

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA**

Annual Financial Statements

June 30, 2019



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## Independent Auditor's Report

To the Board of Directors  
Bricolage Academy  
New Orleans, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of Bricolage Academy (the School), which comprise the statements of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### 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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from 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 auditor's 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 the entity'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 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 Academy, as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### LOUISIANA • TEXAS

**Other Matters**

The financial statements of the School, as of and for the year ended June 30, 2018, were audited by other auditors whose report dated December 19, 2018 expressed an unmodified opinion on those statements.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of board of directors and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are 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.

The performance and statistical data, included as schedules 1 and 2 is not a required part of the basic financial statements, but is supplementary information required by Louisiana State Law. 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. We have applied certain limited procedures, which are described in the independent accountant's report on applying agreed-upon procedures. However, we did not audit this information and, accordingly, express no opinion on it.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, during the fiscal year, the School adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2019 on our consideration of the School'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA  
December 4, 2019

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA  
Statement of Financial Position  
June 30, 2019**

<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 1,053,106
Grants and Accounts Receivable	309,613
Prepaid Expenses	<u>86,650</u>
<b>Total Current Assets</b>	<u>1,449,369</u>
<b>Property and Equipment</b>	
Equipment	110,418
Depreciation	<u>(5,258)</u>
<b>Property and Equipment, Net</b>	<u>105,160</u>
<b>Other Assets</b>	
Deposits	<u>23,208</u>
<b>Total Assets</b>	<u><u>\$ 1,577,737</u></u>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 89,054
Accrued Expenses	207,368
Line of Credit	<u>250,000</u>
<b>Total Current Liabilities</b>	<u>546,422</u>
<b>Net Assets</b>	
Without Donor Restrictions	914,796
With Donor Restrictions	<u>116,519</u>
<b>Total Net Assets</b>	<u>1,031,315</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,577,737</u></u>

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

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA  
Statement of Activities and Changes in Net Assets  
For the Year Ended June 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Grants, and Other Support</b>			
State and Local Public School Funding			
Minimum Foundation Program	\$ 5,801,448	\$ -	\$ 5,801,448
Public Grants			
Federal Grants	510,867	-	510,867
Other State Grants	30,837	-	30,837
Private Grants			
Contributions	199,552	410,673	610,225
In-Kind Donations	52,714	-	52,714
Pre-K and After School Care Fees	218,400		218,400
Income from Meals	65,082	-	65,082
Other Revenue	1,679	-	1,679
Interest Income	1,558	-	1,558
Net Assets Released from Restrictions	657,210	(657,210)	-
	<u>7,539,347</u>	<u>(246,537)</u>	<u>7,292,810</u>
<b>Total Revenue, Grants, and Other Support</b>			
<b>Expenses</b>			
Instructional and Student Activities	6,969,667	-	6,969,667
Management and General	548,219	-	548,219
Fundraising	151,387	-	151,387
	<u>7,669,273</u>	<u>-</u>	<u>7,669,273</u>
<b>Total Expenses</b>			
<b>Change in Net Assets</b>	(129,926)	(246,537)	(376,463)
<b>Net Assets, Beginning of Year</b>	<u>1,044,722</u>	<u>363,056</u>	<u>1,407,778</u>
<b>Net Assets, End of Year</b>	<u>\$ 914,796</u>	<u>\$ 116,519</u>	<u>\$ 1,031,315</u>

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

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA  
Statement of Functional Expenses  
For the Year Ended June 30, 2019**

	Program Services		Supporting Services		Total
	Instructional and Student Activities	Management and General	Fundraising		
Salaries and Benefits	\$ 4,462,340	\$ 285,004	\$ 117,271	\$ 4,864,615	
Purchased Services	525,852	151,275	6,744	683,871	
Building/Equipment Rental	397,047	14,191	5,135	416,373	
Transportation	381,130	-	-	381,130	
Materials and Supplies	263,125	16,344	7,399	286,868	
Food Service	217,397	-	-	217,397	
Custodial Services	158,671	4,958	1,653	165,282	
Utilities	144,066	4,502	1,501	150,069	
Dues and Fees	121,191	9,411	2,963	133,565	
Insurance	66,080	45,387	-	111,467	
Professional Development	88,544	-	-	88,544	
Communications	58,924	3,425	1,713	64,062	
Repairs and Maintenance	55,323	7,875	-	63,198	
Travel	24,719	-	1,448	26,167	
Interest	-	5,847	-	5,847	
Advertising	-	-	5,560	5,560	
Depreciation	5,258	-	-	5,258	
<b>Total</b>	<b>\$ 6,969,667</b>	<b>\$ 548,219</b>	<b>\$ 151,387</b>	<b>\$ 7,669,273</b>	

