

BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA

Annual Financial Statements

June 30, 2020



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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, 2020, 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.

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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, 2020, 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.

Other Matters*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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 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 16, 2020

BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA
Statement of Financial Position
June 30, 2020

Assets

Current Assets

Cash	\$ 2,555,057
Grants and Accounts Receivable, Net	329,284
Prepaid Expenses	<u>103,176</u>

Total Current Assets	<u>2,987,517</u>
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Property and Equipment

Equipment	110,418
Accumulated Depreciation	<u>(21,032)</u>

Property and Equipment, Net	<u>89,386</u>
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Other Assets

Deposits	<u>23,208</u>
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Total Assets	<u><u>\$ 3,100,111</u></u>
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Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 253,962
Accrued Expenses	357,561
Line of Credit	200,000
Notes Payable	<u>1,045,800</u>

Total Current Liabilities	<u>1,857,323</u>
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Net Assets

Without Donor Restrictions	1,090,200
With Donor Restrictions	<u>152,588</u>

Total Net Assets	<u>1,242,788</u>
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Total Liabilities and Net Assets	<u><u>\$ 3,100,111</u></u>
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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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Grants, and Other Support			
State and Local Public School Funding			
Minimum Foundation Program	\$ 7,650,646	\$ -	\$ 7,650,646
Public Grants			
Federal Grants	722,546	-	722,546
Other State Grants	81,027	-	81,027
Private Grants			
Contributions	236,934	244,204	481,138
Pre-K and After School Care Fees	107,854	-	107,854
Income from Meals	63,481	-	63,481
Interest Income	1,626	-	1,626
Other Revenue	504	-	504
Net Assets Released from Restrictions	208,135	(208,135)	-
Total Revenue, Grants, and Other Support	9,072,753	36,069	9,108,822
Expenses			
Instructional and Student Activities	8,102,867	-	8,102,867
Management and General	617,948	-	617,948
Fundraising	176,534	-	176,534
Total Expenses	8,897,349	-	8,897,349
Change in Net Assets	175,404	36,069	211,473
Net Assets, Beginning of Year	914,796	116,519	1,031,315
Net Assets, End of Year	\$ 1,090,200	\$ 152,588	\$ 1,242,788

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, 2020

	Program Services	Supporting Services		
	Instructional and Student Activities	Management and General	Fundraising	Total
Salaries and Benefits	\$ 5,668,186	\$ 191,826	\$ 134,801	\$ 5,994,813
Building/Equipment Rental	601,423	20,672	7,317	629,412
Purchased Services	300,705	216,155	15,778	532,638
Transportation	383,690	-	-	383,690
Materials and Supplies	228,996	6,091	9,163	244,250
Food Service	196,699	-	-	196,699
Dues and Fees	157,937	31,276	771	189,984
Custodial Services	151,990	4,750	1,583	158,323
Utilities	136,867	4,277	1,426	142,570
Repairs and Maintenance	118,680	10,125	-	128,805
Communications	86,949	4,491	2,246	93,686
Bad Debt Expense	-	86,461	-	86,461
Travel	41,654	-	380	42,034
Insurance	-	41,824	-	41,824
Depreciation	15,774	-	-	15,774
Interest	13,102	-	-	13,102
Advertising	-	-	3,069	3,069
Professional Development	215	-	-	215
Total	\$ 8,102,867	\$ 617,948	\$ 176,534	\$ 8,897,349

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, 2020

Cash Flows from Operating Activities

Change in Net Assets	\$ 211,473
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Depreciation	15,774
Bad Debt Expense	86,461
(Increase) Decrease in Assets	
Grants and Accounts Receivable	(106,132)
Prepaid Expenses	(16,526)
Increase (Decrease) in Liabilities	
Accounts Payable	164,908
Accrued Expenses	150,193
	<hr/>
Net Cash Provided by Operating Activities	506,151
	<hr/>

Cash Flows from Financing Activities

Cash Proceeds from Note Payable	1,045,800
Payments on Line of Credit	(50,000)
	<hr/>
Net Cash Provided by Financing Activities	995,800
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Net Increase in Cash	1,501,951
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Cash, Beginning of Year	1,053,106
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Cash, End of Year	\$ 2,555,057
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Supplemental Disclosure of Cash Flow Information

Cash Paid During the Year for Interest	\$ 13,102
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The accompanying notes are an integral part of these financial statements.

