Human Resources

Dr. David Trautenberg, Director of Finance and Human Resources

1/24/22



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

BESE AGREED-UPON PROCEDURES REPORT

June 30, 2021

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 enumerated below on the performance and statistical data accompanying the annual financial statements of Advocates for Science and Mathematics Education, Inc. (a nonprofit organization) (the School) for the fiscal year ended June 30, 2021; and to determine whether the specified schedules are free of obvious error and omissions, in compliance with Louisiana Revised Statute 24:514 I. The School's management is responsible for the performance and statistical data.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

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

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)

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: Exceptions noted; three (3) of the ten (10) class rosters selected did not properly match the roster size report provided by management.

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

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: Exceptions noted; the teaching certification number for two (2) of the twenty-five (25) individuals selected was not properly reported in the PEP data. The education level for two (2) of the twenty-five (25) individuals selected was not properly reported in the PEP data. The years of experience for two (2) of the twenty-five (25) individuals selected was not properly reported in the PEP data.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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: Exceptions noted; the full-time equivalents for two (2) of the twenty-five (25) individuals selected was not properly reported in the PEP data.

We were engaged by the School to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, 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.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Advocates for Science and Mathematics Education, Inc., 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.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
January 24, 2022

**Advocates for Science Mathematics
Schedule 1**

**General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources
For the Year Ended June 30, 2021**

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 1,477,627	
Other instructional staff activities	42,597	
Instructional Staff Employee benefits	423,124	
Purchased professional and technical services	55,257	
Instructional materials and supplies	193,396	
Less instructional equipment	-	
Total teacher and student interaction activities	2,192,001	

Other instructional activities	127,573
--------------------------------	---------

Pupil support activities	605,624
Less equipment for pupil support activities	-
Net pupil support activities	605,624

Instructional Staff Services	63,589
Less equipment for instructional staff services	-
Net instructional staff services	63,589

School Administration	674,227
Less: Equipment for School Administration	-
Net School Administration	674,227

Total general fund instructional expenditures	\$ 3,663,014
---	--------------

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, 2020

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	49%	109	26%	57	15%	34	1%	2
High Activity Classes	4%	9	2%	4	3%	6	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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



Monday, January 24, 2022

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, LA 70005

Re: **Management's Response to Board of Elementary and Secondary Education
Agreed-Upon Procedures Advocates for Science and Mathematics Education,
Inc.**

Dear Sirs/Madams:

Advocates for Science and Mathematics Education, Inc. will review policies and procedures in regard to the comments for each schedule of performance and statistical data and make appropriate changes that will improve reporting on each schedule of performance and statistical data that are cost effective and within our budget constraints.

Sincerely,


David Trautenberg
Director of Finance and Human Resources

1/24/22