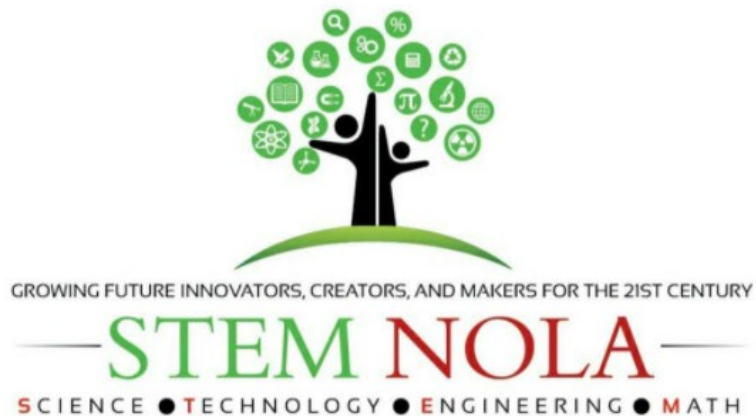


**CENTER FOR THE INNOVATIVE TRAINING OF YOUTH  
D/B/A  
STEM NOLA**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2021**



**Collins CPA Accounting & Consulting Services LLC**



**COLLINS CPA  
ACCOUNTING &  
CONSULTING SERVICES  
L.L.C.**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors/Management of STEM NOLA  
4910 Drexel Drive  
New Orleans, Louisiana 70125

**Opinion**

We have audited the accompanying financial statements of STEM NOLA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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INDEPENDENT AUDITOR'S REPORT  
(CONTINUED)

**Responsibilities of Management for the Financial Statements, Continued**

**Responsibilities of Management for the Financial Statements**

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and time of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer (Schedule 1) is presented for purposes of additional analysis, is required by Louisiana Revised Statute 24:513(A)(3), 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the Organization's 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Collins CPA". The signature is written in a cursive, slightly slanted style.

Collins CPA Accounting & Consulting Services LLC  
New Orleans, Louisiana  
June 28, 2022

**STEM NOLA**  
**Statement of Financial Position**  
**As Of**  
**December 31, 2021**

**ASSETS**

Current Assets:

|                                      |               |
|--------------------------------------|---------------|
| Cash                                 | \$ 1,762,853  |
| Accounts Receivable receivable       | 216,879       |
| Employee Retention Credit receivable | 300,295       |
| Property and equipment,net           | <u>78,920</u> |

***Total Current Assets*** \$ 2,358,947

**LIABILITIES**

Current Liabilities:

|                                       |                |
|---------------------------------------|----------------|
| Accounts payable and accrued expenses | \$ 24,854      |
| Deferred Revenue                      | 1,377,310      |
| Loans Payable                         | <u>209,900</u> |

***Total Liabilities*** \$ 1,612,064

**NET ASSETS**

Without donor restrictions:

|                                  |                          |
|----------------------------------|--------------------------|
| Undesignated                     | 746,883                  |
|                                  | <u>746,883</u>           |
| Total without donor restrictions | <u>746,883</u>           |
| Total net assets                 | \$ <u><u>746,883</u></u> |

**Total Liabilities & Net Assets** \$ 2,358,947

See accompanying notes and independent auditor's report.

**STEM NOLA**  
**Statement of Activities**  
**For The Year Ended December 31, 2021**

***Revenues and Public Support***

|  |                         |
|--|-------------------------|
| Program Revenue                                | \$ 3081224.4            |
| Donations                                      | 692,670                 |
| Grants   | 403,436                 |
| <b><i>Total Revenue and Public Support</i></b> | <u><u>4,177,330</u></u> |

