

# **COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**

## **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

*As of and for the Years Ended June 30, 2024 and 2023*

*And Report of Independent Auditor*

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
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## Report of Independent Auditor

To the Board of Directors  
Computer Science Teachers Association, LLC  
Chicago, Illinois

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of Computer Science Teachers Association, LLC (“CSTA”) (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of CSTA as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits 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. 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 CSTA 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.

#### **Prior Period Financial Statements**

The financial statements as of June 30, 2023, were audited by PKF Mueller, LLP, which was acquired by Cherry Bekaert LLP as of December 31, 2023, and whose report dated November 28, 2023, expressed an unmodified opinion on those statements.

#### **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 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 CSTA’s ability to continue as a going concern within one year after the date 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 generally accepted auditing standards 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 generally accepted auditing standards 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 CSTA'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 CSTA'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024, on our consideration of CSTA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CSTA'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 CSTA's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Orland Park, Illinois  
December 17, 2024

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENTS OF FINANCIAL POSITION**

*JUNE 30, 2024 AND 2023*

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,137,649	\$ 2,723,379
Grants receivable	1,998,981	1,024,734
Employee retention credit receivable	289,190	289,190
Prepaid conference expenses	1,308,360	630,792
Investments	2,057,592	997,695
Property and equipment, net	194,438	128,197
<b>Total Assets</b>	<b>\$ 7,986,210</b>	<b>\$ 5,793,987</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 548,228	\$ 493,558
Accrued payroll and benefits	237,255	171,404
Deferred conference revenue	1,145,521	565,681
Deferred membership revenue	142,893	205,970
Refundable advance	20,000	464,524
<b>Total Liabilities</b>	<b>2,093,897</b>	<b>1,901,137</b>
Net Assets:		
Without donor restrictions	4,036,433	3,374,211
With donor restrictions	1,855,880	518,639
<b>Total Net Assets</b>	<b>5,892,313</b>	<b>3,892,850</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 7,986,210</b>	<b>\$ 5,793,987</b>

The accompanying notes to the financial statements are an integral part of these statements.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENT OF ACTIVITIES**

*YEAR ENDED JUNE 30, 2024*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenue:</b>			
Contributions and grants	\$ 5,702,391	\$ 1,922,500	\$ 7,624,891
Conferences	686,296	-	686,296
Membership dues	361,826	-	361,826
Investment return, net	140,678	-	140,678
Other revenue	114,008	-	114,008
Net assets released from restrictions	585,259	(585,259)	-
Total Support and Revenue	<u>7,590,458</u>	<u>1,337,241</u>	<u>8,927,699</u>
<b>Expenses:</b>			
<b>Program Services:</b>			
Program development and support	4,304,183	-	4,304,183
Chapter support and grants	150,814	-	150,814
Annual conference	494,922	-	494,922
Membership services	607,936	-	607,936
Total Program Services	<u>5,557,855</u>	<u>-</u>	<u>5,557,855</u>
<b>Supporting Services:</b>			
Management and general	1,212,125	-	1,212,125
Fundraising	158,256	-	158,256
Total Supporting Services	<u>1,370,381</u>	<u>-</u>	<u>1,370,381</u>
Total Expenses	<u>6,928,236</u>	<u>-</u>	<u>6,928,236</u>
Change in net assets	662,222	1,337,241	1,999,463
Net assets, beginning of year	<u>3,374,211</u>	<u>518,639</u>	<u>3,892,850</u>
Net assets, end of year	<u>\$ 4,036,433</u>	<u>\$ 1,855,880</u>	<u>\$ 5,892,313</u>

