

**KIPP New Orleans Schools
Finance Committee Meeting
October 16, 2023**

A public meeting of the finance committee of the board of directors of KIPP New Orleans Schools ("KNOS") was held in person at the KNOS School Support Center on October 16, 2023, at 11:00 a.m.

The following members of the finance committee were present: Danielle Willis and Reggie Jackson. A quorum was established.

The following KNOS staff members were present: Chief Executive Officer Rhonda Kalifey-Aluise, Chief Financial Officer Katie Walmsley, Controller Ivette Casey, Director of Grants Kristen Horwood and Director of Accounting Rebecca Guarino.

The following partner at Erickson & Krentel was present: Jeremy Thibodeaux.

Ms. Willis called the meeting to order at 11:08am. Ms. Willis made a motion to approve the minutes from the August 21, 2023 meeting; the committee unanimously approved the minutes.

Ms. Walmsley begins the meeting with an overview of the income statement and the projected ending positive position for fiscal year 2023. Ms. Walmsley states that the difference in net income from the prior board meeting is largely due to the transfer of capital items, which are now reflected on the balance sheet.

Discussion turns to the status of the FY23 audit. Ms. Casey informs the board that the audit has begun on schedule with the team from Ericksen Kentrel being on site the previous week. The board enquires about the estimated completion date; Mr. Thibodeaux responds that he projects that the audit will be complete before winter break and in advance of the Louisiana Legislative Auditor's deadline of December 31st.

Ms. Casey notes that the team has not yet recorded the management fee, but that the management will be finalized concurrent with the final submission of the Annual Financial Report (AFR) at the end of October. Ms. Willis and Mr. Jackson inquired about management's philosophy pertaining to the setting of the management fee and whether it is ever advised or required to establish that fee level via a written agreement. Mr. Thibodeaux responded that an agreement is not required, and Ms. Walmsley added that an agreement would be appropriate only if the school support center was a separate legal entity. She added that the organization's finance scorecard drives management fee setting decision: specifically, limited deficit spending within three consecutive years while also seeking to maintain LEA unrestricted net assets at between 7.5% and 10% of total expense if possible.

The committee moved the discussion toward FY24 enrollment figures gathered by the KNOS Data Team. Ms. Walmsley summarized that the data shows that KNOS is approximately 190 students over the budgeted level, and that the organization's fill rate stands at 91%, an improvement from the prior year despite demographic trends moving in the opposite direction. The committee expressed interest in seeing a deeper analysis at the Board retreat regarding retention from within the KNOS network.

Ms. Walmsley and Ms. Casey turned to the FY24 Financial Statements, reminding the committee that many first-quarter grant claims would not be recognized as revenue in statements presented year-to-

date through August 31st. The committee expressed interest in obtaining additional information on the organization's income statement in the future, namely the percentage of the annual forecast that has been recognized as revenue or expense in the reporting period. Lastly, Ms. Walmsley presented the Finance Scorecard and indicated that she planned to add a metric for enrollment capacity to the scorecard in future presentations.

Ms. Willis adjourned the committee meeting at 12:34pm.