

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
(A Nonprofit Organization)

FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

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 OCT 17 2012

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying Statement of Financial Position of Advocates for Science and Mathematics Education, Inc. ("Advocates") (a nonprofit organization) as of June 30, 2012, and the related Statements of Activities, Cash Flows, and Functional Expenses for the year then ended. These financial statements are the responsibility of Advocates' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advocates as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 19, 2012, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Carr, Riggs & Ingram, LLC

September 19, 2012

FINANCIAL STATEMENTS

**ADVOCATES FOR SCIENCE AND
MATHEMATICS EDUCATION, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2012**

ASSETS

Current Assets:

Cash and cash equivalents	\$ 105,146
Certificates of deposit	26,126
Grants receivable	564,879
Other receivables	60,279
Prepays	<u>15,971</u>

Total Current Assets	<u>772,401</u>
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Property and equipment, net	<u>8,178</u>
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Total Assets	<u><u>\$ 780,579</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 145,246
Line of credit	<u>75,000</u>

Total Current Liabilities	<u>220,246</u>
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Total Liabilities	<u>220,246</u>
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Net Assets:

Unrestricted	536,326
Temporarily restricted	<u>24,007</u>

Total Net Assets	<u>560,333</u>
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Total Liabilities and Net Assets	<u><u>\$ 780,579</u></u>
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See accompanying notes to financial statements.

**ADVOCATES FOR SCIENCE AND
MATHEMATICS EDUCATION, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
State sources	\$ 1,517,594	\$ 1,045	\$ 1,518,639
Local per pupil support	1,533,042	-	1,533,042
Federal sources	587,326	-	587,326
Donations and contributions	381,544	13,065	394,609
Other revenue	199,402	40,083	239,485
	<u>4,218,908</u>	<u>54,193</u>	<u>4,273,101</u>
Total Public Support and Other Revenues			
Net Assets Released from Restrictions	<u>39,057</u>	<u>(39,057)</u>	<u>-</u>
	<u>4,257,965</u>	<u>15,136</u>	<u>4,273,101</u>
Total Revenues and Support			
EXPENSES			
Program services	2,225,525	-	2,225,525
Supporting services:			
Management and general	1,804,801	-	1,804,801
	<u>4,030,326</u>	<u>-</u>	<u>4,030,326</u>
Total Expenses			
INCREASE IN NET ASSETS	227,639	15,136	242,775
Net Assets, Beginning of Year	<u>308,687</u>	<u>8,871</u>	<u>317,558</u>
Net Assets, End of Year	<u>\$ 536,326</u>	<u>\$ 24,007</u>	<u>\$ 560,333</u>

See accompanying notes to financial statements.

**ADVOCATES FOR SCIENCE AND
MATHEMATICS EDUCATION, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 242,775
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation expense	2,309
Increase in operating assets:	
Receivables	(197,001)
Prepays	(15,971)
Decrease in operating liabilities:	
Accounts payable	<u>(80,991)</u>
 Net cash provided by operating activities:	 <u>(48,879)</u>
 Cash Flows from Investing Activities:	
Purchase of certificates of deposit, net	<u>(279)</u>
 Net cash used in investing activities	 <u>(279)</u>
Net decrease in cash and cash equivalents	(49,158)
 Cash and Cash Equivalents, Beginning of Year	 <u>154,304</u>
 Cash and Cash Equivalents, End of Year	 <u>\$ 105,146</u>
 Supplemental Disclosure of Cash Flow Information:	
Cash paid for interest	<u>\$ 3,868</u>

See accompanying notes to financial statements.

