

**FOUNDATION FOR SCIENCE AND MATHEMATICS EDUCATION, INC.  
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2013 and 2012**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Foundation for Science and Mathematics Education, Inc.  
New Orleans, LA

We have audited the accompanying financial statements of the Foundation for Science and Mathematics Education, Inc. (a nonprofit organization) (the "Foundation"), which comprise the Statements of Financial Position as of June 30, 2013 and 2012, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Carr, Riggs & Ingram, LLC*

August 30, 2013

## **FINANCIAL STATEMENTS**

**FOUNDATION FOR SCIENCE AND  
MATHEMATICS EDUCATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 435,156	\$ 377,726
Unconditional promises to give	34,117	-
	<hr/>	<hr/>
Total Assets	<u>\$ 469,273</u>	<u>\$ 377,726</u>
<b>LIABILITIES AND NET ASSETS</b>		
Grants and other payables	\$ 52,724	\$ 20,318
	<hr/>	<hr/>
Total Liabilities	<u>52,724</u>	<u>20,318</u>
<b>Net Assets</b>		
Unrestricted	312,480	219,424
Temporarily restricted	104,069	137,984
	<hr/>	<hr/>
Total Net Assets	<u>416,549</u>	<u>357,408</u>
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 469,273</u>	<u>\$ 377,726</u>

See accompanying notes to financial statements.

**FOUNDATION FOR SCIENCE AND  
MATHEMATICS EDUCATION, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Corporations and foundations donations	\$ 260,981	\$ 241,570	\$ 502,551
Individual donations	66,493	7,365	73,858
In-Kind contributions	2,800	-	2,800
Interest Income	357	4	361
	<u>330,631</u>	<u>248,939</u>	<u>579,570</u>
<b>Net Assets Released from Restrictions</b>			
Restrictions satisfied by payments:			
Corporations and foundations	<u>282,854</u>	<u>(282,854)</u>	<u>-</u>
	<u>613,485</u>	<u>(33,915)</u>	<u>579,570</u>
<b>EXPENSES</b>			
Program services	394,286	-	394,286
Supporting services:			
Management and general	64,210	-	64,210
Fundraising	61,933	-	61,933
	<u>520,429</u>	<u>-</u>	<u>520,429</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	93,056	(33,915)	59,141
Net Assets, July 1, 2012	<u>219,424</u>	<u>137,984</u>	<u>357,408</u>
Net Assets, June 30, 2013	<u><u>\$ 312,480</u></u>	<u><u>\$ 104,069</u></u>	<u><u>\$ 416,549</u></u>

See accompanying notes to financial statements.

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

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
Corporations and foundations donations	\$ 144,600	\$ 160,701	\$ 305,301
Individual donations	47,233	17,922	65,155
In-Kind contributions	2,500	4,125	6,625
Interest Income	403	7	410
	<u>194,736</u>	<u>182,755</u>	<u>377,491</u>
<b>Net Assets Released from Restrictions</b>			
Restrictions satisfied by payments:			
Corporations and foundations	331,904	(331,904)	-
	<u>526,640</u>	<u>(149,149)</u>	<u>377,491</u>
<b>EXPENSES</b>			
Program services	402,922	-	402,922
Supporting services:			
Management and general	60,202	-	60,202
Fundraising	59,271	-	59,271
	<u>522,395</u>	<u>-</u>	<u>522,395</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	4,245	(149,149)	(144,904)
Net Assets, July 1, 2011	<u>215,179</u>	<u>287,133</u>	<u>502,312</u>
Net Assets, June 30, 2012	<u>\$ 219,424</u>	<u>\$ 137,984</u>	<u>\$ 357,408</u>

See accompanying notes to financial statements.



**FOUNDATION FOR SCIENCE AND  
MATHEMATICS EDUCATION, INC.  
STATEMENTS OF CASH FLOWS  
For the Year Ended June 30, 2013 and 2012**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 59,141	\$ (144,904)
(Increase) decrease in operating assets:		
Unconditional promises to give	(34,117)	50,736
Increase in operating liabilities:		
Grants and other payables	32,406	5,318
Net cash provided by (used in) operating activities:	57,430	(88,850)
Net increase (decrease) in cash and cash equivalents	57,430	(88,850)
Cash and Cash Equivalents, Beginning of Fiscal Year	377,726	466,576
<b>Cash and Cash Equivalents, End of Fiscal Year</b>	<b>\$ 435,156</b>	<b>\$ 377,726</b>

See accompanying notes to financial statements.

