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

**FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT**

**JUNE 30, 2010**

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 11/3/10

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

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# Justin J. Scanlan, C.P.A., L.L.C.

A LIMITED LIABILITY COMPANY

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NEW ORLEANS, LOUISIANA 70122

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of Advocates for Science and Mathematics Education, Inc. (a nonprofit corporation) as of June 30, 2010, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the corporation's 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 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 for Science and Mathematics Education, Inc. as of June 30, 2010, 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 13, 2010 on our consideration of Advocates for Science and Mathematics Education, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

New Orleans, Louisiana  
September 13, 2010

*Justin J. Scanlan, CPA, LLC*

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2010

ASSETS

Cash		\$ 416,403
Certificates of deposit		54,706
Receivables		
Grants (Notes A4 and B)	\$ 617,171	
Other	<u>20,861</u>	638,032
Prepaid expenses		8,354
Property and equipment – at cost (Notes A5 and C)		<u>10,752</u>
Total assets		<u>\$ 1,128,247</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities		\$ <u>203,347</u>
Total liabilities		<u>203,347</u>
Net assets		
Unrestricted		866,526
Temporarily restricted (Note D)		<u>58,374</u>
Total net assets		<u>924,900</u>
Total liabilities and net assets		<u>\$ 1,128,247</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, 2010**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Grant appropriations	\$ -	\$ 1,030,694	\$ 1,030,694
Contributions	620,099	-	620,099
Fees	-	4,321,965	4,321,965
Interest	884	-	884
Other	118,700	-	118,700
In-Kind Contributions (Note A-10)	354,900	-	354,900
Net assets released from restrictions	<u>5,352,659</u>	<u>&lt; 5,352,659 &gt;</u>	<u>-</u>
Total revenues	<u>6,447,242</u>	<u>-</u>	<u>6,447,242</u>
 <b>EXPENSES</b>			
Salaries	3,278,433	-	3,278,433
Fringe benefits	655,109	-	655,109
Transportation	254,025	-	254,025
Travel	52,559	-	52,559
Insurance	68,201	-	68,201
Professional and technical services	493,765	-	493,765
Property and purchased services	202,596	-	202,596
Supplies	441,744	-	441,744
Communications	34,216	-	34,216
Occupancy	476,642	-	476,642
Equipment	218,046	-	218,046
Printing	21,577	-	21,577
Other	<u>25,436</u>	<u>-</u>	<u>25,436</u>
Total expenses	<u>6,222,349</u>	<u>-</u>	<u>6,222,349</u>
 Increase <decrease> in net assets	 224,893	 -	 224,893
Net assets , beginning of year	<u>641,632</u>	<u>58,374</u>	<u>700,006</u>
Net assets, end of year	<u>\$ 866,525</u>	<u>\$ 58,374</u>	<u>\$ 924,899</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, 2010

Increase <decrease> in cash and cash equivalents

Cash flows from operating activities:

Increase in net assets \$ 224,893

Adjustments to reconcile increase in net assets  
to net cash provided by operating activities:

Depreciation and amortization \$ 26,779

Changes in assets and liabilities:

Increase in grants receivable < 208,875>

Decrease in other receivables 82,083

Increase in prepaid expenses < 8,354>

Decrease in accounts payable and accrued liabilities < 6,199> < 114,564>

Net cash provided by operating activities 110,329

Cash flows from financing activities:

Proceeds from note payable 65,000

Payments of note payable < 65,000>

Net cash provided by financing activities -

Cash flows from investing activities:

Purchase of certificates of deposit < 617>

Net cash used in investing activities < 617>

Net increase in cash and cash equivalents 109,712

Cash and cash equivalents, beginning of year 306,691

Cash and cash equivalents, end of year \$ 416,403

Cash flow information:

Interest paid \$ 1,028

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

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010**

**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 and the New Orleans Charter Science and Mathematics Academy. 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 Corporation operates two charter schools. They are as follows:

**1. 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 the 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.

The school has an open enrollment policy. During the 2009/2010 school year, the school served ninth through twelfth grades, with an approximate enrollment of 374 students.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Nature of Activities - Continued

2. New Orleans Charter Science and Mathematics Academy

During May, 2008, the Corporation was granted a charter by the Louisiana Board of Elementary and Secondary Education to operate a type 5 charter school. The charter school is known as New Orleans Charter Science and Mathematics Academy.

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

1. Demonstrate improvements in student performance over the terms of its charter.
2. Engage in financial practices, financial reporting, and financial audits as set forth in the Charter School Law.
3. Legal and contract performance based on the Department of Education's oversight and monitoring of the charter school's compliance with its statutory, regulatory, and contractual obligations and all reporting requirements.

The school has an open enrollment policy. During the 2009/2010 school year, the school served the ninth and tenth grades, with an approximate enrollment of 161 students.