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

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA  
Statement of Cash Flows  
For the Year Ended June 30, 2019**

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**Cash Flows from Operating Activities**

Change in Net Assets	\$ (376,463)
Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities	
Depreciation	5,258
(Increase) Decrease in Assets	
Grants and Accounts Receivable	(178,520)
Unconditional Promises to Give	300,000
Prepaid Expenses	(16,623)
Deposits	(23,208)
Increase (Decrease) in Liabilities	
Accounts Payable and Accrued Expenses	(39,665)
Accrued Expenses	207,368
	<hr/>
<b>Net Cash Used in Operating Activities</b>	<b>(121,853)</b>

**Cash Flows from Investing Activities**

Purchases of Property and Equipment	<hr/> <b>(110,418)</b>
<b>Net Cash Used in Investing Activities</b>	<hr/> <b>(110,418)</b>

**Cash Flows from Financing Activities**

Cash Proceeds from Line of Credit	<hr/> <b>250,000</b>
<b>Net Cash Provided by Financing Activities</b>	<hr/> <b>250,000</b>

<b>Net Increase in Cash</b>	<b>17,729</b>
<b>Cash, Beginning of Year</b>	<hr/> <b>1,035,377</b>
<b>Cash, End of Year</b>	<hr/> <b>\$ 1,053,106</b>

**Supplemental Disclosure of Cash Flow Information**

In-Kind Donations	<hr/> <b>\$ 52,714</b>
Cash Paid During the Year for Interest	<hr/> <b>\$ 5,847</b>

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

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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

**Organization**

Bricolage Academy (the School), incorporated in April 2012, is a 501(c)3 non-profit, 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. The School's charter is approved to operate grade kindergarten through twelfth grade. As of June 30, 2019, the School operates grades pre-kindergarten through fifth grade.

A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

**Basis of Net Asset Presentation**

The School reports information regarding its financial position and activities according to two classes of net assets:

*Net Assets Without Donor Restrictions* - Net assets for general use that are not subject to donor-imposed restrictions.

*Net Assets With Donor Restrictions* - Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Once expended for their restricted purpose, these restricted net assets are released to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restriction.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

**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.

**Revenues and Support**

The School's primary source of funding is through the State Public School Fund from the Orleans Parish School Board (OPSB) and the Louisiana Department of Education (LDOE). The School received its support primarily from the OPSB and LDOE based on eligible students in attendance paid on a monthly basis. State and federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

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

**Promises to Give**

Private grants and contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. The School will not recognize a conditional promise to give until the conditions on which the promise depends are substantially met. Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Functional Expenses**

The costs of providing activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied. When possible, expenses are first allocated by direct identification and then allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort, percent of total labor burden, or on the basis of student count. The expenses that are allocated included salaries and benefits, purchased services, building/equipment rental, materials and supplies, custodial services, utilities, insurance, and communications.

**Grants and Accounts Receivable**

The grants and accounts receivable are stated at the amount management expects to collect on outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all grants receivable are collectible.

**In-Kind Support**

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. In-kind support was \$52,714 for the year ended June 30, 2019 and included donations of playground equipment.

**Cash**

During the year, cash may consist of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who specified the use of the contribution. At June 30, 2019, there were no restricted cash balances.

**Notes to Financial Statements**

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

**Statement of Cash Flows**

For purposes of the statement of cash flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2019, the School had no cash equivalents.

**Income Taxes**

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The School believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

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

The School is a nonprofit organization exempt from the income taxes under provisions of the Internal Revenue Service Code Section 501(c)(3) and the Louisiana Revised Statutes.

The School 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. The School 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.

**Reversionary Interest in Funds and Assets**

All funds received from the LDOE, United States Department of Education (USDOE), or other state or federal agency are funds earned by the School to be used for the purpose for which they were acquired. These agencies, however, have a reversionary interest in these funds, as well as any assets acquired with these funds. Should the charter agreement not be renewed, those funds and assets will transfer to the appropriate agency.

