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**BRICOLAGE ACADEMY**  
**NEW ORLEANS, LOUISIANA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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Postlethwaite & Netterville

A Professional Accounting Corporation

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**BRICOLAGE ACADEMY**  
**NEW ORLEANS, LOUISIANA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors for  
Bricolage Academy  
New Orleans, Louisiana:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Bricolage Academy (“Bricolage”) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 Bricolage’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.



### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bricolage as of June 30, 2017 and 2016, 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.

### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation and other Disbursements Paid to or on behalf of Agency Head on page 12 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2017, on our consideration of Bricolage's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 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 Bricolage's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

New Orleans, Louisiana  
September 29, 2017

**BRICOLAGE ACADEMY**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2017 AND 2016**

**ASSETS**

	<b>2017</b>	<b>2016</b>
<b><u>CURRENT ASSETS</u></b>		
Cash	\$ 1,052,449	\$ 868,305
Grants and accounts receivable	159,441	43,561
Prepaid expenses	76,383	53,775
Total current assets	1,288,273	965,641

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses	95,123	33,519
Total current liabilities	95,123	33,519
<b><u>NET ASSETS</u></b>		
Unrestricted	898,759	918,216
Temporarily restricted	294,391	13,906
Total net assets	1,193,150	932,122
Total liabilities and net assets	\$ 1,288,273	\$ 965,641

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

**BRICOLAGE ACADEMY**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	Year ended June 30, 2017			Year ended June 30, 2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT</b>						
Federal government	\$ 276,608	\$ -	\$ 276,608	\$ 197,696	\$ -	\$ 197,696
State and local governments	3,320,323	-	3,320,323	2,394,289	-	2,394,289
Private grants and donations	252,032	391,411	643,443	567,544	161,761	729,305
Contributed goods and services	84,439	-	84,439	44,434	-	44,434
Interest income	1,113	-	1,113	673	-	673
Other revenues	62,479	-	62,479	51,519	-	51,519
Net assets released from restrictions	110,926	(110,926)	-	409,770	(409,770)	-
Total revenues and other support	4,107,920	280,485	4,388,405	3,665,925	(248,009)	3,417,916
<b>EXPENSES</b>						
Program services						
Regular education programs	1,658,271	-	1,658,271	1,200,432	-	1,200,432
Operation and maintenance of plant	337,231	-	337,231	126,540	-	126,540
Business services	96,174	-	96,174	141,360	-	141,360
Special education programs	258,476	-	258,476	157,604	-	157,604
School administration	201,927	-	201,927	259,005	-	259,005
Instructional staff services	240,412	-	240,412	138,963	-	138,963
Food service operations	132,643	-	132,643	122,102	-	122,102
Pupil support services	308,314	-	308,314	197,112	-	197,112
Student transportation services	197,898	-	197,898	119,873	-	119,873
Management and general						
General administration	506,814	-	506,814	589,801	-	589,801
Fundraising	189,217	-	189,217	78,887	-	78,887
Total expenses	4,127,377	-	4,127,377	3,131,679	-	3,131,679
Change in net assets	(19,457)	280,485	261,028	534,246	(248,009)	286,237
<b>NET ASSETS, BEGINNING OF YEAR</b>	918,216	13,906	932,122	383,970	261,915	645,885
<b>NET ASSETS, END OF YEAR</b>	\$ 898,759	\$ 294,391	\$ 1,193,150	\$ 918,216	\$ 13,906	\$ 932,122

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

**BRICOLAGE ACADEMY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ 261,028	\$ 286,237
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Grants and accounts receivable	(115,880)	8,913
Promises to give	-	205,307
Prepaid expenses	(22,608)	(6,188)
Accounts payable and accrued expenses	<u>61,604</u>	<u>(53,851)</u>
Net cash provided by operating activities	<u>184,144</u>	<u>440,418</u>
Net increase in cash	184,144	440,418
Cash, beginning of year	<u>868,305</u>	<u>427,887</u>
Cash, end of year	<u>\$ 1,052,449</u>	<u>\$ 868,305</u>
<b><u>SUPPLEMENTAL DISCLOSURE FOR CASH FLOW INFORMATION</u></b>		
In-kind donations	<u>\$ 84,439</u>	<u>\$ 44,434</u>

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

## BRICOLAGE ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS

#### **1. Summary of Significant Accounting Policies**

##### Organization

Bricolage Academy ("Bricolage"), incorporated in April 2012, is an educational institution organized to advance educational equity for students from diverse backgrounds.