2. Presentation of Financial Statements

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958. 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.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2010**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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, 2010 totaled \$26,779.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

**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 Note E to the financial statements. 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.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Subsequent Events

The subsequent events of the corporation were evaluated through the date the financial statements were available to be issued (September 13, 2010).

11. In-Kind Contributions

Advocates for Science and Mathematics Education, Inc. receives rent-free use of the Henry W. Allen Elementary School building and the modular campus on the Edward Livingston Middle School grounds. The estimated value of the contributed rents (\$354,900) is recognized as revenue and expense in the Statement of Activities.

NOTE B - GRANTS RECEIVABLE

The grants receivable at June 30, 2010 consist of the following:

Orleans Parish School Board	\$ 311,639
State of Louisiana - Department of Education	257,160
AT&T Foundation	<u>38,372</u>
	<u>\$ 607,171</u>

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2010 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>110,480</u>
	<u>\$ 10,752</u>

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2010 consist of the following:

Contributions-Capital campaign	\$ 57,500
Orleans Parish School Board - Community Base	<u>874</u>
	<u>\$ 58,374</u>

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010

**NOTE E – FUNCTIONAL EXPENSES**

Functional expenses for the year ended June 30, 2010 are as follows:

Program services	
New Orleans Charter Science and Mathematics High School	\$ 4,015,567
New Orleans Charter Science and Mathematics Academy	<u>1,641,212</u>
	<u>5,656,779</u>
Supportive services	
Management and general	540,864
Fundraising	<u>24,706</u>
	<u>\$ 6,222,349</u>

**NOTE F – RENTAL EXPENSE**

For the year ended June 30, 2010, the Corporation received rent-free use of the school building as stated in Note A11. The rental expense for the year ended June 30, 2010 totaled \$354,900.

**NOTE G – REVENUE – FEES**

The New Orleans Charter Science and Mathematics High School, a type 3 charter school, receives funding from Orleans Parish School Board for pupils based on estimated month attendance at school. The New Orleans Charter Science and Mathematics Academy, a type 5 charter school, receives funding from Louisiana Board of Elementary and Secondary Education for pupils based on estimated monthly attendance at school.

**NOTE H – PENSION EXPENSE**

Effective February 6, 2006, the Corporation elected to participate in the Teacher's Retirement System of Louisiana for the employees of The New Orleans Charter Science and Mathematics High School. The employer contributes 15.5%-18.4% of compensation dependent upon the employee classification (Teacher or Janitor). The contribution rate for the year ended June 30, 2010 remains unchanged from the prior year. The pension expense for the year ended June 30, 2010 totaled \$334,807.

The Corporation did not elect to participate in the Teachers' Retirement Systems of Louisiana for the employees of the New Orleans Charter Science and Mathematics Academy.

**NOTE I – INCOME TAXES**

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

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2010**

**NOTE J – CONCENTRATION OF CREDIT RISK**

The unsecured cash balances at June 30, 2010 consist of the following:

Bank balances, including certificate of deposit	\$ 467,705
less FDIC insurance	<u>&lt; 329,994 &gt;</u>
Unsecured balance	<u>\$ 137,711</u>

**NOTE K – ADVERTISING EXPENSE**

Advertising costs are expensed as incurred. The advertising expense for the year ended June 30, 2010 totaled \$12,370.

**NOTE L – 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, 2010.

**NOTE M – RELATED PARTY**

The Foundation for Science and Mathematics Education, Inc. (Foundation) was formed primarily to raise funds to benefit The New Orleans Science and Mathematics High School and the New Orleans 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, 2010 totaled \$433,617.

As of June 30, 2010, the monies due from the Foundation totaled \$18,853. This amount is included in Receivables-other in the Statement of Financial Position.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010

NOTE N – FAIR VALUES OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 820-10 requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

		<u>Fair Value Measurement of Reporting Date</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of deposit	<u>\$ 54,706</u>	<u>\$ 54,706</u>	<u>\$ -</u>	<u>\$ -</u>

The assumptions to estimate fair values are as follows:

1. Certificates of deposits carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
2. Receivables and liabilities are carried at amounts that approximate fair value due to their short-term nature and generally negligible credit risk.

The fair value of cash and cash equivalents, accounts payable and accrued liabilities approximate book value at June 30, 2010 due to the short-term nature of these accounts.

NOTE O – SUBSEQUENT EVENTS

Effective July 1, 2010, the operations of New Orleans Charter Science and Mathematics Academy were transferred to another non-profit corporation. The transfer included all assets and liabilities of the charter school at July 1, 2010.

