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**ADVOCATES FOR SCIENCE
AND MATHEMATICS EDUCATION, INC.**

**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT**

JUNE 30, 2008

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

Release Date 10/15/08

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ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

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Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statement of financial position of Advocates for Science and Mathematics Education, Inc. (a nonprofit corporation) as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the Corporation's 2007 financial statements and, in my report dated October 4, 2007, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advocates for Science and Mathematics Education, Inc. as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated August 28, 2008 on my consideration of Advocates for Science and Mathematics Education, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Justin J. Scanlan, CPA

New Orleans, Louisiana
August 28, 2008

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2008

ASSETS

		TOTAL MEMORANDUM ONLY
		<u>JUNE 30, 2007</u>
Cash	\$ 263,069	\$ 748,401
Certificates of deposit	53,013	51,324
Receivables		
Grants (Notes A4 and B)	371,167	-
Other	<u>30,954</u>	<u>182</u>
	<u>402,121</u>	<u>182</u>
Property and equipment – at cost (Notes A5 and C)	<u>64,862</u>	<u>1,634</u>
Total assets	<u>\$ 783,065</u>	<u>\$ 801,541</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	<u>\$ 116,830</u>	<u>\$ 54,894</u>
Total liabilities	116,830	54,894
Net assets		
Unrestricted	597,601	641,358
Temporarily restricted (Note D)	<u>68,634</u>	<u>105,289</u>
Total net assets	<u>666,235</u>	<u>746,647</u>
Total liabilities and net assets	<u>\$ 783,065</u>	<u>\$ 801,541</u>

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

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2008

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>TOTAL MEMORANDUM ONLY For the year ended June 30, 2007</u>
REVENUE				
Grant appropriations	\$ -	\$ 886,010	\$ 886,010	\$ 275,361
Contributions	7,369	335,334	342,703	684,007
Fees	-	2,733,851	2,733,851	2,336,273
Interest	5,903	-	5,903	4,444
Other	47,500	-	47,500	28,534
In-Kind Contributions (Note A-10)	288,000	-	288,000	288,000
Net assets released from restrictions	<u>3,991,850</u>	<u>< 3,991,850 ></u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,340,622</u>	<u>< 36,655 ></u>	<u>4,303,967</u>	<u>3,616,619</u>
EXPENSES				
Program services				
Science and Mathematics High School	3,957,089	-	3,957,089	3,460,617
Science and Mathematics Academy	114,366	-	114,366	-
Supporting Services				
Management and general	292,261	-	292,261	283,003
Fund raising	<u>20,663</u>	<u>-</u>	<u>20,663</u>	<u>71,966</u>
Total expenses	<u>4,384,379</u>	<u>-</u>	<u>4,384,379</u>	<u>3,815,586</u>
Increase <decrease> in net assets	<u>< 43,757 ></u>	<u>< 36,655 ></u>	<u>< 80,412 ></u>	<u>< 198,967 ></u>
Net assets, beginning of year	<u>641,358</u>	<u>105,289</u>	<u>746,647</u>	<u>945,614</u>
Net assets, end of year	<u>\$ 597,601</u>	<u>\$ 68,634</u>	<u>\$ 666,235</u>	<u>\$ 746,647</u>

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

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2008

	SCIENCE AND MATHEMATICS HIGH SCHOOL	SCIENCE AND MATHEMATICS ACADEMY	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL	TOTAL MEMORANDUM ONLY For the year ended June 20, 2007
Salaries	\$ 2,123,795	\$ 74,076	\$ 137,087	\$ 14,250	\$ 2,349,208	\$ 1,659,657
Fringe benefits	542,171	19,011	35,002	3,638	599,822	363,470
Travel	6,016	4,963	-	-	10,979	17,066
Transportation – students	51,523	-	-	-	51,523	89,162
Supplies	325,384	5,494	16,255	2,709	349,842	237,261
Occupancy	521,341	549	41,473	-	563,363	751,154
Printing	1,188	-	66	66	1,320	1,146
Professional fees	220,945	322	34,737	-	256,004	274,627
Academic excellence	33,511	200	-	-	33,711	135,452
Insurance	33,594	-	14,398	-	47,992	47,595
Equipment expense	71,462	3,061	10,181	-	84,704	224,211
Depreciation	17,107	-	-	-	17,107	2,787
Miscellaneous	<u>9,052</u>	<u>6,690</u>	<u>3,062</u>	<u>-</u>	<u>18,804</u>	<u>11,998</u>
	<u>\$ 3,957,089</u>	<u>\$ 114,366</u>	<u>\$ 292,261</u>	<u>\$ 20,663</u>	<u>\$ 4,384,379</u>	<u>\$ 3,815,586</u>

