

IDEA Louisiana, Inc Finance Committee Meeting Minutes

February 24, 2023 at 11:00 AM CST

Committee Members Present: Nicole Reynolds

Committee Members Not Present: Jill Kennedy

Staff, Counsel and Consultants Present: Leanne Hernandez, Dr. Clifford T. Wallace, Layne Fisher, Stephen Parmer, Andrew Clarence, Jennifer White, Daniel Garza, Sandra Martinez, Leslie Spencer, Tita Teran, Melisa Abascal-Anzaldua, and Luis Hinojosa, Business Advisor.

Audience Present: None

Meeting was called to order by Leanne Hernandez, Chief Financial Officer, at 11:03 AM.

Business Meeting

- A. Vanessa Garza, Director of Accounting, provided a financial update to the committee, including:
- a. December 2022 Financial Statements
 - i. Ms. Nicole Reynolds, asked about IDEA Innovation financials. She asked if these could be consolidated moving forward. Vanessa Garza, Director of Accounting, advised that she would meet with the team to understand restructure and have a plan to add IDEA Innovation to these financial statements.
 - ii. Ms. Nicole Reynolds requested to have a supplemental schedule that has each federal program, including what is available to us, what has been spent, what is the drawdown status, what is pending, what are plans to get drawdowns for the rest of the year. Finance team will bring this at the next finance committee meeting.
 - iii. Ms. Nicole Reynolds made an observation regarding adjustments to the financials. She recommended for the finance team to discuss this implication with the auditors first, to get some feedback. Vanessa advised that the team will consult with CRI and provide an update during next finance committee.
 - iv. Ms. Nicole Reynolds asked to that she would like to see in the internal financial statements, reconciliation of the management fee, including what is being charged, what make up those amounts and what are the calculations.
 - v. Ms. Nicole Reynolds also asked to see breakdown by income statement by school year to date. She would like to get an update per school to see if there are any anomalies/issues that certain schools are experiencing in a

consolidated basis. Vanessa advised that the team has a report in place for this item and it is made in a quarterly basis to comply with covenant requirements. Nicole advised she is open to see this report in a quarterly basis, in order to minimize new processes for the team.

- vi. Ms. Nicole Reynolds asked to have a roll-forward for Due from affiliates, including last month's balance, cash in and cash-out.

B. Stephen Parmer, VP of Finance Operations, provided a budget update to the committee on:

- a. March 2023 budget amendments
 - i. The committee is aligned that moving forward, budget amendments will not be presented during these meetings if they are not greater than 10% to a particular fund or function. However, if it exceeds that, Finance team will bring those in a summary form for review.
- b. 2023-24 Advanced budget requests
 - i. Ms. Nicole Reynolds asked what was the budget for these items last year. Stephen Parmer advised that the change is due to account driven, the percentage increase in students. Stephen will share with Ms. Reynolds the percentage of attrition compared to last year.

C. A Compliance update was discussed by Brittany Perkins, VP of Financial Compliance and Grants, regarding:

- a. 990 Forms
 - i. Ms. Reynolds asked when a draft would be ready for the board to review. Brittany Perkins advised that it will be in Mid-April. Her team will connect with CRI next week and we will provide a final date. Leanne Hernandez added that they will work around the committee and board meetings schedule.

D. The committee discussed a finance update provided by Leanne Hernandez, Chief Financial Officer.

- a. Line of credit
 - i. Leanne Hernandez discussed with the committee the plan to pursue the line of credit. Ms. Nicole Reynolds is not opposed to this proposal as long as this is well monitored, and the team provides updates to the finance committee.
- b. Space and facilities.
 - i. Ms. Nicole Reynolds asked what the biggest hold up was on making the financial decisions on where we are going. She asked to get clarity on the relative trade ups on individual phase II vs consolidation. Leanne Hernandez advised that at a minimum they are making sure they have a plan to accommodate our student population through portable units within the next year.
 - ii. Ms. Nicole Reynolds recommends asked what information is needed in order to make a decision, how can she help to push the decision along so we

can get the kids the space they need. Leanne Hernandez added that there is a need to have another discussion with the board to get our final feedback, as well as a management discussion. Leanne will talk to her partner teams, she highlighted that it might be aggressive to discuss this item during this month's board meeting but they could work to push for March and have this discussion then during the next Board meeting. Dr. Wallace advised he had submitted his recommendation to the Chief Operating Officer before Winter break.

E. Stephen Parmer, VP of Finance Operations, reviewed with the committee:

- a. Contracts that will be reviewed during next board meeting
 - i. There were a few contracts that were approved by the board during January's meeting, However, due to a revision in the agenda timing, they will be brought again for approval in February's meeting. Legal counsel has reviewed and asked for further information on the cooperative agreements, however these concerns had been addressed and resolved.
 - ii. The only new contract that the team presented was Spectrum. Ms. Nicole Reynolds would like to see that what was the amount on Spectrum's last year's contract. Stephen will share this information.

Adjourn

The meeting stands adjourned at 12:03 PM CST.