**SUPPLEMENTAL INFORMATION**

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

**COMBINED STATEMENT OF FINANCIAL POSITION**

**June 30, 2010**

	<b>THE NEW ORLEANS CHARTER SCIENCE AND MATHEMATICS HIGH SCHOOL</b>	<b>NEW ORLEANS CHARTER SCIENCE AND MATHEMATICS ACADEMY</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 301,576	\$ 114,827	\$ 416,403
Certificates of deposit	54,706	-	54,706
Receivables			
Grants	311,639	295,532	607,171
Other	<u>20,654</u>	<u>10,207</u>	<u>30,861</u>
	<u>332,293</u>	<u>305,739</u>	<u>638,032</u>
Prepaid expenses	-	8,354	8,354
Property and equipment – at cost	<u>10,752</u>	-	<u>10,752</u>
Total assets	<u>\$ 699,327</u>	<u>\$ 428,920</u>	<u>\$ 1,128,247</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities	<u>\$ 122,157</u>	<u>\$ 81,190</u>	<u>\$ 203,347</u>
Total liabilities	<u>122,157</u>	<u>81,190</u>	<u>203,347</u>
Net assets			
Unrestricted	518,796	347,730	866,526
Temporarily restricted	<u>58,374</u>	-	<u>58,374</u>
Total net assets	<u>577,170</u>	<u>347,730</u>	<u>924,900</u>
Total liabilities and net assets	<u>\$ 699,327</u>	<u>\$ 428,920</u>	<u>\$ 1,128,247</u>

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

**COMBINED STATEMENT OF ACTIVITIES**

**For the year ended June 30, 2010**

	<b>THE NEW ORLEANS CHARTER SCIENCE AND MATHEMATICS HIGH SCHOOL</b>	<b>NEW ORLEANS CHARTER SCIENCE AND MATHEMATICS ACADEMY</b>	<b><u>TOTAL</u></b>
<b>REVENUES</b>			
Grant appropriations	\$ 507,020	\$ 523,674	\$ 1,030,694
Contributions	367,977	252,122	620,099
Fees	3,015,375	1,306,590	4,321,965
Interest	798	86	884
Other	115,765	2,935	118,700
In-Kind Contributions	<u>288,000</u>	<u>66,900</u>	<u>354,900</u>
Total revenues	<u>4,294,935</u>	<u>2,152,307</u>	<u>6,447,242</u>
<b>EXPENSES</b>			
Salaries	2,312,079	966,354	3,278,433
Fringe benefits	518,336	136,773	655,109
Transportation	56,170	197,855	254,025
Travel	11,366	41,193	52,559
Insurance	55,655	12,546	68,201
Professional and technical services	346,930	146,835	493,765
Property and purchased services	144,411	58,185	202,596
Supplies	272,976	168,768	441,744
Communications	13,988	20,228	34,216
Occupancy	388,756	87,886	476,642
Equipment	152,400	65,646	218,046
Printing	2,253	19,324	21,577
Other	<u>18,758</u>	<u>6,678</u>	<u>25,436</u>
Total expenses	<u>4,294,078</u>	<u>1,928,271</u>	<u>6,222,349</u>
Increase <decrease> in net assets	857	224,036	224,893
Net assets , beginning of year	<u>576,312</u>	<u>123,694</u>	<u>700,006</u>
Net assets, end of year	<u>\$ 577,169</u>	<u>\$ 347,730</u>	<u>\$ 924,899</u>

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

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN  
NET ASSETS – BUDGET COMPARED TO ACTUAL**

**THE NEW ORLEANS CHARTER SCIENCE AND MATHEMATICS HIGH SCHOOL**

**For the year ended June 30, 2010**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Grant appropriations	\$ 498,142	\$ 507,020	\$ 8,878
Contributions	668,506	367,977	< 300,529>
Fees	2,867,700	3,015,375	147,675
Interest	-	798	798
Other	<u>83,060</u>	<u>115,765</u>	<u>32,705</u>
Total revenues	<u>4,117,408</u>	<u>4,006,935</u>	<u>&lt; 110,473&gt;</u>
<b>EXPENSES</b>			
Salaries	2,296,189	2,312,079	< 15,890>
Fringe benefits	549,510	518,336	31,174
Transportation	-	56,170	< 56,170>
Travel	19,150	11,366	7,784
Insurance	49,646	55,655	< 6,009>
Professional and technical services	537,696	346,930	190,766
Property and purchased services	97,400	144,411	<47,011>
Supplies	229,541	272,976	< 43,435>
Communications	9,000	13,988	< 4,988>
Occupancy	128,000	100,756	27,244
Equipment	187,390	125,621	61,769
Depreciation	-	26,779	< 26,779>
Printing	3,000	2,253	747
Other	<u>10,886</u>	<u>18,758</u>	<u>&lt; 7,872&gt;</u>
Total expenses	<u>4,117,408</u>	<u>4,006,078</u>	<u>111,330</u>
Increase <decrease> in net assets	-	857	857
Net assets, beginning of year	<u>576,312</u>	<u>576,312</u>	-
Net assets, end of year	<u>\$ 576,312</u>	<u>\$ 577,169</u>	<u>\$ 857</u>

