

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**

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

**FOR THE YEAR ENDED JUNE 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**Noble Minds Institute for  
Whole Child Learning**

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

We have audited the accompanying financial statements of **Noble Minds Institute for Whole Child Learning (Noble Minds)** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, 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.

### **Auditors' 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.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of  
**Noble Minds Institute for  
Whole Child Learning**

**Auditors' Responsibility, Continued**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of  
**Noble Minds Institute for  
Whole Child Learning**

**Other Matters**

*Other 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 CEO 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.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of  
**Noble Minds Institute for  
Whole Child Learning**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020, 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 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 31, 2020

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020**

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**ASSETS**

Cash (NOTES 1 and 7)	\$ 414,306
Grants receivable (NOTE 4)	24,231
Other receivable	8,282
Prepaid expenses	13,844
Deposits	12,500
Property and equipment, net (NOTE 2)	<u>5,165</u>
 Total assets	 <u><u>\$ 478,328</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable	\$ 66,023
Accrued liabilities	41,713
Line of credit (NOTE 6)	24,778
Note payable (NOTE 13)	<u>97,641</u>
 Total liabilities	 <u>230,155</u>
 Net Assets:	
Without donor restrictions (NOTE 1)	<u>248,173</u>
 Total net assets	 <u>248,173</u>
 Total liabilities and net assets	 <u><u>\$ 478,328</u></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, 2020**

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**REVENUES**

Local sources	
Minimum Foundation Program (NOTES 1 and 8)	\$ 629,370
Contributions	113,886
Other	12,900
Total local sources	<u>756,156</u>
State sources	
Minimum Foundation Program (NOTES 1 and 8)	469,534
Grants	5,866
Total state sources	<u>475,400</u>
Federal grants (NOTE 1)	<u>71,451</u>
Total revenues	<u>1,303,007</u>

**EXPENSES**

Program services	541,771
Support services	518,028
Total expenses	<u>1,059,799</u>
Change in net assets	243,208
Net assets, beginning of year	<u>4,965</u>
Net assets, end of year	<u><u>\$ 248,173</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, 2020**

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>	
	<u>Instruction</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 359,577	\$ 143,613	\$ 503,190
Employee health and retirement	25,321	9,088	34,409
Payroll taxes	<u>26,979</u>	<u>13,151</u>	<u>40,130</u>
Total salaries and related expenses	411,877	165,852	577,729
Purchased professional and technical services	40,469	93,790	134,259
Purchased property services	-	190,941	190,941
Student transportation services	50,131	-	50,131
Insurance	-	19,806	19,806
Communications	-	16,522	16,522
Food service management	1,478	-	1,478
Supplies	37,816	20,448	58,264
Equipment	-	1,160	1,160
Printing	-	439	439
Miscellaneous	<u>-</u>	<u>9,070</u>	<u>9,070</u>
Total expenses	<u>\$ 541,771</u>	<u>\$ 518,028</u>	<u>\$ 1,059,799</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, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 243,208
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	1,160
Changes in assets and liabilities:	
Decrease in grants receivable	37,854
Increase in other receivable	(24,956)
Increase in prepaid expense	(13,844)
Increase in deposits	(12,500)
Decrease in accounts payable	(23,992)
Increase in accrued liabilities	24,596
Decrease in deferred revenue	(3,600)
Net cash provided by operating activities	<u>227,926</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of equipment	<u>(6,325)</u>
Net cash used in investing activities	<u>(6,325)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from line of credit	7,000
Proceeds from note payable	97,641
Principle payments on line of credit	(222)
Net cash provided by financing activities	<u>104,419</u>

Increase in cash	326,020
Cash, beginning of year	<u>88,286</u>
Cash, end of year	<u>\$ 414,306</u>
Interest Paid	<u>\$ 1,538</u>

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 2019-2020 school year, **Noble Minds** provided educational services to students in kindergarten through fourth grades, with a total enrollment of 102.

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.

Fixed Assets

Fixed assets 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, 2019.

**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'** 2019, 2018 and 2017 tax years are open for examination by the IRS.

Financial Statement Presentation

As of July 1, 2018, **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, 2020, **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

**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):**

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.