The accompanying notes to the financial statements are an integral part of these statements.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:			
Contributions and grants	\$ 4,414,450	\$ 641,400	\$ 5,055,850
Conferences	1,702,493	-	1,702,493
Membership dues	246,228	-	246,228
Investment return, net	(2,305)	-	(2,305)
Employee retention credit revenue	289,190	-	289,190
Other revenue	186,065	-	186,065
Net assets released from restrictions	1,141,799	(1,141,799)	-
Total Support and Revenue	<u>7,977,920</u>	<u>(500,399)</u>	<u>7,477,521</u>
Expenses:			
Program Services:			
Program development and support	4,605,538	-	4,605,538
Chapter support and grants	621,763	-	621,763
Annual conference	1,367,429	-	1,367,429
Membership services	249,950	-	249,950
Total Program Services	<u>6,844,680</u>	<u>-</u>	<u>6,844,680</u>
Supporting Services:			
Management and general	797,640	-	797,640
Fundraising	161,547	-	161,547
Total Supporting Services	<u>959,187</u>	<u>-</u>	<u>959,187</u>
Total Expenses	<u>7,803,867</u>	<u>-</u>	<u>7,803,867</u>
Change in net assets	174,053	(500,399)	(326,346)
Net assets, beginning of year	<u>3,200,158</u>	<u>1,019,038</u>	<u>4,219,196</u>
Net assets, end of year	<u>\$ 3,374,211</u>	<u>\$ 518,639</u>	<u>\$ 3,892,850</u>

The accompanying notes to the financial statements are an integral part of these statements.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENT OF FUNCTIONAL EXPENSES**

*YEAR ENDED JUNE 30, 2024*

	Program Services				Supporting Services			Total Expenses	
	Program Development and Support	Chapter Support and Grants	Annual Conference	Membership Services	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salaries, payroll taxes, and benefits	\$ 1,448,426	\$ 10,178	\$ 35,509	\$ 130,492	\$ -	\$ 759,410	\$ 135,240	\$ 894,650	2,519,255
Amortization	-	-	-	-	-	43,953	-	43,953	43,953
Professional services	946,755	43,470	117,483	10,520	1,118,228	175,008	-	175,008	1,293,236
Meeting expense	133,547	54,703	126,016	346,389	660,655	52,973	3,553	56,526	717,181
Grant expense	1,084,206	-	-	-	1,084,206	55	-	55	1,084,261
Information technology	104,758	5,135	79,836	80,665	270,394	17,562	5,110	22,672	293,066
Insurance	11,448	6,885	-	1,169	19,502	12,441	983	13,424	32,926
Travel	533,554	13,979	33,251	19,388	600,172	71,234	10,615	81,849	682,021
Office expense	34,972	1,807	27,376	4,124	68,279	7,132	2,688	9,820	78,099
Other expense	6,517	14,657	75,451	15,189	111,814	72,357	67	72,424	184,238
<b>Total Expenses</b>	<b>\$ 4,304,183</b>	<b>\$ 150,814</b>	<b>\$ 494,922</b>	<b>\$ 607,936</b>	<b>\$ 5,557,855</b>	<b>\$ 1,212,125</b>	<b>\$ 158,256</b>	<b>\$ 1,370,381</b>	<b>\$ 6,928,236</b>

The accompanying notes to the financial statements are an integral part of these statements.



**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENT OF FUNCTIONAL EXPENSES**

*YEAR ENDED JUNE 30, 2023*

	Program Services				Supporting Services			Total Expenses	
	Program Development and Support	Chapter Support and Grants	Annual Conference	Membership Services	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salaries, payroll taxes, and benefits	\$ 1,287,880	\$ 117,125	\$ -	\$ 155,680	\$ 1,560,685	\$ 498,928	\$ 99,825	\$ 598,753	\$ 2,159,438
Amortization	-	-	-	-	-	3,663	-	3,663	3,663
Professional services	933,325	45,085	147,401	16,440	1,142,251	122,705	8,000	130,705	1,272,956
Meeting expense	1,393,958	181,526	939,937	16,698	2,532,119	43,110	176	43,286	2,575,405
Grant expense	200,000	60,321	-	-	260,321	-	-	-	260,321
Information technology	61,783	64,261	58,684	24,605	209,333	11,210	33,035	44,245	253,578
Insurance	3,996	15,116	27	490	19,629	1,284	304	1,588	21,217
Travel	606,923	100,008	172,975	17,010	896,916	81,421	15,994	97,415	994,331
Office expense	45,227	15,639	41,747	3,722	106,335	10,064	2,451	12,515	118,850
Other expense	72,446	22,682	6,658	15,305	117,091	25,255	1,762	27,017	144,108
<b>Total Expenses</b>	<b>\$ 4,605,538</b>	<b>\$ 621,763</b>	<b>\$ 1,367,429</b>	<b>\$ 249,950</b>	<b>\$ 6,844,680</b>	<b>\$ 797,640</b>	<b>\$ 161,547</b>	<b>\$ 959,187</b>	<b>\$ 7,803,867</b>