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

**Recent Accounting Pronouncements - Adopted**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which resulted in no reclassification of net assets.

**Recent Accounting Pronouncements - Not Yet Adopted**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled when products are transferred to customers. ASU 2014-09 will be effective for nonpublic organizations for annual reporting periods beginning after December 15, 2018, though early adoption is permitted. The new revenue standard may be applied retrospectively as of the date of adoption. Management is currently evaluating the impact of adopting this new guidance on its financial statements and does not expect the impact to be significant.

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2020. Management is currently evaluating the impact of adopting the new revenue standard on its financial statements.

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 2. Concentrations of Risk**

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be recovered. The School periodically maintains cash in bank accounts in excess of insured limits. As of June 30, 2019, the School's bank balances were \$1,173,550. As of June 30, 2019, balances insured by the Federal Deposit Insurance Corporation (FDIC), which covers the total balance of accounts up to \$250,000 per financial institution, totaled approximately \$500,000. The remaining deposits of \$673,550 were uninsured. The School has not experienced any losses and does not believe that significant credit risk exists as a result of its cash management practices.

The School received a substantial amount of its revenue through grants awarded by the federal, state, and local governments for the year ended June 30, 2019, which totaled \$6,343,152 or 87% of total revenue.

All students of the School live within Orleans Parish and employees live within the Greater New Orleans area.

**Note 3. Cash and Cash Equivalents**

The School's cash and cash equivalents (book balances) at June 30, 2019 were \$1,053,106, which are stated at cost and approximate market.

**Note 4. Accounts Receivable**

As of June 30, 2019, accounts receivable consisted of the following:

Federal and State Reimbursable Grants	\$	98,264
State and Local MFP Funds		95,910
School Food Reimbursements and Charges		62,901
After School Care		44,698
Pre-K Fees		7,840
		<hr/>
<b>Total Grants and Accounts Receivable</b>	<b>\$</b>	<b>309,613</b>
		<hr/> <hr/>

These receivables are considered to be fully collectible.

**Note 5. Property and Equipment**

As of June 30, 2019, property and equipment consisted of playground equipment. Depreciation expense was \$5,258 for the year ended June 30, 2019.

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 6. Defined Contribution Plan**

The School has a 403(b) plan. Full-time employees have the option of enrolling in the School'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, the School may match employee contributions up to 6% of employee compensation. For the year ended June 30, 2019 the School made employer matching contributions to the plan of \$186,014.

**Note 7. Accrued Expenses**

As of June 30, 2019, accrued expenses primarily consisted of wages, benefits and withholdings, school facility rent, and facility property insurance.

**Note 8. Line of Credit**

The School has a line of credit allowing for borrowings up to \$250,000 maturing March 27, 2020. The line of credit accrues interest monthly at a rate of 1.0% above the Wall Street Journal Prime Rate. At June 30, 2019 the balance on the line of credit was \$250,000.

**Note 9. Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted by donors for specific programs, purposes, student activities, or to assist specific departments of the School. These restrictions are considered to expire when payments for restricted purposes are made. As of June 30, 2019, none of the net assets with donor restrictions are time-restricted by donors.

A summary of the composition of net assets with donor restrictions at June 30, 2019 is as follows:

<b>Donor</b>		<b>Restriction</b>
Edward Schlieder Education Foundation	\$ 69,844	Curriculum
New Schools for New Orleans	20,913	IQI
New Schools for New Orleans	16,053	Personalized Learning
Rockefeller Foundation	5,000	SEL
Nike	3,021	Equipment
Louisiana Association of Public Charter Schools	<u>1,688</u>	STEP
<b>Total With Donor Restrictions</b>	<b>\$ <u>116,519</u></b>	

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 10. School Operations/Leasehold Interest**

The School entered into a lease agreement with John MC School Facility, LLC, a sublessor of the Recovery School District and the OPSB, to operate Bricolage Academy. The lease agreement is contingent upon the existence of the charter operating agreement between the School and the OPSB. This lease calls for monthly rent payments and monthly usage fee payments to OPSB. The monthly usage fee payments are deducted from Minimum Foundation Program (MFP) payments submitted by OPSB to Bricolage. The usage fee payments include certain property insurance policies and are calculated annually based on OPSB's Per Pupil Unit Cost Program. The monthly rent payments are partially subsidized by OPSB. As of June 30, 2019, monthly rent payments are estimated to be \$111,243, of which \$30,392 is paid by the School and \$80,581 is subsidized by OPSB. The lease currently expires in August 2023.