The Orleans Parish School Board approved the granting of a charter to Bricolage Academy effective November 20, 2012 to operate a Type 1 Charter School as defined in LA R.S. 17:3996. Bricolage commenced school operations in August 2013. Bricolage's charter is approved to operate grade kindergarten through eighth grade. As of June 30, 2017, Bricolage operates grades kindergarten through third grade.

##### Basis of Accounting

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

##### Financial Statement Presentation

The financial statement presentation follows the guidance of the Financial Accounting Standards Board under *ASC No. 958 Not-for-Profit Entities*.

Bricolage is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, the net assets of Bricolage and changes therein are classified and reported as follows:

- *Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that will be met either by actions of Bricolage and/or the passage of time.
- *Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of Bricolage pursuant to those stipulations. At June 30, 2017 and 2016, Bricolage had no permanently restricted net assets.

##### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## BRICOLAGE ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. Summary of Significant Accounting Policies (continued)

##### Cash

Cash includes amounts on deposit at local financial institutions.

##### Contributions and Revenue Recognition

Bricolage reports contributions of cash or other assets as restricted support if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statement of activities.

Revenues from federal and state grants are recorded when Bricolage has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by Bricolage, or when otherwise earned under the terms of the grants.

##### Non-Cash Donations

The value of contributed goods and services has been recorded as revenues and support and expense in the period received, provided there is an objective basis for measurement of the value of such goods and services and they are significant and form an integral part of the Bricolage's efforts. Bricolage's donated goods and services totaled \$84,439 and \$44,434 during the years ended June 30, 2017 and 2016, respectively. In addition, Bricolage receives services donated by parents and community members in carrying out Bricolage's mission. The value of these services is not recognized in the accompanying financial statements as they do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

##### Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in Note 4. Accordingly, certain costs have been allocated among the services benefited.

## **BRICOLAGE ACADEMY**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Summary of Significant Accounting Policies (continued)**

##### Tax Exempt Status

Bricolage is a nonprofit organization exempt from the income taxes under provisions of the Internal Revenue Service Code Sections 501(c) (3) and the Louisiana Revised Statutes; therefore, no provision has been made for federal and state income taxes.

Bricolage applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% percent likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, Bricolage has reviewed its tax positions and determined there were no outstanding, or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities, therefore the implementation of this standard has not had a material effect on Bricolage.

##### Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

##### Recent Accounting Pronouncements

On August 18, 2016, FASB issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Under the ASU, the number of net asset classes is decreased from three to two; enhanced disclosures of underwater endowments are required; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how it manages its liquid available resources and liquidity risks is required. This ASU is effective for fiscal years beginning after December 15, 2017. Early application of the standard is permitted. Bricolage is currently assessing the impact of this pronouncement on the financial statements.

In February 2016, FASB issued ASU No. 2016-02, Leases. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. This ASU is effective for fiscal years beginning after December 15, 2019. Bricolage is currently assessing the impact of this pronouncement on its financial statements.

#### **2. Concentration of Credit Risk**

Bricolage maintains cash in bank accounts which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). Bricolage has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

**BRICOLAGE ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. Temporarily Restricted Net Assets**

A summary of the composition of temporarily restricted net assets at June 30 is as follows:

<u>Donor</u>	<u>2017</u>	<u>2016</u>	<u>Restriction</u>
New Schools Venture Fund	\$ 249,271	\$ -	Middle school incubation
Baptist Community Ministries	31,193	-	Innovators program
New Schools for New Orleans	10,906	13,906	Executive coaching
Nike	3,021	-	Equipment
	<u>\$ 294,391</u>	<u>\$ 13,906</u>	

**4. Functional Allocation of Expenses**

Expenses have been reported in the statements of activities and changes in net assets by natural classification. Bricolage presents functional classifications of expenses charged to program services. Instructional programs represent management's estimate of expenses that can be directly allocated to supporting classroom and teaching activities and programs. Supporting services include those expenses related to the administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services, and enterprise programs. Functional expenses for the year ended June 30, 2017 are as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ -	\$ 904	\$ 9,530	\$ 10,434
Contract services	285,381	139,048	34,047	458,476
Facility and maintenance	375,705	41,696	6,979	424,380
Food service operations	132,643	-	216	132,859
Instructional materials	133,207	-	2,760	135,967
Insurance	-	18,568	12,728	31,296
Non-instructional materials	51,065	176	25,481	76,722
Miscellaneous	79,466	639	223	80,328
Telephone, postage, access, and printing	11,354	5,414	489	17,257
Salaries and benefits	2,026,040	295,449	91,062	2,412,551
Student transportation	197,898	-	-	197,898
Technology	84,762	2,262	-	87,024
Travel and staff development	53,825	2,658	5,702	62,185
Total expenses	<u>\$ 3,431,346</u>	<u>\$ 506,814</u>	<u>\$ 189,217</u>	<u>\$ 4,127,377</u>