The accompanying notes to the financial statements are an integral part of these statements.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENTS OF CASH FLOWS**

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,999,463	\$ (326,346)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Amortization	43,953	3,663
Net realized and unrealized loss on investments	308	2,305
Forgiveness of due to related party	-	(83,135)
Changes in operating assets and liabilities:		
Grants receivable	(974,247)	(171,621)
Employee Retention Credit receivable	-	(289,190)
Prepaid conference expenses	(677,568)	(104,644)
Accounts payable	54,670	(120,391)
Accrued payroll and benefits	65,851	31,503
Deferred conference revenue	579,840	(351,510)
Deferred membership revenue	(63,077)	142,292
Refundable advance	(444,524)	414,524
Net cash flows from operating activities	<u>584,669</u>	<u>(852,550)</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(110,194)	(131,860)
Purchases of investments	<u>(1,060,205)</u>	<u>(1,000,000)</u>
Net cash flows from investing activities	<u>(1,170,399)</u>	<u>(1,131,860)</u>
Net change in cash and cash equivalents	(585,730)	(1,984,410)
Cash and cash equivalents, beginning of year	<u>2,723,379</u>	<u>4,707,789</u>
Cash and cash equivalents, end of year	<u>\$ 2,137,649</u>	<u>\$ 2,723,379</u>
<b>Noncash financing and investing transactions:</b>		
Forgiveness of due to related party	<u>\$ -</u>	<u>\$ 83,135</u>

The accompanying notes to the financial statements are an integral part of these statements.

# COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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### Note 1—Nature of operations

Originally founded as a program of the Association for Computing Machinery (“ACM”) in 2004, Computer Science Teachers Association, LLC (“CSTA”) was later recognized as a not-for-profit corporation founded to empower, engage, and advocate for computer science teachers in grades kindergarten through high school worldwide. CSTA commenced program operations as a not-for-profit organization on March 1, 2017.

CSTA is a membership organization that includes elementary, middle, and high school teachers, college and university faculty, supportive members of industry and government, school administrators, and other not-for-profit organizations. Two levels of individual membership include:

*Basic Membership* – allows members to connect with the computer science community, including joining a local chapter.

*CSTA+ Membership* – includes all the benefits of a basic membership, plus access to additional member only discounts, events, and resources.

CSTA supports approximately 100 chapters, which is comprised of local members. These local groups build community among computer science teachers who are often isolated in their schools, provide professional development to help teachers improve their craft, and connect local teacher voices to the national computer science education community.

CSTA has developed and continues to maintain the computer science standards, which delineate a core set of learning objectives designed to provide the foundation for a complete computer science curriculum and its implementation at the K-12 level.

CSTA coordinates and promotes a variety of professional development opportunities for educators and education leaders in the computer science community.

### Note 2—Significant accounting policies

*Basis of Presentation* – The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applicable to not-for-profit organizations.

*Cash and Cash Equivalents* – CSTA considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

*Concentrations of Credit Risk* – CSTA places its cash and cash equivalents on deposit with financial institutions in the United States, which are insured by the Federal Deposit Insurance Corporation for up to \$250,000 for each institution. CSTA’s cash balances at times may exceed federally insured limits. At June 30, 2024 and 2023, CSTA’s cash accounts exceeded federally insured limits by approximately \$1,832,000 and \$2,470,000, respectively. CSTA has not experienced any losses and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

*Employee Retention Credit* – The provisions of the Coronavirus Aid, Relief, and Economic Security Act provides an employee retention credit (“ERC”), which is a refundable tax credit against certain employment taxes for eligible employers. Management determined CSTA qualifies for the ERC and has elected to treat the credit consistent with the treatment of conditional grants. CSTA recorded a receivable and ERC grant revenue once the measurable performance or other barrier and right of return of the ERC had been overcome. CSTA recognized \$289,190 as ERC grant revenue for the year ended June 30, 2023. Subsequent to June 30, 2024, CSTA collected the entire ERC amount.

# COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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### Note 2—Significant accounting policies (continued)

*Property and Equipment* – Property and equipment have been recorded at cost if purchased or at fair value at the time of donation if received as a gift. CSTA capitalizes property and equipment over \$2,500 that have a useful life of more than one year. Depreciation and amortization of property and equipment is calculated using the straight-line method over the estimated useful lives of the respective assets which is presently three years. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

*Investments* – Investments are reported at fair value in the statements of financial position. Investment return (including realized and unrealized gains and losses, interest, and dividends) is reported net of external and direct internal investment expenses and is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

*Net Assets* – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-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-imposed restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. CSTA reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statements of activities as net assets released from restrictions.

*Revenue from Contracts with Customers* – CSTA derives a significant portion of its revenue from revenue sources that involve contracts with customers. Those sources include conferences and membership dues. Revenues are recognized when control of these services is transferred to its customers in an amount that reflects the consideration CSTA expects to be entitled to in exchange for those services. CSTA has a financing component but has not adjusted the promised amount of consideration for the effects of the financing component as all payments are received typically received within 30 to 60 days of the services being provided.

CSTA has elected to use the portfolio approach practical expedient. CSTA's contracts with customers contain similar terms and as a result, CSTA has elected to apply its revenue recognition policies to a portfolio of contracts with similar characteristics. CSTA does not expect the results of doing so to differ materially from applying the guidance to individual contracts.

Revenue from conferences are recognized on the day of the conference. Revenue from membership dues are recognized ratably over the membership term as this most accurately reflects the transfer of control. Payments are due before the membership has been granted. Membership dues and conference fees received in advance are deferred to the applicable period in which the related services are performed.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024 AND 2023

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**Note 2—Significant accounting policies (continued)**

*Contract Balances* – The timing of revenue recognition, billings, and cash collections results in deferred revenue on the statements of financial position. The beginning and ending contract balances were as follows:

	<u>June 30,2024</u>	<u>June 30,2023</u>	<u>June 30,2022</u>
Deferred conference revenue	\$ 1,145,521	\$ 565,681	\$ 917,191
Deferred membership revenue	\$ 142,893	\$ 205,970	\$ 63,678

*Contributions* – CSTA recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Consequently, contributions approximating \$5,974,000 and \$8,490,000 at June 30, 2024 and 2023, respectively, had not been recognized in the statements of activities because the conditions on which they depend had not yet been met. Cash received in advance of a condition being met is recorded as a refundable advance in the statements of financial position until the condition has been met.

*Functional Expenses* – The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, and benefits, professional services, meeting expenses, information technology, insurance, travel, office expense and other expense which are allocated on the basis of estimates of time and effort.

*Income Taxes* – CSTA has been determined to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for either federal or state income taxes.

CSTA has evaluated the tax positions taken for all open tax years. Currently, the returns for the prior three fiscal years are open and subject to examination by the Internal Revenue Service; however, CSTA is not currently under audit nor has CSTA been contacted by this jurisdiction.

Based on the evaluation of CSTA's tax positions, management believes all positions would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended June 30, 2024 and 2023.

*Accounting Estimates* – The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024 AND 2023

**Note 2—Significant accounting policies (continued)**

*New Accounting Standard – CECL* – In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments – Credit Losses (Topic 326)* and subsequently related amendments (ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11 and ASU 2022-02). This guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. CSTA adopted this new accounting standard effective July 1, 2023 and all of the related amendments using the modified retrospective method. There was no significant impact to CSTA’s operating results for the current period due to this standard update.

*Subsequent Events* – Management has evaluated subsequent events through December 17, 2024, the date that the financial statements were available to be issued.

**Note 3—Liquidity and availability of resources**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,137,649	\$ 2,723,379
Grants receivable	1,998,981	1,024,734
Employee Retention Credit receivable	289,190	289,190
Investments	<u>2,057,592</u>	<u>997,695</u>
Total financial assets	6,483,412	5,034,998
Less amounts not available for general expenditures within one year, due to:		
Donor-restricted for a specific purpose	<u>1,855,880</u>	<u>518,639</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,627,532</u>	<u>\$ 4,516,359</u>

CSTA’s goal is to maintain available financial assets sufficient to meet its general expenditures, liabilities, and other obligations as they become due.