***Expenses:***

|                              |                         |
|------------------------------|-------------------------|
| Program Services             | 1,267,537               |
| Management and General       | 359,152                 |
| Fundraising                  | -                       |
| Advertising/Promotional      | 66,424                  |
| Bank Charges                 | 3,097                   |
| Business Taxes & Licenses    | 3,845                   |
| Dues and Subscriptions       | 14,327                  |
| Insurance                    | 57,112                  |
| Interest                     | 734                     |
| Legal & Professional Fees    | 431,119                 |
| Meals                        | 1,836                   |
| Materials & Supplies         | 746,678                 |
| Office Expenses              | 85,331                  |
| Other Fees                   | 5,875                   |
| Payroll Expense              | 2,264,880               |
| Rent                         | 117,360                 |
| Repair & Maintenance         | 15,885                  |
| Security                     | 1,472                   |
| Stipends                     | 65,822                  |
| Storage                      | 3,839                   |
| Travel and Meetings          | 47,578                  |
| Utilities                    | 17,024                  |
| Website                      | 7,152                   |
| <b><i>Total Expenses</i></b> | <u><u>3,957,390</u></u> |

***Changes in Net Assets Before Net Operating Revenues*** 219,940

*Other Non-Operating Revenue*

|   |                       |
|---|-----------------------|
| Employee Retention Tax Credit             | 300,295               |
| Interest Earned                           | 801                   |
| Other Ordinary Income                     | 3,576                 |
| <b><i>Total Non-Operating Revenue</i></b> | <u><u>304,672</u></u> |

*Change in Net Assets*

***Net Assets*** 524,611

|                                     |                          |
|-------------------------------------|--------------------------|
| <b>Beginning of Year (restated)</b> | <u><u>222,272</u></u>    |
| <b>End of Period</b>                | <u><u>\$ 746,883</u></u> |

See accompanying notes and independent auditor's report.

**STEM NOLA**  
**Schedule of Functional Expenses**  
**For the Year Ended December 31, 2021**

|   | <u>Program<br/>Services</u> | <u>Management<br/>&amp; General</u> | <u>Fundraising</u> | <u>Total</u>        |
|---|-----------------------------|-------------------------------------|--------------------|---------------------|
| <b>Personnel costs</b>                        |                             |                                     |                    |                     |
| Payroll Expenses (Salaries,benefits,taxes) \$ | 2,264,880                   |                                     |                    | 2,264,880           |
| Stipends                                      | 65,822                      |                                     |                    | 65,822              |
| <b>Total personnel costs</b>                  | <b>\$ 2,330,702</b>         | <b>\$ -</b>                         | <b>\$ -</b>        | <b>2,330,702</b>    |
| <b>Non-personnel costs</b>                    |                             |                                     |                    |                     |
| Advertising/Promotional                       | \$ 66,424                   | \$ -                                | \$ -               | \$ 66,424           |
| Bank Charges                                  |                             | 3,097                               |                    | 3,097               |
| Business Taxes & Licenses                     |                             | 3,845                               |                    | 3,845               |
| Dues and Subscriptions                        | 14,327                      |                                     |                    | 14,327              |
| Insurance                                     |                             | 57,112                              |                    | 57,112              |
| Interest                                      |                             | 734                                 |                    | 734                 |
| Legal & Professional Fees                     | 431,119                     |                                     |                    | 431,119             |
| Meals   | 1,836                       |                                     |                    | 1,836               |
| Material & Supplies                           | 746,678                     |                                     |                    | 746,678             |
| Office Expenses                               |                             | 85,331                              |                    | 85,331              |
| Other Fees                                    |                             | 5,875                               |                    | 5,875               |
| Repair & Maintenance                          |                             | 15,885                              |                    | 15,885              |
| Rent  |                             | 117,360                             |                    | 117,360             |
| Security                                      |                             | 1,472                               |                    | 1,472               |
| Storage                                       |                             | 3,839                               |                    | 3,839               |
| Travel and Meetings                           |                             | 47,578                              |                    | 47,578              |
| Utilities                                     |                             | 17,024                              |                    | 17,024              |
| Website                                       | 7,152                       |                                     |                    | 7,152               |
| <b>Total non-personnel costs</b>              | <b>\$ 1,267,537</b>         | <b>\$ 359,152</b>                   | <b>\$ -</b>        | <b>\$ 1,626,689</b> |
| Less allocated to direct benefit to           |                             |                                     |                    |                     |
| Donor costs                                   | \$ -                        | \$ -                                | \$ -               | \$ -                |
| <b>Total Expenses</b>                         | <b>\$ 3,598,238</b>         | <b>\$ 359,152</b>                   | <b>\$ -</b>        | <b>\$ 3,957,390</b> |

See accompanying notes and independent auditor's report.



