

**NEW SCHOOLS FOR BATON ROUGE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
New Schools for Baton Rouge  
Baton Rouge, Louisiana

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of New Schools for Baton Rouge (a non-profit organization) and subsidiary, which comprise the consolidated statement of financial position as of September 30, 2015, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of New Schools for Baton Rouge and subsidiary as of September 30, 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying details of consolidated financial statements and the schedule of compensation, benefits and other payments to the school leader, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 March 1, 2016, on our consideration of New Schools for Baton Rouge's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 New Schools for Baton Rouge's internal control over financial reporting and compliance.



Daigrepoint & Brian, APAC

March 1, 2016

**NEW SCHOOLS FOR BATON ROUGE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2015**

**ASSETS**

Current Assets

Cash	\$ 2,523,888
Prepaid expenses	3,134
Promises to give	<u>1,832,797</u>
Total Current Assets	<u>4,359,819</u>

Property and Equipment

Furniture and fixtures	64,428
Equipment	15,126
Leasehold improvements	<u>85,061</u>
	164,615
Accumulated depreciation	<u>(37,175)</u>
Total Property and Equipment	127,440

Total Assets	<u><u>\$ 4,487,259</u></u>
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**LIABILITIES AND NET ASSETS**

Current Liabilities

Accounts payable	\$ 165
Accrued liabilities	<u>21,885</u>
Total Current Liabilities	22,050

Net Assets

Unrestricted net assets	2,812,987
Temporarily restricted net assets	<u>1,652,222</u>
Total Net Assets	<u>4,465,209</u>

Total Liabilities and Net Assets	<u><u>\$ 4,487,259</u></u>
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See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>			
Foundation grants	\$ 285,873	\$ 960,398	\$ 1,246,271
Federal grants	34,350	-	34,350
State grants	200,000	882,478	1,082,478
Corporate and individual contributions	145,349	100,000	245,349
Interest income	1,965	-	1,965
Other income	6,428	-	6,428
Net assets released from restriction	1,920,223	(1,920,223)	-
<b>Total Revenues</b>	<u>2,594,188</u>	<u>22,653</u>	<u>2,616,841</u>
<b>EXPENSES</b>			
Program services	2,640,506	-	2,640,506
Management and general	202,160	-	202,160
Fundraising	58,363	-	58,363
<b>Total Expenses</b>	<u>2,901,029</u>	<u>-</u>	<u>2,901,029</u>
<b>CHANGE IN NET ASSETS</b>	<u>(306,841)</u>	<u>22,653</u>	<u>(284,188)</u>
Net assets - beginning of year	<u>3,119,828</u>	<u>1,629,569</u>	<u>4,749,397</u>
Net assets - end of year	<u>\$ 2,812,987</u>	<u>\$ 1,652,222</u>	<u>\$ 4,465,209</u>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Program Services	Management & General	Fundraising	Total
Accounting	\$ -	\$ 42,945	\$ -	\$ 42,945
Conferences	5,727	-	-	5,727
Depreciation	-	16,476	-	16,476
Employee benefits	68,741	8,041	2,622	79,404
Information technology	-	27,212	-	27,212
Insurance	-	9,675	-	9,675
Meals and entertainment	1,849	2,936	-	4,785
Office expenses	-	11,585	-	11,585
Payroll taxes	37,150	408	3,266	40,824
Professional fees	590,359	41,072	-	631,431
Program development	28,663	-	-	28,663
Recruiting	18,327	-	3,000	21,327
Rent	-	27,849	-	27,849
Salaries and wages	646,140	6,185	49,475	701,800
School strategy	1,229,555	-	-	1,229,555
Tuition payments	13,995	-	-	13,995
Utilities	-	7,776	-	7,776
	<u>\$ 2,640,506</u>	<u>\$ 202,160</u>	<u>\$ 58,363</u>	<u>\$ 2,901,029</u>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ (284,188)
<u>Adjustments to reconcile net revenues over expenses to net cash provided by operating activities:</u>	
Depreciation	16,476
Increase in promises to give	429,205
Increase in prepaid items	(3,134)
Decrease in accounts payable	(20,932)
Increase in accrued liabilities	3,026
Total adjustments	<u>424,641</u>
Net cash provided by operating activities	<u>140,453</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<u>(5,458)</u>
Net cash used by investing activities	<u>(5,458)</u>

INCREASE IN CASH	134,995
CASH, BEGINNING OF YEAR	<u>2,388,893</u>
CASH, END OF YEAR	<u><u>\$ 2,523,888</u></u>

See accompanying notes and independent auditors' report.