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

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2008

Increase <decrease> in cash and cash equivalents		
Cash flows from operating activities:		
Decrease in net assets		\$ < 80,412 >
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	\$ 17,107	
Changes in assets and liabilities:		
Increase in grants receivable	< 371,167 >	
Increase in other receivables	< 30,772 >	
Increase in accounts payable and accrued liabilities	<u>61,936</u>	<u>< 322,896 ></u>
Net cash used in operating activities		<u>< 403,308 ></u>
Cash flows from investing activities:		
Purchase of certificates of deposit		< 1,689 >
Capitalization of leasehold improvements		<u>< 80,335 ></u>
Net cash used in investing activities		<u>< 82,024 ></u>
Net decrease in cash and cash equivalents		< 485,332 >
Cash and cash equivalents, beginning of year		<u>748,401</u>
Cash and cash equivalents, end of year		<u>\$ 263,069</u>

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

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

Advocates for Science and Mathematics Education, Inc. (the "Corporation") is a non-profit corporation established exclusively for charitable, educational and scientific purposes. The Corporation's purpose is to generate community support and fund raising to benefit The New Orleans Charter Science and Mathematics High School.

During January, 2006, the Corporation was granted a charter by the Orleans Parish School System to operate a type 3 public charter school. The charter school is known as The New Orleans Charter Science and Mathematics High School.

The Corporation through the operation of its charter school is designed to accomplish the following obligations:

1. Improve pupil learning and, in general, the public school system.
2. Increase learning opportunities and access to quality education for pupils.
3. Encourage the use of different and innovative teaching methods and a variety of governance, management and administrative structures.
4. Require appropriate assessment and measurement of academic learning results.
5. Account better and more thoroughly for educational results.
6. Create new professional opportunities for teachers and other school employees, including the opportunity to be responsible for learning programs at the school site.

Since January, 2006, the Corporation expanded its purpose in order to create a safe yet rigorous environment for any interested students to master the science and mathematics skills essential for lifelong competence, and to grow as leaders and active citizens in our society.

The school has an open enrollment policy. During the 2007/2008 school year, the school served ninth through twelfth grades, with an approximate enrollment of 369 students.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. **Presentation of Financial Statements**

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations". Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. **Revenue Recognition**

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

4. **Receivables**

The corporation considers grants receivable to be fully collectible since the balance consists principally of payments due under government contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

Fees receivable are carried at cost, less an allowance for doubtful accounts, based on management's evaluation of outstanding fees receivable.

5. **Property and equipment**

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. Leasehold improvements are amortized over the life of the lease. Depreciation and amortization expense for the year ended June 30, 2008 totaled \$17,107.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$2,500.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Cash equivalents

For the purpose of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

7. Functional allocation of expenses

The expenses of providing the program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

8. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

9. Fair Values of Financial Investments

Cash, cash equivalents, and temporary investments carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments.

10. In-Kind Contributions

Advocates for Science and Mathematics Education, Inc. receives rent-free use of the Henry W. Allen Elementary School building. The estimated value of contributed rents (\$288,000) is recognized as revenue and expense in the Statement of Activities.

11. Total Column – Memorandum Only

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position or changes in net assets in conformity with generally accepted accounting principles, neither is such data comparable to a consolidation.

NOTE B – GRANTS RECEIVABLE

The grants receivable at June 30, 2008 consist of the following:

Orleans Parish School Board	\$ 362,822
State of Louisiana – Department of Education	<u>8,345</u>
	<u>\$ 371,167</u>

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2008

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2008 consist of the following:

Leasehold improvements	\$ 80,335
Furniture and fixtures	6,256
Computer software	<u>34,641</u>
	121,232
Less accumulated depreciation and amortization	<u>< 56,370 ></u>
	<u>\$ 64,862</u>

NOTE D – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2008 consist of the following:

Contributions-Capital campaign	\$ 57,500
New Schools for New Orleans	<u>11,134</u>
	<u>\$ 68,634</u>

NOTE E – RENTAL EXPENSE

For the year ended June 30, 2008, the Corporation received rent-free use of the school building as stated in Note A10. The rental expense for the year ended June 30, 2008 totaled \$288,000.