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

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 (OPSB) approved the granting of a charter to Bricolage Academy effective November 20, 2012 to operate a Type 1 Charter School as defined in Louisiana Revised Statute (R.S.) 17:3996. Bricolage commenced school operations in August 2013. The School's charter is approved to operate grades kindergarten through twelfth grade. The School amended its charter agreement in March 2017 as to operate as its own Local Educational Agency (LEA) under OPSB. The School's charter was renewed in December 2017 and currently expires on June 30, 2025. As of June 30, 2020, the School operates grades pre-kindergarten through sixth 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 restrictions.

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.

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Advertising

Advertising costs, which are included in general and administrative expenses, are expensed as incurred.

Revenues and Support

State and Local Public School Funding

The School's primary source of funding is through the State Public School Fund. The School receives funding per eligible student in attendance on October 1st, payable in monthly installments. The October 1st student count is audited by the Louisiana Department of Education. Adjustments are made in the following year.

Federal and State Grants

Federal and state grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Private Grants and Contributions

Private grants and contributions are recognized when the donor makes a promise to give 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. Contributions are reported as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions expected to be collected in less than one year are reported at net realizable value. Those expected to be collected in more than one year are recorded at fair value at the date of the promise and are discounted at an appropriate discount rate. Future amortization of the discount will be included in contribution revenue. Management closely monitors outstanding balances and writes off any balances deemed uncollectible.

Other Income

Revenue from other sources, including student activities and fees, fundraisers, after-care tuition, pre-kindergarten tuition, and student meals are recorded and recognized as revenue in the period in which the School provides the service at the amount that reflects the consideration to which the School expects to be entitled for providing the service or good.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Revenues and Support (Continued)

Contracts vs. Contributions

The School utilizes the guidance in Accounting Standards Update (ASU) 2018-08 in the assessment of whether a revenue is an exchange transaction (contract) or contribution (non-contract) and considers factors including commensurate value received, reciprocity, and donor-imposed conditions. Performance obligations are determined based on the nature of the services provided by the School. Revenue from performance obligations satisfied over time is recognized based on actual time incurred in relation to the total expected period of providing the service, which is deemed to be the school year, which is simultaneous with the fiscal year. The School believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to student activities and fees, after-care tuition, and pre-kindergarten tuition. The School measures the performance obligation throughout the school year. Revenue for performance obligations satisfied at a point in time, which include mainly income from meals and are generally immaterial, are recognized when services are provided. The School determines the transaction price based on standard charges for goods or services provided to students, which are predetermined by management. Fees are generally nonrefundable, and total refunds issued annually are considered negligible.

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 and changes in net assets. 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 allocated 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 include salaries and benefits, purchased services, building/equipment rental, materials and supplies, custodial services, utilities, insurance, and communications.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Grants and Accounts Receivable

The grants and accounts receivable are stated at the amount management expects to collect on outstanding balances. The financial statements include an estimate for an allowance for doubtful accounts totaling \$86,461 for after-care tuition, pre-kindergarten tuition, student activities, and student meals. 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.

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, 2020, there were no restricted cash balances.

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, 2020, 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 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% 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.

Note 1. Summary of Significant Accounting Policies (Continued)

Reversionary Interest in Funds and Assets

All funds received from the Louisiana Department of Education (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.

Recent Accounting Pronouncements - Not Yet Adopted

In January 2016, the Financial Accounting Standards Board (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, 2021. Management is currently evaluating the impact of adopting the new revenue standard on its financial statements.

Recent Accounting Pronouncements - Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. ASU 2014-09 supersedes most current revenue recognition guidance, including industry-specific guidance, and requires expanded disclosures about revenue recognition to enable financial statement users to understand the nature, timing, amount, and uncertainty of revenue and cash flow arising from contracts with customers. The School implemented ASU 2014-09 using a modified retrospective method of application to all contracts. The School performed an analysis of revenue streams and transactions under ASU 2014-09. In particular, for student activities and fees, fundraisers, facility rentals, and after-care tuition, the School performed an analysis into the application of the portfolio approach as a practical expedient to group contracts with similar characteristics, such that revenue for a given portfolio would not be materially different than if it were evaluated on a contract-by-contract basis. The adoption of ASU 2014-09 resulted in changes to the disclosure of revenue primarily related to student activities and fees, fundraisers, facility rentals, and after-care tuition. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2014-09. As a result, no cumulative effect adjustment was recorded upon adoption.

