

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS**  
JUNE 30, 2022

	<b><u>PAGE</u></b>
INDEPENDENT AUDITORS' REPORT .....	1
STATEMENT OF FINANCIAL POSITION .....	4
STATEMENT OF ACTIVITIES .....	5
STATEMENT OF FUNCTIONAL EXPENSES .....	6
STATEMENT OF CASH FLOWS .....	7
NOTES TO THE FINANCIAL STATEMENTS .....	8
<b>SUPPLEMENTARY INFORMATION:</b>	
SCHEDULE I - Schedule of Compensation, Benefits and Other Payments to the Founder and CEO.....	16
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 <u>GOVERNMENT AUDITING STANDARDS</u> .....	17
SCHEDULE OF FINDINGS .....	19
SCHEDULE OF PRIOR YEAR FINDINGS .....	21

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
**Noble Minds Institute for Whole Child Learning**  
New Orleans, Louisiana

### **Opinion**

We have audited the accompanying financial statements of **Noble Minds Institute for Whole Child Learning (Noble Minds)** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Noble Minds** as of June 30, 2022, 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.

### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Noble Minds** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Noble Minds'** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **Noble Minds'** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Noble Minds'** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits and Other Payments to the Founder and Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, on our consideration of **Noble Minds**' 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 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 **Noble Minds**' internal control over financial reporting and compliance.

*Bruno & Tervalon, LLP*

**BRUNO & TERVALON, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 22, 2022

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022**

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**ASSETS**

Cash (NOTES 1 and 7)	\$ 392,118
Grants receivable (NOTE 4)	272,865
Deposits	17,500
Equipment, net (NOTE 2)	<u>2,635</u>
 Total assets	 <u>\$ 685,118</u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable	\$ 30,992
Accrued liabilities	38,515
Deferred revenue	16,818
Line of credit (NOTE 6)	<u>23,346</u>
 Total liabilities	 <u>109,671</u>
 Net Assets:	
Without donor restrictions (NOTE 1)	<u>575,447</u>
 Total net assets	 <u>575,447</u>
 Total liabilities and net assets	 <u>\$ 685,118</u>

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

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>REVENUES</b>	<b><u>Unrestricted</u></b>
Local sources	
Minimum Foundation Program (NOTES 1 and 9)	\$ 872,031
Contributions	16,426
Other	<u>7,136</u>
Total local sources	<u>895,593</u>
State sources	
Minimum Foundation Program (NOTES 1 and 9)	641,769
Grants	<u>3,084</u>
Total state sources	<u>644,853</u>
Federal grants	<u>465,229</u>
Total revenues	<u>2,005,675</u>
 <b>EXPENSES</b>	
Program services	1,215,436
Support services	<u>676,292</u>
Total expenses	<u>1,891,728</u>
Change in net assets	113,947
Net assets, beginning of year	<u>461,500</u>
Net assets, end of year	<u><u>\$ 575,447</u></u>

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

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>	
	<u>Instruction</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 589,965	\$ 241,906	\$ 831,871
Employee health and retirement	26,909	15,241	42,150
Payroll taxes	<u>48,795</u>	<u>18,342</u>	<u>67,137</u>
Total salaries and related expenses	665,669	275,489	941,158
Purchased professional and technical services	141,181	94,813	235,994
Purchased property services	-	232,302	232,302
Student transportation services	216,820	-	216,820
Insurance	-	17,793	17,793
Communications	-	19,480	19,480
Food service management	1,950	-	1,950
Supplies	181,141	23,858	204,999
Depreciation	-	1,265	1,265
Miscellaneous	<u>8,675</u>	<u>11,292</u>	<u>19,967</u>
Total expenses	<u>\$ 1,215,436</u>	<u>\$ 676,292</u>	<u>\$ 1,891,728</u>

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



**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 113,947
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation	1,265
Changes in assets and liabilities:	
Increase in grants receivable	(203,279)
Increase in other receivable	(33,065)
Decrease in prepaid expense	2,211
Increase in accounts payable	26,651
Increase in deferred revenue	16,818
Decrease in accrued liabilities	(12,657)
Net cash used in operating activities	(88,109)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Principle payments on line of credit	(857)
Net cash used in financing activities	(857)
Decrease in cash	(88,966)
Cash, beginning of year	481,084
Cash, end of year	\$ 392,118
Interest paid	\$ 1,538

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

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

General

**Noble Minds Institute for Whole Child Learning (Noble Minds)** was awarded a Type 2 charter by the Louisiana State Board of Elementary and Secondary Education (BESE) in December, 2015 to operate a public charter school. **Noble Minds'** initial school year began in August, 2017. The charter for **Noble Minds** was approved for an initial five (5) year period and subject to renewal following the end of the initial operating period.