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

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN  
NET ASSETS – BUDGET COMPARED TO ACTUAL**

**THE NEW ORLEANS CHARTER SCIENCE AND MATHEMATICS ACADEMY**

**For the year ended June 30, 2010**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Grant appropriations	\$ 414,229	\$ 523,674	\$ 109,445
Contributions	270,000	252,122	< 17,878>
Fees	1,295,702	1,306,590	10,888
Interest	86	86	-
Other	<u>2,593</u>	<u>2,935</u>	<u>342</u>
Total revenues	<u>1,982,610</u>	<u>2,085,407</u>	<u>102,797</u>
<b>EXPENSES</b>			
Salaries	972,803	966,354	6,449
Fringe benefits	135,889	136,773	< 884>
Transportation	205,199	197,855	7,344
Travel	79,161	41,193	37,968
Insurance	9,831	12,546	< 2,715>
Professional and technical services	123,623	146,835	< 23,212>
Property and purchased services	69,844	58,185	11,659
Supplies	172,768	168,768	4,000
Communications	32,752	20,228	12,524
Occupancy	48,611	20,986	27,625
Equipment	65,100	65,646	< 546>
Printing	29,177	19,324	9,853
Other	<u>1,242</u>	<u>6,678</u>	<u>&lt; 5,436&gt;</u>
Total expenses	<u>1,946,000</u>	<u>1,861,371</u>	<u>84,629</u>
Increase <decrease> in net assets	36,610	224,036	187,426
Net assets, beginning of year	<u>123,694</u>	<u>123,694</u>	<u>-</u>
Net assets, end of year	<u>\$ 160,304</u>	<u>\$ 347,730</u>	<u>\$ 187,426</u>

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended June 30, 2010**

<u>PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS- THROUGH GRANTOR NO.</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through Louisiana Department of Education:			
Title I Grants to Local Education Agencies	84.010A	-	\$ 95,007
Title II, Part A, Teacher and Principal Training & Recruiting	84.367	-	13,456
IDEA Part B	84.027	-	29,813
Public Charter School Grant Program	84.282A	28-07-CH-1M	200,000
IDEA Part B - ARRA	84.027	-	34,939
Title I Grants to Local Education Agencies - ARRA	84.010A		1,328
State Stabilization Funds - ARRA	84.394A	-	9,565
Passed through Orleans Parish School Board:			
Title I Grants to Local Education Agencies	84.010A		273,631
Title II, Part A, Teacher and Principal Training & Recruiting	84.367		14,065
IDEA Part B	84.027		75,405
State Stabilization Funds - ARRA	84.394A	-	40,785
Hurricane Katrina Foreign Contributions	84.940C		<u>45,366</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>833,360</u>
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Landrieu Project No. 15100	14.251		<u>102,361</u>
<b>TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>102,361</u>
<b>Total Federal Expenditures</b>			<u>\$ 935,721</u>

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

- The Schedule of Expenditures of Federal Awards was prepared on the accrual basis of accounting.

# Justin J. Scanlan, C.P.A., L.L.C.

A LIMITED LIABILITY COMPANY

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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.

We 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, 2010, and have issued our report thereon dated September 13, 2010. We conducted our 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 our audit, we considered Advocates for Science and Mathematics Education, Inc.'s 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 the Advocates for Science and Mathematics Education, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Advocates for Science and Mathematics Education, Inc.'s 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 the 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. The significant deficiency is described in item 2010-1. A significant deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**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, 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 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 items 2010-2, and 2010-3.

Advocates for Science and Mathematics Education, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Science and Mathematics Education, Inc.'s response and, accordingly, we 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, LLC*

New Orleans, Louisiana  
September 13, 2010

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## 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.

### Compliance

We have audited Advocates for Science and Mathematics Education, Inc.'s 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 for Science and Mathematics Education, Inc.'s major federal programs for the year ended June 30, 2010. Advocates for Science and Mathematics Education, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Advocates for Science and Mathematics Education, Inc.'s management. Our responsibility is to express an opinion on Advocates for Science and Mathematics Education, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of the States, Local Governments, 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 for Science and Mathematics Education, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Advocates for Science and Mathematics Education, Inc.'s compliance with those requirements.

In our opinion, Advocates for Science and Mathematics Education, Inc. complied, in all material respects, with the 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, 2010.

### Internal Control Over Compliance

Management of Advocates for Science and Mathematics Education, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Advocates for Science and Mathematics Education, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 for Science and Mathematics Education, Inc.'s internal control over compliance.