**Note 11. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 4, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW  
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**

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

To the Board of Directors  
Bricolage Academy  
New Orleans, Louisiana

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 (the School), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School for the fiscal year ended June 30, 2019, 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. Management of the School 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 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earnings on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue

Findings: None.

### Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

Findings: None.

### Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Findings: None.

### Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Findings: None.

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 the School, as required by Louisiana Revised Statute 24:514.1, 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 Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA  
December 4, 2019

**BRICOLAGE ACADEMY**  
**Schedules Required by Louisiana State Law**  
**(R.S. 24:514 - Performance and Statistical Data)**  
**As of and for the Year Ended June 30, 2019**

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

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA  
General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2019**

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 1,839,165	
Other Instructional Staff Salaries	618,602	
Instructional Staff Employee Benefits	573,983	
Purchased Professional and Technical Services	345,241	
Instructional Materials and Supplies	133,273	
Instructional Equipment	-	
	<hr/>	
<b>Total Teacher and Student Interaction Activities</b>		\$ 3,510,264
Other Instructional Activities		47,430
Pupil Support Services	547,998	
Less: Equipment for Pupil Support Services	-	
	<hr/>	
<b>Net Pupil Support Services</b>		547,998
Instructional Staff Services	178,756	
Less: Equipment for Instructional Staff Services	-	
	<hr/>	
<b>Net Instructional Staff Services</b>		178,756
School Administration	847,647	
Less: Equipment for School Administration	-	
	<hr/>	
<b>Net School Administration</b>		847,647
		<hr/>
<b>Total General Fund Instructional Expenditures</b>		<b>\$ 5,132,095</b>
		<hr/>
<b>Total General Fund Equipment Expenditures</b>		<b>\$ -</b>
		<hr/>

**Certain Local Revenue Sources**

Local Taxation Revenue		
Constitutional Ad Valorem Taxes	\$ -	
Renewable Ad Valorem Tax	-	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-	
Sales and Use Taxes	-	
	<hr/>	
<b>Total Local Taxation Revenue</b>		<b>\$ -</b>
		<hr/>
Local Earnings on Investment in Real Property		
Earnings from 16 <sup>th</sup> Section Property	\$ -	
Earnings from Other Real Property	-	
	<hr/>	
<b>Total Local Earnings on Investment in Real Property</b>		<b>\$ -</b>
		<hr/>
State Revenue in Lieu of Taxes		
Revenue Sharing - Constitutional Tax	\$ -	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
	<hr/>	
<b>Total State Revenue in Lieu of Taxes</b>		<b>\$ -</b>
		<hr/>
Nonpublic Textbook Revenue	\$ -	
Nonpublic Transportation Revenue	-	
	<hr/>	
		<b>\$ -</b>
		<hr/>

See independent accountant's report on applying agreed-upon procedures.

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA  
Class Size Characteristics  
As of October 1, 2018**

**Schedule 2**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	14%	32	60%	140	25%	58	1%	2
Elementary Activity Classes	5%	1	68%	15	27%	6	0%	0

See independent accountant's report on applying agreed-upon procedures.

**SUPPLEMENTARY INFORMATION**

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA  
Schedule of Board of Directors  
For the Year Ended June 30, 2019**

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<b><u>Board Members</u></b>	<b><u>Compensation</u></b>
Mr. Alan Philipson, Chair	\$-0-
Ms. Yvette Jones, Vice Chair	\$-0-
Dr. Arnel Cosey, PhD, Secretary	\$-0-
Mr. H. Merritt Lane, III, Treasurer	\$-0-
Ms. Deborah Augustine Elam	\$-0-
Mr. Cleland Powell	\$-0-
Mr. Todd McDonald	\$-0-
Ms. Tonya Johnson	\$-0-
Ms. Annie Phillips	\$-0-

See independent auditor's report.