## BRICOLAGE ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS

#### 4. Functional Allocation of Expenses (continued)

Functional expenses for the year ended June 30, 2016 are as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ -	\$ 802	\$ 2,316	\$ 3,118
Contract services	226,218	70,265	16,968	313,451
Facility and maintenance	81,908	251,470	1,123	334,501
Food service operations	122,102	-	-	122,102
Instructional materials	123,118	311	-	123,429
Insurance	-	20,588	500	21,088
Non-instructional materials	45,238	28,699	13,429	87,366
Miscellaneous	11,036	2,926	-	13,962
Telephone, postage, access, and printing	3,843	3,758	875	8,476
Salaries and benefits	1,621,934	188,078	40,885	1,850,897
Student transportation	119,873	14,915	-	134,788
Technology	66,553	-	-	66,553
Travel and staff development	41,168	7,989	2,791	51,948
Total expenses	<u>\$ 2,462,991</u>	<u>\$ 589,801</u>	<u>\$ 78,887</u>	<u>\$ 3,131,679</u>

#### 5. Defined Contribution Plan

Bricolage has a 403(b) plan. Full-time employees have the option of enrolling in Bricolage's sponsored 403(b) plan. All employees, 21 years of age and older, are eligible to participate in the Plan. Under the terms of the Plan, Bricolage may match employee contributions up to 6% of employee compensation. For the years ended June 30, 2017 and 2016, Bricolage made employer matching contributions to the plan of \$98,628 and \$64,781, respectively.

#### 6. Operating Leases

Bricolage entered into a lease agreement for building space for a period of June 1, 2015 through June 30, 2018 at a base rent of \$12,500 per month from June 2015 through June 2016, \$16,667 per month from July 2016 through June 2017, and \$20,833 per month from July 2017 through June 2018. Future minimum lease payments related to this lease for the year ending June 30, 2018 are \$250,000.

Rent expense related to this lease agreement totaled \$200,000 and \$150,000 for the years ended June 30, 2017 and 2016, respectively.

## **BRICOLAGE ACADEMY**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **7. Grant Programs**

Bricolage participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Bricolage has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2017 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and Bricolage.

#### **8. Economic Dependency**

Bricolage receives the majority of its revenue from the State of Louisiana Minimum Foundation Program Funding and from various federal grants passed through the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds Bricolage receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds Bricolage will receive in fiscal year 2018 relating to its grant awards.

#### **9. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2017, and determined that there were no subsequent events requiring disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**BRICOLAGE ACADEMY**  
**SCHEDULE OF COMPENSATION AND OTHER DISBURSEMENTS**  
**PAID TO OR ON BEHALF OF AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Organization Head: Joshua Densen, CEO and School Leader

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 103,758
Benefits - insurance	12,580
Benefits - retirement	6,040
Benefits - FICA	6,140
Benefits - Medicare	1,436
Benefits - unemployment insurance	149
Stipend	105
Car allowance	-
Conference registration fees	-
Conference travel	493
Continuing professional education fees	-
Housing	-
Per diem	-
Registration fees	-
Reimbursements	-
Special meals	-
Travel	-
Unvouchered expenses	-
Vehicle provided by government	-

See accompanying independent auditors' report.

**INDEPENDENT AUDITORS' 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 for Bricolage Academy

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 Bricolage Academy (Bricolage) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bricolage's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bricolage's internal control. Accordingly, we do not express an opinion on the effectiveness of Bricolage'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bricolage's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

New Orleans, Louisiana  
September 29, 2017

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**BRICOLAGE ACADEMY**  
**NEW ORLEANS, LOUISIANA**

**PERFORMANCE AND STATISTICAL DATA**

**FOR THE YEAR ENDED JUNE 30, 2017**

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**BRICOLAGE ACADEMY**  
**NEW ORLEANS, LOUISIANA**

