

KIPP New Orleans Schools

Finance Committee Meeting Minutes

December 05, 2022

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 December 05, 2022, at 5:15 p.m.

The following members of the finance committee were present: Treasurer Drew Marsh and Danielle Willis. A quorum was established.

The following KNOS staff members were present: Chief Executive Officer Rhonda Kalifey-Aluise, Chief Financial Officer Katie Walmsley, and Controller Ivette Casey.

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

Mr. Marsh called the meeting to order. Ms. Willis made a motion to approve the minutes from the October 17, 2022 meeting; the committee unanimously approved the minutes. Mr. Marsh noted the committee's intent to invite Mr. Reggie Jackson, a newly elected Board Member for KNOS, to join the Finance Committee at its next convening; Ms. Willis agreed.

Mrs. Walmsley started the CFO report by discussing that, upon the advisement of audit partner Jeremy Thibodeaux of Ericksen Krentel, the organization would be requesting a 30-day non-emergency extension of the Louisiana Legislative Auditor to submit the audited financial statements of the entity. Mrs. Walmsley introduced Mr. Thibodeaux who led a discussion updating the board about the progress of the FY22 audit, noting that Ericksen Krentel's tests so far have not identified any deficiencies in internal controls over (i) financial reporting or instances of noncompliance or other matters, or (ii) compliance or instances of noncompliance that could have a direct and material effect on KNOS's major federal programs. Mr. Thibodeaux discussed the complexity of the audit given the number and scale of federal programs that the entity now has, particularly driven by Elementary and Secondary School Emergency Relief Funding (ESSERF). Mrs. Walmsley elaborated on the dynamic nature of the organization's programmatic pandemic response strategies alongside dynamic budget guidance from the LDOE and the LDOE's extended budget amendment review periods, all which compounded to delay the completion of grant-related activities for FY22. Mrs. Walmsley further explained that several administrative leaders went on leave this past fall; the committee discussed strategies related to continuity planning for head administrative positions.

Mrs. Walmsley then reported the FY22 financial summary, noting a projected FY22 adjusted fund balance as a percent of operating expenses of 27.61 percent. The 27.61 percent fund balance represents a positive net change from the original FY22 board approved budget and a reduction from the last finance committee meeting in the amount of \$557k due to forecast allocations toward school security investments and the school support center office move.

Mrs. Walmsley turned to the FY22 financial statements through October 31, 2021. Mrs. Walmsley highlighted the negative net income of around \$7.8 million, noting that this deficit is typical for this time of the school year as ESSERF claims have not yet begun.

Mrs. Walmsley noted that there are no new investments.

Next, Mrs. Walmsley led a review of the KNOS financial scorecard, noting that three of KNOS's eight LEAs did not meet the 98 percent of budgeted enrollment benchmark per 10/1 counts. Mrs. Walmsley noted that all quarter one grant claims that were available for KNOS to claim had been submitted.

With the CFO report complete, Mr. Marsh adjourned the meeting at 7:02 p.m.