**ADVOCATES FOR SCIENCE AND
MATHEMATICS EDUCATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2012**

	<u>Program Services</u>	<u>Supporting Services Management and General</u>	<u>Total</u>
Salaries	\$ 1,313,560	\$ 893,141	\$ 2,206,701
Benefits and retirement	421,514	284,736	706,250
Professional and technical services	66,545	218,118	284,663
Occupancy	189,900	-	189,900
Supplies	136,087	35,948	172,035
Purchased property services	3,032	76,111	79,143
Utilities	-	71,211	71,211
Administrative fees	-	63,894	63,894
Insurance	-	54,584	54,584
Transportation	6,630	37,800	44,430
Dues/subscriptions	5,141	26,987	32,128
Student summer programs	27,365	-	27,365
Travel	27,123	-	27,123
Telephone and postage	-	25,147	25,147
Food services	18,121	6,958	25,079
Textbook	2,238	2,980	5,218
Interest	-	3,868	3,868
Depreciation	-	2,309	2,309
Miscellaneous	8,269	1,009	9,278
Total Expenses	\$ 2,225,525	\$ 1,804,801	\$ 4,030,326

See accompanying notes to financial statements.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Advocates for Science and Mathematics Education, Inc. ("Advocates") (a nonprofit organization) was incorporated in 2006 for the purpose of operating a charter school in New Orleans, Louisiana. Advocates operates New Orleans Charter Science and Mathematics High School (d/b/a Sci High) (the "School"). The School is an open-admission public charter school that prepares all students for college admissions and successful careers. The School provides a rigorous high school curriculum with an emphasis in science and mathematics in a supporting environment of learning and respect that prepares students to make informed choices about post-secondary pursuits. The Orleans Parish School Board (OPSB) granted Advocates a Type 3 charter to operate the School. Advocates has the full responsibility for the finances and operations of the School.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Functional Expenses

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management. The allocation between the functions is compiled based on the Louisiana Accounting and Uniform Governmental Handbook (LAUGH).

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the related depreciable assets, which range from 3 to 7 years.

Income Tax Status

Advocates is a tax-exempt organization under Internal Revenue Code Section 501 (c)(3) and, as such, is not subject to income tax.

Public Support and Revenue

Advocates receives its support primarily from the Orleans Parish School Board as a flow through from Louisiana State Department of Education and the United States Department of Education.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. Advocates uses the direct write-off method of writing off uncollectible receivables.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants and other receivables make up a significant portion of Advocates' assets. Management has determined that these receivables are fully collectible, and therefore no allowance for doubtful accounts has been recorded.

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 amounts could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, Advocates considers all unrestricted, highly liquid investments with an initial maturity of less than three months as cash and cash equivalents.

Basis of Presentation

Financial statement presentation follows the provisions of the *Not-For-Profit Entities* Topic of FASB ASC (FASB ASC 958), which establishes external financial reporting for not-for-profit organizations, which includes three basic financial statements and the classification of resources into three separate classes of net assets, as follows:

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Unrestricted - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted - Net assets whose use by Advocates is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of the organization pursuant to such stipulations.
- Permanently Restricted - Net assets whose use by Advocates is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of the organization.

Subsequent Events

Subsequent events have been evaluated by management through September 19, 2012, the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Advocates maintains its cash balance at a single financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the year ending June 30, 2012. At times, the balance may exceed the federally insured amount. Additionally, in accordance with Dodd- Frank Insurance Provision, non-interest bearing transaction accounts are fully insured by the FDIC. This provision is effective from December 31, 2010 through December 31, 2012.

NOTE 3 - RETIREMENT PLANS

Substantially all employees of Advocates are members of the Teachers' Retirement System of Louisiana (TRSL) or Louisiana State Employees' Retirement System (LASERS). Pertinent information relative to each plan follows:

Teachers' Retirement System of Louisiana (TRSL)

Plan Description:

The TRSL consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report and includes financial statements and required

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2012

NOTE 3 - RETIREMENT PLANS (CONTINUED)

supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy:

Plan members are required to contribute 8.0 percent for participating employees. Advocates is required to contribute at an actuarially determined rate. The current rate is 23.7 percent of annual covered payroll for all three membership plans. Member contributions and employer's contributions for the TRSL are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. Advocates' contributions to the TRSL for the year ending June 30, 2012 was \$389,119 which was equal to the required contributions for the year.

Louisiana State Employees' Retirement System (LASERS)

Plan Description:

The Louisiana State Employees' Retirement System (LASERS) was established by an Act of the Louisiana Legislature in 1946. LASERS administers a qualified pension and retirement plan under section 401(a) of the IRS code and is a trust fund created to provide retirement and other benefits for state officers, employees, and other beneficiaries. The Board of Trustees governs the retirement system and is composed of 12 members.