**PERFORMANCE AND STATISTICAL DATA SCHEDULES**

**FOR THE YEAR ENDED JUNE 30, 2017**

**Independent Accountants' Report**  
**On Applying Agreed-Upon Procedures**

To the Board of Directors of Bricolage Academy,  
the Louisiana Department of Education, and  
the Louisiana Legislative Auditor

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Bricolage Academy (Bricolage), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Bricolage for the fiscal year ended June 30, 2017 and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514.1. Bricolage's management is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

*General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)*

1. We selected a sample of 40 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on Schedule 1:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue (no revenue reported),
  - Total Local Earnings on Investment in Real Property (no revenue reported),
  - Total State Revenue in Lieu of Taxes (no revenue reported),
  - Nonpublic Textbook Revenue (no revenue reported), and
  - Nonpublic Transportation Revenue (no revenue reported).

**We noted no exceptions.**

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per Schedule 2 and to Bricolage's supporting payroll records as of October 1, 2016.

**We noted no exceptions.**

3. We reconciled the combined total of principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals per Schedule 2.

**We noted no exceptions.**

4. We obtained a list of full-time teachers and principals by classification as of October 1, 2016 and as reported on Schedule 2. We traced a sample of 24 teachers to the individual's personnel file and determined if the individual's education level was properly classified on Schedule 2.

**We noted nine items in our sample of 24 where the education level could not be agreed to supporting documentation within the personnel file due to missing documentation.**

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on Schedule 3. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application.

**We noted no exceptions.**

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers and principals by classification as of October 1, 2016 and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

**We noted seven items in our sample of 24 where the years of experience could not be agreed to supporting documentation within the personnel file due to missing documentation. We noted one item in our sample of 24 where the years of experience did not agree to supporting documentation within the personnel file. Subsequent to identifying this exception, Bricolage updated Schedule 4 to the correct years of experience.**

Public School Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a sample of 24 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

**We noted one item in our sample of 24 where the salary amount did not agree to the supporting documentation within the personnel file. Subsequent to identifying this exception, Bricolage updated Schedule 5 to the correct approved salary.**

8. We recalculated the average salaries and full-time equivalents reported in Schedule 5.

**We noted no exceptions.**

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on Schedule 6 and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

**We obtained a list of classes by school, school type, and class size as reported on Schedule 6 and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5, and noted no exceptions.**

**In our sample of ten classes selected, we noted two classes that had a difference between the class size noted on the October 1st roll book and the class size reported on Schedule 6. Both classes had a difference of one student – we obtained an explanation from management regarding these differences and noted they related to the timing of students joining the school.**

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. Bricolage only has Kindergarten through Third Grade; therefore, this schedule does not apply to Bricolage.

Graduation Exit Examination (GEE) (Schedule 8)

11. The Graduation Examination (GEE) is no longer administered. This schedule is no longer applicable.

iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in Schedule 9 by Bricolage.

**We noted no exceptions.**



This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Bricolage, as required by Louisiana Revised Statute 24:541.1, the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Postlethwaite & Netterville*

New Orleans, Louisiana  
September 29, 2017

**Bricolage Academy**  
**New Orleans, LA**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2017**

	Column A	Column B
<b><u>General Fund Instructional and Equipment Expenditures</u></b>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,132,328	
Other Instructional Staff Activities	191,773	
Instructional Staff Employee Benefits	320,275	
Purchased Professional and Technical Services	88,229	
Instructional Materials and Supplies	245,033	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>-</u>	\$ 1,977,638
Other Instructional Activities		-
Pupil Support Activities	208,549	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		208,549
Instructional Staff Services	192,200	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		<u>192,200</u>
School Administration		
Less: Equipment for School Administration	485,478	
Net School Administration	<u>-</u>	<u>485,478</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 2,863,865</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>-</u>

**Certain Local Revenue Sources**

*Not Applicable - Local Revenues Consist of Transfers from Another LEA*

**Bricolage Academy**  
**New Orleans, LA**

**Education Levels of Public School Staff**  
**As of October 1, 2016**

Category	Full-time Classroom Teachers				CEO & Principal			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	6	50%	10	83%	0	0%	1	50%
Master's Degree	6	50%	2	17%	0	0%	1	50%
Master's Degree + 30	0	0%	0	0%	0	0%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>12</b>	<b>100%</b>	<b>12</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>100%</b>

**Bricolage Academy**  
New Orleans, LA

**Number and Type of Public Schools**  
For the Year Ended June 30, 2017

<b>Type</b>	<b>Number</b>
Elementary	1
Middle/Jr. High	0
Secondary	0
Combination	0
<b>Total</b>	<b>1</b>

Note: Schools opened or closed during the fiscal year are included in this schedule.