**BRICOLAGE ACADEMY  
 NEW ORLEANS, LOUISIANA  
 Schedule of Compensation, Benefits, and Other Payments  
 to Agency Head or Chief Executive Officer  
 For the Year Ended June 30, 2019**

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**Agency Head**  
 Joshua Densen, CEO and School Leader

<b>Purpose</b>	<b>Amount</b>
Salary	\$115,000
Benefits - Retirement	\$13,970
Benefits - Insurance	\$6,508
Contract Agreement	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Cell Phone	\$662
Travel	\$0
Registration Fees	\$0
Conference Travel	\$1,783
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Meals	\$0

See independent auditor's report.

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

Independent Auditor's Report

To the Board of Directors  
Bricolage Academy  
New Orleans, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Bricolage Academy (the School), which comprise the statements of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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



A Professional Accounting Corporation

Baton Rouge, LA  
December 4, 2019

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA  
Schedule of Findings and Responses  
For the Year Ended June 30, 2019**

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

**Financial Statements**

- |  |            |
|--|------------|
| 1. Type of auditor's report  | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters:   |            |
| a. Material weaknesses identified?   | None       |
| b. Significant deficiencies identified not considered to be material weaknesses? | None       |
| c. Noncompliance material to the financial statements noted?                     | None       |

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

None.

**Section III. Compliance and Other Matters**

None.

**BRICOLAGE ACADEMY  
NEW ORLEANS, LOUISIANA  
Schedule of Prior Year Findings  
For the Year Ended June 30, 2019**

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

None.

**Section III. Compliance and Other Matters**

None.

## AGREED-UPON PROCEDURES REPORT

Bricolage Academy

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period of July 1, 2018 - June 30, 2019**

Bricolage Academy and the  
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Bricolage Academy (the Academy) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Academy's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. 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 results are as follows:

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

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

### LOUISIANA • TEXAS

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: We obtained the Academy's written policies and procedures. No exceptions were noted when performing procedures A through K. When performing procedure I and K, we noted that the Academy did not have an official written policy over either section. Procedure J is not applicable to non-profit entities.

## **Collections**

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

Results: We obtained a listing of cash deposit sites from the Academy and management's representation that the list is complete.

3. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: The Academy only has one collection location, which was selected for testing. We obtained management's representation that the listing is complete. All procedures listed were met without exception.

- 4. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: We noted that employees who are responsible for collecting cash are covered by an insurance policy for theft.

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

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

Results: As the School is a charter school group, its major sources of revenues are monthly Minimum Foundation Program payments and grant reimbursements. The School receives all such public funds via ACH transfer. The School noted no public funds that were received as cash during the fiscal year and that only student fees, student activity funds, and private donations include cash deposits. As such, there were no transactions selected for testing.

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

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- 6. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries/pay rates in the personnel files.

Results: We obtained a listing of employees/officials from the Academy and management's representation that the list is complete. We selected five employees/officials for testing. No exceptions were noted between employee pay rates and personnel files.

7. Randomly select one pay period during the fiscal period. For the five employees/officials selected under #6 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that 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) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: We selected one pay period for testing. No exceptions were noted when performing the procedures listed above for the five employees during the period tested. We noted that two employees took leave during the period and the leave was properly reflected in the Academy's cumulative leave records.

8. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results: We noted that no termination payments were made during the fiscal period. We obtained management's representation that this was the case.

9. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: Obtained management's representation. No exceptions noted.

## ***Ethics***

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10. Using the five randomly selected employees/officials from procedure #6 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: When performing procedure a) no exceptions were noted. When performing procedure b) we noted that the Academy did not have an official written policy over ethics, and therefore there was no separate signed acknowledgement by employees.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. 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.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA  
December 4, 2019

December 4, 2019

LaPorte  
A Professional Accounting Corporation  
111 Veterans Memorial Blvd., Suite 600  
Metairie, LA 70005

To Whom It May Concern,

Management Responses to the 2019 Statewide AUP report and recommendations:

1i) Written Policies and Procedures – Ethics

All Bricolage Staff participate in ethics training each year; documentation of this training is included in staff personnel files. Bricolage is in the process of revising the employee handbook to include information about the LLA's ethics policies for public employees.

1k) Written Policies and Procedures – Disaster Recovery/Business Continuity

Bricolage is in the process of creating a Disaster Recovery/Business Continuity plan which will include all information required by the LLA.

10b) Ethics

Bricolage is in the process of revising the employee handbook to include information about the LLA's ethics policies for public employees

Sincerely,



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Lauren Orgeron  
CFO