Contributions Required and Made:

Covered employees and Advocates are required by State statute to contribute fixed percentages of employees' gross earning to the plan. Current contribution rates for the plan are 7.5% for participating employees hired on or before June 30, 2006, 8% for participating employees hired on or after July 1, 2006, and 24.3% for Advocates. Advocates' contributions to LASERS for the year ending June 30, 2012 was \$123,159, which was equal to the required contributions for the year.

NOTE 4 - LINE OF CREDIT

As of June 30, 2012, Advocates had available a line of credit (the "Credit Agreement") with a local financial institution which provided for borrowings up to \$100,000 at a rate of 4%. Outstanding borrowings under the Credit Agreement are collateralized with the certificates of deposit and accounts receivable. The line of credit had borrowings outstanding of \$75,000 as of June 30, 2012.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2012

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2012, consists of the following:

	2012
Equipment	\$ 14,850
Leasehold Improvements	80,335
Less: Accumulated Depreciation	(87,007)
	\$ 8,178

Depreciation expense was \$2,309 for the year ended June 30, 2012.

NOTE 6 - LEASE AGREEMENT

Advocates has entered into a rent-free lease agreement with the State of Louisiana Department of Education, Recovery School District (the "RSD") for the use of Allen Elementary School's buildings and grounds as school facilities. Advocates has recognized \$189,900 in donated facilities in the current year. Advocates is responsible for the payment of utilities, janitorial and sanitation, disposal services, and property taxes.

NOTE 7 – OPERATING LEASE AGREEMENT

Advocates has entered into one (1) operating lease for the rental of a copier. The lease is for sixty (60) months. The lease was executed on June 16, 2012; therefore, no rental payments under this lease were paid for the year ended June 30, 2012.

Future minimum commitments under the operating lease agreement is as follows:

2013	\$ 4,020
2014	4,020
2015	4,020
2016	4,020
2017	4,020
	\$ 20,100

NOTE 8 – SIGNIFICANT CONCENTRATIONS

For the year ending June 30, 2012, Advocates received approximately 12% of its total revenue from federal sources and approximately 37% of its total revenue from State and public school funds.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2012

NOTE 9 – UNCERTAIN TAX POSITIONS

Accounting principles generally accepted in the United States of America require Advocates' management to evaluate tax positions taken by Advocates and recognize a tax liability if Advocates has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Advocates' management has analyzed the tax positions taken by Advocates, and has concluded that as of June 30, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. Advocates is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Advocates' management believes it is no longer subject to income tax examinations for years prior to 2009.

PERFORMANCE STATISTICAL DATA



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We 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. (Advocates) (a nonprofit organization) who operates New Orleans Charter Science and Mathematics (d/b/a Sci High) (the "School") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. The School is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following 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.

Education Levels of Public Principals, Assistant Principals, and Full-Time Classroom Teachers
(Schedule K-2)

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule K-4) to the combined total number of full-time classroom teachers per this schedule and to school supporting payroll records as of October 1, 2011.
3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule K-4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2011 and as reported on the schedule. We traced a random sample of 25 teachers to the individual’s personnel file and determined that the individual’s education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule K-3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application).

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

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2011 and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined that the individual’s experience was properly classified on the schedule.

Public School Staff Data (Schedule K-5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual’s personnel file and determined that the individual’s salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Class Size Characteristics (Schedule K-6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule K-3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2011 roll books for those classes and determined that the class was properly classified on the schedule.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule K-7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School. This schedule is not applicable.

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

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School.

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule K-9)

12. We obtained test scores as provided by the testing authority and reconciled the scores as reported by the testing authority to the scores reported in the schedule by the School.

We noted the following exceptions as a result of applying the above procedures:

Education Levels of Public Principals, Assistant Principals, and Full-Time Classroom Teachers (Schedule K-2)

Finding:

We noted one (1) instance where the teacher's reported education level was incorrect on the October 1, 2011 PEP report.

Corrective Action Plan:

There has been insufficient training and oversight for the PEP report preparation process. The new Director of Finance has experience in submitting PEP reports and will have oversight of each submission. Going forward we will work closely with the Orleans Parish School Board and request training for staff preparing the PEP report. The PEP report submissions will be reviewed by the Director of Finance and Director of Academics. Employee files will all contain PEP report materials and will be on site for reference.