**Note 4—Property and equipment**

Property and equipment at June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Website	\$ 131,860	\$ 131,860
Construction in progress	110,194	-
Less amortization	<u>(47,616)</u>	<u>(3,663)</u>
Property and equipment, net	<u>\$ 194,438</u>	<u>\$ 128,197</u>

# COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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### Note 5—Fair value measurements

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that management has the ability to access at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2024 and 2023.

*Certificates of Deposit* – Valued by the custodians of the securities using pricing models based on time to maturity and stated interest rates.

*Money Market Funds* – Valued based on readily determinable fair values based on daily redemption values.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024 AND 2023

**Note 5—Fair value measurements (continued)**

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table set forth by level, within the fair value hierarchy, CSTA’s assets at fair value on a recurring basis as of June 30, 2024 and 2023:

	<b>As of June 30, 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Certificates of deposit	\$ -	\$ 1,497,388	\$ -	\$ 1,497,388
Money market funds	560,204	-	-	560,204
Total assets at fair value	<u>\$ 560,204</u>	<u>\$ 1,497,388</u>	<u>\$ -</u>	<u>\$ 2,057,592</u>

	<b>As of June 30, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Certificates of deposit	\$ -	\$ 997,695	\$ -	\$ 997,695

For the years ended June 30, 2024 and 2023, there were no significant transfers into or out of Level 3.

**Note 6—Net assets with donor restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Chapter support	\$ 61,320	\$ 180,909
Educational programs	1,552,060	146,330
Awards	242,500	171,000
Other programs	-	20,400
Total net assets with donor restrictions	<u>\$ 1,855,880</u>	<u>\$ 518,639</u>



# COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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### **Note 7—Conferences and other meetings**

CSTA sponsors and co-sponsors conferences which amount to approximately 8% and 23% of CSTA's total support and revenue for the years ended June 30, 2024 and 2023, respectively. CSTA's annual conference is the largest conference with revenue recognized for the years ended June 30, 2024 and 2023 of approximately \$763,000 and \$1,537,000, respectively.

CSTA sponsors and co-sponsors conferences which amounted to approximately 7% and 18% of CSTA's total expenses for the years ended June 30, 2024 and 2023, respectively. Expenses for CSTA's annual conference for the years ended June 30, 2024 and 2023 totaled approximately \$495,000 and \$1,367,000, respectively.

In the ordinary course of business, CSTA enters into contracts with third parties for conference sites, conference management, and other conference activities. Management believes that all conferences will be held for which outstanding commitments exist.

### **Note 8—Major grantors and contributors**

CSTA received approximately 62% of its contributions and grants from three contributors for the year ended June 30, 2024. CSTA received approximately 59% of its contributions and grants from two contributors for the year ended June 30 2023. Approximately \$1,781,000 and \$627,000 of this funding was included in grants receivable as of June 30, 2024 and 2023, respectively.

### **Note 9—Retirement plan**

CSTA offers a voluntary defined contribution retirement plan covering eligible employees. Employer contributions for the years ended June 30, 2024 and 2023 totaled \$69,293 and \$60,865, respectively, and are included in salaries, payroll taxes, and benefits on the statements of functional expenses.

### **Note 10—Related party transactions**

CSTA is a wholly-owned subsidiary of ACM. CSTA received contributions of \$330,000 and \$410,635 from ACM for the years ended June 30, 2024 and 2023, respectively.

### **Note 11—Uncertainties, contingencies, and risks**

CSTA is a party to legal matters and claims in the normal course of operations. While CSTA believes the ultimate outcome of such matters and claims will not have a material adverse effect on CSTA's financial position, results of operations, or cash flows, the outcome of such matters and claims is not determinable with certainty, and negative outcomes may adversely affect CSTA.

## **SUPPLEMENTARY INFORMATION**

## **Report of Independent Auditor 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  
Computer Science Teachers Association, LLC  
Chicago, Illinois

We have audited, in accordance with the 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 Computer Science Teachers Association, LLC (“CSTA”), which comprise the statement of financial position as of June 30, 2024, 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 December 17, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CSTA’s internal control over financial reporting (“internal control”) as a basis for designing 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 CSTA’s internal control. Accordingly, we do not express an opinion on the effectiveness of CSTA’s internal control.