**Noble Minds** seeks to provide education services according to the educational standards established by law, the charter contract and the charter proposal; measures pupil progress toward stated goals; and participates in pupil assessments as required by law, regulation and BESE policy.

**Noble Minds** is a school that is equipped to meet the academic and personal growth needs of all children. **Noble Minds** is unique in that it is also designed to meet the mental health needs of students who struggle with specific emotional and behavioral issues. **Noble Minds** is able to meet the needs of all students as a result of its instructional delivery methods and the unique skill set and experiences of its faculty and staff.

**Noble Minds'** mission is to create an environment where students receive high quality instruction and effective personal growth strategies that will prepare them to successfully navigate the next stage of their educational journey.

During the 2021-2022 school year, **Noble Minds** provided educational services to students in kindergarten through fourth grades, with a total enrollment of 119.

Basis of Accounting

**Noble Minds'** financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment of **Noble Minds** with a unit cost of \$5,000 or more are recorded as assets (capitalized) and are stated at historical costs if purchased or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Depreciation is provided utilizing the straight-line method over the estimated useful life of the asset, generally 3 to 8 years for improvements and for other property and equipment.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

Grant Revenue

Revenues from governmental grants are recognized when allowable expenditures are made by **Noble Minds**. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

Statement of Cash Flows

For the purpose of the statement of cash flows, cash equivalents include all highly liquid instruments purchased with original maturities of three (3) months or less. **Noble Minds** had no cash equivalents at June 30, 2022.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Income Taxes

**Noble Minds** is exempt from federal income taxes through Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. **Noble Minds** files as a tax-exempt organization. Should that status be challenged in the future, **Noble Minds'** 2021, 2020 and 2019 tax years are open for examination by the IRS.

Financial Statement Presentation

**Noble Minds** has implemented the guidance under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which amends the previous standard for external financial reporting by not-for-profit organizations. Under ASU 2016-14, **Noble Minds** classifies resources for financial accounting and reporting purposes into two net asset categories: without donor restrictions and with donor restrictions. A description of the two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. Grants and contributions without donor restrictions, other income and expenses incurred in conducting the mission of **Noble Minds** are included in this category.
- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

At June 30, 2022, **Noble Minds** had no net assets with donor restrictions.

Contributions

Contributions are recorded as unrestricted, or restricted support, depending on the existence and nature of any donor restrictions. All donor-restricted support is recognized as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Minimum Foundation Program (MFP)

As a Type 2 charter school, **Noble Minds** received funding from BESE in an amount based on estimated daily attendance at the schools. The amount of funding received is adjusted during the school year based on October 1<sup>st</sup> and February 1<sup>st</sup> student counts and the result of any audits performed.

Other Funding

Other revenues received consist of federal and state grants, and other revenue sources.

Budgetary Data

**Noble Minds** formally adopts an annual budget. The budgetary data are submitted to the State of Louisiana, Department of Education for approval.

Compensated Absences

**Noble Minds** grants twelve-month employees twenty-four (24) days of personal time to be used for any reason, upon approval. Personal time will roll over from year to year, but twelve-month staff may not accrue more than 100 hours. Twelve-month employees will be paid for unused personal time upon resignation or retirement.

**Noble Minds** ten-month and eleven-month employees are given eight (8) days of personal time to be used during the academic calendar. Personal days may not be used the day before or after a holiday or break. All personal days must be used in the current academic year in which they were allocated and will not be paid out in compensation or be eligible to be rolled over into the next academic year. Employees who are employed for more than eight (8) months, who resign from their positions, are eligible to be compensated in their final paycheck for any unused personal days accrued in the current academic year.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - EQUIPMENT:

The following is a summary of equipment at June 30, 2022:

Equipment	\$ <u>6,325</u>
Total equipment	6,325
Less: accumulated depreciation	<u>(3,690)</u>
Net equipment	<u>\$ 2,635</u>

For the year ended June 30, 2022, depreciation expense was \$1,265.

NOTE 3 - FUNCTIONAL ALLOCATION EXPENSES:

The cost of providing the various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among instructional and support services in the accompanying Statement of Activities.

