

Assurance

# COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC

Audited Financial Statements

Years Ended June 30, 2022 and 2021

LOCAL  
KNOWLEDGE,  
GLOBAL  
EXPERTISE

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**AUDITED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

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

#### ***Opinion***

We have audited the accompanying financial statements of Computer Science Teachers Association, LLC (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Computer Science Teachers Association, LLC as of June 30, 2022 and 2021, 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 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 Computer Science Teachers Association, LLC 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 opinions.

#### ***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 Computer Science Teachers Association, LLC'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 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 Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC'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 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 October 31, 2022, on our consideration of Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC's internal control over financial reporting and compliance.

PKF Mueller

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

**ASSETS**

	2022	2021
Cash and cash equivalents	\$ 4,707,789	3,156,209
Accounts receivable	853,113	309,930
Prepaid expenses	509,064	310,364
Other assets	17,084	20,194
Total assets	\$ 6,087,050	3,796,697

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable	\$ 613,949	140,562
Accrued payroll and benefits	139,901	123,947
Deferred conference revenue	917,191	448,167
Deferred membership revenue	63,678	142,767
Refundable advance	50,000	75,000
Due to related party	83,135	83,135
Paycheck Protection Program loan	-	176,015
Total liabilities	1,867,854	1,189,593

**Net assets:**

Without donor restrictions	3,200,158	2,056,367
With donor restrictions	1,019,038	550,737
Total net assets	4,219,196	2,607,104
Total liabilities and net assets	\$ 6,087,050	3,796,697

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

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>Support and revenue:</b>			
Contributions and grants	\$ 3,391,395	1,245,893	4,637,288
Conferences	1,347,896	-	1,347,896
Membership dues	258,837	-	258,837
Gain on forgiveness of Paycheck Protection Program loan	178,509	-	178,509
Other revenue	101,213	-	101,213
Net assets released from restrictions	<u>777,592</u>	<u>(777,592)</u>	<u>-</u>
Total support and revenue	<u>6,055,442</u>	<u>468,301</u>	<u>6,523,743</u>
<b>Expenses:</b>			
Program services:			
Program development and support	3,702,179	-	3,702,179
Chapter support and grants	253,407	-	253,407
Annual conference	279,252	-	279,252
Membership services	<u>183,357</u>	<u>-</u>	<u>183,357</u>
Total program services	<u>4,418,195</u>	<u>-</u>	<u>4,418,195</u>
Supporting services:			
Management and general	388,142	-	388,142
Fundraising	<u>105,314</u>	<u>-</u>	<u>105,314</u>
Total supporting services	<u>493,456</u>	<u>-</u>	<u>493,456</u>
Total expenses	<u>4,911,651</u>	<u>-</u>	<u>4,911,651</u>
Change in net assets	1,143,791	468,301	1,612,092
Net assets, beginning of year	<u>2,056,367</u>	<u>550,737</u>	<u>2,607,104</u>
Net assets, end of year	<u>\$ 3,200,158</u>	<u>1,019,038</u>	<u>4,219,196</u>

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

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>Support and revenue:</b>			
Contributions and grants	\$ 2,375,479	342,500	2,717,979
Conferences	737,515	-	737,515
Membership dues	292,690	-	292,690
In-kind rent	25,000	-	25,000
Other revenue	47,979	-	47,979
Net assets released from restrictions	358,812	(358,812)	-
Total support and revenue	3,837,475	(16,312)	3,821,163
<b>Expenses:</b>			
Program services:			
Program development and support	1,852,786	-	1,852,786
Chapter support and grants	193,025	-	193,025
Annual conference	237,689	-	237,689
Membership services	184,334	-	184,334
Total program services	2,467,834	-	2,467,834
Supporting services:			
Management and general	293,472	-	293,472
Fundraising	81,167	-	81,167
Total supporting services	374,639	-	374,639
Total expenses	2,842,473	-	2,842,473
Change in net assets	995,002	(16,312)	978,690
Net assets, beginning of year	1,061,365	567,049	1,628,414
Net assets, end of year	\$ 2,056,367	550,737	2,607,104