**FOUNDATION FOR SCIENCE AND  
MATHEMATICS EDUCATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2013**

	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total</b>
		<b>Management and General</b>	<b>Fundraising</b>	
Grants to Sci High	\$ 359,510	\$ -	\$ -	\$ 359,510
Salaries	28,447	27,207	39,917	95,571
Sci High enhancements	1,660	-	-	1,660
Professional fees	-	17,893	-	17,893
Fundraising	-	-	14,882	14,882
Technology	-	9,195	-	9,195
Payroll taxes	2,235	2,080	3,047	7,362
Health insurance	1,264	1,463	1,827	4,554
Insurance	502	818	702	2,022
Entertainment/cultivation	-	988	-	988
Printing	668	-	1,558	2,226
Administrative/board meetings	-	1,330	-	1,330
Office supplies	-	1,305	-	1,305
Dues/subscriptions	-	1,274	-	1,274
Postage	-	225	-	225
Marketing	-	59	-	59
Miscellaneous	-	87	-	87
Travel	-	286	-	286
<b>Total Expenses</b>	<b>\$ 394,286</b>	<b>\$ 64,210</b>	<b>\$ 61,933</b>	<b>\$ 520,429</b>

See accompanying notes to financial statements.

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

	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total</b>
		<b>Management and General</b>	<b>Fundraising</b>	
Grants to Sci High	\$ 347,337	\$ -	\$ -	\$ 347,337
Salaries	22,985	24,619	44,336	91,940
Sci High enhancements	29,414	-	-	29,414
Professional fees	-	18,763	-	18,763
Fundraising	-	-	9,089	9,089
Technology	-	7,296	-	7,296
Payroll taxes	1,759	1,885	3,390	7,034
Health insurance	1,254	1,304	2,456	5,014
Insurance	-	1,830	-	1,830
Entertainment/cultivation	-	1,448	-	1,448
Printing	-	1,270	-	1,270
Administrative/board meetings	-	621	-	621
Office supplies	-	617	-	617
Dues/subscriptions	-	300	-	300
Postage	-	227	-	227
Marketing	173	-	-	173
Fees	-	12	-	12
Travel	-	10	-	10
<b>Total Expenses</b>	<b>\$ 402,922</b>	<b>\$ 60,202</b>	<b>\$ 59,271</b>	<b>\$ 522,395</b>

See accompanying notes to financial statements.

**FOUNDATION FOR SCIENCE AND MATHEMATICS EDUCATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2013 and 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Foundation for Science and Mathematics Education, Inc. (the “Foundation”) was incorporated to foster community and financial support for science and mathematics education in New Orleans and to prepare under-served New Orleans students for college and career success through a rigorous school culture that emphasizes academic success and science and mathematics education. The Foundation raises supplemental funding for the New Orleans Charter Science and Mathematics Education, Inc. (“Sci High”). In addition, the Foundation is a public advocate for their open-admissions, rigorous, hands-on educational model. The Foundation supports their students, their faculty and their Governing Board, the Advocates for Science and Mathematics Education.

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.

Income Tax Status

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

Contributions

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. The receivable balance for the years ending June 30, 2013 and 2012 is \$34,117 and \$0, respectively.

**FOUNDATION FOR SCIENCE AND MATHEMATICS EDUCATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2013 and 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts and pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. No allowance for doubtful accounts is considered necessary at June 30, 2013 and 2012.

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, the Foundation considers all unrestricted, highly liquid investments with an initial maturity of less than three months as cash and cash equivalents.

Basis of Presentation

The Foundation 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:

- 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.

**FOUNDATION FOR SCIENCE AND MATHEMATICS EDUCATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2013 and 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Temporarily Restricted - Net assets whose use by the Foundation 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 the Foundation 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 August 30, 2013, the date the financial statements were available to be issued.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The Foundation maintains its cash balances at a national financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ending June 30, 2013 and 2012. At times, the balance may exceed the federally insured amount.

**NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods:

	2013	2012
Faculty Professional Development and Salaries	\$ 29,654	\$ 75,737
Technology and Supplies	36,715	6,191
School Facilities	16,830	16,830
Summer Programming	15,261	13,766
Educational Programs	4,527	15,000
Students and School Culture	936	1,908
Barrasso Usdin Fund	146	8,552
 Total Temporarily Restricted Net Assets	 \$ 104,069	 \$ 137,984

**NOTE 4 – SIGNIFICANT CONCENTRATIONS**

For the years ending June 30, 2013 and 2012, the Foundation received 44% and 61% of its total revenue from three (3) and four (4) donors, respectively.

**FOUNDATION FOR SCIENCE AND MATHEMATICS EDUCATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2013 and 2012**

**NOTE 5 – UNCERTAIN TAX POSITIONS**

Accounting principles generally accepted in the United States of America require the Foundation's management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Foundation's management has analyzed the tax positions taken by Foundation, and has concluded that as of June 30, 2013 and 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. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation's management believes it is no longer subject to income tax examinations for years prior to 2010.

**NOTE 6 - BOARD OF DIRECTORS' COMPENSATION**

The Board of Directors is a voluntary board. Accordingly, no compensation was paid to any Board member for the years ended June 30, 2013 and 2012.