NOTE 4 - GRANTS RECEIVABLE:

At June 30, 2022, grants receivable consisted of the following:

Title I	\$ 32,909
Title II	5,899
IDEA Part B	10,928
IDEA PK	1,462
ESSER I	1,966
ESSER 2	74,246
ESSER 3	88,652
FCC	38,220
HCSF	9,008
LDE LDH	7,200
LDE DSS	2,039
Other	<u>336</u>
	<u>\$272,865</u>

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 5 - RETIREMENT SYSTEM:

**Noble Minds** has a non-ERISA 403(b) plan that provides for a discretionary matching contribution. For the year ended June 30, 2022, **Noble Minds** contributes 3% of an eligible employee's gross salary.

For the year ended June 30, 2022, **Noble Minds'** contributions to this plan totaled \$5,409.

NOTE 6 - LINE OF CREDIT:

**Noble Minds** maintains a \$25,000 secured bank line of credit dated February 21, 2020. At June 30, 2022, \$23,346 was outstanding on this line. The line has a one-year term, provisions for annual extensions, and includes a due on demand feature. Interest, at a rate of 3% over the Prime Rate, is payable monthly. The line is secured by deposit accounts held at the lending financial institution.

NOTE 7 - CONCENTRATION OF CREDIT RISK:

**Noble Minds** maintains noninterest-bearing accounts at a local bank. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. **Noble Minds** value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2022, **Noble Minds** has \$392,118 in bank deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and secured from risk by \$142,118 of pledged securities held by the custodial bank in the name of **Noble Minds**. At June 30, 2022, **Noble Minds'** deposits were fully secured.

NOTE 8 - RISK MANAGEMENT:

**Noble Minds** is exposed to various risks of loss related to torts, theft of, damage to and destruction of property for which **Noble Minds** carries commercial liability insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 9 - CONCENTRATION OF REVENUE SOURCE:

**Noble Minds'** primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund. **Noble Minds** receives a state allocation and a local allocation per eligible student in attendance at the official pupil count date of October 1<sup>st</sup> and February 1<sup>st</sup>, each year.

MFP revenue accounts for 75% of **Noble Minds'** total support for the year ended June 30, 2022. State and federal grants are on a cost-reimbursement basis and account for 23% of **Noble Minds'** total support for the year ended June 30, 2022. If the amount of revenue received should fall below budgeted award levels, **Noble Minds'** operating results could be adversely affected.

NOTE 10 - CONTINGENCY:

**Noble Minds** is a recipient of grants from the state, local and federal funding agencies. The grants are governed by various state, local and federal guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants are under the control and administration of **Noble Minds** and are subject to audit and/or review by grantors. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the state, local and federal agencies may be subject to recapture.

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022, are:

**Financial Assets**

Cash and cash equivalents	\$ 392,118
Grants receivable	234,309
Other receivable	<u>38,556</u>
Financial assets available to meet general expenditures within one year	<u>\$ 664,983</u>

**Noble Minds** regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, **Noble Minds** considers all expenditures related to its ongoing mission-related activities as well as the conduct of the services undertaken to support those activities to be general expenditures.



**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 12 - BOARD OF DIRECTORS' COMPENSATION:

The Board of Directors of **Noble Minds** is a voluntary board; therefore, no compensation was paid to any board member during the year ended June 30, 2022.

NOTE 13 - OPERATING LEASE:

**Noble Minds** conducts its operations from a facility that is leased under a three (3) year noncancelable operating lease expiring in June 30, 2022. There is an option to renew the term of the lease for three (3) additional separate, but immediately consecutive, one (1) year periods after the expiration of the primary lease term.

A portion of the leased space was subleased under a three (3) year noncancelable lease that expired on May 31, 2022.

Rental expense amounted to \$165,000 at June 30, 2022. Rentals under the sublease amounted to \$3,375 at June 30, 2022.

NOTE 14 - SUBSEQUENT EVENTS:

**Noble Minds** is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. **Noble Minds** performed such an evaluation through December 22, 2022, the date which the financial statements were available to be issued.

NOTE 15 - NEW PRONOUNCEMENTS:

The FASB also issued Accounting Standards Update No. 2016-02 affecting ASC 842, *Leases*, which provides guidance for any entity that enters into a lease (as defined in this Update), with some specified scope exemptions. The guidance in this Update supersedes ASC 840 *Leases*. The primary objective of this Update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities in the statement of financial position and disclosing key information about leasing arrangements. The amendments in this Update are effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022.