NOTE F – REVENUE – ORLEANS PARISH SCHOOL BOARD

As a Type 3 charter school, the Corporation received funding from Orleans Parish School Board for pupils based on estimated monthly attendance at the school.

NOTE G – PENSION EXPENSE

Effective February 6, 2006, the Corporation elected to participate in the Teacher's Retirement System of Louisiana. The employer contributes 16.6-18.1% of compensation, dependent upon the employee classification (Teacher or Janitor). The contribution rate for the year ended June 30, 2008 increased by approximately .7%. The pension expense for the year ended June 30, 2008 totaled \$342,629.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2008

NOTE H – INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Service.

NOTE I – CONCENTRATION OF CREDIT RISK

The unsecured cash balances at June 30, 2008 consist of the following:

Bank balances, including certificate of deposit	\$ 507,196
less FDIC insurance	<u>< 224,942 ></u>
Unsecured balance	<u>\$ 282,254</u>

NOTE J – ADVERTISING EXPENSE

Advertising costs are expensed as incurred. The advertising expense for the year ended June 30, 2008 totaled \$8,598.

NOTE K – BOARD OF DIRECTOR'S COMPENSATION

The board of directors is a voluntary board; therefore, no compensation was paid to any board member during the year ended June 30, 2008.

NOTE L – SUBSEQUENT EVENTS

The Organization received a State Charter to operate another High School in Orleans Parish. The High School will only serve 9th grade for the 2008/2009 school year.

NOTE M – RELATED PARTY

The Foundation for Science and Mathematics Education, Inc. (Foundation) was formed primarily to raise funds to benefit the Science and Mathematics High School and the Science and Mathematics Academy. While the Foundation is an independent organization, it receives free occupancy costs from the Advocates for Science and Mathematics Education, Inc. The total contributions received from the Foundation for the year ended June 30, 2008 totaled \$318,570.

As of June 30, 2008, the monies due from the Foundation totaled \$30,211. This amount is included in Receivables-other in the Statement of Financial Position.

Justin J. Scanlan, C.P.A.

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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
Advocates for Science and Mathematics Education, Inc.

I have audited the financial statements of Advocates for Science and Mathematics Education, Inc. (a non-profit corporation) as of and for the year ended June 30, 2008, and have issued my report thereon dated August 28, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Advocates for Science and Mathematics Education, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Advocates for Science and Mathematics Education, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Advocates for Science and Mathematics Education, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Advocates for Science and Mathematics Education, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which

could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2008-1.

Advocates for Science and Mathematics Education, Inc.'s response to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit Science and Mathematics Education, Inc.'s response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, Board of Directors, others within the organization, Louisiana Legislative auditor, and funding sources of the corporation and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scanlon, CPA

New Orleans, Louisiana
August 28, 2008

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2008

COMPLIANCE AND OTHER MATTERS

2008-1 Student Admission

Condition: 21 student files out of 369 were examined for proper documentation relative to school's admission requirements. 9 student files out of 21 reviewed lacked the necessary documents to support residency within Orleans Parish.

Criteria: The charter agreement requires all students to be residents of Orleans Parish.

Effect: The Corporation is not in compliance with its Charter.

Recommendation: During the registration period, the Corporation should obtain copies of two proof of residency items to comply with the Charter Agreement.

Response: See Corrective Action Plan.

QUESTIONED COSTS

There were no questioned costs for the year ended June 30, 2008.

STATUS OF PRIOR YEAR AUDIT FINDINGS

<u>Significant Deficiency</u>	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Year Finding No.</u>
2007-1 Cash	X		
<u>Compliance and Other Matters</u>			
2007-2 Student Admission		X	2008-1
2007-3 Minutes	X		
2007-4 Tax-exempt status	X		

Corrective Action Plan

2008- 1 Student Admission

When NOCSMHS opened in January of '06, it welcomed students who had made their way back to the city following Hurricane Katrina. For many of these students, this meant they were living with a relative outside of Orleans Parish following the devastation of their Orleans Parish homes and apartments. The goal was to get students in school.