*A deficiency in internal control* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2010-1. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Advocates for Science and Mathematics Education, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Advocates for Science and Mathematics Education, Inc.'s response and, accordingly, we 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, LLC*

New Orleans, Louisiana  
September 13, 2010

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended June 30, 2010**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Advocates for Science and Mathematics Education, Inc.
2. One significant deficiency was described during the audit of the financial statement in the report titled "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 significant deficiency was not deemed a material weakness.
3. Two instances of noncompliance material to the financial statements of Advocates for Science and Mathematics Education, Inc. were disclosed during the audit.
4. One significant deficiency in internal control over the major federal award program and is reported in the report titled "Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133". The significant deficiency was not deemed a material weakness.
5. The auditor's report on compliance for the major federal award programs for Advocate for Science and Mathematics Education, Inc. expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as major program included:
  - U. S. Department of Education:  
Title I Grants to Local Education Agencies (CFDA# 84.010A)
  - U. S. Department of Housing and Urban Development:  
Landrieu Project No. 1510 (CFDA# 14.251)
8. The threshold for distinguishing Type A and Type B program was \$300,000. A type B program was classified as a type A program to satisfy the 50% testing rule.
9. Advocates for Science and Mathematics Education, Inc. did not qualify as a low-risk auditor.

**ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

**For the year ended June 30, 2010**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**SIGNIFICANT DEFICIENCY**

**New Orleans Charter Science and Mathematics Academy**

**2010-1 - Segregation of Duties**

**Condition:** Due to the size of the administrative staff, the organization is too small to effect a meaningful segregation of duties. All authorizations and approval of cash disbursements are performed by the Principal and all accounting functions are primarily performed by the Business Manager.

**Criteria:** The organization must effect a meaningful segregation of duties.

**Effect:** The organization is unable to assure that its assets are properly safeguarded.

**Recommendation:** We recommend the Board of Directors continue its significant involvement in the financial offers of the Charter School through review of monthly financial reports and provide review of the Charter School's day to day financial activities.

**COMPLIANCE AND OTHER MATTERS**

**New Orleans Charter Science and Mathematics Academy**

**2010-2 Instructional Staff**

**Condition:** Five of the thirteen teachers were not certified by the State Board of Elementary and Secondary Education.

**Criteria:** At least 75% of the instructional staff must be certified by the State Board of Elementary and Secondary Education or the French Ministry of Education.

**Effect:** The Corporation is not in compliance with the rules and regulations of the Louisiana Department of Education.

**Recommendation:** The Principal should review the certificates of all teachers prior to hiring in order to satisfy the compliance requirements relative to its instructional staff.

**Response:** See Corrective Action Plan.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

**For the year ended June 30, 2010**

**COMPLIANCE AND OTHER MATTERS - CONTINUED**

**New Orleans Charter Science and Mathematics Academy**

**2010-3 Student Admission**

**Condition:** 16 student files out of 161 were examined for proper documentation relative to school's admission requirements. 1 student files out of 16 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 proofs of residency items to comply with the Charter Agreement.

**Response:** See Corrective Action Plan.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

**SIGNIFICANT DEFICIENCY**

**New Orleans Charter Science and Mathematics Academy**

**ALL PROGRAMS**

**2010-1 Segregation of Duties**

**Condition:** Due to the size of the administrative staff, the organization is too small to effect a meaningful segregation of duties. All authorizations and approval of cash disbursements are performed by the Principal and all accounting functions are primarily performed by the Business Manager.

**Criteria:** The organization must effect a meaningful segregation of duties.

**Effect:** The organization is unable to assure that its assets are properly safeguarded.

**Recommendation:** We recommend the Board of Directors continue its significant involvement in the financial offers of the Charter School through review of monthly financial reports and provide review of the Charter School's day to day financial activities.

**ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

**For the year ended June 30, 2010**

**D. STATUS OF PRIOR YEAR AUDIT FINDINGS**

The status of the prior year audit findings are as follows:

	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Year Finding No.</u>
<b><u>New Orleans Science and Mathematics Academy</u></b>			
<b><u>Internal Control Over Financial Reporting</u></b>			
Significant Deficiency			
2009-1 Segregation of Duties		X	2010-1
<b><u>Compliance and Other Matters</u></b>			
2009-2 Instructional Staff		X	2010-2
2009-3 Pension Plan	X (Note)		
<b><u>New Orleans Science and Mathematics High School</u></b>			
2009-4 Student Admission	X		
2009-5 Instructional Staff	X		

**Note:** A legal opinion was rendered that the New Orleans Science and Mathematics Academy was not subject to ERISA. Effective July 1, 2010, the charter school was transferred to another non-profit organization.

# Sci Academy

New Orleans Charter Science and Math Academy

## **CORRECTIVE ACTION PLAN**

### **2010-1 Segregation of Duties**

**Response:** New Orleans Charter Science & Math Academy hired an additional finance staff member to ensure proper segregation of duties in accordance with its charter.

### **2010-2 Instructional Staff**

**Response:** The Principal will actively seek employees who are certified and highly qualified in their subject areas. The school will support teachers seeking certification through tuition reimbursements and alternative certification programs.