**NOBLE MINDS INSTITUTE  
FOR WHOLE CHILD LEARNING**  
SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO THE FOUNDER AND CEO  
FOR THE YEAR ENDED JUNE 30, 2022

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**Founder and CEO Name:** Dr. Vera Triplett

<u>Purpose</u>	<u>Amount</u>
Salary	\$121,000
Benefits – insurance	4,093
Benefits – retirement	3,592
Hazard pay	500
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
License fees	-0-
Unvouchered expenses	-0-
Stipends	-0-
Special meals	-0-

See Independent Auditors' Report on Supplementary Information.

**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 of  
**Noble Minds Institute for Whole Child Learning**  
New Orleans, 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 financial statements of **Noble Minds Institute for Whole Child Learning (Noble Minds)**, (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, 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 22, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered **Noble Minds'** 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 **Noble Minds'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Noble Minds'** internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Noble Minds'** consolidated 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 **Noble Minds'** internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Noble Minds'** internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the use of the Board of Directors, its management, grantor agencies and the Louisiana Legislative Auditor 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.

*Bruno & Tervalon, LLP*

**Bruno & Tervalon, LLP**

New Orleans, LA

December 22, 2022

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**SCHEDULE OF FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**SECTION I – SUMMARY AUDITORS’ RESULTS**

- A. Type of report issued on the financial statements: **Unmodified.**
- B. Did the audit disclose any material weaknesses in internal control over financial reporting? **No.**
- C. Did the audit disclose any significant deficiencies in internal control over financial reporting that are not considered to be material weaknesses? **None Reported.**
- D. Did the audit disclose any non-compliance which is material to the financial statements? **No.**
- E. Did the audit disclose any material weaknesses in internal control over major federal programs? **Not Applicable.**
- F. Did the audit disclose any significant deficiencies in internal control over major programs that are not considered to be material weaknesses? **Not Applicable.**
- G. Type of report issued on compliance for major programs: **Not Applicable.**
- H. Did the audit disclose any audit findings required to be reported in accordance with Section 200.516(a) of the Uniform Guidance? **Not Applicable.**
- I. Was a management letter issued? **No.**
- J. Identification of Major Programs: **Not Applicable**
- K. Dollar threshold used to distinguish between Type A and Type B Programs: **Not Applicable**
- L. Auditee qualified as a “low-risk” auditee: **Not Applicable.**

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**SCHEDULE OF FINDINGS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Section II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

No matters reported.

**Section III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

No matters reported.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Section I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

No matters reported.

**Section II - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

No matters reported.

**Section III - MANAGEMENT LETTER**

No matters reported.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING BESE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED JUNE 30, 2022**



**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
AGREED-UPON PROCEDURES REPORT .....	1
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514-PERFORMANCE AND STATISTICAL DATA):	5
Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources .....	6
Schedule 2 - Class Size Characteristics (Formerly Schedule 6).....	7

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING BESE AGREED-UPON PROCEDURES**

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To the Board of Directors of  
**Noble Minds Institute for Whole Child Learning**  
the Louisiana Department of Education,  
and the Louisiana Legislative Auditor

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by management of **Noble Minds Institute for Whole Child Learning (Noble Minds)**, 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 **Noble Minds** for the fiscal year ended June 30, 2022, and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education in compliance with Louisiana Revised Statute 24:514 I. Management of **Noble Minds** 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 described on pages 3 and 4 either for the purpose for which this report has been requested or for any other purpose.

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 **Noble Minds**, as required by Louisiana Revised Statute 24:514 I, and the results 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.

*Bruno & Tervalon, LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 22, 2022

## **PROCEDURES AND FINDINGS**

Our 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, and
  - Nonpublic Transportation Revenue.

*No differences noted.*

### **Class Size Characteristics (SCHEDULE 2, formerly SCHEDULE 6)**

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, 2021 roll books for those classes and observed that the class was properly classified on the schedule.

*No differences noted.*

## **PROCEDURES AND FINDINGS, CONTINUED**

### **Education Levels/Experience of Public School Staff (No Schedule)**

3. We obtained the October 1<sup>st</sup> PEP data submitted to the Department of Education, 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 is 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.

*No differences noted.*

### **Public School Staff Data: Average Salaries (No Schedule)**

4. We obtained the June 30<sup>th</sup> PEP data submitted to the Department of Education of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtain management's representation that the data is 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.