**STEM NOLA**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**

|   |                      |
|---|----------------------|
| <i>CASH FLOWS FROM OPERATING ACTIVITIES</i>   |                      |
| Change in net assets  | \$ 524,611           |
| Adjustments to reconcile change<br>in net assets to net cash<br>used in operating activities: |                      |
| Increase in deferred revenues   | 1,377,310            |
| Increase in accounts receivables  | (335,376)            |
| Increase in accounts payable  | <u>(66,538)</u>      |
| Net cash provided by operating activities   | <u>975,395</u>       |
| <br><i>CASH FLOWS FROM INVESTING ACTIVITIES</i>   |                      |
| Increase in investing activities  | <u>(58,679)</u>      |
| Net cash provided by investing activities   | <u>(58,679)</u>      |
| <br><i>CASH FLOWS FROM FINANCING ACTIVITIES</i>   |                      |
| Increase in proceeds from borrowing   | <u>(3,852)</u>       |
| Net cash provided by financing activities   | <u>(3,852)</u>       |
| <br>Net decrease in cash and cash equivalents   | <br>1,437,476        |
| <br>Cash -January 1, 2021   | <br><u>325,387</u>   |
| <br>Cash - December 31, 2021  | <br><u>1,762,862</u> |

See accompanying notes and independent auditor's report.

STEM NOLA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 1 – NATURE OF ACTIVITIES**

Nature of Activities

STEM NOLA is an organization founded by New Orleans native, and former tenured Tulane University Engineering professor, Dr. Calvin Mackie. The purpose of its existence is to expose, inspire and engage members in the surrounding communities about the opportunities in Science, Technology, Engineering and Mathematics (STEM). STEM NOLA will design and deliver activities, programs & events that bring inspiration, motivation and training to all STEM stakeholders, specifically focusing on underserved communities, across the city. Participants will receive the opportunity to obtain 21st Century skills of Communication, Collaboration and Critical Thinking. STEM NOLA realizes that any effective community-based STEM program must be broad enough to include everyone yet focused enough to reach the people where they are, on their level, and, taking them to where they need to be to compete, and succeed in life.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. Organization and Income Taxes

STEM NOLA, Louisiana is a non-profit organization organized under the laws of the State of Louisiana and is exempt from Federal income tax under Section 501 (c)(3) of the Internal Revenue Code (IRC), and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under the authority of R.S. 47:121(5). The Financial Accounting Standards Board (FASB) guidance requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. As of December 31, 2021, management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as tax expense; however, there is no interest and penalties recognized in the Statements of Activities. The tax years after December 31, 2018 are still open to audit for both federal and state purposes.

b. Basis of Accounting

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

STEM NOLA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Basis of Presentation

The financial statements of STEM NOLA have been prepared on the accrual basis of accounting as applicable to non-profit organizations. The more significant accounting policies of STEM NOLA are described below. The statement of activities presents expenses functionally between program services, fundraising, and administrative. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

STEM NOLA records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met either by action of the STEM NOLA or by the passage of time.

d. Operating Activities

Operating activities reflect all transactions increasing or decreasing net assets except those items associated with investments, contributions for facilities and equipment, property and equipment purchases and depreciation, and changes in the fair value of the interest rate swap.

e. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent matters at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

f. Cash and Cash Equivalents

The STEM NOLA considers all liquid investments with original maturities of three months or less to be cash equivalents.

g. Promises to Give

Contributions are recognized when the donor makes a promise to give to the STEM NOLA that is, in substance, unconditional. Conditional promises to give are recognized when the

STEM NOLA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

conditions on which they depend are substantially met. All promises to give are recognized as assets, net of an allowance for uncollectible amounts. The STEM NOLA provides for estimated uncollectible promises to give based on prior years' experience and management's analysis of specific promises made. As of December 31, 2021, management determined an allowance was not necessary.

