

## IDEA Louisiana, Inc Finance Committee Meeting Minutes

December 20, 2022 at 2:00 PM CST

**Committee Members Present:** Nicole Reynolds and Jill Kennedy

**Committee Members Not Present:** N/A

**Staff, Counsel and Consultants Present:** Leanne Hernandez, Cody Grindle, Jessica Hess, Rolando Posada, Stephen Parmer, Matthew Sawyer, Jennifer White, Vanessa Garza, Denise Gonzalez, Melisa Abascal-Anzaldúa, Amy Verberne from Carr, Riggs and Ingram, LLC, Jourdan Curet and Melissa Grand from Baker Donelson, Dana Henry from Shulman, Lopez, Hoffer & Adelstein, LLP.

**Audience Present:** None

Meeting was called to order by Leanne Hernandez, Chief Financial Officer, at 2:02 PM.

### **Business Meeting**

- A. Amy Verberne from Carr, Riggs and Ingram, LLC walked the committee through the annual audit report.
  - a. Financial Statement Draft
  - b. BESE AUP Draft
  - c. Statewide Agreed Upon Procedures Draft
    - i. Ms. Nicole Reynolds asked if the items have not been ready timely? Was this an issue from last year's or is it carrying over? Amy Verberne advised that they left it because they started with some delays, however towards the end of the audit the turnaround was of 24-48 hours.
    - ii. Amy Verberne advised that the audit report will be finalized early next week and auditors will be issuing the representation letters via wrike. She highlighted that as long as individuals that need to sign have access to their email address, they will be able to sign.
    - iii. Dana Henry and Melissa Grand highlighted that moving forward on 2023 we need to make sure that meetings convene in person. Today's meeting may fall under an exception due to IDEA premises closed for winter break. Amy Verberne advised that they also recommended to keep meeting minutes not only on board meetings but also on all committee meetings.
- B. Leanne Hernandez, Chief Financial Officer, and Vanessa Garza, Director of Accounting, provided a financial update to the committee, including:
  - a. Leanne Hernandez, CFO, asked if there were any specific items that the committee wanted to flag when presenting the annual audit to the full board. Ms. Nicole

Reynolds advised that corrective actions plan were good, and that the team should let the board know what those plans are and whether or not have they been implemented, sharing a timeline would be helpful. Also, she advised for the team to be ready to discuss why the findings are happening.

- b. Results of 6/30/2022 compared to the previous projections presented to the finance committee and board.
  - i. Leanne Hernandez advised that these results were driven by \$2.1MM in Charter School Program Replication and Expansion grant funding pending USDE approval of sub-recipient monitoring procedures and corrective action plan.
  - ii. Ms. Nicole Reynolds asked if there was a specific reason of not having the time to look through? Leanne advised that it was mostly related to having a federal funds audit which was initiated by the Department of Education across all our federal grants.
  - iii. Ms. Nicole Reynolds highlighted that in all financial statements we have reviewed revenue side was always included, at what time was the decision made to leave this revenue out? Leanne advised that throughout the course of this audit.
  - iv. Ms. Nicole Reynolds asked the team that moving forward, if there are things that will have major impact, please share in our finance committee for transparency and clarity purposes.
- c. October 2022 Financial Statements
  - i. Ms. Nicole Reynolds highlighted that June ending numbers are a little different than the audit report. Vanessa Garza advised that this is due to consolidation of statements since it includes IDEA Innovation.
- d. Update regarding the days cash on hand covenant at 6/30/2022
- e. Explanation for all expense categories that are over 33% of budget at 10/31/2022
- f. Status of the 11/30/2022 close/reconciliation process and timeline of availability of internal financial statements.

**C. Leanne Hernandez, Chief Financial Officer, provide a finance update to the committee on:**

- a. New commercial card with Regions Bank
  - i. Nicole Reynolds asked if this a physical card? Stephen Parmer, VP of Finance Operations, advised that this is a ghost card for us to use solely managed by the Director of Account Payable and Assistant Director of Accounts Payable.
  - ii. Nicole Reynolds suggested to potentially update the policy to include approvals and allowability for this commercial card. Stephen advised that we can update the procedures to include managing of this specific card.
  - iii. Melissa Grand asked if we needed to revise the this commercial card resolution in order to reflect the authorized parties that will be handling this card. Dana Henry advised that if the preference of the Board, Finance Committee and Finance Team is to limit his card to certain positions or

- people, he can update to reflect this change.
- iv. The committee, counsel and finance team aligned on adding the positions of VP of Finance Operations, Director of Accounts Payable and Assistant Director of Accounts Payable as authorized users for this commercial card. Dana Henry will make the change to reflect this in the resolution which will be presented to the board on Thursday, December 22, 2022.

**Adjourn**

The meeting stands adjourned at 3:15 PM CST.