**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.

**NOTE 2 - FIXED ASSETS:**

The following is a summary of property and equipment at June 30, 2020:

Equipment	<u>\$ 6,325</u>
Total fixed assets	6,325
Less: accumulated depreciation	<u>(1,160)</u>
Net property and equipment	<u>\$ 5,165</u>

For the year ended June 30, 2020, depreciation expense was \$1,160.

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

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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, 2020, grants receivable consisted of the following:

High Cost Services	\$ 4,758
Title I	16,683
Charter Schools Program	2,270
Other	<u>520</u>
	<u>\$24,231</u>

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, 2020, **Noble Minds** contributes 3% of an eligible employee's gross salary.

For the year ended June 30, 2020, **Noble Minds'** contributions to this plan totaled \$15,877.

NOTE 6 - LINE OF CREDIT:

**Noble Minds** maintains a \$25,000 secured bank line of credit dated February 21, 2020. At June 30, 2020, \$24,778 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 2% over the Prime Rate, is payable monthly. The line is secured by deposit accounts held at the lending financial institution.

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

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**NOTE 7 - CONCENTRATION OF CREDIT RISK:**

**Noble Minds** maintains noninterest-bearing accounts at a local bank. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage on deposit accounts for deposit amounts up to \$250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. Total uninsured cash balances at June 30, 2020 were \$70,129.

**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.

**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 84% of **Noble Minds'** total support for the year ended June 30, 2020. State and federal grants are on a cost-reimbursement basis and account for 6% of **Noble Minds'** total support for the year ended June 30, 2020. If the amount of revenue received should fall below budgeted award levels, **Noble Minds'** operating results could be adversely affected.

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

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**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:**

**Noble Minds'** current financial assets totaling \$446,816 at June 30, 2020 are available for general expenditures, that is, without donor or other restrictions limiting their use.

**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, 2020.

**NOTE 13 - NOTE PAYABLE:**

On April 18, 2020, **Noble Minds** received a loan in the amount of \$97,641 under the Paycheck Protection Program created as a part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at a fixed rate of 1.0%, but payments are not required to begin for seven months after the funding of the loan. **Noble Minds** is eligible for forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal Government.

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

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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 31, 2020, the date which the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused school disruption through state mandated closings of all schools in the State of Louisiana. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closing. Therefore, **Noble Minds** expects this matter may have negative impact on its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

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, 2020

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$115,000
Benefits – insurance	3,458
Benefits – retirement	1,725
Bonus	-0-
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.



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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**

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 statement of financial position as of June 30, 2020, and the related 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 31, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the 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 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.

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  
(CONTINUED)

**Internal Control Over Financial Reporting, Continued**

*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'** 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*.

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  
(CONTINUED)

**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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

December 31, 2020

NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020

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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? **Yes.**

NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING  
SCHEDULE OF FINDINGS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2020

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**SECTION I - SUMMARY OF AUDITORS' RESULTS, CONTINUED**

- 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, 2020**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters reported.

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

Not applicable.

NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020

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**SECTION I - FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**2019-001 - Submission of Audit Report**

We recommended that management review and update as applicable its financial close and reporting process to ensure that the year end financial statements are timely prepared for the use of management and the board, and completed and submitted to the Louisiana Legislative Auditor within the required time frame.

**Current Status**

Resolved.

**2019-002 - Deficit Spending**

We recommended that **Noble Minds** develop a comprehensive plan to eliminate the occurrence of any future deficit spending and increase and maintain net assets balances to an adequate level. This plan should incorporate **Noble Minds** adopting an annual operations budget that anticipates budgeted revenues to exceed budgeted expenses. During the course of each fiscal year, **Noble Minds** and the Board of Directors should closely monitor the budget compared with actual results and that the cause of significant variations be timely determined so that corrective action and planning can be taken, if necessary.

**Current Status**

Resolved.

NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING  
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2019

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

Not applicable.

