

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

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022**



**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

### **Report on the Audit of the Financial Statements**

We have audited the financial statements of STEM NOLA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities 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, 2022, 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are



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INDEPENDENT AUDITOR'S REPORT  
(CONTINUED)

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

free from material misstatement, whether due to fraud or error.

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 and 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 of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing 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, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 25, 2023, 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 25, 2023

**STEM NOLA**  
**Statement of Financial Position**  
**December 31, 2022**

<u>ASSETS</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 1,085,871		\$ 1,085,871
Accounts Receivable receivable	643,520		643,520
Construction In-Progress	376,896		376,896
Land	238,600		238,600
Property and equipment,net	<u>1,079,770</u>		<u>1,079,770</u>
<b>Total Assets</b>	<b>\$ <u>3,424,658</u></b>		<b>\$ <u>3,424,658</u></b>
 <u>LIABILITIES</u> 			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	\$ 41,893		\$ 41,893
<b>Total Current Liabilities</b>	<b>\$ 41,893</b>		<b>41,893</b>
<b>Long-term Liabilities</b>			
Loans Payable	\$ 200,000		\$ 200,000
<b>Total Long-term Liabilities</b>	<b>\$ 200,000</b>		<b>\$ 200,000</b>
<b>Total Liabilities</b>	<b>\$ 241,893</b>		<b>\$ 241,893</b>
 <u>NET ASSETS</u> 			
<b>Net Position</b>			
Unrestricted	\$ 283,951	1,367,620	\$ 1,651,571
Change in Net Assets	(164,072)		(164,072)
Invested in property, equipment, and fixed assets	<u>1,695,266</u>		<u>1,695,266</u>
Total without donor restrictions	<u>\$ 1,815,145</u>	<u>1,367,620</u>	<u>\$ 3,182,765</u>
Total net assets	<u>\$ 1,815,145</u>	<u>1,367,620</u>	<u>\$ 3,182,765</u>
<b><u>Total Liabilities &amp; Net Assets</u></b>	<b><u>\$ 2,057,038</u></b>	<b><u>1,367,620</u></b>	<b><u>\$ 3,424,658</u></b>

See accompanying notes and independent auditor's report.

**STEM NOLA**  
**Statement of Activities**  
**For The Year Ended December 31, 2022**

<i>Revenues and Public Support</i>	Unrestricted	Total
Program Revenue	\$ 1,500,194	\$ 1,500,194
Grants	2,403,350	2,403,350
Donations	701,578	701,578
<b><i>Total Revenue and Public Support</i></b>	<b>\$ 4,605,122</b>	<b>\$ 4,605,122</b>
 <i>Expenses:</i>		
Program Services	\$ 4,364,989	\$ 4,364,989
Management and General	414,375	414,375
Fundraising	-	-
<b><i>Total Expenses</i></b>	<b>\$ 4,779,364</b>	<b>\$ 4,779,364</b>
<b><i>Changes in Net Assets Before Net Operating Revenues</i></b>	<b>\$ (174,243)</b>	<b>\$ (174,243)</b>
 <i>Other Non-Operating Revenue</i>		
Employee Retention Tax Credit	9,408	9,408
Interest Earned	762	762
<b><i>Total Non-Operating Revenue</i></b>	<b>\$ 10,171</b>	<b>\$ 10,171</b>
<i>Change in Net Assets</i>		
<b><i>Net Assets</i></b>	<b>(164,072)</b>	<b>(164,072)</b>
<b>Beginning of Year (restated)</b>	<b>448,023</b>	<b>448,023</b>
<b>End of Period</b>	<b>\$ 283,951</b>	<b>\$ 283,951</b>

See accompanying notes and independent auditor's report.