### **2010-3 Student Admission**

**Response:** The school will continue the procedure of requesting that the parent or guardian submit two proof of Orleans Parish residency as part of student registration.

**AGREED UPON PROCEDURES**

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED ON PROCEDURES

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

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of The New Orleans Charter Science and Mathematics High School, a charter school 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 for the year ended June 30, 2010, 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

1. We 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. We 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 1<sup>st</sup>.

No significant differences noted.

3. We 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. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1<sup>st</sup> and as reported on the schedule. We traced a population of 6 teachers out of 32 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. 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 I Grants to Local Educational Agencies (CFDA 84.010) Grant Award application.

No significant differences noted.

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

6. We obtained a list of full-time teachers, principals and assistant principals by classification as of June 30<sup>th</sup> 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. We 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 6 teachers out of 32 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. We recalculated the average salaries and full-time equivalents reported in the schedule.

No significant differences noted.

#### **Class Size Characteristics (Schedule 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 3 data, as obtained in procedure 5. We then traced a random sample of 5 classes to the October 1<sup>st</sup> 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 21<sup>st</sup> Century (Schedule 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 Advocates For Science and Mathematics Education, Inc.

This schedule was not applicable. The grade level of the school is 9<sup>th</sup> through 12<sup>th</sup>.

**The Graduation Exit Exam for the 21<sup>st</sup> Century (Schedule 8).**

11. We 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 iLEAP Tests (Schedule 9).**

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

No significant differences noted.

**Dedicated Millage Report (Schedule 10)**

13. We obtained a schedule for the Charter School of its expenditures for each purpose for the fiscal year of its dedicated millage. We traced the expenditures to the general ledger.

No significant differences noted.

**Validate Pupil Count**

14. We obtained the February 1, 2010 total student count (374) for the school and compared it to the School's Information System. A random sample of 28 students out of 374 were traced from the teacher's roll books to the School Student Information System.

No significant differences noted.

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 come to our 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.

New Orleans, Louisiana  
September 13, 2010

*Justin J. Scanlon, CPA, LLC*

Schedule 1: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2009-2010  
 General Fund Instructional and Support Expenditures  
 and Certain Local Revenue Sources

For the Year Ended June 30, 2010

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,301,391	
Other Instructional Staff Activities	\$ 39,908	
Employee Benefits	\$ 296,717	
Purchased Professional and Technical Services	\$ 41,631	
Instructional Materials and Supplies	\$ 73,725	
Instructional Equipment	\$ -	
Total Teacher and Student Interaction Activities		\$ 1,753,389

Other Instructional Activities \$ 29,847

Pupil Support Services	\$ 197,057	
Less: Equipment for Pupil Support Services	\$ -	
Net Pupil Support Services		\$ 197,057

Instructional Staff Services	\$ 7,923	
Less: Equipment for Instructional Staff Services	\$ -	
Net Instructional Staff Services		\$ 7,923

School Administration	\$ 224,602	
Less: Equipment for School Administration	\$ -	
Net School Administration		\$ 224,602

Total General Fund Instructional Expenditures \$ 2,212,898

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 18th 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				Principal & Assistant Principals				
	Certificated		Uncertificated		Certificated		Uncertificated		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Less than a Bachelor's Degree	1	4%	0	0%	0	0%	0	0%	
Bachelor's Degree	20	80%	5	71%	0	0%	0	0%	
Master Degree	2	8%	2	29%	1	100%	0	0%	
Master Degree + 30	1	4%	0	0%	0	0%	0	0%	
Specialist in Education	0	0%	0	0%	0	0%	0	0%	
PhD or Ed.D	1	4%	0	0%	0	0%	0	0%	
<b>Total</b>	<b>28</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	

  

Schedule 3: Number and Type of Public Schools	
Type	Number
Elementary	0
Middle/Jr. High	0
Secondary-Charter School	1
Combination	0
<b>Total</b>	<b>1</b>

  

Schedule 4: Experience of Public Principals, Assistant Principals, and Full Time Classroom								
	0-1 Yr.	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Total
Assistant Principals	0	0	0	0	0	0	0	0
Principals	1	0	0	0	0	0	0	1
Classroom Teachers	4	5	12	2	2	1	6	32
<b>Total</b>	<b>5</b>	<b>5</b>	<b>12</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>33</b>

  

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	\$ 49,122.86	\$ 48,083.03
Average Classroom Teachers Salary Excluding Extra Compensation	\$ 48,518.81	\$ 47,418.37
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	32	29

# Schedule 6: Class Size Characteristics

Class Size Characteristics as of October 1, 2009

School Type	Class Size Range												
	1-20		21-26		27-33		34+						
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	
Elementary													
Elementary Activity Classes													
Middle/Jr. High													
Middle/Jr. High Activity Classes													
High	62.57%	112	33.52%	61	3.35%	6	0%	0					
High Activity Classes													
Combination													
Combination Activity Classes													