**Bricolage Academy**  
New Orleans, LA

**Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers**  
**As of October 1, 2016**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
CEO	0	0	0	0	1	0	0	1
Principals	0	0	0	1	0	0	0	1
Classroom Teachers	3	4	13	0	3	1	0	24
<b>Total</b>	<b>3</b>	<b>4</b>	<b>13</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>26</b>

**Bricolage Academy**  
New Orleans, LA

**Public School Staff Data: Average Salaries**  
**For the Year Ended June 30, 2017**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$45,327	\$45,327
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$45,221	\$45,221
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	24	24

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

Schedule 6

**Bricolage Academy**  
**New Orleans, LA**

**Class Size Characteristics**  
**As of October 1, 2016**

School Type	Class Size Range								Total	Total
	1 - 20		21 - 26		27 - 33		34+			
	Percent	Number	Percent	Number	Percent	Number	Percent	Number		
Elementary	1%	1	65%	46	34%	24	0%	0	71	100%
Elementary Activity Classes	0%	0	77%	10	23%	3	0%	0	13	100%
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0	0	0%
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0	0	0%
High	0%	0	0%	0	0%	0	0%	0	0	0%
High Activity Classes	0%	0	0%	0	0%	0	0%	0	0	0%
Combination	0%	0	0%	0	0%	0	0%	0	0	0%
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0	0	0%
		1		56		27		0	84	

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

Schedule 9

**Bricolage Academy**  
**New Orleans, LA**

**iLEAP Tests**  
**For the Year Ended June 30, 2017**

District Achievement Level Results	Science			Social Studies			English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	9%	N/A	N/A	11%	N/A	N/A	7%	N/A	N/A	20%	N/A	N/A
Mastery	32%	N/A	N/A	19%	N/A	N/A	54%	N/A	N/A	49%	N/A	N/A
Basic	39%	N/A	N/A	29%	N/A	N/A	18%	N/A	N/A	20%	N/A	N/A
Approaching Basic	16%	N/A	N/A	26%	N/A	N/A	15%	N/A	N/A	6%	N/A	N/A
Unsatisfactory	4%	N/A	N/A	15%	N/A	N/A	6%	N/A	N/A	5%	N/A	N/A
Total	100%	0%	0%	100%	0%	0%	100%	0%	0%	100%	0%	0%

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**BRICOLAGE ACADEMY**  
**NEW ORLEANS, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED JUNE 30, 2017**

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**BRICOLAGE ACADEMY**  
**NEW ORLEANS, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED JUNE 30, 2017**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Bricolage Academy  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the management of Bricolage Academy (Bricolage) and the Louisiana Legislative Auditor (LLA) (the specified parties) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. Bricolage's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget

**We performed the procedures above and noted no exceptions.**

- b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

**We performed the procedures above and noted no exceptions.**

- c) *Disbursements*, including processing, reviewing, and approving

**We performed the procedures above and noted no exceptions.**

- d) *Receipts*, including receiving, recording, and preparing deposits

**We performed the procedures above and noted no exceptions.**

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**We performed the procedures above and noted no exceptions.**

***Written Policies and Procedures (continued)***

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- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

**We performed the procedures above and noted the following exceptions:**

- **No written policies regarding (3) legal review.**
- **No written policies regarding (5) monitoring process.**

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

**We performed the procedures above and noted no exceptions.**

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

**We performed the procedures above and noted the following exceptions:**

- **No written policies regarding (1) allowable expenses.**
- **No written policies regarding (2) dollar thresholds by category of expense.**

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

**We performed the procedures above and noted the following exception:**

- **No written policies regarding ethics.**

***Management response:***

***If) Contracting:*** We are in the process of revising our Financial Policies & Procedures Manual to include written policies regarding legal review of contracts and to establish a monitoring process for new and existing contracts.

***1h) Travel and Expense Reimbursement:*** We are in the process of revising our employee travel and expense reimbursement policy to clarify the types of allowable expenses and thresholds for reimbursement by category.

***1i) Ethics:*** All Bricolage staff participated in ethics training in July of 2017; documentation of this training is to be included in participating staff's personnel files. We are in the process of revising the employee handbook to include information about the LLA's ethics policies for public employees.