**NEW SCHOOLS FOR BATON ROUGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

1. Summary of Significant Accounting Policies

Organization

New Schools for Baton Rouge (NSBR) began operating in 2012 and is a non-profit organization located in Baton Rouge, LA. The purpose of NSBR is to serve as a community partner, bringing together talent and resources to deliver excellent schools to students and families in Baton Rouge. This is done through attracting high performing schools with strong track records of success, expanding organizations that produce exceptional teachers and principals, and supporting an ecosystem of reform oriented organizations needed for schools to succeed.

In December of 2014 the New Schools for Baton Rouge Excellence Scholarship Fund, LLC (Scholarship Fund) was formed with the sole member being New Schools for Baton Rouge. The purpose of the Scholarship Fund is to participate in the state of Louisiana's Tuition Donation Rebate Program. This program allows for donors to contribute funds to assist students from low income families in attending private schools. All activity related to the Scholarship Fund has been consolidated with the activity from NSBR.

Basis of Accounting

The financial statements of the New Schools for Baton Rouge have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Revenues

New Schools for Baton Rouge receives substantially all of its revenue from grants and contributions from foundations, corporations, individuals, as well as, federal and state agencies. Grants and contributions made to the Organization are considered available for unrestricted use unless specifically restricted by the donor.

Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 958, Not-for-Profit Entities. Under FASB ASC 958, the Organization 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. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted Net Assets*

Unrestricted net assets are for general use with no restrictions.

*Temporarily Restricted Net Assets*

Temporarily restricted net assets can be expended currently, but only for a specified purpose designated by the grantor.

**NEW SCHOOLS FOR BATON ROUGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

1. Summary of Significant Accounting Policies (continued)

Net Assets (continued)

*Permanently Restricted Net Assets*

Net assets permanently restricted for future use by the grantor or the board of directors. There are no permanently restricted net assets as of September 30, 2015.

Cash

Cash consists of bank deposits held with financial institutions.

Promises to Give

Promises to give consist of the net present value of written commitments to NSBR for future years. Management has determined that there were no balances recorded that were uncollectible as of September 30, 2015.

Functional Expenses

NSBR allocates its expenses on a functional basis between program, fundraising, or management and general. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification.

Use of Estimates

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

Income Taxes

NSBR accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

NSBR is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is no longer subject to federal information return examinations by tax authorities for years before 2012 which is the first year of filing an information return.

Subsequent Events

The Organization has evaluated subsequent events through March 1, 2016, the date the financial statements were available to be issued, for recording and disclosure.

**NEW SCHOOLS FOR BATON ROUGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

2. Concentrations

Financial instruments, which potentially subject NSBR to concentration of credit risk, consist of cash accounts held with a bank. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. Amounts in excess of insured limits at September 30, 2015 were approximately \$2,187,360. NSBR does not believe that it is exposed to any significant credit risk on uninsured amounts.

NSBR receives substantially all of its operating revenue from grants and contributions from foundations, corporations, individuals, as well as, federal and state agencies. Concentration of revenue and promises to give from these sources for the years ended September 30, 2015 are as follows:

	Revenue	Promises to give
Donor 1	36%	25%
Donor 2	21%	30%
Donor 3	N/A	32%
State Grants	34%	N/A

3. Leases

In August 2012 NSBR began making lease payments to Louisiana State University (LSU) for office space at the Shaw Center for the Arts. The monthly lease payments are \$2,258 and are due on the 1st day of each month. Total lease payments for the period ended September 30, 2015 were \$27,849. The original lease agreement was set to terminate on July 31, 2014 but was extended and was set to expire July 31, 2015. The lease has been extended for a second time and expires on July 31, 2016. Future minimum lease payments under this lease are \$22,580.