h. Property and Equipment

Property and equipment consist of land, buildings, office furniture and equipment, and leasehold improvements, and is stated at cost or, if contributed, at fair market value at date of donation, net of accumulated depreciation. Contributions of property and equipment are recorded at estimated fair value. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets. Buildings and building improvements are depreciated over 5 to 40 years, other depreciable property, and equipment from 2 to 10 years. Only major replacements and improvements with a cost in excess of \$1,000 are capitalized and included in property and equipment.

i. Deferred Revenue

Certain grant awards that are designated for or related to future years' activities are deferred and recognized as revenue in the period in which they apply.

j. Contributions

STEM NOLA reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

k. Contributed Services

STEM NOLA volunteers and others contribute substantial services toward fulfillment of the projects initiated by STEM NOLA. No amounts have been recognized in the Statement of Activities because the criteria for recognition of such volunteer efforts under FASB ASC 958-205 have not been satisfied.

STEM NOLA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

1. Revenue Recognition

In May 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers" (Topic 606). This ASU implements a single framework for revenue recognition, ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled in exchange for goods and services. The Agency adopted ASU No. 2014-09 during the year ended December 31, 2021 using a full retrospective method of application.

Contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying Statement of Activities as net assets released from restrictions.

m. Recent accounting pronouncement

The Organization adopted Accounting Standards Update ("ASU") 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, for the year ended December 31, 2020. This guidance clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU assist organizations in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

n. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported

STEM NOLA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

amounts revenues and expenses during the reporting period. Actual results could differ from those estimates.

o. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents represent cash and all highly liquid debt instruments purchased with original maturities of three months or less.

p. Grants Receivables

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management monitors outstanding balances and provides for uncollectible amounts on a specific account basis. Management believes all outstanding balances as of December 31, 2021 are fully collectible.

q. Impairment of Long-lived Assets

The carrying value of the STEM NOLA's long-lived assets is reviewed to determine if facts or circumstances suggest that the assets may be impaired or that the remaining useful, depreciable life may need to be changed. The STEM NOLA considers internal and external factors related to each asset, including future asset utilization and business climate. If these factors and the projected undiscounted cash flows of the asset over the remaining life indicate that the asset will not be recoverable, the carrying value will be adjusted down to the estimated fair value, if less than book value. As of December 31, 2021 there are no impaired long-lived assets.

r. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Generally, an asset is capitalized at \$1,500 or more. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method:

s. Public Support and Revenue

Annual contributions are recorded as revenue when received and are generally available for unrestricted use unless specifically restricted by the donor.

Unreimbursed expenses are recorded as income and as grants receivable when request for reimbursement are submitted to the grants.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or

STEM NOLA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values.

t. Functional Allocation of Expenses

The cost of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

u. Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

**NOTE 3- CASH AND EQUIVALENTS**

STEM NOLA maintains its cash balance in a local financial institution. At December 31, 2021 the bank balance was \$1,762,853.

**NOTE 4 - INCOME TAXES**

STEM NOLA is a nonprofit corporation exempted from federal income taxes under Sec. 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the Organization engage in activities unrelated to its exempt purpose, taxable income could result. The Organization had no material unrelated business income for the year ended December 31, 2021. The earliest income tax year that is subject to examination is 2018.

**NOTE 5 – ACCOUNTS RECEIVABLES**

Accounts receivable at December 31, 2020 was \$216,879.

**NOTE 6 – PROPERTY AND EQUIPMENT**

A summary of furniture, equipment and accumulated depreciation at December 31, 2021 is \$78,920

**NOTE 7 – LEASES**

STEM NOLA has a twelve-month lease for two office spaces. For the year ended December 31, 2021, STEM NOLA total lease payments were \$117,360.

STEM NOLA  
Notes to the Financial Statements  
December 31, 2021

**NOTE 8 – DISCLOSURE ABOUT CONCENTRATION RISK**

STEM NOLA receives the majority of its income from private donations, sponsors and grants. Its revenues are from various sources which minimizes the risk of uncertainties of any one entity.