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



**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

	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	\$ 1,205,671	76,620	-	113,442	1,395,733	235,657	87,172	322,829	1,718,562
Professional services	1,201,434	29,332	22,860	29,928	1,283,554	107,646	-	107,646	1,391,200
Meeting expense	878,828	2,043	252,189	9,482	1,142,542	1,166	3,948	5,114	1,147,656
Grant expense	29,195	129,754	-	-	158,949	-	-	-	158,949
Information technology	116,522	1,804	-	19,424	137,750	3,852	7,532	11,384	149,134
Insurance	6,737	9,948	-	959	17,644	12,593	550	13,143	30,787
Travel	216,332	945	4,203	2,286	223,766	2,923	4,453	7,376	231,142
Office expense	44,187	2,801	-	6,742	53,730	23,381	1,357	24,738	78,468
Other expense	3,273	160	-	1,094	4,527	924	302	1,226	5,753
Total expenses	<u>\$ 3,702,179</u>	<u>253,407</u>	<u>279,252</u>	<u>183,357</u>	<u>4,418,195</u>	<u>388,142</u>	<u>105,314</u>	<u>493,456</u>	<u>4,911,651</u>

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

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	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	\$ 892,287	68,832	-	143,039	1,104,158	185,944	74,776	260,720	1,364,878
Professional services	578,251	2,882	24,431	75	605,639	79,690	-	79,690	685,329
Meeting expense	200,098	12,518	138,788	-	351,404	481	-	481	351,885
Grant expense	29,180	86,056	-	-	115,236	-	-	-	115,236
Rent and occupancy	17,798	1,855	-	1,770	21,423	2,797	780	3,577	25,000
Information technology	103,600	1,426	50,264	27,492	182,782	3,334	3,072	6,406	189,188
Insurance	8,553	14,668	-	1,618	24,839	1,774	718	2,492	27,331
Travel	1,975	150	24,206	-	26,331	504	50	554	26,885
Office expense	21,044	4,638	-	10,340	36,022	18,948	1,771	20,719	56,741
Total expenses	<u>\$ 1,852,786</u>	<u>193,025</u>	<u>237,689</u>	<u>184,334</u>	<u>2,467,834</u>	<u>293,472</u>	<u>81,167</u>	<u>374,639</u>	<u>2,842,473</u>

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

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>Cash provided (used) by operating activities:</b>		
Change in net assets	\$ 1,612,092	978,690
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of Paycheck Protection Program loan	(178,509)	-
Changes in:		
Accounts receivable	(543,183)	(257,554)
Prepaid expenses	(202,150)	(56,047)
Other assets	3,110	7,496
Accounts payable	479,331	62,776
Accrued payroll and benefits	15,954	24,793
Deferred conference revenue	469,024	(178,382)
Deferred membership revenue	(79,089)	43,455
Refundable advance	(25,000)	75,000
	1,551,580	700,227
Net cash provided by operating activities	1,551,580	700,227
Cash and cash equivalents, beginning of year	3,156,209	2,455,982
Cash and cash equivalents, end of year	\$ 4,707,789	3,156,209
<b>Noncash financing activity:</b>		
Forgiveness of Paycheck Protection Program loan	\$ 178,509	-

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

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**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 grades Kindergarten ("K") through 12 worldwide. CSTA commenced program operations as a not-for-profit corporation 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. There is no cost to join as a basic member.

CSTA+ membership - includes all the benefits of a basic membership, plus access to additional member only discounts, events, and resources. There is a \$50 annual fee to become a CSTA+ member.

CSTA supports 97 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 CSTA K-12 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.

**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**

For purposes of the statements of cash flows, CSTA considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

**Concentration of Credit Risk**

CSTA maintains its cash in bank deposits which, at times, may exceed federally insured limits. CSTA believes it is not exposed to any significant credit risk on cash.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Accounts Receivable

Accounts receivable from contracts with customers are stated at unpaid balances, less an adjustment for the allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on the length of time the receivables are outstanding and the anticipated future collectible amounts based on historical experience. Accounts deemed uncollectible are charged to the allowance for doubtful accounts. At June 30, 2022 and 2021, management determined that an allowance for doubtful accounts was not necessary.

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.

Support and Revenue Recognition

***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 significant financing component but has not adjusted the promised amount of consideration for the effects of the significant financing component as all payments are received within a year of the services being provided.

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 FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Support and Revenue Recognition, Continued

*Contract Balances*

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable and deferred revenue on the statements of financial position. The beginning and ending contract balances were as follows:

	<u>July 1, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Accounts receivable	\$ 52,376	309,930	853,113
Deferred conference revenue	626,549	448,167	917,191
Deferred membership revenue	99,312	142,767	63,678

***Promises to Give***

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 \$10,320,000 and \$13,100,000 at June 30, 2022 and 2021, respectively, have not been recognized in the statements of activities because the conditions on which they depend have 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 which are allocated on the basis of estimates of time and effort, as well as professional services, information technology, insurance, and office expense which are allocated on a square footage basis. The remainder of expenses are directly identified to the functional category to which it applies.