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

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, 2020, the School's bank balances were \$2,556,927. As of June 30, 2020, 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 \$443,280. The remaining deposits of \$2,113,647 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, 2020, which totaled \$8,454,219 or 93% of total revenue.

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

Note 3. Cash

The School's cash (book balances) at June 30, 2020 were \$2,555,057, which are stated at cost and approximate market.

Note 4. Grants and Accounts Receivable

As of June 30, 2020, accounts receivable consisted of the following:

	Accounts Receivable	Allowance	Net
Federal and State Reimbursable Grants	\$ 173,411	\$ -	\$ 173,411
School Food Reimbursements and Charges	38,286	(38,286)	-
Accounts Receivable	3,210	-	3,210
State and Local MFP Funds	152,663	-	152,663
After School Care	43,575	(43,575)	-
Pre-Kindergarten Tuition	4,600	(4,600)	-
Total Grants and Accounts Receivable	\$ 415,745	\$ (86,461)	\$ 329,284

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 5. Property and Equipment

As of June 30, 2020, property and equipment consisted of playground equipment. Depreciation expense was \$15,774 for the year ended June 30, 2020.

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 4% of employee compensation. For the year ended June 30, 2020, the School made employer matching contributions to the plan of \$215,811.

Note 7. Accrued Expenses

As of June 30, 2020, 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 November 22, 2020. The line of credit accrues interest monthly at a rate of 1.0% above the Wall Street Journal Prime Rate. At June 30, 2020, the balance on the line of credit was \$200,000.

Note 9. Note Payable

On April 28, 2020, the School entered into a U.S. Small Business Association (SBA) Payroll Protection Program loan (PPP loan) with Hope Federal Credit Union in the amount of \$1,045,800, at an interest rate of 1.00% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the SBA. The principal amount of the PPP loan is subject to forgiveness under the Paycheck Protection Program upon the School's request to the extent that the PPP loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the School. The School intends to apply for forgiveness of the PPP loan with respect to these covered expenses. To the extent that all or part of the PPP loan is not forgiven, the School will be required to pay interest on the PPP loan at a rate of 1.0% per annum, and commencing in November 2020 principal and interest payments will be required through the maturity date in May 2022. The terms of the PPP loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of an event of default. representations and warranties, and insolvency rated upon the occurrence of an event of default.

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 10. 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, 2020, 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, 2020 is as follows:

Purpose Restriction	Amount
Expansion	\$ 87,500
IQI	25,000
Rapid Relief	20,000
Personalized Learning	5,337
SEL	5,000
Reading Recovery Program	4,959
Fun Run	3,104
STEP	1,688
	<u>\$ 152,588</u>

A summary of the composition of net assets released from donor restrictions during the year ended June 30, 2020 is as follows:

Purpose Restriction	Amount
Special Education Curriculum	\$ 69,844
Intervention Program	50,000
IQI	20,913
Reading Recovery Program	20,000
Reading Recovery Program	15,000
Fun Run	11,003
Personalized Learning	10,716
Athletics	5,000
PE Equipment	3,021
Reading Recovery Program	2,638
	<u>\$ 208,135</u>

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 11. 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 Orleans Parish School Board (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 the OPSB. The monthly usage fee payments are deducted from Minimum Foundation Program (MFP) payments submitted by the OPSB to Bricolage Academy. The usage fee payments include certain property insurance policies and are calculated annually based on the OPSB's Per Pupil Unit Cost Program. The monthly rent payments are partially subsidized by the OPSB. The lease currently expires in August 2023.

During the year ended June 30, 2020, monthly rent due totaled \$111,243, of which \$30,392 was paid by the School and \$80,581 was subsidized by the OPSB. Subsequent to June 30, 2020, future monthly rent due is estimated to be \$111,243, of which \$49,314 is paid by the School and \$61,929 is subsidized by the OPSB. As of June 30, 2020, the School has recorded an liability of \$317,666 representing the estimated over-funding received as local MFP funds which were dedicated to this lease agreement. This estimated liability is included in accrued expenses on the statement of financial position.