**NOTE 9 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

|                           |                |
|---------------------------|----------------|
| Cash and Cash Equivalents | \$ 1,762,853   |
| Accounts Receivable       | <u>216,879</u> |
| Total                     | \$ 1,979,732   |

None of the financial assets is subject to donor restrictions or contractual restrictions that make them unavailable within one year.

**NOTE 10 – SUBSEQUENT EVENTS**

Management has performed an analysis of the activities and transactions subsequent to December 31, 2021, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2021. Management has performed their analysis through June 28, 2022, the date the financial statements were available to be issued.

**NOTE 11 - CONCENTRATION OF CREDIT RISK**

The STEM NOLA maintains cash balances at several local financial institutions where they are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. As of December 31, 2021, the STEM NOLA had approximately \$1,512,853 of cash deposits in excess of the insured limits.



STEM NOLA  
Notes to the Financial Statements  
December 31, 2021  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Agency head name: Dr. Calvin Mackie, Chief Executive Officer

|                | <b>2021</b>   |
|----------------|---------------|
| <b>Purpose</b> | <b>Amount</b> |
| Salary         | \$111,291     |
| Total          | \$111,291     |

**COLLINS CPA  
ACCOUNTING &  
CONSULTING SERVICES  
L.L.C.**

**INDEPENDENT AUDITOR'S 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**

To the Board of Directors/Management of STEM NOLA  
4910 Drexel Drive  
New Orleans, Louisiana 70125

We have audited, 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, the financial statements of STEM NOLA, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered STEM NOLA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the STEM NOLA's internal control. Accordingly, we do not express an opinion on the effectiveness of the STEM NOLA's internal control.



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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 STEM NOLA's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether STEM NOLA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of STEM NOLA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering STEM NOLA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as public document.



***Collins CPA Accounting & Consulting Services LLC***

New Orleans, Louisiana  
June 28, 2022

**COLLINS CPA  
ACCOUNTING &  
CONSULTING SERVICES  
L.L.C.**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
STEM NOLA  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited STEM NOLA's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. STEM NOLA's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of STEM NOLA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.



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An audit includes examining, on a test basis, evidence about STEM NOLA'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 on compliance for each major federal program. However, our audit does not provide a legal determination of STEM NOLA's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, STEM NOLA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

### **Report on Internal Control Over Compliance**

Management of STEM NOLA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered STEM NOLA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of STEM NOLA's 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Collins CPA*

**Collins CPA Accounting & Consulting Services LLC**

New Orleans, Louisiana

June 28, 2022

STEM NOLA SCHEDULE OF EXPENDITURES OF  
 FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

| Federal, State, or Local Grant Name  | Grant Year                                | CFDA No.<br>(if applicable) | Amount    |
|--|---|-----------------------------|-----------|
| 21 <sup>st</sup> Century Community Learning Center Program (21 <sup>st</sup> CCLC) | January 1, 2021 –<br>December 31,<br>2021 | 84.287C                     | \$182,097 |
|  |   |                             |           |
| Total Expenditures   |   |                             | \$182,097 |

STEM NOLA  
SCHEDULE OF FINDINGS AND QUESTIONED  
COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- |  |        |                        |
|--|--------|------------------------|
| * Material weakness(es) identified?  | ___yes | <u>X</u> no            |
| * Control deficiencies identified that are not considered to be material weaknesses? | ___yes | <u>X</u> none reported |

Noncompliance material to financial statements noted? \_\_\_yes Xno

Federal Awards:

Internal control over major programs:

- |  |        |                        |
|--|--------|------------------------|
| * Material weakness(es) identified?  | ___yes | <u>X</u> no            |
| * Control deficiencies identified that are not considered to be material weaknesses? | ___yes | <u>X</u> none reported |

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133: \_\_\_yes Xno

Identification of major program:

NONE

Dollar threshold used to distinguish between Type A and TypeB programs: \$ 750,000

Auditee qualified as low-risk auditee? Xyes no

FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENTAL AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

NONE

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE

STEM NOLA  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Findings and Questioned Costs – Financial Statements Audit

None

Findings and Questioned Costs – Major Federal Award Programs

None