**STEM NOLA**  
**Schedule of Functional Expenses**  
**For the Year Ended December 31, 2022**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Personnel costs</b>				
Payroll Expenses (Salaries,benefits,taxes)	\$ 2,558,528			\$ 2,558,528
Stipends	36,024			36,024
<b>Total personnel costs</b>	<u>\$ 2,594,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,594,553</u>
<b>Non-personnel costs</b>				
Advertising/Promotional	\$ 109,913	\$ -	\$ -	\$ 109,913
Bank Charges		3,991		3,991
Business Taxes & Licenses		4,666		4,666
Dues and Subscriptions	30,152			30,152
Insurance		28,568		28,568
Interest		3,498		3,498
Legal & Professional Fees	895,236			895,236
Meals	1,905			1,905
Material & Supplies	732,553			732,553
Office Expenses		67,247		67,247
Other Fees		10,944		10,944
Repair & Maintenance		16,384		16,384
Rent		113,329		113,329
Security		1,700		1,700
Storage		5,725		5,725
Travel and Meetings		129,585		129,585
Utilities		28,737		28,737
Website	678			678
<b>Total non-personnel costs</b>	<u>\$ 1,770,437</u>	<u>\$ 414,375</u>	<u>\$ -</u>	<u>\$ 2,184,812</u>
<b>Total Expenses</b>	<u>\$ 4,364,989</u>	<u>\$ 414,375</u>	<u>\$ -</u>	<u>\$ 4,779,364</u>

See accompanying notes and independent auditor's report.

**STEM NOLA**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

*CASH FLOWS FROM OPERATING ACTIVITIES*

Change in net assets	\$ (164,072)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Increase in accounts receivables	(136,346)
Increase in accounts payable	<u>7,139</u>
Net cash provided by operating activities	<u>(129,207)</u>

*CASH FLOWS FROM INVESTING ACTIVITIES*

Increase in investing activities	<u>(379,851)</u>
Net cash provided by investing activities	<u>(379,851)</u>

*CASH FLOWS FROM FINANCING ACTIVITIES*

Increase in proceeds from borrowing	<u>(3,852)</u>
Net cash provided by financing activities	<u>(3,852)</u>

Net decrease in cash and cash equivalents \$ (676,982)

Cash -January 1, 2022 \$ 1,762,853

Cash - December 31, 2022 \$ 1,085,871

See accompanying notes and independent auditor's report.

## **STEM NOLA**

### **Notes to Financial Statements**

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#### **Note 1. Nature of Organization and Summary of Significant Accounting Policies**

##### **Nature of Organization**

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.

##### **Summary of Significant Accounting Policies**

The following is a summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements of the Organization. The financial statements and notes are representations of the Organization's management, objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America.

##### **Basis of Presentation**

The financial statements of STEM NOLA have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions* - Net assets that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

*Net Assets With Donor Restrictions* - Net assets whose use is limited by donor imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**Note 1. Nature of Organization and Summary of Significant Accounting Policies**  
**(Continued)**

**Cash and Cash Equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for programmatic purposes are excluded from this definition.

**Grants and Contributions Receivable**

The Organization records grants and contributions expected to be collected within one year at net realizable value. Grants and contributions expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities and changes in net assets. The Organization determines the allowance for uncollectable grants and contributions based on historical experience and a review of subsequent collections. Grants and contributions are written off when deemed uncollectable. The Organization had no allowance for uncollectable grants and contributions and all grants and Contributions are due within one year as of December 31, 2022.

**Fixed Assets**

The Organization records fixed asset additions over \$1,00 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful life of five to seven (5 to 7) years for computers, furniture, and fixtures, and fifteen (15) years for leasehold improvements. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities and changes in net assets. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Depreciation expense totaled \$50,832 for the year ended December 31, 2022.

**Revenue Recognition**

Exchange vs. Contribution

The Organization utilizes the guidance from Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08 in the assessment of whether a revenue is an exchange transaction (contract) or contribution (non-contract) and considers factors including commensurate value received, reciprocity, and donor-imposed conditions. Performance obligations are determined based on the nature of the services provided by the Organization. Revenue from performance obligations satisfied over time is recognized based on actual time incurred in relation to the total expected period of providing the service. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to educational

**STEM NOLA**  
**Notes to Financial Statements**

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**Note 1. Nature of Organization and Summary of Significant Accounting Policies**  
**(Continued)**

and training efforts. The Organization measures the performance obligation throughout the fiscal year. Revenue for performance obligations satisfied at a point in time are recognized when events, services, or goods are provided. The Organization determines the transaction price based on standard charges for goods or services provided to customers, which are predetermined by management.