Note 12. Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the School operates.

While it is unknown how long these conditions will last and what the complete financial effect will be to the School, at this time, the School is experiencing moderate disruptions, including conversions to digital learning options, additional costs related to sanitization and technology supplies, and reductions in enrollment due to alternative school options. The School's concentrations due to significant state and federal funding make it reasonably possible that the School is vulnerable to the risk of a near-term significant impact. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near-term as a result of these conditions.

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 13. Liquidity and Availability

The School's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of program expenditures. The School regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources the School has available. In addition, the School operates with a budget to monitor sources and use of funds throughout the year.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	\$ 2,402,469
Grants and Accounts Receivable, Net	<u>329,284</u>
Total	<u>\$ 2,731,753</u>

Note 14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 16, 2020, 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, 2020, and to determine whether the specified schedules are free of obvious errors and omissions, 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 1st roll books for those classes and observed that the class was properly classified on the schedule.

Findings: LaPorte noted that classroom rosters provided for nine (9) out of ten (10) classes selected differed from the classroom count noted on the 'leads class summary report'. Differences ranged from one (1) to two (2) students. For two (2) of these classes and classroom rosters selected, the roster difference would result in an improper classification on the schedule.

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: LaPorte noted that one (1) individual's years of experience differed from resume evidence reviewed.

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 16, 2020

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2020**

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, 2020**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 2,597,598	
Other Instructional Staff Salaries	501,887	
Instructional Staff Employee Benefits	729,722	
Purchased Professional and Technical Services	159,545	
Instructional Materials and Supplies	161,960	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 4,150,712
Other Instructional Activities		99,713
Pupil Support Services	880,927	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		880,927
Instructional Staff Services	264,893	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		264,893
School Administration	851,428	
Less: Equipment for School Administration	-	
Net School Administration		851,428
Total General Fund Instructional Expenditures		\$ 6,247,673
Total General Fund Equipment Expenditures		\$ -

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	-
Total Local Taxation Revenue	\$ -

Local Earnings on Investment in Real Property

Earnings from 16 th Section Property	\$ -
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	\$ -

State Revenue in Lieu of Taxes

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ -

Nonpublic Textbook Revenue

\$ -

Nonpublic Transportation Revenue

\$ -

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

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA
Class Size Characteristics
As of October 1, 2019**

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	24%	79	20%	66	55%	185	1%	2
Elementary Activity Classes	46%	22	25%	12	29%	14	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, 2020**

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

See independent auditor's report.

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officers
For the Year Ended June 30, 2020**

Agency Head

Joshua Densen, CEO
Carolyn Loudon, Interim CEO
Troave' Profice, CEO

Purpose	7/1/2019 - 11/30/2019 Joshua Densen, CEO	12/1/2019 - 6/30/2020 Carolyn Loudon, Interim CEO	3/1/2020 - 6/30/2020 Troave' Profice, CEO
Salary	\$37,500	\$69,147	\$37,167
Benefits - Retirement	\$2,250	\$0	\$1,925
Benefits - Insurance	\$3,411	\$0	\$1,047
Benefits - FICA	\$2,835	\$5,290	\$2,815
Contract Agreement	\$0	\$0	\$0
Car Allowance	\$0	\$0	\$0
Vehicle Provided by Government	\$0	\$0	\$0
Per Diem	\$0	\$0	\$0
Cell Phone	\$0	\$0	\$0
Travel	\$451	\$0	\$0
Registration Fees	\$0	\$0	\$0
Conference Travel	\$0	\$0	\$0
Continuing Professional Education Fees	\$0	\$0	\$0
Housing	\$0	\$0	\$0
Unvouchered Expenses	\$384	\$0	\$0
Meals	\$0	\$0	\$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, 2020, 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 16, 2020.

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) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA
December 16, 2020

**BRICOLAGE ACADEMY
NEW ORLEANS, LOUISIANA
Schedule of Findings and Responses
For the Year Ended June 30, 2020**

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 Audit Findings
For the Year Ended June 30, 2020**

Section II. Internal Control Over Financial Reporting

None.

Section III. Compliance and Other Matters

None.