4. Property and Equipment

Property and equipment is presented in the financial statements on the basis of cost less allowances for depreciation. Depreciation is computed using the straight-line method and is provided over the estimated useful lives of the assets, which is generally three to five years.

Additions or betterments that extend the useful life of assets are capitalized as property and equipment. General maintenance and repair expenditures that do not extend the useful life are expensed as incurred.

5. Compensated Absences

All regular full-time employees earn 15 days of personal time, which includes vacation and sick leave, annually. A maximum of 20 days (160 hours) of personal time may be carried over to the following year. At September 30, 2015, \$20,488 has been accrued for compensated absences.

**NEW SCHOOLS FOR BATON ROUGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

6. Retirement Plan

NSBR offers a 401(k) retirement plan for all full-time eligible employees. Enrollment is available immediately upon employment. For those that are eligible NSBR will match 100% up to 5% of the employee's contributions.

For the twelve month period ended September 30, 2015 the amount paid related to the NSBR's retirement plan was \$33,049.

7. Promises to Give

NSBR receives promises to give from foundations, corporations, and individuals for the purpose of providing support for schools and to cover a portion of operating costs. Promises to give are recognized at their net present value in the statement of financial position using a discount rate of 5%.

Promises to give at September 30, 2015 consist of the following:

Foundations	\$ 1,912,667
Corporations	30,000
Individuals	40,000
	<u>\$ 1,982,667</u>
Less: Unamortized discount	(149,870)
Net promises to give	<u><u>\$ 1,832,797</u></u>
Amounts due in:	
Less than one year	\$ 1,142,667
One to five years	840,000
	<u><u>\$ 1,982,667</u></u>

8. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$1,566,217 are to be used to provide the start up capital necessary to expand and launch excellent schools and organizations. It is used to offset the one-time startup costs required to transform underperforming schools to high-performing ones. Funds to support this initiative come from the support of local and national philanthropists, corporations, and foundations.

Temporarily restricted net assets of \$86,005 are to be used to provide tuition scholarships to qualified students from low income families who wish to attend one of Baton Rouge's highest performing private schools.

9. School Strategy

Expenses for school strategy are related to funding for educational grants and school startups. These expenditures are the primary focus of the organization and its mission.