**Revenue Recognition**

Grants and Contributions

Contributions are recorded as revenue when an unconditional promise to give has been made. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Federal and State Grants

Individual federal and state grant arrangements are evaluated to determine whether they are nonreciprocal, meaning the granting entity has not received a direct benefit of commensurate value in exchange for the resources provided. Instead, revenue is recognized like a conditional contribution when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met. For federal and state grant arrangements that are reciprocal, revenue is recognized as services are provided, which is generally as allowable expenditures are incurred.

**Donated Services and In-Kind Donations**

Donated services are recognized as contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*, if the services: a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services are recorded at the respective fair value at the date of the donation. Members of the Board of Directors volunteer their time to assist in governance of the Organization. Additionally, members of the community volunteer their time in mentoring students. Neither of these meet the criteria in order to be recognized. As such, these donated services have not been recorded as donated service revenue and as expenses in the statement of activities and changes in net assets.

**Note 1. Nature of Organization and Summary of Significant Accounting Policies**  
**(Continued)**

**Donated Services and In-Kind Donations (Continued)**

Contributed goods are recorded at their estimated fair value at the date of donation. No significant contributions of such goods were received during the year ended December 31, 2022.

**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.

**Functional Expense Reporting**

The cost of program and supporting services activities has been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

The Organization qualifies for an exception from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. Income from certain activities not directly the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by incoming tax authorities, if any, would be included in income tax expense.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Advertising Costs**

Advertising costs are expensed as incurred.

**Recent Accounting Pronouncement - Not Yet Adopted**

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as

**STEM NOLA**  
**Notes to Financial Statements**

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**Note 1. Nature of Organization and Summary of Significant Accounting Policies**  
**(Continued)**

**Recent Accounting Pronouncement - Not Yet Adopted (Continued)**

finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2021, pursuant to the most recent extension granted under ASU 2020-05.

STEM NOLA has a twelve-month lease for two office spaces. For the year ended December 31, 2022, STEM NOLA total lease payments were \$113,329.

**Note 2. Concentration of Credit 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. 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, 2022, the STEM NOLA had approximately \$835,871 of cash deposits in excess of the insured limits.

**Note 3. 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, 2022, 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, 2019, are still open to audit for both federal and state purposes.

## STEM NOLA

### Notes to Financial Statements

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**Note 3. Organization and Income Taxes (Continued)**

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

**Note 4. Leases**

STEM NOLA has a twelve-month lease for two office spaces. For the year ended December 31, 2022, STEM NOLA total lease payments were \$113,329.

**Note 5. Cash and Cash Equivalents**

STEM NOLA maintains its cash balance in a local financial institution. At December 31, 2022 the bank balance was \$1,729,391.

**Note 6. Accounts Receivables**

Accounts receivable at December 31, 2022 was \$643,520.

**Note 7. Property and Equipment**

A summary of furniture, equipment and accumulated depreciation at December 31, 2022 is \$1,695,266.

**Note 8. Commitments and Contingencies**

The Organization is a recipient of grants from certain non-profit entities which provide funding to the Organization using public funds. These grants are governed by various federal and state guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by these grants is under the control and administration of the Organization and its grantors and is subject to audit and/or review by the applicable funding sources. Any grant or award of funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding sources may be subject to recapture.

The Organization is exposed to various risks of loss related to torts and theft of, damage to, and destruction of assets for which the Organization carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

**Note 9. Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 25, 2023 and determined that there were no events which occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

## **SUPPLEMENTARY INFORMATON**

**STEM NOLA**  
**Schedule of Compensation, Benefits, and Other**  
**Payments to Agency Head**  
**For the Year Ended December 31, 2022**

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

	<b>2022</b>
<b>Purpose</b>	<b>Amount</b>
Salary	\$234,517
Total	\$234,517

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statements of local government and quasi- public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

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

**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**

**Independent Auditor's Report**

To the Board of Directors/Management of  
STEM NOLA

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 (the Organization) (a non-profit organization), which comprise the statement of financial position as of December 31, 2022, 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 25, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the entity'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.