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.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Income Taxes, Continued

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, 2022 and 2021.

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.

Change in Accounting Standard – Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). The ASU improves financial reporting by providing new presentation and disclosure requirements, including presenting contributed nonfinancial assets (in-kind contributions) as a separate line item in the statements of activities apart from contributions of cash and other financial assets. The ASU also requires additional qualitative and quantitative disclosures about the nature, amount, restrictions, and policies surrounding the contributed nonfinancial assets. For the year ended June 30, 2022, CSTA adopted the ASU on a retrospective basis and has adjusted the presentation in these financial statements accordingly.

New Accounting Standard – Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The FASB also subsequently issued additional ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases in the statements of financial position. The ASUs are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. CSTA is currently evaluating the methods of adoption allowed and the effect that adoption is expected to have on its financial position, changes in net assets, cash flows, and related disclosures.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Management Evaluation of Going Concern

In accordance with U.S. GAAP, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about CSTA's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about CSTA's ability to continue as a going concern for the period from October 31, 2022 to October 31, 2023.

Subsequent Events

Subsequent events have been evaluated through October 31, 2022, the date that the financial statements were available to be issued.

**NOTE 3 - LIQUIDITY AND AVAILABILITY**

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>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,707,789	3,156,209
Accounts receivable	<u>853,113</u>	<u>309,930</u>
Total financial assets	5,560,902	3,466,139
Less: amounts not available for general expenditures within one year, due to:		
Donor-restricted for a specific purpose	<u>1,019,038</u>	<u>550,737</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,541,864</u>	<u>2,915,402</u>

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

**NOTE 4 - PAYCHECK PROTECTION PROGRAM LOAN**

In April 2020, CSTA received loan proceeds in the amount of \$176,015 under the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). PPP loans and accrued interest are forgivable to the extent the criteria established in the CARES Act are met. CSTA applied for and received forgiveness of the full proceeds plus interest of the PPP loan. CSTA initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released. CSTA recognized a gain on forgiveness of PPP loan and accrued interest of \$178,509 for the year ended June 30, 2022.



**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 5 - CONTINGENCY**

The \$176,015 PPP loan and its forgiveness are subject to examination under the terms of the agreement with the Small Business Administration for a period of six years from the date the PPP loan is forgiven, which was in September 2021. CSTA is not currently under examination nor has CSTA been contacted.

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2022 and 2021:

	2022	2021
Chapter support	\$ 452,543	365,031
Educational programs	93,397	68,206
Awards	207,989	117,500
Volunteer summit	112,500	-
Programs other	152,609	-
Total net assets with donor restrictions	\$ 1,019,038	550,737

**NOTE 7 - CONFERENCES AND OTHER MEETINGS**

CSTA sponsors and co-sponsors conferences which amount to approximately 21% and 19% of CSTA's total support and revenue for the years ended June 30, 2022 and 2021, respectively. CSTA's annual conference is the largest conference with revenue recognized for the years ended June 30, 2022 and 2021 of approximately \$836,000 and \$675,000, respectively.

CSTA sponsors and co-sponsors conferences which amounted to approximately 6% and 8% of CSTA's total expenses for the years ended June 30, 2022 and 2021, respectively. Expenses for CSTA's annual conference for the years ended June 30, 2022 and 2021 totaled approximately \$280,000 and \$238,000, 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 56% and 73% of its annual contributions and grants from one contributor during the year ended June 30, 2022 and from four contributors during the year ended June 30, 2021, respectively.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 9 - RETIREMENT PLAN**

CSTA offers a voluntary defined contribution retirement plan covering eligible employees. Employer contributions for the years ended June 30, 2022 and 2021 totaled \$56,234 and \$54,526, respectively, and are included in salaries, payroll taxes, and benefits on the statements of functional expenses.

**NOTE 10 - RENT EXPENSE**

CSTA received free rent for the use of office space through October 2020. Based on current market rates for similar rental facilities, CSTA would have paid \$0 and \$25,000 for the years ended June 30, 2022 and 2021, respectively.

**NOTE 11 - RELATED PARTY TRANSACTIONS**

CSTA is a wholly-owned subsidiary of ACM. CSTA received \$250,000 from ACM for each of the years ended June 30, 2022 and 2021. CSTA has a balance due to ACM of \$83,135 for each of the years ended June 30, 2022 and 2021, with no set repayment terms.