***Board (or Finance Committee, if applicable)***

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2. Obtain and inspect the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

**We performed the procedures above and noted no exceptions.**

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
  - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

**We performed the procedures above and noted no exceptions.**

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**We performed the procedures above and noted no reference to non-budgetary financial information in any of the six board meetings during the year.**

***Bank Reconciliations***

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3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

**We performed the procedures above and noted no exceptions.**

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**We selected one bank account and performed the procedures above. We noted no exceptions.**

## Collections

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5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

**We performed the procedures above and noted no exceptions.**

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

**We performed the procedures above and noted the following exceptions:**

- **No written documentation stating that the person responsible for collecting cash is (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party).**
  - **No written documentation stating that the person responsible for collecting cash is (3) not required to share the same cash register or drawer with another employee.**
- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

**We performed the procedures above and noted the following exception:**

- **No written documentation stating that the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.**

*Collections (continued)*

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c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

**We performed the procedures above and noted the following exception:**

- **Bricolage does not maintain collection logs or other similar documentation and written policies and procedures do not require such documentation. Therefore, for the one week tested, no collection log or other similar documentation was provided.**
- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

**We performed the procedures above and noted the following exception:**

- **Bricolage does not maintain sequentially numbered receipts, system reports, or other related collection documentation supporting cash collections and written policies and procedures do not require such documentation. Therefore, for the one week tested, no collection documentation supporting cash collections was provided.**
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

**We performed the procedures above and noted the following exception:**

- **No written documentation stating that the entity has a process specifically defined to determine completeness of all collections.**

*Management's response:*

*6a) Cash collection: In fiscal year 2018, we implemented an online student payment system to collect fees and sell items to families, and established that the school is cash-free. We are in the process of amending the Financial Policies & Procedures Manual to include controls that specify which employees can collect and deposit cash, ensuring that the cash drawer is maintained by one employee at a time.*

*Collections (continued)*

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*Management's response (continued):*

*6b) Cash reconciliation: We currently obtain reports from the online student payment system to reconcile cash collections to the general ledger. In instances where cash or checks are physically collected, we will revise the Financial Policies & Procedures Manual to clarify that a person who was not involved with the collection is responsible for reconciling the ledger.*

*6c) Reporting: The new online payment system generates receipts and reports of all transactions, which can be sorted by date, revenue source, etc. Sequentially numbered receipts are provided in instances where cash or checks must be received. The Financial Policies & Procedures Manual is being updated to include reporting policies for all collections.*

*7) Completeness of collections: We are revising our Financial Policies & Procedures Manual to include a process that is designed to determine the completeness of all collections.*

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

**We performed the procedures above and noted no exceptions.**

9. Using the disbursement population from #8 above, select 25 disbursements (or select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

**We performed the procedures above and noted the following exception:**

- **None of the items tested were initiated using a requisition / purchase order system. Bricolage does not consistently utilize a requisition / purchase order system, and written policies and procedures do not require such documentation.**

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

**We performed the procedures above and noted the following exception:**

- **None of the items tested had a purchase order or electronic equivalent. Bricolage does not consistently utilize a requisition / purchase order system, and written policies and procedures do not require such documentation.**

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

**We performed the procedures above and noted the following exception:**

- **None of the items tested had an approved requisition / purchase order or receiving report. Bricolage does not consistently utilize a requisition / purchase order system or obtain receiving reports, and written policies and procedures do not require such documentation.**

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

**Bricolage does not consistently utilize a purchasing / disbursement system, and written policies and procedures do not require such system.**

***Disbursements – General, excluding credit card/debit card/fuel card/P-Card purchases or payments  
(continued)***

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11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

**We performed the procedures above and noted the following exception:**

- **Bricolage’s written policies and procedures do not restrict persons with signatory authority from initiating purchases.**
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, inspect entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

**We performed the procedures above and noted no exceptions.**

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

**We performed the procedures above and noted no signature stamp or signature machine is used and no exceptions.**

***Management’s response:***

***11) Initiation of Purchases: We are revising our Financial Policies & Procedures Manual to specify that persons with signatory authority are prohibited from initiating purchases.***

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

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

**We performed the procedures above and noted no exceptions.**

15. Using the listing prepared by management, select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

**We selected one credit card and performed the procedures above. We noted the following exceptions:**

- **There was no evidence that the monthly statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.**

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

**No finance charges or late fees were assessed on the selected statement.**

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

**We performed the procedures above and noted the following exception:**

- **Of the 124 transactions tested, two transactions in the amount of \$642.48 and \$48.28 did not have original itemized receipts.**