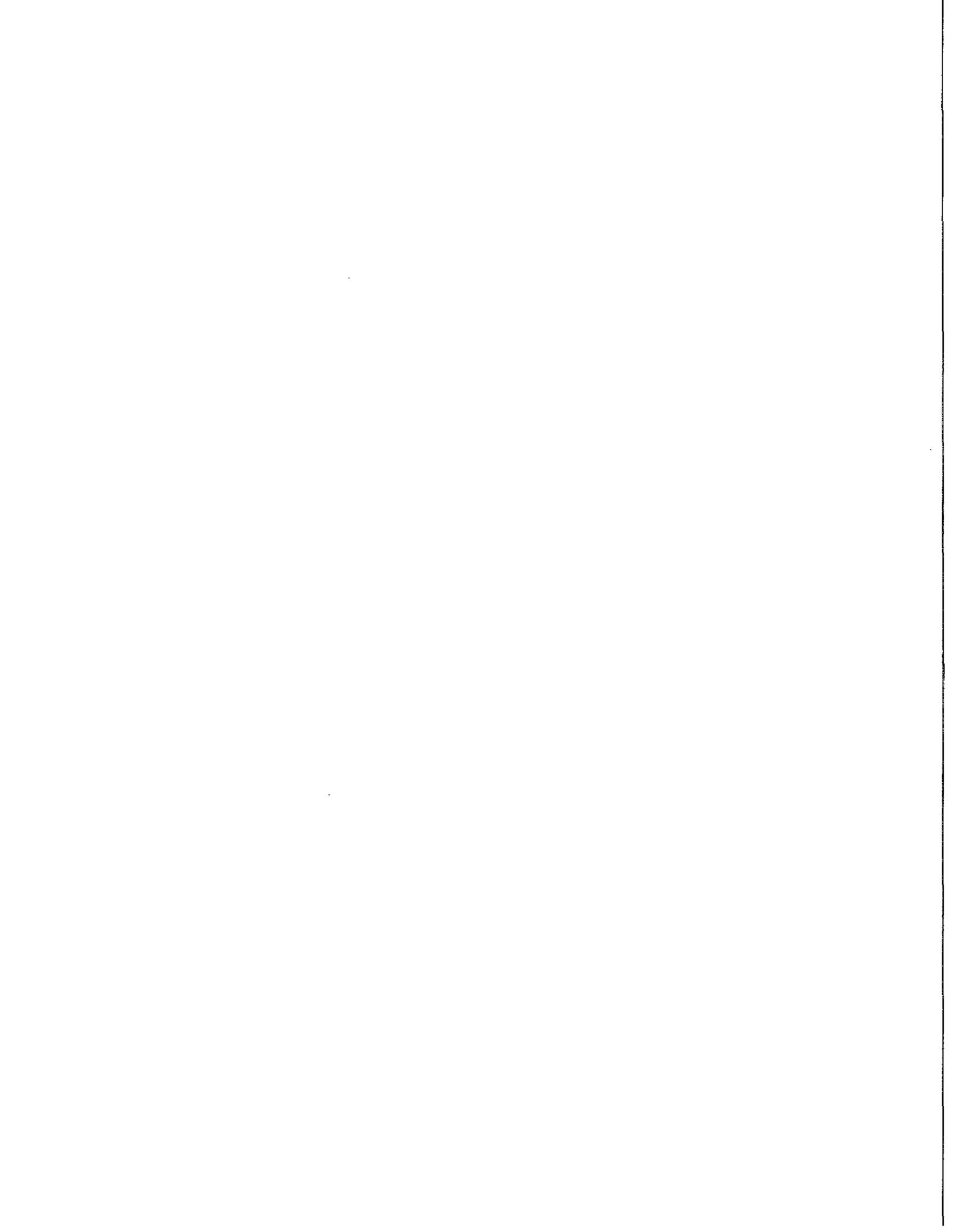
**SECTION III - MANAGEMENT LETTER COMMENT**

Not applicable.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**

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

**FOR THE YEAR ENDED JUNE 30, 2020**





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

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

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, 2020; 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.

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

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**(CONTINUED)**

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 31, 2020

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

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**(CONTINUED)**

**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.

*We noted that Noble Minds had incorrectly classified two (2) of the twenty-five (25) tested expenditures reported on the schedule.*

**Management Response**

These two incorrectly classified items were the result of a data entry error. In the future we will double check expenditures to ensure that we don't have any issues with correct classification.

***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 6 classes to the October 1, 2019 roll books for those classes and observed that the class was properly classified on the schedule.