**NOTE 12 - IMPACT OF COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread in certain parts of the world. To date, the impact on CSTA's operations and results has not been significant and management expects this to remain the case. Management continues to actively monitor the global situation in order to mitigate any potential future impact on CSTA's changes in net assets and financial performance.

**SINGLE AUDIT REPORTS AND SCHEDULES**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

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, which comprise the statement of financial position as of June 30, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively, financial statements) and have issued our report thereon dated October 31, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Computer Science Teachers Association, LLC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF Mueller*

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

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

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

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

We have audited Computer Science Teachers Association, LLC’s 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 Computer Science Teachers Association, LLC’s major federal programs for the year ended June 30, 2022. Computer Science Teachers Association, LLC’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, Computer Science Teachers Association, LLC 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, 2022.

***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 Computer Science Teachers Association, LLC 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 Computer Science Teachers Association, LLC’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 Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC'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 Computer Science Teachers Association, LLC'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.





**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Pass Through Grantor Number</u>	<u>Federal Assistance Listing Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<b>Research and Development Cluster:</b>				
<b>National Science Foundation</b>				
<i>Direct award:</i>				
Computer and Information Science and Engineering	2031314	47.070	\$ 25,610	84,038
<i>Pass-through programs from:</i>				
Looking Glass Ventures, LLC				
Computer and Information Science and Engineering	1943530	47.070	-	4,099
<i>Pass-through programs from:</i>				
The Research Foundation for the State University of New York				
Computer and Information Science and Engineering	2-86216	47.070	-	174,842
<i>Pass-through programs from:</i>				
The University of Texas at Austin				
Computer and Information Science and Engineering	2137834	47.070	-	<u>3,790</u>
Total for program			25,610	266,769
<i>Pass-through programs from:</i>				
Duke University				
Education and Human Resources	2118453	47.076	-	<u>130,574</u>
Total National Science Foundation			<u>25,610</u>	<u>397,343</u>
<b>U.S. Department of Education</b>				
<i>Direct award:</i>				
Education Innovation and Research (EIR) Program - Early-Phase Grants	U411C190048	84.411C	-	1,147,578
Education Innovation and Research (EIR) Program - Early-Phase Grants	S411C200115	84.411C	-	<u>1,301,444</u>
Total U.S. Department of Education			-	<u>2,449,022</u>
Total Research and Development Cluster			<u>25,610</u>	<u>2,846,365</u> *
Total expenditures of federal awards			<u>\$ 25,610</u>	<u>2,846,365</u>

\* Identified as major program

The accompanying notes are an integral part of this schedule.

**COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2022**

**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, 2022. The information in this schedule is presented in accordance with the requirements of the 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, 2022.

**NOTE 4 - INSURANCE AND LOANS OR LOAN GUARANTEES**

During the year ended June 30, 2022, 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, 2022**

**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
Any audit 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>
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47.070, 47.076, and 84.411C	Research and Development Cluster
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Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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COMPUTER SCIENCE TEACHERS ASSOCIATION, LLC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022

**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 AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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

***FINDING 2021-001 - FINANCIAL CLOSE PROCESS***

**Condition:** During the initial start of the audit, certain information received did not properly reflect supporting documentation and required additional adjustments to true up certain areas. The closing process did not identify material audit adjustments that were required to properly reflect revenues and related receivables. Additional adjustments were needed to true up accounts receivable, deferred revenue, revenue, and net assets.

**Recommendation:** We recommend that CSTA implement controls over the financial closing process to ensure all necessary adjustments at fiscal year-end are recorded and reviewed, so the financial statements are free from material misstatements.

**Current Status:** This finding has been resolved during the year ended June 30, 2022.

***FINDING 2021-002 – PROCUREMENT POLICY***

<b>FAL NUMBER:</b>	84.411C
<b>PROGRAM TITLE:</b>	Education Innovation and Research (EIR) Program - Early-Phase Grants
<b>DEPARTMENT:</b>	U.S. Department of Education
<b>AWARD YEAR:</b>	2021

**Condition:** CSTA does not have a formal procurement policy in place that includes the essential elements as outlined in 2 CFR sections 200.317 through 200.327 set forth within the Uniform Guidance.

**Recommendation:** CSTA should adopt a formal procurement policy to be in line with current Uniform Guidance Standards set forth in 2 CFR sections 200.317 through 200.327.

**Current Status:** This finding has been resolved during the year ended June 30, 2022.