*No differences noted.*

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -**  
**PERFORMANCE AND STATISTICAL DATA)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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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 (formerly SCHEDULE 6)**

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.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2022**

**General Fund Instructional and Equipment Expenditures**

## General Fund Instructional Expenditures:

## Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 326,342	
Other Instructional Staff Activities	108,969	
Employee Benefits	103,458	
Purchased Professional and Technical Services	112,695	
Instructional Materials and Supplies	34,859	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>                    </u>	686,323

## Other Instructional Activities

-

## Pupil Support Activities

6,702

## Less: Equipment for Pupil Support Activities

-

## Net Pupil Support Activities

6,702

## Instructional Staff Services

1,800

## Less: Equipment for Instructional Staff Services

-

## Net Instructional Staff Services

1,800

## School Administration

169,601

## Less: Equipment for School Administration

-

## Net School Administration

169,601

## Total General Fund Instructional Expenditures

\$ 864,426

## 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	<u><u>\$ -</u></u>

## Local Earnings on Investment in Real Property:

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

## 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	<u><u>\$ -</u></u>

## Nonpublic Textbook Revenue

\$ -

## Nonpublic Transportation Revenue

\$ -

See accompanying independent accountants' report on applying agreed-upon procedures.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**Class Size Characteristics**  
**As of October 1, 2021**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	58%	21	42%	15	0%	0	100%	4
Elementary Activity Classes	50%	3	50%	3	0%	0	100%	2
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	0%	0	0%	0	0%	0	0%	0
High Activity Classes	0%	0	0%	0	0%	0	0%	0
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

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



**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON**  
**APPLYING STATEWIDE AGREED-UPON PROCEDURES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

---

To the Board of Directors of  
**Noble Minds Institute for Whole Child Learning**  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by **Noble Minds Institute for Whole Child Learning (Noble Minds)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. **Noble Mind's** management is responsible for those control and compliance areas identified in the SAUPs.

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*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe whether 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.  
*No exceptions were noted.*
  - 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.  
*No exceptions were noted.*
  - c) ***Disbursements***, including processing, reviewing, and approving.  
*No exceptions were noted.*
  - 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).  
*No exceptions were noted.*
  - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.  
*No exceptions were noted.*
  - 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.  
*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

- 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).

*No exceptions were noted.*

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

*No exceptions were noted.*

- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*No exceptions were noted.*

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*No exceptions were noted.*

- k) ***Information Technology 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.

*No exceptions were noted.*

- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

***Board or Finance Committee***

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exceptions were noted.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*No exceptions were noted.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*No exceptions were noted.*

***Bank Reconciliations***

---

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*No exceptions were noted.*

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions were noted.*

**Collections (excluding electronic funds transfers)**

---

4. 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 5 deposit sites (or all deposit sites if less than 5).

5. 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., 5 collection locations for 5 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 responsible for cash collections do not share cash drawers/registers.

*No exceptions were noted.*

- 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.

*No exceptions were noted.*

- 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.

*No exceptions were noted.*

- 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/official verifies the reconciliation.

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

*No exceptions were noted.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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.

*No exceptions were noted.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions were noted.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions were noted.*

- d) Observe 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 and the cash is stored securely in a locked safe or drawer).

*No exceptions were noted.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were noted.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No exceptions were noted.*

b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions were noted.*

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*No exceptions were noted.*

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*No exceptions were noted.*

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

*No exceptions were noted.*

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.

*No exceptions were noted.*



**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

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

---

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

*No exceptions were noted.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*No exceptions were noted.*

b) Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions were noted.*

13. Using the monthly statements or combined statements selected under #11 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

***No exceptions were noted.***

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

***No exceptions were noted.***

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

***No exceptions were noted.***

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***No exceptions were noted.***

***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

***No exceptions were noted.***

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

*No exceptions were noted.*

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

*No exceptions were noted.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were noted.*

***Payroll and Personnel***

---

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*No exceptions were noted.*

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #15 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions were noted.*

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*No exceptions were noted.*

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*No exceptions were noted.*

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

*No exceptions were noted.*

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*No exceptions were noted.*

***Ethics***

---

20. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*No exceptions were noted.*

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

*Not applicable.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*Not applicable.*

***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*No exceptions noted.*

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions were noted.*

***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*No exceptions were noted.*

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*No exceptions were noted.*

***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*No exceptions were noted.*

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
1. Number and percentage of public servants in the agency who have completed the training requirements;
  2. Number of sexual harassment complaints received by the agency;
  3. Number of complaints which resulted in a finding that sexual harassment occurred;
  4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  5. Amount of time it took to resolve each complaint.

*No exceptions were noted for procedures 28 a) to e).*

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We were engaged by **Noble Minds Institute for Whole Child Learning** to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of **Noble Minds** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

This report is intended 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.

*Bruno & Tervalon, LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 22, 2022