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

**We performed the procedures above and noted the following exception:**

- **Of the 124 transactions tested, two transactions in the amount of \$642.48 and \$48.28 did not have a documented business purpose.**

*Credit Cards/Debit Cards/Fuel Cards/P-Cards (continued)*

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- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

**We performed the procedures above and noted no exceptions.**

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

**We performed the procedures above and noted no exceptions.**

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**We performed the procedures above and noted the following exception:**

- **Of the 124 transactions tested, two transactions in the amount of \$642.48 and \$48.28 did not have the original itemized receipt to determine the business purpose.**

*Management's response:*

*15a) Credit Card Statements: We are revising our Financial Policies & Procedures Manual to specify that a person other than the card holder reviews and approves monthly statements and documentation.*

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

**We performed the procedures above and noted no exceptions.**

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

**We performed the procedures above and noted no exceptions.**

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

**We performed the procedures above and noted the following exceptions:**

- For one of the three expense reimbursements selected, the room rate reimbursement expense exceeded the GSA approved rate by \$32.25.
- For one of the three expense reimbursements selected, the gratuity reimbursement expense exceeded Bricolage's written policy rate by \$1.18.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

**We performed the procedures above and noted no exceptions.**

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

**We performed the procedures above and noted no exceptions.**

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

**We performed the procedures above and noted the following exception:**

- For two of the three expense reimbursements selected, there was no written pre-approval to take the trip as required by written policy.

*Travel and Expense Reimbursement (continued)*

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- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**We performed the procedures above and noted no exceptions.**

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**We performed the procedures above and noted no exceptions.**

*Management's response:*

*19a) Travel Reimbursements: We are revising the employee travel policy to clarify that rates must align with the GSA approved rate. We will verify all gratuity payments to ensure they do not exceed the written policy rate.*

*19b) Travel Approvals: We are reinforcing employee travel policy to ensure that written pre-approval from an authorized employee/manager is obtained prior to making trip arrangements.*

**Contracts**

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

**We performed the procedures above and noted no exceptions.**

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

**We performed the procedures above and noted no exceptions.**

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

**Of the five contracts selected, one contract was subject to the Louisiana Public Bid Law or Procurement Code.**

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

**We performed the procedures above for the one contract subject to the Louisiana Public Bid Law or Procurement Code and noted no exceptions.**

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

**We performed the procedures above for the four contracts not subject to the Louisiana Public Bid Law or Procurement Code and noted the following exception:**

- **For one contract, Bricolage did not solicit quotes.**

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

**We performed the procedures above and noted no exceptions.**

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

**We performed the procedures above and noted no exceptions.**

- e) Obtain/inspect contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

**We performed the procedures above and noted no exceptions.**

***Payroll and Personnel***

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

**We performed the procedures above and noted no exceptions.**

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

**We performed the procedures above and noted no exceptions.**

23. Obtain attendance and leave records and select one pay period in which leave has been taken by at least one employee. Within that pay period, select 25 employees/officials (or select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

**We performed the procedures above and noted the following exceptions:**

- **Bricolage employees do not document their daily attendance and leave.**
- **There is no written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.**
- **Leave days are used on a taken-as-needed basis, so employees are not limited to a set number of days. All leave days are documented in a spreadsheet where they are monitored periodically by the COO for reasonableness.**

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

**No terminations payments in fiscal year 2017.**

***Payroll and Personnel (continued)***

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25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

**We performed the procedures above and noted no exceptions. Bricolage uses a third-party payroll service provider. Required reporting related to payroll taxes and retirement contributions is administered by the service provider.**

***Management's response:***

***23) Employee attendance and leave: We are implementing a system for employees to record their daily attendance. In addition, we are in the process of updating our payroll system to allow employees to request time-off and obtain management approval of each request.***

### *Ethics*

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26. Using the five selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

**We performed the procedures above and noted the following exception:**

- **None of the five employees selected for testing had ethics compliance documentation or documentation to demonstrate that required ethics training was completed.**

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, inspect documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

**We performed the procedures above and noted no exceptions.**

### *Management’s response:*

*Ii) Ethics: All Bricolage staff participated in ethics training in July of 2017; documentation of this training is to be included in participating staff’s personnel files. We are in the process of revising the employee handbook to include information about the LLA’s ethics policies for public employees.*

### *Debt Service (excluding nonprofits)*

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Items 28-30 were not included as not applicable to nonprofits.