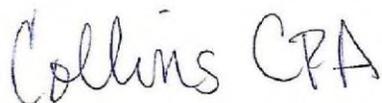
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during 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.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

New Orleans, Louisiana  
June 25, 2023

**STEM NOLA**

**Schedule of Expenditures of Federal Awards**

**For the Year Ended December 31, 2022**

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
21 <sup>st</sup> Century Community Learning Center Program (21 <sup>st</sup> CCLC)	January 1, 2022 – December 31, 2023	84.287C	\$298,368
National Defense Education Program	September 15, 2020 – September 14, 2023	12.006	\$719,740
Total Expenditures			\$1,018,108

**STEM NOLA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Organization under programs of the federal government for the year ended December 31, 2022. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**STEM NOLA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2022**

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**Section I. Summary of Auditor's Results**

Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting and compliance and other matters:
  - a. Material weakness(es) identified? No
  - b. Significant deficiencies identified? None reported
  - c. Noncompliance material to the financial statements noted? No
3. Management letter comment provided? None

Federal Awards

4. Internal control over major programs:
  - a. Material weakness(es) identified? No
  - b. Significant deficiencies identified not considered to be material weaknesses? None reported
5. Type of auditor's report issued on compliance for major programs Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
7. Identification of major programs: None
8. Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000
9. Auditee qualified as low-risk auditee? Yes

**Section II. Internal Control Over Financial Reporting**

None.

**Section III. Findings and Questioned Costs Related to Major Federal Award Programs**

None.

**STEM NOLA**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Year Ended December 31, 2022**

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**Section II. Internal Control Over Financial Reporting**

None

**Section III. Findings and Questioned Costs Related to Major Federal Award Programs**

None

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

**AGREED-UPON PROCEDURES REPORT  
STEM NOLA  
Independent Accountant's Report  
On Applying Agreed-Upon Procedures  
For the Period January 1, 2022 – December 31, 2022**

To the Governing Board of STEM NOLA  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. STEM NOLA's management is responsible for those C/C areas identified in the SAUPs.

STEM NOLA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose.

The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:



P.O. Box 1855  
Harvey, LA 70059  
United States

PHONE (504) 343-4982  
FAX (504) 433-9354  
E-MAIL [collinscpa@cox.net](mailto:collinscpa@cox.net)

### ***Written Policies and Procedures***

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
- b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
- c. ***Disbursements***, including processing, reviewing, and approving.
- d. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g. ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA

reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- k. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** Stem NOLA determined that procedure 1j), Debt Service was not applicable. We noted no further exceptions in the performance of the procedures.

#### ***Board or Finance Committee***

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results:** STEM NOLA determined that procedures 2b) and 2c) were not applicable. No exceptions were noted as a result of performing these procedures.

#### ***Bank Reconciliations***

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the

entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).
- b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** No exceptions were noted as a result of performing these procedures.

***Collections (excluding electronic funds transfers )***

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a. Employees that are responsible for cash collections do not share cash drawers/registers.
- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not

responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

- a. Observe that receipts are sequentially pre-numbered.
- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c. Trace the deposit slip total to the actual deposit per the bank statement.
- d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e. Trace the actual deposit per the bank statement to the general ledger.

**Results:** No exceptions were noted as a result of performing these procedures.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- b. At least two employees are involved in processing and approving payments to vendors.
- c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a. Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
- b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** No exceptions were noted as a result of performing these procedures.

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
- b. Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results:** No exceptions were noted as a result of performing these procedures.

#### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** No exceptions were noted as a result of performing these procedures.

#### ***Contracts***

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:

- a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment was approval documented).
- d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** No exceptions were noted as a result of performing these procedures.

### ***Payroll and Personnel***

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b. Observe that supervisors approved the attendance and leave of the selected employees or officials.
- c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two

employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results:** No exceptions were noted as a result of performing these procedures

### *Ethics*

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results:** No exceptions were noted as a result of performing these procedures.

### *Debt Service*

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** STEM NOLA determined that these procedures are not applicable.

### *Fraud Notice*

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations

on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24.523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results:** No exceptions were noted as a result of performing these procedures.

### ***Information Technology Disaster Recovery/Business Continuity***

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Results:** We performed the procedure and discussed the results with management.

### ***Sexual Harassment***

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that it includes the applicable

requirements of R.S. 42.344.

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

**Results:** No exceptions were noted as a result of performing these procedures.

We were engaged by STEM NOLA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of STEM NOLA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.