**Schedule 7: Louisiana Educational Assessment Program (LEAP)**

N/A

3 Note: This schedules does not apply because the grade level of the school is 9<sup>th</sup> through 12<sup>th</sup>.

N/A

## Schedule 8: Graduation Exit Examination (GEE)

District Achievement Level Results	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
<b>Grade 10</b>												
Advanced	0	0%	0	0%	0	0%	6	7%	3	4%	6	6%
Mastery	6	7%	2	3%	5	5%	13	15%	5	7%	7	7%
Basic	41	47%	31	41%	50	50%	41	47%	39	52%	45	45%
Approaching Basic	23	26%	25	33%	28	28%	15	17%	21	28%	21	21%
Unsatisfactory	18	20%	17	23%	17	17%	13	15%	7	9%	21	21%
<b>Total</b>	<b>88</b>	<b>100%</b>	<b>75</b>	<b>100%</b>	<b>100</b>	<b>100%</b>	<b>88</b>	<b>100%</b>	<b>75</b>	<b>100%</b>	<b>100</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	percent	Number	Percent	Number	Percent
Students												
<b>Grade 11</b>												
Advanced	1	1%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	16	17%	8	9%	7	8%	3	3%	1	1%	3	3%
Basic	40	43%	42	47%	26	30%	49	52%	41	46%	43	49%
Approaching Basic	21	22%	27	30%	32	36%	23	24%	28	31%	22	25%
Unsatisfactory	16	17%	13	14%	23	26%	19	20%	20	22%	20	23%
<b>Total</b>	<b>94</b>	<b>100%</b>	<b>90</b>	<b>100%</b>	<b>88</b>	<b>100%</b>	<b>94</b>	<b>100%</b>	<b>90</b>	<b>100%</b>	<b>88</b>	<b>100%</b>

**Schedule 9: iLEAP Test**

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
	Number	Percent	Number	Percent
Students				
<b>Grade 9</b>				
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%
<b>Total</b>	<b>87</b>	<b>100%</b>	<b>88</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
	Number	Percent	Number	Percent
Students				
<b>Grade 9</b>				
Advanced	0	0%	0	0
Mastery	3	3%	3	3%
Basic	73	73%	54	54%
Approaching Basic	24	24%	28	28%
Unsatisfactory	0	0%	15	15%
Total	100	100%	88	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
	Number	Percent	Number	Percent
Students				
<b>Grade 9</b>				
Advanced	0	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%

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

DEDICATED MILLAGE REPORT

For the year ended June 30, 2010

THE NEW ORLEANS CHARTER SCIENCE AND MATHEMATICS HIGH SCHOOL

Prop A - Books, supplies materials	\$ 41,888
Prop B - Early Childhood, Discipline & Drop Out	41,888
Prop C - Salaries, Benefits, and Incentives	195,976
Prop D - A/C, Asbestos removal and Facility Maintenance	<u>62,458</u>
	<u>\$342,210</u>

# Justin J. Scanlan, C.P.A., F.T.C.

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122  
TELEPHONE: (504) 288-0050

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED ON PROCEDURES

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

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the New Orleans Charter Science and Mathematics Academy, a charter school 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 for the year ended June 30, 2010, 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

1. We 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. We 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 1<sup>st</sup>.

No significant differences noted.

3. We 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. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1<sup>st</sup> and as reported on the schedule. We traced a population of 3 teachers out of 6 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. 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 I Grants to Local Educational Agencies (CFDA 84.010A) Grant Award application.

No significant differences noted.

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

6. We obtained a list of full-time teachers, principals and assistant principals by classification as of June 30<sup>th</sup> 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. We 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 4 teachers out of 13 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. We recalculated the average salaries and full-time equivalents reported in the schedule.

No significant differences noted.

**Class Size Characteristics (Schedule 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 3 data, as obtained in procedure 5. We then traced a random sample of 5 classes to the October 1<sup>st</sup> 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 21<sup>st</sup> Century (Schedule 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 Advocates For Science and Mathematics Education, Inc.

No significant differences noted.

**The Graduation Exit Exam for the 21<sup>st</sup> Century (Schedule 8).**

11. We 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 iLEAP Tests (Schedule 9).**

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

No significant differences noted.

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 I performed additional procedures, other matters might come to our 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.

