
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q/A

(Amendment No. 1)

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 31, 2023

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 0-12456

AMERICAN SOFTWARE, INC.

(Exact name of registrant as specified in its charter)

Georgia

(State or other jurisdiction of
incorporation or organization)

58-1098795

(IRS Employer
Identification Number)

**470 East Paces Ferry
Road, N.E.**

(Address of principal executive offices)

Atlanta

Georgia

30305

(Zip Code)

(404) 261-4381

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock	AMSWA	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, an emerging growth company or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” “emerging growth company” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the exchange act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

<u>Classes</u>	<u>Outstanding at August 30, 2023</u>
Class A Common Stock, \$.10 par value	32,344,863 Shares
Class B Common Stock, \$.10 par value	1,821,587 Shares

Explanatory Note

American Software, Inc. (the “Company”) is filing this Amendment No. 1 on Form 10-Q/A (this “Amendment” or “Form 10-Q/A”) to our Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2023, which was filed with the U.S. Securities and Exchange Commission (the “SEC”) on September 1, 2023 (the “Original Form 10-Q”) to make certain changes as described below.

Background

As previously disclosed in the Company’s Form 8-K, which was filed with the SEC on December 1, 2023, the Company recently discovered an error dating back to fiscal 2017 in our recently divested IT Staffing unit, The Proven Method, resulting

in an immaterial understatement of expenses and a corresponding understatement of liabilities in the Company's condensed consolidated financial statements.

The Company has performed analyses and other procedures and determined that the error did not result in a material misstatement of the Company's previously issued financial statements and that such financial statements may continue to be relied upon.

Considering the foregoing, management reassessed the effectiveness of the Company's internal control over financial reporting ("ICFR") as of July 31, 2023 based on the framework established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of that reassessment, management identified that the error was caused by an underlying control deficiency that, when combined with previously identified control deficiencies, in the aggregate, represent a material weakness in the Company's ICFR because there was a risk that additional errors could have occurred without being prevented or detected on a timely basis such that there was a more than remote chance of a material misstatement in the Company's financial statements or disclosures.

As a result of the material weakness, the Company concluded that its disclosure controls and procedures and ICFR were ineffective as of July 31, 2023. As a result, the Company is amending and restating Part I, Item 4 Controls and Procedures in this Form 10-Q/A to update its conclusions regarding the effectiveness of its disclosure controls and procedures and its internal control over financial reporting as of July 31, 2023 as a result of the material weakness.

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company is also including with this Form 10-Q/A a certifications of the Company's principal executive officer and principal financial officer (included in Part II, Item 6. "Exhibits" and attached as Exhibits 31.1, 31.2, 32.1, and 32.2). This Form 10-Q/A should be read in conjunction with the Original Form 10-Q, which continues to speak as of the date of the Original Form 10-Q. Except as specifically noted above, this Form 10-Q/A does not modify or update disclosures in the Original Form 10-Q. Accordingly, this Form 10-Q/A does not reflect events occurring after the date of the Original Form 10-Q or modify or update any related or other disclosures, other than those discussed above. No other portions of the Original Form 10-Q were changed.

Amendments of 2023 Annual Report on Form 10-K

In addition to this Form 10-Q/A, the Company is concurrently filing amendments to its Annual Report on Form 10-K for the fiscal year ended April 30, 2023.

PART I—FINANCIAL INFORMATION

Item 4. Controls and Procedures

Management’s Report on Internal Control Over Financial Reporting

Management, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of July 31, 2023, our disclosure controls and procedures were not effective due to the material weakness in internal control over financial reporting described below.

Identified Material Weaknesses

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The Company identified that certain process-level controls over the reconciliation of cash, accounts payable, accrued compensation, and related costs and cost of revenues were not operated effectively. These ineffective controls were attributable to insufficient policies and procedures and training that impaired our ability to timely investigate and resolve reconciling items.

These control deficiencies resulted in immaterial misstatements in related accounts. Furthermore, the control deficiencies described above created a reasonable possibility that a material misstatement to the condensed consolidated financial statements would not be prevented or detected on a timely basis. Therefore, we concluded that the deficiencies, in the aggregate, represent a material weakness in the Company’s internal control over financial reporting and our internal control over financial reporting was not effective as of July 31, 2023.

In light of the material weakness described above, management performed additional analyses and other procedures to ensure that our condensed consolidated financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”). Accordingly, management believes that the condensed consolidated financial statements included in the Original Form 10-Q fairly present, in all material respects, our financial position, results of operations, and cash flows as of and for the periods presented, in accordance with U.S. GAAP.

Management’s Plan to Remediate the Identified Material Weaknesses

With regard to the above-described material weakness, the Company will implement enhanced policies and procedures over reconciliations and related training, including a focus on expectations and procedures for investigating and resolving reconciling items on a timely basis.

We anticipate that the material weakness will be fully remediated before April 30, 2024, but the material weakness cannot be considered fully remediated until the updated policies and training have been in place and operated for a sufficient period of time to enable management and KPMG LLP to test and to conclude on the operating effectiveness of the controls.

Changes in Internal Control Over Financial Reporting

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Except as related to the identification of the material weakness described above, there were no changes in our internal control over financial reporting during the fiscal quarter ended July 31, 2023, that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 6. Exhibits

(a) Exhibits

The following exhibits are filed or furnished as a part of this report:

- Exhibits 31.1-31.2. Rule [13a-14\(a\)/15d-14\(a\)](#) Certifications
- Exhibit 32.1. [Section 906 Certifications](#)
- Exhibit 101.INS XBRL Instance Document.
- Exhibit 101.SCH XBRL Taxonomy Extension Schema Document.
- Exhibit 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.
- Exhibit 101.DEF XBRL Taxonomy Extension Definition Linkbase Document.
- Exhibit 101.LAB XBRL Taxonomy Extension Label Linkbase Document.
- Exhibit 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN SOFTWARE, INC.

Date: December 8, 2023

By: /s/ H. Allan Dow

H. Allan Dow
Chief Executive Officer and President
(Principal Executive Officer)

Date: December 8, 2023

By: /s/ Vincent C. Klinges

Vincent C. Klinges
Chief Financial Officer
(Principal Financial Officer)

Date: December 8, 2023

By: /s/ Bryan L. Sell

Bryan L. Sell
Controller and Principal Accounting Officer

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, H. Allan Dow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of American Software, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 8, 2023

By: _____ /s/ H. Allan Dow
 H. Allan Dow
 Chief Executive Officer and President
 (Principal Executive Officer) and Director

**Certifications Pursuant to Section 906 of
The Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)**

The undersigned, as the Principal Executive Officer of American Software, Inc., certifies that, to the best of his knowledge and belief, this report on Form 10-Q/A for the fiscal quarter ended July 31, 2023 (the "Report"), which accompanies this certification, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of American Software, Inc. at the dates and for the periods indicated. The foregoing certification is made pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) and shall not be relied upon for any other purpose.

This 8th day of December, 2023

/s/ H. Allan Dow

H. Allan Dow

Chief Executive Officer and President (Principal
Executive Officer) and Director

The undersigned, as the Principal Financial Officer of American Software, Inc., certifies that, to the best of his knowledge and belief, this report on Form 10-Q/A for the fiscal quarter ended July 31, 2023 (the "Report"), which accompanies this certification, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of American Software, Inc. at the dates and for the periods indicated. The foregoing certification is made pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) and shall not be relied upon for any other purpose.

This 8th day of December, 2023

/s/ Vincent C. Klinges

Vincent C. Klinges

Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to American Software, Inc. and will be retained by American Software, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The information in this Exhibit 32.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.