Education Levels of Public Principals, Assistant Principals, and Full-Time Classroom Teachers (Schedule K-2)

Finding:

We noted one (1) instance where an employee's certification was not valid as of October 1, 2011 PEP report but was reported as certified.

Corrective Action Plan:

There has been insufficient training and oversight for the PEP report preparation process. The new Director of Finance has experience in submitting PEP reports and will have oversight of each submission. Going forward we will work closely with the Orleans Parish School Board and request training for staff preparing the PEP report. The PEP report submissions will be reviewed by the Director of Finance and Director of Academics. Employee files will all contain PEP report materials and will be on site for reference.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teacher
(Schedule K-4)

Finding:

We noted two (2) instances where the teacher's reported experience level was incorrect on the October 1, 2011 PEP report.

Corrective Action Plan:

There has been insufficient training and oversight for the PEP report preparation process. The new Director of Finance has experience in submitting PEP reports and will have oversight of each submission. Going forward we will work closely with the Orleans Parish School Board and request training for staff preparing the PEP report. The PEP report submissions will be reviewed by the Director of Finance and Director of Academics. Employee files will all contain PEP report materials and will be on site for reference.

Public School Staff Data (Schedule K-5)

Finding:

We noted six (6) instances where the teacher's reported salary per the PEP report was incorrect per the June 1, 2012 PEP report.

Corrective Action Plan:

There has been insufficient training and oversight for the PEP report preparation process. The new Director of Finance has experience in submitting PEP reports and will have oversight of each submission. Going forward we will work closely with the Orleans Parish School Board and request training for staff preparing the PEP report. The PEP report submissions will be reviewed by the Director of Finance and Director of Academics. Employee files will all contain PEP report materials and will be on site for reference.

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

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

Carr, Riggs & Ingram, LLC

September 19, 2012

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

SCHEDULE K1

**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2012**

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 1,069,452	
Other instructional staff activities	2,173	
Instructional Staff Employee benefits	366,168	
Purchased professional and technical services	116,151	
Instructional materials and supplies	80,590	
Less instructional equipment	-	
Total teacher and student interaction activities	<u> </u>	\$ 1,634,534

Other instructional activities		<u>26,892</u>
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Pupil support activities	266,121	
Less equipment for pupil support activities	-	
Net pupil support activities	<u> </u>	<u>266,121</u>

Instructional Staff Services	67,374	
Less equipment for instructional staff services	-	
Net instructional staff services	<u> </u>	<u>67,374</u>

School Administration	424,798	
Less: Equipment for School Administration	-	
Net School Administration	<u> </u>	<u>424,798</u>

Total general fund instructional expenditures		<u>\$ 2,419,719</u>
--	--	----------------------------

Total general fund equipment expenditures		<u>\$ -</u>
--	--	--------------------

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>\$ -</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>\$ -</u></u>

(continued)

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

SCHEDULE K1

**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2012**

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	<u>\$ -</u>
Nonpublic transportation revenue	<u>\$ -</u>

EDUCATION LEVELS OF PUBLIC SCHOOL PRINCIPALS, ASSISTANT PRINCIPALS, AND
FULL-TIME CLASSROOM TEACHERS

AS OF OCTOBER 1, 2011

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	20.0	77%	3.0	75%	-	-	-	-
Master's Degree	6.0	23%	1.0	25%	-	-	-	-
Master's Degree +30	-	-	-	-	1.0	100%	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	-	-	-	-	-	-	-	-
Total	26.0	100.00%	4.0	100.0%	1.0	100.0%	-	100.0%

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC. SCHEDULE K3
NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEARS ENDED JUNE 30, 2012

Type	2012
	Number
Elementary	-
Middle/Jr. High	-
Secondary	1
Combination	-
Total	1

**EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS, AND
FULL-TIME CLASSROOM TEACHERS**

AS OF OCTOBER 1, 2011

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	-	-	-	-	-
Classroom Teachers	16.0	9.0	2.0	1.0	-	1.0	1.0	30.0
Principals	-	-	-	-	-	-	1.0	1.0
Total	16.0	9.0	2.0	1.0	-	1.0	2.0	31.0