*No differences noted.*

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

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**(CONTINUED)**

**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 5 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.

*We noted that Noble Minds had inaccurately reported the years of experience of four (4) of the five (5) individuals tested.*

**Management Response**

This was a data entry error likely related to a misunderstanding of what constituted a full year and how employees changing teaching assignments should be classified. In the future we will review and verify employee's years of experience thoroughly to ensure data reported is accurate.

**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 5 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)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

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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, 2020**

**General Fund Instructional and Equipment Expenditures**

## General Fund Instructional Expenditures:

## Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 234,701	
Other Instructional Staff Activities	64,053	
Employee Benefits	69,330	
Purchased Professional and Technical Services	37,056	
Instructional Materials and Supplies	23,400	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>          </u>	428,540

Other Instructional Activities		-
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Pupil Support Activities	8,863	
Less: Equipment for Pupil Support Activities	<u>          </u>	
Net Pupil Support Activities		8,863

Instructional Staff Services	-	
Less: Equipment for Instructional Staff Services	<u>          </u>	
Net Instructional Staff Services		-

School Administration	184,723	
Less: Equipment for School Administration	<u>          </u>	
Net School Administration		<u>184,723</u>

Total General Fund Instructional Expenditures		<u>\$ 622,126</u>
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Total General Fund Equipment Expenditures		<u>\$ -</u>
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**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>

## 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>

## 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>

Nonpublic Textbook Revenue		<u>\$ -</u>
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Nonpublic Transportation Revenue		<u>\$ -</u>
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See accompanying independent accountants' report on applying agreed-upon procedures.

**NOBLE MINDS INSTITUTE FOR WHOLE CHILD LEARNING**  
**Class Size Characteristics**  
**As of October 1, 2019**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	86%	6	14%	1	0%	0	0%	0
Elementary Activity Classes	86%	6	14%	1	0%	0	0%	0
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.



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## INDEPENDENT AUDITORS' COMMENT TO MANAGEMENT

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

In planning and performing our audit of the financial statements of **Noble Minds Institute for Whole Child Learning (Noble Minds)** as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered **Noble Minds'** internal control over financial reporting (internal control) as a basis for designing auditing 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 **Noble Minds'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Noble Minds'** internal control.

During our audit we became aware of the following matter that is an opportunity for strengthening internal controls and operating efficiencies. This letter does not affect our report dated December 31, 2020, on the financial statements of **Noble Minds**.

**INDEPENDENT AUDITORS' COMMENT TO MANAGEMENT**  
**CONTINUED**

To the Board of Directors  
**Noble Minds Institute for Whole Child Learning**  
New Orleans, Louisiana  
Page 2

**Current Year Management Letter Comment**

**ML 2020-001 – Delinquent Employer Retirement Contributions**

**Criteria**

Management of **Noble Minds** is responsible for the documentation of the components of internal control to include the implementation of a design and operation of internal control to ensure the accuracy in financial reporting.

**Condition**

We noted during our audit that the employer share of retirement contributions was not paid timely in the approximate amount of \$12,000 at June 30, 2020.

**Cause**

There were access and procedural matters related to the employer contribution that took approximately 18 months to clear up. These issues included access to the actual fiduciary agency which provides us with the information we needed to make the employee contributions. There were also several processes that could not be completed due to a change in the internal systems at Aspire.

**Effect**

**Noble Minds** incurred charges based on lost earnings due to employees of approximately \$2,200 for the delinquency of employer's retirement contributions at June 30, 2020.

**Recommendation**

We recommend that **Noble Minds** timely make its employer's share of retirement contributions to avoid incurring late fee charges.

**Management's Response**

All procedural issues related to the employer portion of the 403B contribution have been cleared up and full payment has been rendered. Moving forward we do not anticipate having any issues.

**INDEPENDENT AUDITORS' COMMENT TO MANAGEMENT**  
**CONTINUED**

To the Board of Directors  
**Noble Minds Institute for Whole Child Learning**  
New Orleans, Louisiana  
Page 3

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various **Noble Minds** personnel, and we will be pleased to discuss the comment in further detail at your convenience, to perform an additional study of this matter or to assist you in implementing the recommendation.

This communication is intended solely for the information and use of management, the Board of Directors, others within **Noble Minds** and the Louisiana Legislative Auditor and should not be used by anyone other than these specified parties. 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 31, 2020