**NEW SCHOOLS FOR BATON ROUGE  
 DETAIL OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 SEPTEMBER 30, 2015**

	New Schools for Baton Rouge	New Schools for Baton Rouge Excellence Scholarship Fund	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 2,437,360	\$ 86,528	\$ 2,523,888
Prepaid expenses	3,134	-	3,134
Promises to give	1,832,797	-	1,832,797
Total Current Assets	<u>4,273,291</u>	<u>86,528</u>	<u>4,359,819</u>
<b>Property and Equipment</b>			
Furniture and fixtures	64,428	-	64,428
Equipment	15,126	-	15,126
Leasehold improvements	85,061	-	85,061
	<u>164,615</u>	<u>-</u>	<u>164,615</u>
Accumulated depreciation	<u>(37,175)</u>	<u>-</u>	<u>(37,175)</u>
Total Property and Equipment	127,440	-	127,440
<b>Total Assets</b>	<u>\$ 4,400,731</u>	<u>\$ 86,528</u>	<u>\$ 4,487,259</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 165	\$ -	\$ 165
Accrued liabilities	21,885	-	21,885
Total Current Liabilities	<u>22,050</u>	<u>-</u>	<u>22,050</u>
<b>Net Assets</b>			
Unrestricted net assets	2,812,464	523	2,812,987
Temporarily restricted net assets	1,566,217	86,005	1,652,222
Total Net Assets	<u>4,378,681</u>	<u>86,528</u>	<u>4,465,209</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 4,400,731</u>	<u>\$ 86,528</u>	<u>\$ 4,487,259</u>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
 DETAIL OF CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	New Schools for Baton Rouge			New Schools for Baton Rouge Excellence Scholarship Fund		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>						
Foundation grants	\$ 285,873	\$ 960,398	\$ 1,246,271	\$ -	\$ -	\$ -
Federal grants	34,350	-	34,350	-	-	-
State grants	-	882,478	882,478	200,000	-	200,000
Corporate and individual contributions	145,349	-	145,349	-	100,000	100,000
Interest income	1,965	-	1,965	-	-	-
Other income	6,428	-	6,428	-	-	-
Net assets released from restriction	1,906,228	(1,906,228)	-	13,995	(13,995)	-
<b>Total Revenues</b>	<b>2,380,193</b>	<b>(63,352)</b>	<b>2,316,841</b>	<b>213,995</b>	<b>86,005</b>	<b>300,000</b>
<b>EXPENSES</b>						
Program services	2,494,196	-	2,494,196	146,310	-	146,310
Management and general	143,803	-	143,803	58,357	-	58,357
Fundraising	49,558	-	49,558	8,805	-	8,805
<b>Total Expenses</b>	<b>2,687,557</b>	<b>-</b>	<b>2,687,557</b>	<b>213,472</b>	<b>-</b>	<b>213,472</b>
<b>CHANGE IN NET ASSETS</b>	<b>(307,364)</b>	<b>(63,352)</b>	<b>(370,716)</b>	<b>523</b>	<b>86,005</b>	<b>86,528</b>
Net assets - beginning of year	3,119,828	1,629,569	4,749,397	-	-	-
<b>Net assets - end of year</b>	<b>\$ 2,812,464</b>	<b>\$ 1,566,217</b>	<b>\$ 4,378,681</b>	<b>\$ 523</b>	<b>\$ 86,005</b>	<b>\$ 86,528</b>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
 DETAIL OF CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Total		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Foundation grants	\$ 285,873	\$ 960,398	\$ 1,246,271
Federal grants	34,350	-	34,350
State grants	200,000	882,478	1,082,478
Corporate and individual contributions	145,349	100,000	245,349
Interest income	1,965	-	1,965
Other income	6,428	-	6,428
Net assets released from restriction	1,920,223	(1,920,223)	-
<b>Total Revenues</b>	<u>2,594,188</u>	<u>22,653</u>	<u>2,616,841</u>
<b>EXPENSES</b>			
Program services	2,640,506	-	2,640,506
Management and general	202,160	-	202,160
Fundraising	58,363	-	58,363
<b>Total Expenses</b>	<u>2,901,029</u>	<u>-</u>	<u>2,901,029</u>
<b>CHANGE IN NET ASSETS</b>	(306,841)	22,653	(284,188)
Net assets - beginning of year	3,119,828	1,629,569	4,749,397
Net assets - end of year	<u>\$ 2,812,987</u>	<u>\$ 1,652,222</u>	<u>\$ 4,465,209</u>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
 DETAIL OF CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	New Schools for Baton Rouge			Total
	Program Services	Management & General	Fundraising	
Accounting	\$ -	\$ 37,910	\$ -	\$ 37,910
Conferences	4,927	-	-	4,927
Depreciation	-	16,476	-	16,476
Employee benefits	65,021	8,001	2,382	75,404
Insurance	-	9,675	-	9,675
Meals and entertainment	1,849	2,936	-	4,785
Office expenses	-	8,243	-	8,243
Payroll taxes	37,150	408	3,266	40,824
Professional fees	590,359	31,072	-	621,431
Rent	-	18,817	-	18,817
Salaries and wages	565,335	5,489	43,910	614,734
School strategy	1,229,555	-	-	1,229,555
Utilities	-	4,776	-	4,776
	<u>\$ 2,494,196</u>	<u>\$ 143,803</u>	<u>\$ 49,558</u>	<u>\$ 2,687,557</u>