*Other*

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/inspect supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**No misappropriations of public funds or assets.**

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

**We performed the procedures above and noted exceptions. No notice required by R.S. 24:523.1 posted on premise or website.**

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

**We performed the procedures above and noted no exceptions.**

*Management's response:*

*32) Required notice by R.S. 24:523.1: We will post the notices required by R.S. 24:523.1 to our website and in the front office of the school.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Postlethwaite & Netterville*

New Orleans, Louisiana  
September 29, 2017



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*A Professional Accounting Corporation*

To the Board of Directors of  
Bricolage Academy

In planning and performing our audit of the financial statements of Bricolage Academy (“Bricolage”) as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Bricolage’s internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing an opinion on Bricolage’s financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bricolage’s internal control. Accordingly, we do not express an opinion on the effectiveness of Bricolage’s internal control.

However, during our audit and the Performance and Statistical Data and Statewide Agreed upon Procedures engagements, we became aware of several matters as listed in Attachment I that are opportunities for strengthening internal controls and operating efficiency. We previously reported on Bricolage’s internal control in our *Government Auditing Standards* letter dated September 29, 2017. This letter does not affect our report dated September 29, 2017 on the financial statements of Bricolage. Bricolage’s responses to our comments are described in Attachment I. We did not audit Bricolage’s responses and, accordingly, we express no opinion on the responses.

We will review the status of these comments during our next audit engagement. We have discussed many of these comments and suggestions with management and we will be pleased to discuss them in further detail at your convenience.

This report is intended solely for the information and use of the Board of Directors and management of Bricolage Academy and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads 'Postlethwaite &amp; Netterville'.

New Orleans, Louisiana  
November 1, 2017

**BRICOLAGE ACADEMY**  
**MANAGEMENT LETTER COMMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**2017-1 Payroll and Payroll Related Internal Controls**

Condition:

During the execution of our payroll related testing, we noted the following:

- Several exceptions where offer letters and salary increase letters were not signed by the CEO (audit);
- Some employees' personnel files were missing documentation relating to education level and years of experience (performance and statistical data agreed upon procedures); and
- Bricolage employees do not document their daily attendance and leave, and there is no written documentation that supervisors approved the attendance and leave. Leave days are documented in a spreadsheet and are monitored periodically by the COO for reasonableness (Statewide agreed upon procedures).

Recommendation:

We recommend that Bricolage consider the use of a checklist for each employee file. This checklist should indicate what documentation is expected to be obtained and retained in the personnel file, including all offer letters and salary increase letters with documented approval by the CEO, and documentation related to education level and years of experience. The checklist list should be signed off once the contents of the file are reviewed by an appropriate member of the management team.

In addition, we recommend that Bricolage implement a process to document daily attendance and leave for all employees and that leave be approved in writing by supervisors. We also recommend that Bricolage review and monitor the leave days more routinely, for example monthly or quarterly.

Management Response and Corrective Action:

Management has implemented an online system for creating and approving offer letters. Management is implementing a system for employees to record their daily attendance. In addition, Bricolage is in the process of updating their payroll system to allow employees to request time-off and obtain management approval of each request. A review of each employee's personnel file is also taking place to ensure that all instructional staff members have college transcripts on file.

**BRICOLAGE ACADEMY**  
**MANAGEMENT LETTER COMMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**2017-2 Segregation of Duties**

Condition:

During the course of performance of audit procedures, we noted a limited segregation of duties over disbursements. We noted the CEO has check signing authority and that the CEO is the only person approving purchases. It was also noted that the CEO approves his own credit card expenses.

While it was noted that Bricolage has a dual-signature policy in place for disbursements over \$5,000, during the course of our testing, we noted several exceptions where checks over \$5,000 did not contain a dual signature and were only signed by the CEO.

Recommendation:

We recommend Bricolage implement a policy restricting persons with signatory authority from also approving purchases. Also, purchases should be reviewed and approved by someone other than the initiator or authorized card holder for credit card expenditures.

In addition, we recommend that Bricolage emphasize the importance of the dual-signature policy and that a member of the Board review the cancelled checks on the bank statements as part of their monthly review process.

Management Response and Corrective Action:

Bricolage is revising their Financial Policies and Procedures Manual to specify that a person other than the credit card holder reviews and approves monthly statements and documentation. Management has also implemented an online ticketing system to capture approval for purchases. The COO is also now approving all invoices before checks are created. Any checks above \$5,000 will not be signed by the CEO until the appropriate second signature has been obtained.