

## **KIPP New Orleans Schools**

### Finance Committee Meeting Minutes

April 19, 2021

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 and virtually on Zoom on April 19, 2021, at 5:19 p.m.

The following members of the finance committee were present: Treasurer Drew Marsh, Danielle Willis, and Aimee McCarron. Board Chairman Larry Washington did not attend. A quorum was established.

The following KIPP staff members were present: Chief Executive Officer Rhonda Kalifey-Aluise, Chief Financial Officer Katie Walmsley, Managing Director of Finance Brad Rosenblat, Director of Finance Jamiela Sekou, and General Ledger Accountant Rebecca Guarino.

The following guests were present: Ericksen Krentel audit partner Jeremy Thibodeaux.

The committee voted unanimously to approve the minutes from its February 22, 2021 meeting.

Ms. Walmsley reported the financial summary, noting the current projected FY21 adjusted fund balance as a percent of operating expenses of 25.16%. Ms. Walmsley noted the \$712 thousand decrease in projected FY21 deficit from the last committee meeting, which resulted from releasing 100% of contingency (~\$850 thousand), a projected increase MFP funding from NOLA-PS (~\$600 thousand) due to lower-than-expected citywide enrollment, offset by additional strategic investments and increased busing costs (~\$750 thousand).

Mr. Rosenblat turned to the FY21 financial statements. Mr. Rosenblat highlighted the net loss of \$409 thousand through February 28, noting that the loss was in line with the overall FY21 board approved spending deficit. Mr. Rosenblat led a review of the KNOS financial scorecard, noting that FY21 grants remain in good position and liquidity remains strong.

Ms. Walmsley then turned to the FY22 enrollment forecast, highlighting an overall increase of 25 students from last committee meeting. Ms. Walmsley noted that most of the increase resulted from strong high school results.

Mr. Rosenblat then turned to the FY22 revenue and budget targets. Mr. Rosenblat shared that since the prior committee meeting, base MFP expectations increased by \$117 per pupil as a result of lower citywide enrollment expectations, offset by a \$68 per pupil increase in the negative deferred revenue liability that will reduce net per pupil revenue next year. Non-recurring revenue increased by \$10 million as a result of KNOS meeting the updated qualifications for the Payroll Protection Plan (PPP) forgivable loan, which was funded and received earlier in the month. Management expects that KNOS will qualify for loan forgiveness, though it is likely that the majority of this sum will be realized as revenue in FY21, offsetting the operating deficit in the approved FY21 budget and current forecast.

Mr. Rosenblat then provided an update on investments, noting that the only remaining investment matured since the last committee meeting, and that Management has not made any new investments.

Next, Mr. Rosenblat provided an update on FY21 insurance coverages. As previously communicated to the committee, the organization expects to remain with Alliant in the KIPP Foundation-sponsored program that leverages economies of scale for participating KIPP regions. Mr. Rosenblat noted that management will renew all

existing policies in FY22 but expects the aggregate limit for General Liability Insurance to come down from \$25 million to \$15 million, based on Alliant's recommendation after consideration of renewal pricing and industry benchmarking. Additionally, Mr. Rosenblat highlighted that NOLA-PS provides property insurance for all of its direct-owned facilities, and rates continue to increase substantially year-over-year.

Mr. Rosenblat turned to the credit card policy for the committee's review, noting that the policy remained unchanged from prior year.

With the CFO report complete, Mr. Marsh adjourned the meeting at 6:15 p.m.