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 organization’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 or significant deficiencies may exist that were not identified.

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

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

*Cherry Bekaert LLP*

Orland Park, Illinois  
December 17, 2024

## **Report of Independent Auditor on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors  
Computer Science Teachers Association, LLC  
Chicago, Illinois

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

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

We have audited Computer Science Teachers Association, LLC's ("CSTA") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of CSTA's major federal programs for the year ended June 30, 2024. CSTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, CSTA 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 June 30, 2024.

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

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 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of CSTA and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of CSTA's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CSTA's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CSTA's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CSTA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 CSTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CSTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on the internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of CSTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope for our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Orland Park, Illinois  
December 17, 2024

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Grantor Number	Federal Assistance Listing Number	Passed through to Subrecipients	Federal Expenditures
Research and Development Cluster:				
National Science Foundation:				
Direct award:				
Computer and Information Science and Engineering	2327863	47.070	\$ 57,601	\$ 396,855
Computer and Information Science and Engineering	2311746	47.070	62,322	455,562
Computer and Information Science and Engineering	2318232	47.070	9,450	127,315
Computer and Information Science and Engineering	2031314	47.070	23,418	75,597
Pass-through programs from:				
The Research Foundation for the State University of New York				
Computer and Information Science and Engineering	2-86216	47.070	-	23,336
Pass-through programs from:				
The University of Texas at Austin				
Computer and Information Science and Engineering	2137834	47.070	-	42,798
Pass-through programs from:				
Sage Fox Consulting Group, LLC.				
Computer and Information Science and Engineering	2329377	47.070	-	2,532
Total for program			152,791	1,123,995
Pass-through programs from:				
Duke University				
Education and Human Resources	2118453	47.076	-	168,958
Total National Science Foundation			152,791	1,292,953
U.S. Department of Education:				
Direct award:				
Education Innovation and Research	U411C190048	84.411C	-	502,386
Education Innovation and Research	S411C200115	84.411C	-	2,013,573
Total U.S. Department of Education			-	2,515,959
Total Research and Development Cluster			152,791	3,808,912
Total expenditures of federal awards			\$ 152,791	\$ 3,808,912



**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*JUNE 30, 2024*

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**Note 1—Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Computer Science Teachers Association, LLC (“CSTA”) for the year ended June 30, 2024. The information in this 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 CSTA, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of CSTA.

**Note 2—Summary of significant accounting policies**

Expenditures reported on the schedule of expenditures of federal awards 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. CSTA has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3—Nonmonetary assistance**

CSTA neither received nor disbursed federal awards in the form of nonmonetary assistance for the year ended June 30, 2024.

**Note 4—Insurance and loans or loan guarantees**

During the year ended June 30, 2024, CSTA received no loans, loan guarantees, or other federal assistance for the purpose of administering federal programs.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2024

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**Section I—Summary of Auditor’s Results**

**Financial Statement Section**

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified not considered to be a material weakness?	No
Noncompliance material to financial statements noted?	No

**Federal Awards Section**

Internal control over major programs:	
Material weakness identified?	No
Significant deficiency(ies) identified not considered to be a material weakness?	No
Type of auditor’s report issued on compliance for major programs	Unmodified
Findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
47.070, 47.076, and 84.411C	Research and Development Cluster
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*YEAR ENDED JUNE 30, 2024*

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**Section II—Financial Statement Finding**

None

**Section III—Federal Award Findings and Questioned Costs**

None

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

*YEAR ENDED JUNE 30, 2024*

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**Section IV – Schedule of Prior Audit Findings**

Finding 2023-01 – Misappropriation of funds (Resolved)

Misappropriation of CSTA's funds without donor restrictions occurred.

CSTA has implemented new procedures for usage of a new account with their vendor to require two-level authorizations, monthly tracking and review of each transaction batch for any potentially fraudulent activity, and stronger staff usage policies. These tighter financial controls will go with additional planned review and deeper managerial oversight of other staff-initiated purchases, such as credit cards.

Additionally, the staff member who was responsible for the misappropriation of funds was terminated immediately upon discovery of the fraudulent activity.