New Orleans, Louisiana  
September 13, 2010

*Justin J. Scanlon, CPA, LLC*

Schedule I: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2008-2009  
**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources**

For the Year Ended June 30, 2010

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures:**

**Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 486,931	
Other Instructional Staff Activities	\$ 122,801	
Employee Benefits	\$ 98,538	
Purchased Professional and Technical Services	\$ 20,659	
Instructional Materials and Supplies	\$ 73,823	
Instructional Equipment	\$ 795	
<b>Total Teacher and Student Interaction Activities</b>		<b>\$ 801,548</b>

**Other Instructional Activities**

\$ -

Pupil Support Services	\$ 29,281	
Less: Equipment for Pupil Support Services	\$ -	
<b>Net Pupil Support Services</b>	<b>\$ 29,281</b>	<b>\$ 29,281</b>

Instructional Staff Services	\$ 474	
Less: Equipment for Instructional Staff Services	\$ -	
<b>Net Instructional Staff Services</b>	<b>\$ 474</b>	<b>\$ 474</b>

School Administration	\$ 188,294	
Less: Equipment for School Administration	\$ 795	
<b>Net School Administration</b>	<b>\$ 188,089</b>	<b>\$ 187,499</b>

**Total General Fund Instructional Expenditures** **\$ 998,779**

**Total General Fund Equipment Expenditures** **\$ 1,590**

**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	\$ -
<b>Total Local Taxation Revenue</b>	<b>\$ -</b>

**Local Earnings on Investment in Real Property:**

Earnings from 18th Section Property	\$ -
Earnings from Other Real Property	\$ -
<b>Total Local Earnings on Investment in Real Property</b>	<b>\$ -</b>

**State Revenue in Lieu of Taxes:**

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

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	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	8	75%	4	80%	0	0%	0	0%
Master Degree	2	25%	1	20%	0	0%	1	100%
Master Degree + 30	0	0%	0	0%	0	0%	0	0%
Specialist In Education	0	0%	0	0%	0	0%	0	0%
PhD or Ed.D	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>8</b>	<b>100%</b>	<b>5</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>

Schedule 3: Number and Type of Public Schools

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

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

	0-1 Yr.	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Total
Assistant Principals	0	0	0	0	0	0	0	0
Principals	0	1	0	0	0	0	0	1
Classroom Teachers	1	10	2	0	0	0	0	13
<b>Total</b>	<b>1</b>	<b>11</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>

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	\$ 51,646.95	\$ 51,646.95
Average Classroom Teachers Salary Excluding Extra Compensation	\$ 50,465.70	\$ 50,465.70
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	12	12

# Schedule 6: Class Size Characteristics

Class Size Characteristics as of October 2, 2009

School Type	Class Size Range											
	1-20		21-26		27-33		34+					
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary												
Elementary Activity Classes												
Middle/Jr. High												
Middle/Jr. High Activity Classes												
High	31.1%	14	68.9%	31	0%	0	0	0	0	0	0	0
High Activity Classes												
Combination												
Combination Activity Classes												

**Schedule 7: Louisiana Educational Assessment Program (LEAP)**

N/A

46 **Note: This schedules does not apply because the grade level of the school is 9<sup>th</sup> through 10<sup>th</sup>.**

N/A

## Schedule 8: Graduation Exit Examination (GEE)

District Achievement Level Results	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
<b>Grade 10</b>												
Advanced	0	0%	0	0	0	0	8	13%				
Mastery	10	16%					18	30%				
Basic	39	64%					27	45%				
Approaching Basic	7	10%					5	7%				
Unsatisfactory	5	10%					2	5%				
<b>Total</b>	<b>61</b>	<b>100%</b>		<b>100%</b>	<b>87</b>	<b>100</b>	<b>60</b>	<b>100%</b>		<b>100%</b>		<b>100</b>

No Grade 10 for 2008-2009 school year.

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	percent	Number	Percent	Number	Percent
Students												
<b>Grade 11</b>												
Advanced	0	0	0	0			0	0	0	0		
Mastery	xx	x%					x	x%				
Basic	xx	xx%					xx	xx%				
Approaching Basic	xx	xx%					xx	xx%				
Unsatisfactory	xx	xx%					xx	xx%				
<b>Total</b>	<b>xx</b>	<b>100%</b>		<b>100%</b>		<b>100</b>	<b>xx</b>	<b>100%</b>		<b>100%</b>		<b>100</b>

**Schedule 9: Iowa and iLEAP Test**

Iowa Test

	Composite	
	2010	2009
<b>Iowa Tests of Basic Skills (ITBS)</b>		
Grade 3		
Grade 5		
Grade 6		
Grade 7		
<b>Iowa Tests of Educational Development (IED)</b>		
Grade 9		

Note: No Iowa and Leap tests scores.

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
	Number	Percent	Number	Percent
Students				
<b>Grade 9</b>				
Advanced		0%		0%
Mastery	2	3%	2	3%
Basic	50	73%	37	54%
Approaching Basic	17	24%	20	28%
Unsatisfactory	0	0%	10	15%
Total	69	100%	69	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
	Number	Percent	Number	Percent
Students				
<b>Grade 9</b>				
Advanced	0	0%	0	0%
Mastery	1	1%	6	5%
Basic	44	52%	45	56%
Approaching Basic	28	36%	21	27%
Unsatisfactory	9	10%	10	12%
Total	82	100%	82	100%