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC. SCHEDULE K5

PUBLIC SCHOOL STAFF DATA

AS OF JUNE 30, 2012

2012	All Classroom Teachers	Classroom Teachers Excluding ROTC, rehired retirees, and flagged salary reductions
Average Classroom Teachers Salary Including Extra Compensation	\$43,453	\$43,748
Average Classroom Teachers Salary Excluding Extra Compensation	\$43,444	\$43,748
Number of Teacher Full- Time Equivalents (FTEs) used in Computation of Average Salaries	31	30

Note: Figures reported include all sources of funding (i.e. federal, state and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

CLASS SIZE CHARACTERISTICS

AS OF OCTOBER 1, 2011

School Type	Class Size Range							
	1 to 20		21 to 26		27 to 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr High	-	-	-	-	-	-	-	-
Middle/Jr High Activity Classes	-	-	-	-	-	-	-	-
High	72%	116	28%	46	-	-	-	-
High Activity Classes	14%	1	57%	4	29%	2	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

LOUISIANA GRADUATION EXIT EXAMINATION (GEE)

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	N/A	N/A	1	1%	-	0%	N/A	N/A	6	6%	6	7%
Mastery	N/A	N/A	11	11%	6	7%	N/A	N/A	15	14%	13	15%
Basic	N/A	N/A	51	49%	41	47%	N/A	N/A	57	55%	41	47%
Approaching Basic	N/A	N/A	26	25%	23	26%	N/A	N/A	18	17%	15	17%
Unsatisfactory	N/A	N/A	15	14%	18	20%	N/A	N/A	8	8%	13	15%
Total			104	100%	88	100%			104	100%	88	100%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	7	6%	1	1%	1	1%	1	1%	1	1%	-	0%
Mastery	20	18%	14	14%	16	17%	12	11%	3	3%	3	3%
Basic	37	34%	36	36%	40	43%	52	48%	49	49%	49	52%
Approaching Basic	26	24%	27	27%	21	22%	30	28%	28	28%	23	24%
Unsatisfactory	19	17%	21	21%	16	17%	13	12%	18	18%	19	20%
Total	109	100%	99	100%	94	100%	108	100%	99	100%	94	100%

INTEGRATED LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (ILEAP)

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics	
	2010		2010	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	-	0%	2	3%
Mastery	5	7%	6	8%
Basic	40	53%	51	68%
Approaching Basic	25	33%	11	15%
Unsatisfactory	5	7%	5	7%
Total	75	100%	75	100%

(CONTINUED)

INTEGRATED LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (iLEAP)

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics	
	2011		2011	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A
Total				

(CONTINUED)

INTEGRATED LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (ILEAP)

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total								

District Achievement Level Results	English		Mathematics	
	2012		2012	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A
Total				



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures described below, which were agreed to by the management of Advocates for Science and Mathematics Education, Inc. ("Advocates"), the Orleans Parish School Board (OPSB) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the use of *Dedicated Millages* and to determine whether the specified data is free of obvious errors and omissions as provided by Advocates. Advocates is responsible for documenting the use of *Dedicated Millages*. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained a schedule from Advocates of its expenditures for each purpose for the fiscal year.

Dedicated Millage:

Purpose A - School Books, Materials, and Supplies.

Purpose B - Early Childhood, Discipline, and Dropout Programs.

Purpose C - Employee Salary, Benefits, and Incentives.

Purpose D - Air Conditioning, Asbestos Removal, and Facilities.

2. We traced the expenditures to the General Ledger.

No exceptions were found as a result of applying the above procedures.

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

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

Carr, Riggs & Ingram, LLC

September 19, 2012



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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.
New Orleans, Louisiana

We have audited the financial statements of Advocates for Science and Mathematics Education, Inc. ("Advocates") (a nonprofit organization) as of and for the year ended June 30, 2012 and have issued our report thereon dated September 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Advocates is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Advocates' internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Advocates' internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Advocates in a separate letter dated September 19, 2012.

