



Redesign Schools Louisiana

Minutes

Redesign Schools Louisiana Finance Committee Meeting

Date and Time

Tuesday January 19, 2021 at 5:30 PM

Location

<https://zoom.us/j/91797746959?pwd=QWIPWE14N2RkY1JPQUcwekxMZTNMdz09>

Meeting ID: 917 9774 6959

Passcode: RSL

Committee Members Present

A. McGaha (remote), G. Pope (remote), M. Mullen (remote), P. Baldwin (remote)

Committee Members Absent

J. Miller, N. Gillam, R. Orso

Guests Present

A. Beck (remote), Ashley Eason (remote), C. Knotts (remote), I. Divinity (remote), Kathryn Rice (remote), T. Rivera (remote)

I. Opening Items

A. Call the Meeting to Order

A. McGaha called a meeting of the Finance Committee of Redesign Schools Louisiana to order on Tuesday Jan 19, 2021 at 5:30 PM.

B. Record Attendance

C. Public comment on Agenda

No public comment on Agenda

II. Finance

A. Unaudited Financial Statements for the six months ending December 31, 2020

At this time, I. Divinity briefed the board on the unaudited financial statements for the six months ending December 31, 2020.

- MFP
- Salaries
- Individual School budgets
- Benefits
- Purchases
- Insurance
- materials and supplies

At this time, a brief discussion ensued about Dalton and offsetting the deficit and the number of students assigned to teachers. C.Knotts advised that in the past classes were split if the number of students was too small to employ a teacher, however, A. Beck advised that due to the pandemic teachers needed to teach one grade.

Additional notes on transportation: A.Beck advised that because of testing the busing will most likely resume to 5 days a week as opposed to the four days. A.McGaha advised that just because there are savings in transportation due to COVID, doesn't mean to use up those funds.

I.Divinity to verify on the police officer, verify other categories including custodial for Glen Oaks and teacher at Dalton.

No public comment

B. Update on requested vendor accounts

At this time A.Beck briefed the board on updates on vendor accounts. A.Beck advised that G.Pope requested for all vendors to be disclosed and who hadn't been paid. A.Beck shared an excel spreadsheet with a working list of vendors that had outstanding balances.

A.McGaha inquired as to if the amounts that are showing unpaid on the report provided from A.Beck are accrued. I.Divinity advised that for the one example Chartwells; will receive payment once the schools are reimbursed from the state.

Additionally, A.Beck advised that vendors on this list were not given to G.Pope and some unpaid vendors go back as far as 3 months past. P.Baldwin inquired as to the reasoning behind this discussion is again how SchoolNet got dropped and what the process is to obtain invoices and pay them. C.Knotts advised that the following suggestions will remedy some of the issues: ensure someone is at the school site so mail can be consistently delivered along with the below. Additionally for whoever is at any particular school site to ensure the mail gets scanned to the appropriate parties. Also, with regards to that list provided by A.Beck the invoice had not been fully run through accounts payable or a certain scenario where if something happens at a school site and we don't get notified that a light fixture gets replaced and we don't get that until January, the invoice has not run through the accounts payable system and we would not be able to pay that. What was disclosed in terms of the number of items that have fully gone through accounts payable. We assured that everything as of January 11th prior to the other meeting had gone through accounts payable had been paid and there were no interruptions to services.

A.Beck asked whether there is a written policy and C.Knotts advised about the fiscal policies that were board approved in February 2019. I.Divinity clarified that a procedure on how to catch a missed invoice might not be a line item in that policy.

G.Pope advised the concern was about invoices coming through and not getting addressed. G.Pope asked about a system to know when invoices are received and where they are.

Suggestions for policies and procedures

1. Central email to receive all invoices
2. PO BOX

No public comment

C. Management's preliminary report on external audit update

At this time, A.McGaha advised the board about the finance committee meeting and the \$390,000 hit that will be an expense that is not in the budget and the expense will have to be absorbed. I.Divinity briefed the board that \$290,000 is attributed to Crestworth and the rest is a valid receivable. I.Divinity advised that it is definitely an expense that we will have to consider absorbing. The meeting with the auditors has not been possible due to unforeseen circumstances. The board is welcome to reach out directly to the auditor and

he is happy to attend one of the board meetings. A.McGaha inquired as to a report from the auditor as to any adjustments they might have, and I.Divinity advised that there is no final report at this time because the report isn't due until March and this is just her update.

A.McGaha clarified and advised she was asking about a preliminary report and was not expecting a final report, and understands there is no preliminary financials but the auditor should know if there are any preliminary adjustments. I.Divinity advised she would clarify that with the auditor. A.McGaha advised she wants to ensure there are no more surprises and inquired if the management company will present on how this would get resolved because Redesign's budgets for this year can't afford it at any given school. C.Knotts advised we can brainstorm and present.

No public comment

D. Management's comments regarding review of accounting reconciliations

At this time A. Beck briefed the board on the board's recommendation that A.Beck and the management company attest to the reconciliations that have occurred over the last 3 months.

C.Knotts advised that the CMO was comfortable with the attestation. A.Beck advised that she is still reviewing November and December and not able to attest at this time and requested some more time. A.Beck advised that there was a section in October and saw a place that she's unable to attest to, she advised she talked to I.Divinity and I.Divinity advised that ledger should 0 out in November, however, she will need to more time go over November and December. A.Beck inquired as to who checks the reconciliations, I. Divinity advised that R.Nichols does the reconciliation and she reviews R.Nichols' work; there are 3 levels that take place.

A. McGaha asked that what the board would want to see is looking at the balance sheet and the income statement that was presented through June 30th, how does that differ from what is in the December 30th month ending financial statements.

No public comment

III. Closing Items

A. Next finance committee meeting: Tuesday, March 16, 2021 @ 5:30pm

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:25 PM.

Respectfully Submitted,
T. Rivera

Documents used during the meeting

- Unaudited Financial Statements for the Period Ended December 31, 2020.pdf