	New Schools for Baton Rouge Excellence Scholarship Fund			Total
	Program Services	Management & General	Fundraising	
Accounting	\$ -	\$ 5,035	\$ -	\$ 5,035
Conferences	800	-	-	800
Employee benefits	3,720	40	240	4,000
Information technology	-	27,212	-	27,212
Office expenses	-	3,342	-	3,342
Professional fees	-	10,000	-	10,000
Program development	28,663	-	-	28,663
Recruiting	18,327	-	3,000	21,327
Rent	-	9,032	-	9,032
Salaries and wages	80,805	696	5,565	87,066
Tuition payments	13,995	-	-	13,995
Utilities	-	3,000	-	3,000
	<u>\$ 146,310</u>	<u>\$ 58,357</u>	<u>\$ 8,805</u>	<u>\$ 213,472</u>

See accompanying notes and independent auditors' report.



**NEW SCHOOLS FOR BATON ROUGE  
 DETAIL OF CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Total			Total
	Program Services	Management & General	Fundraising	
Accounting	\$ -	\$ 42,945	\$ -	\$ 42,945
Conferences	5,727	-	-	5,727
Depreciation	-	16,476	-	16,476
Employee benefits	68,741	8,041	2,622	79,404
Information technology	-	27,212	-	27,212
Insurance	-	9,675	-	9,675
Meals and entertainment	1,849	2,936	-	4,785
Office expenses	-	11,585	-	11,585
Payroll taxes	37,150	408	3,266	40,824
Professional fees	590,359	41,072	-	631,431
Program development	28,663	-	-	28,663
Recruiting	18,327	-	3,000	21,327
Rent	-	27,849	-	27,849
Salaries and wages	646,140	6,185	49,475	701,800
School strategy	1,229,555	-	-	1,229,555
Tuition payments	13,995	-	-	13,995
Utilities	-	7,776	-	7,776
	<u>\$ 2,640,506</u>	<u>\$ 202,160</u>	<u>\$ 58,363</u>	<u>\$ 2,901,029</u>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
 DETAIL OF CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	New Schools for Baton Rouge	New Schools for Baton Rouge Excellence Scholarship Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Changes in net assets	(370,716)	86,528	(284,188)
<u>Adjustments to reconcile net revenues</u> <u>over expenses to net cash provided</u> <u>by operating activities:</u>			
Depreciation	16,476	-	16,476
Decrease in promises to give	429,205	-	429,205
Increase in prepaid items	(3,134)	-	(3,134)
Decrease in accounts payable	(20,932)	-	(20,932)
Increase in accrued liabilities	3,026	-	3,026
Total adjustments	<u>424,641</u>	<u>-</u>	<u>424,641</u>
Net cash provided by operating activities	<u>53,925</u>	<u>86,528</u>	<u>140,453</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	<u>(5,458)</u>	<u>-</u>	<u>(5,458)</u>
Net cash used by investing activities	<u>(5,458)</u>	<u>-</u>	<u>(5,458)</u>
INCREASE IN CASH	48,467	86,528	134,995
CASH, BEGINNING OF YEAR	<u>2,388,893</u>	<u>-</u>	<u>2,388,893</u>
CASH, END OF YEAR	<u><u>2,437,360</u></u>	<u><u>86,528</u></u>	<u><u>2,523,888</u></u>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO THE CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Chief Executive Officer:** Christopher Meyer

Salary	\$ 211,313
Benefits - Insurance	10,032
Benefits - Retirement	10,566
Conferences and Travel	10,178
	<u>\$ 242,089</u>

# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## 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  
New Schools for Baton Rouge  
Baton Rouge, Louisiana

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 consolidated financial statements of New Schools for Baton Rouge, (a non-profit organization) which comprise the consolidated statement of financial position as of September 30, 2015 and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related consolidated notes to the financial statements, and have issued our report thereon dated March 1, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered New Schools for Baton Rouge'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Schools for Baton Rouge's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization'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 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 the internal control that might be significant deficiencies or material weaknesses. 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 New Schools for Baton Rouge's financial statements are free of 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 audits 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. This report is intended solely for the information and use of the audit committee, management, others within the organization, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Daigrepoint & Brian APAC*

Daigrepoint & Brian, APAC

March 1, 2016