

IDEA Louisiana, Inc Finance Committee Meeting Minutes

September 13, 2022 at 12PM CST

Committee Members Present: Nicole Reynolds and Jill Kennedy

Committee Members Not Present: None

Staff, Counsel and Consultants Present: Leanne Hernandez, Jessica Hess, Carlo Hershberger, Stephen Parmer, Jazmine Leon-Wing, Andrew Clarence, Megan Stone, Jennifer White and Melisa Abascal-Anzaldua.

Audience Present: None

Meeting was called to order by Andrew Clarence, Managing Director of Financial Planning & Analysis, at 12PM.

Business Meeting

A. Carlo Hershberger, SVP of Finance, provide an update to the committee on:

a. Financial reporting update

- i. Ms. Nicole Reynolds, ask for clarification in regard to the reason why financials have not been caught up. Carlo Hershberger explained that his team has been sharing preliminary financial statements lately since adjustments will be done once the audit is finalized.

B. Andrew Clarence, Managing Director of Financial Planning & Analysis, and Megan Stone, Chief of Staff, Advancement, discussed with the committee:

a. September 2022 budget amendments

- i. Capital Area Finance Authority Grant directly to benefit IDEA University Prep.
 1. This item was approved during today's meeting.
 2. Committee members asked to include this budget amendment and grant agreement in the special board meeting during September 16, 2022.

C. Lindsey Schaeffer, VP of National Development, provided an update on grants and contributions on:

a. The Yass Foundation

- i. Ms. Nicole Reynolds asked Lindsey to send out an email to IDEA Louisiana board to see if anyone knows someone that may provide support.

- D.** Carlo Hershberger, SVP of Finance, provide a financial compliance update to the committee on:
- a. Audit and timeline for year end June 30, 2022
 - i. Ms. Nicole Reynolds asked to provide a 990 reporting timeline update during next finance committee meeting
 - b. Revised engagement letters for year end June 30, 2022
 - i. Ms. Nicole Reynolds ask to add this revised engagement letter to the special board meeting of September 16, 2022.
- E.** Stephen Parmer, VP of Finance Operations, provide an update to the committee on:
- a. Monthly corporate card report for August 2022
 - i. Ms. Nicole Reynolds, advised that the committee needs to be informed if there are transactions that are not adhered to policy. She advised that these card transactions will not need to be presented every month moving forward unless there is something out of the ordinary that the committee and board needs to be aware of.
 - ii. Ms. Nicole Reynolds advised that we should have a corporate card report audit report reviewed/presented once a year
- F.** Jazmine Leon-Wing, VP of Treasury, provide a real estate and plan of finance update to the committee on:
- a. IDEA Innovation Portables project
 - i. Ms. Nicole Reynolds asked if we had considered to possibly use the modulars from UP that are not used anymore and if there was an analysis for that approach? Jazmine Leon-Wing, advised that Layne Fisher, Chief Operating Officer, could provide more details in regards to this as his team recently did a space plan audit on Louisiana sites. Jazmine will follow up with Layne on this and will provide an update to Ms. Reynolds.
 - ii. Ms. Nicole Reynolds also asked if there has been an analysis on leasing space instead for future renovations, including a cost analysis, to explore a faster approach. Jazmine Leon-Wing advised that the operations team may have done this and will follow up to find out more information.
 - iii. Ms. Nicole Reynolds asked to have a summary of what will it be approved through the resolutions. Jazmine Leon-Wing elaborate on each:
 - 1. Authorized equipment sublease. The Board is authorizing execution of subleases for the equipment. Authorized representative of the board will be able to sign on the subleases once these are finalized.
 - 2. Approve Taxable Loan for Portable Buildings. IDEA Louisiana, as Sole Member of IPS Innovation LLC, approves a Taxable Loan for Portable Buildings. This will allow IDEA managers of IDEA Innovation LLC to sign the loan documents once finalized.

3. Supplement to Master Lease for Portable Buildings. This allows to authorize a supplement to a master lease. Currently there is a master lease agreement between IDEA Louisiana and Innovation. For equitable facilities fund for IDEA Innovation campus.
- iv. Ms. Nicole Reynolds asked to make sure that Patty and Melissa work on the edits/redlines before Friday. Jazmine to get with legal counsel before the meeting in order to have final resolutions ready to be discussed on Friday.
- v. Final term sheets from regions bank sent out before Friday

G. Leanne Hernandez, Chief Financial Officer, discussed with the committee the following:

- a. Executive Director expenses from July 1, 2022 until now
 - i. Ms. Nicole Reynolds reviewed the report shared and she asked the finance team to double check the reasoning between having both car rental expenses and Lyft expenses. Leanne Hernandez advised that the procurement team double check this and circle back to Ms. Reynolds with an update.
- b. Legal Fees for fiscal years 2022 and 2023
 - i. Ms. Nicole Reynolds advised that she would review the legal fees report and invoices and advised the team if she had any questions.
 - ii. Ms. Nicole Reynolds also asked to have a better understanding of roles and responsibilities between our current legal counsels: Baker, Donelson, Bearman, Caldwell & Berkowitz, PC; and Shulman, Lopez, Hoffer and Adelstein LLP. Jessica Hess advised that the main different is that the first firm reviews most general matters, things that have to do with students, personnel and day to day operation. The second firm reviews board of directors matters specifically, and make sure that there are no governance conflicts.
 - iii. Ms. Jill Kennedy highlighted that Baker firm has not been paid for a long time and asked for the reason behind it. Leanne Hernandez advised that she would circle back with the accounts payable team double check on this and clarify why we have been carrying balance, as well as payment confirmation. She also asked to let the team know if there are any other questions in case we need to make any further analysis.
- c. CRI additional audit fees
 - i. Ms. Nicole Reynolds asked if finance team would be open to pay extra fees from the audit by IPS Enterprises Inc. Leanne Hernandez advised that she would reached out to legal counsel, Dana Henry, to confirm that there are no conflicts in proceeding with this since the finance team owns the audit delay and set an aggressive target completion.

Adjourn

The meeting stands adjourned at 12:50 PM CST.