In 2009, these "Katrina-Freshmen" will graduate. Some of our students and families have yet to return to their homes or have no home to which to return and no money with which to rebuild.

We have made every attempt to gather two pieces of documentation proving Orleans Parish Residency beginning with students in the 08-09 school year—my second as principal/school director.

When I became School Director for the 07-08 school year, enrollment of students was already underway. At that time, no request for proof of residency was stipulated. The audit was not completed until the end of August'07, by which time school had already started.

Given the disruption and loss suffered by students who began their schooling for high school here at Science and Math post-Katrina, exiting those students after school began, and subsequent to the finding "that parent or guardian submit two proof of Orleans Parish residency as part of student registration" because of a lack of documentation would have been unthinkable.

All of the students identified in the audit were students who came to us following the storm. Public record documents that 100's of thousands of people have yet to return to their former place of residence in Orleans Parish due to a housing shortage, lack of funds to repair homes, or exorbitant rents.

During future enrollment cycles, it is the intent of NOCSMHS to request two (2) pieces of documentation as proof of Orleans Parish Residency. This process was in place for the 08-09 school year.

AGREED UPON PROCEDURES

Justin J. Scanlan, C.P.A.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED ON PROCEDURES

Board of Directors
Advocates For Science and Mathematics Education, Inc.

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

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

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

1. I reconciled amounts reported in Schedule 1 in the categories listed below to respective general ledger account balances to determine that Expenditures/Revenues are classified correctly and are reported in the proper amounts for each of 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.

No significant differences noted.

Education Levels of Public School Staff (Schedule 2).

2. I reconciled the total number of full-time classroom teachers per the schedule "Experience of the Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per the schedule and to school board supporting payroll records as of October 1st.

No significant differences noted.

3. I reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per the schedule.

No significant differences noted.

4. I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. I traced a population of 9 teachers out of 33 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

No significant differences noted.

Number and Type of Public Schools (Schedule 3).

5. I obtained a list of schools by type as reported on the schedule. I compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application.

No significant differences noted.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4).

6. I obtained a list of full-time teachers, principals and assistant principals by classification as of June 30th and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

No significant differences noted.

Public Staff Data (Schedule 5).

7. I obtained a list of classroom teachers including their base salary, extra compensation, and ROTC and retired status as well as full-time equivalent as reported on the schedule and traced a population of 9 teachers out of 33 to the individual's personnel file and determined if the individual's salary, extra compensation, and full time equivalents were properly included on the schedule.

No significant differences noted.

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

No significant differences noted.

Class Size Characteristics (Schedule 6).

9. I obtained a list of classes by school, school type and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. I then traced a random sample of 5 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

No significant differences noted.

Louisiana Educational Assessment Program (Leap) for the 21st Century (Schedule 7).

10. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Advocates For Science and Mathematics Education, Inc.

This schedule was not applicable. The grade level of the school is 9th and 12th.

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

11. I obtained test scores as provided by the testing authority and reconciled scores as reported by the tested authority to scores reported in the schedule by the Advocates For Science and Mathematics Education, Inc.

No significant differences noted.

The Iowa Tests (Schedule 9).

12. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Advocates For Science and Math Education, Inc.

This schedule was not applicable. The school has not been required to administer the test.

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

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

Justin J. Scanlon, CPA

New Orleans, Louisiana
August 28, 2008

Schedule 1: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2007-2008
**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources**

For the Year Ended June 30, 2008

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,339,198	
Other Instructional Staff Activities	\$ 43,835	
Employee Benefits	\$ 370,231	
Purchased Professional and Technical Services	\$ 202,732	
Instructional Materials and Supplies	\$ 83,488	
Instructional Equipment	\$ -	
Total Teacher and Student Interaction Activities		\$ 2,039,484

Other Instructional Activities \$ 80,778

Pupil Support Services	\$ 84,516	
Less: Equipment for Pupil Support Services	\$ -	
Net Pupil Support Services		\$ 84,516

Instructional Staff Services	\$ 7,813	
Less: Equipment for Instructional Staff Services	\$ -	
Net Instructional Staff Services		\$ 7,813

School Administration	\$ 185,941	
Less: Equipment for School Administration	\$ -	
Net School Administration		\$ 185,941