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

Carr, Riggs & Ingram, LLC

September 19, 2012



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited Advocates for Science and Mathematics Education, Inc. ("Advocates") (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Advocates' major federal programs for the year ended June 30, 2012. Advocates' major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Advocates' management. Our responsibility is to express an opinion on Advocates' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of Advocates' compliance with those requirements.

In our opinion, Advocates complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

Management of Advocates is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Advocates' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Advocates' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Advocates' responses and, accordingly, we express no opinion on the responses.

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

Carr, Riggs & Ingram, LLC

September 19, 2012

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

<u>Federal Grantor/ Program Title/ Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Education:</u>		
<i>Passed-through Orleans Parish Public School System:</i>		
Title I Grants to Local Educational Agencies (LEAs)*	84.010	\$ 192,464
IDEA Part B	84.027	81,905
Hurricane Katrina Foreign Contributions	84.940	21,471
Title II	84.367	3,088
HEAP	84.938	31,500
Gulf Coast Recovery Grant *	84.215	<u>246,774</u>
		<u>\$ 577,202</u>

*Identified as a major program.

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
NOTE TO SCHEDULE OF EXPENTITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

NOTE 1 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Advocates for Science and Mathematics Education, Inc. (a nonprofit organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2012

A. SUMMARY OF AUDITOR'S RESULTS

- The auditor's report expresses an unqualified opinion on the financial statements of Advocates for Science and Mathematics Education, Inc. (a nonprofit organization)
- No instances of noncompliance material to the financial statements of Advocates for Science and Mathematics Education, Inc. was disclosed and identified during the audit.
- No material weaknesses were noted relating to the audit in the *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*.
- The *Report on Compliance with Requirements Applicable that could have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133* expresses an unqualified opinion on all major federal programs.
- There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- A management letter was issued for the year ended June 30, 2012.
- The programs tested as a major program for the year ended June 30, 2012 were:

<u>Program Title</u>	<u>CFDA No.</u>
Title I	84.010
Gulf Coast Recovery Grant	84.215

- The threshold for distinguishing between Type A and Type B programs was \$300,000.
- Advocates for Science and Mathematics Education, Inc. did not qualify as a low-risk auditee.

B. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None.

C. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS
COMPLIANCE**

Finding 2011-1 Instructional Staff

Current Year Status – Resolved.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

MEMORANDUM OF ADVISORY COMMENTS

For the Year Ending June 30, 2012

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September 19, 2012

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

In planning and performing our audit of the financial statements of Advocates for Science and Mathematics Education, Inc. ("Advocates") (a nonprofit organization) as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered Advocates' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Advocates' internal control. Accordingly, we do not express an opinion on the effectiveness of the Advocates' internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comment and suggestion regarding this matter. This letter does not affect our report dated September 19, 2012, on the financial statements of Advocates.

We will review the status of our recommendation during our next audit engagement. We have already discussed our recommendation with management and have included their corrective action plan. We will be pleased to discuss our recommendations in further detail at your convenience, to perform any additional study of these matters, or to assist Advocates in implementing our recommendations.

Sincerely,

Carr, Riggs & Ingram, LLC

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
OBSERVATION, RECOMMENDATION, AND
CORRECTIVE ACTION PLAN
June 30, 2012

Cash Management

Observation:

We noted during our audit that Advocates for Science and Mathematics Education, Inc. ("Advocates") did not submit timely reimbursement requests for their federal funding. Due to the untimely submissions, Advocates has a large amount of receivables on their books from federal sources as of the end of the year. Additionally, at times during the year Advocates' cash position was such that it could have affected their ability to pay regular operating costs in a timely manner, including payroll. Due to the nature of federal reimbursement grants (of which comprise a significant portion of Advocates' revenues) it is important that reimbursement requests are prepared and submitted in a timely manner.

Recommendation:

We recommend that the Finance Department submits monthly reimbursement requests within fifteen (15) days of the end of each month.

Corrective Action Plan:

The untimely submissions were mainly related to a significant amount of turnover in the finance and administration office. The Advocates has hired a new Business Manager and she is working to implement new procedures that will work closely with management to review the status of each grant monthly and submit timely reimbursement requests throughout the year. New procedures for processing cash disbursements have been set up as well that will aid in the timeliness of grant submissions.