Total General Fund Instructional Expenditures \$ 2,378,530

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	\$ -
Debt Service Ad Valorem Tax	\$ -
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	\$ -
Sales and Use Taxes	\$ -
Total Local Taxation Revenue	<u>\$ -</u>

Local Earnings on Investment in Real Property:

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

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

Schedule 2: Education Levels of Public School Staff

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1	3%	1	17%	0	0%	0	0%
Bachelor's Degree	22	69%	0	0%	0	0%	0	0%
Master Degree	5	16%	5	83%	0	0%	0	0%
Master Degree + 30	2	6%	0	0%	0	0%	1	100%
Specialist In Education	0	0%	0	0%	0	0%	0	0%
PhD or Ed.D	2	6%	0	0%	0	0%	0	0%
Total	32	100%	6	100%	0	0%	1	100%

Schedule 3: Number and Type of Public Schools

Type	Number
Elementary	0
Middle/Jr. High	0
Secondary-Charter School	1
Combination	0
Total	1

Schedule 4: Experience of Public Principals, Assistant Principals, and Full Time Classroom

	0-1 Yr.	2-3 Yrs	4-10 Yr	11-14 Yr	15-19 Yr	20-24 Yrs	25+ Yrs	Total
Assistant Principals	0	0	0	0	0	0	0	0
Principals	0	0	1	0	0	0	0	1
Classroom Teachers	16	3	3	2	4	0	4	32
Total	16	3	4	2	4	0	4	33

Schedule 5: Public School Staff Data: Average Salaries

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Re-hired Retirees and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$ 50,587.88	\$ 50,232.65
Average Classroom Teachers Salary Excluding Extra Compensation	\$ 48,216.44	\$ 47,805.36
Average Classroom Teachers Compensation	32	31

Schedule 6: Class Size Characteristics

Class Size Characteristics as of October 2, 2007

School Type	Class Size Range									
	1-20		21-26		27-33		34+			
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary										
Elementary Activity Classes										
Middle/Jr. High										
Middle/Jr. High Activity Classes										
High	77%	147	23%	44	0%	0	0	0		
High Activity Classes										
Combination										
Combination Activity Classes										

Schedule 7: Louisiana Educational Assessment Program (LEAP)

N/A

Note: This schedule does not apply because the grade level of the school is 9th through 12th.

N/A

Schedule 8: Graduation Exit Examination (GEE)

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 10												
Advanced	0	0%	0	0%			6	6%	1	1%		
Mastery	5	5%	5	6%	N/A		7	7%	6	6%	N/A	
Basic	50	50%	32	37%			45	45%	28	29%		
Approaching Basic	28	28%	34	39%			21	21%	27	28%		
Unsatisfactory	17	17%	16	18%			21	21%	33	35%		
Total	100	100%	87	100%			100	100%	95	100%		

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District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	percent	Number	Percent	Number	Percent
Students												
Grade 11												
Advanced	0	0%	2	3%			0	0%	1	1%		
Mastery	7	8%	7	10%	N/A		3	3%	1	1%	N/A	
Basic	26	30%	20	28%			43	49%	31	42%		
Approaching Basic	32	36%	23	32%			22	25%	20	27%		
Unsatisfactory	23	26%	20	28%			20	23%	21	28%		
Total	88	100%	72	100%			88	100%	74	100%		

District Achievement Level Results	English Language Arts		Mathematics	
	2007		2007	
	Number	Percent	Number	Percent
Students				
Grade 9				
Advanced	0	0	1	1
Mastery	5	6	1	1
Basic	37	45	37	45
Approaching Basic	29	35	18	22
Unsatisfactory	12	14	26	31
Total	83	100	83	100

Note: Data not accurate as a result of half-year enrollment due to Hurricane Katrina.

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
	Number	Percent	Number	Percent
Students				
Grade 9				
Advanced	1	1%	0	0
Mastery	0	0	2	2%
Basic	56	64%	44	50%
Approaching Basic	24	27%	28	32%
Unsatisfactory	7	8%	14	16%
Total	87	100%	88	100%

Schedule 9: Iowa and iLEAP Test

Iowa Test

	Composite	
	2006	2005
Iowa Tests of Basic Skills (ITBS)		
Grade 3		
Grade 5		
Grade 6		
Grade 7		
Iowa Tests of Educational Development (IED)		
Grade 9		

Note: No Iowa and Leap tests scores.