

KIPP Metro Atlanta Schools

KIPP Metro Atlanta Schools Finance Committee Meeting Minutes

*Wednesday, October 18, 2023
8:30 a.m.-10:30 a.m.
This meeting was held virtually*

Committee Members in Attendance: Catherine Mealor, Craig Jones, Dennis Love, Hector Calzada

Committee Members Absent: Gayle Burnett, Tom Avery

Board Members Present: Richard Deane

Regional Staff Members Present: Brian Franklin, Kelly Shields, Lawrence Harris, Posh Joseph, Ra'Chel Ford, Wanda Smith

Guests Present: Stephen Doolittle (Mauldin & Jenkins)

The meeting was called to order at 8:34 a.m.

I. Mission Moment

- a. Kelly Shields shared about Graduation Rate

II. Consent: Prior Minutes

- a. Hector Calzada called for motion to approved 08/16/2023 minutes, Craig Jones moved to approve and Catherine Mealor seconded the motion. Approved unanimously.

III. FY 23 Audit

- a. Kelly presented summary and process of year end close and audit engagement. She indicated that process was smooth and was proud of results and partnership with Mauldin & Jenkins (M&J).
- b. Three audit reports are created:
 - i. KIPP Metro Atlanta Collaborative
 - ii. KIPP South Fulton Academy
 - iii. KIPP Opportunity Fund – this will be circulated before board meeting
- c. The KIPP Metro Atlanta and KIPP South Fulton Academy are reported on a GASB basis and present financial statements in two formats a full accrual format and a modified accrual format.
- d. Results of audited financial statements include a cash balance of \$48.6MM which includes operating and nonoperating balances. The \$26.5MM change in fund balance includes the large donation received last year, as well as the favorability expected from revenue and personnel expenses. The change in net position was \$17.3MM, and includes the change in value of the TRS liability. The unassigned fund balance at year end was discussed.

- e. Stephen Doolittle from Mauldin and Jenkins shared a summary of the audit reports including the impact of TRS on the financial statements. Mauldin and Jenkins prepared the SAS 114, a required communication to governance, and will prepare the 990's after filing for an extension to May 15th. The auditors issued an unmodified opinion and did not identify any material misstatements. Stephen reviewed the audit process. All KIPP staff then left the meeting for a discussion with Stephen.
- f. Craig Jones moved to recommend the KIPP Metro Atlanta Collaborative and KIPP South Fulton Academy audits to the Board. Dennis Love seconded. The motion was approved unanimously.

IV. Surplus Discussion

- a. Kelly led a discussion around unassigned fund balance, which must be 15% of budgeted expenses as of June 30th. As of August 31, 2023, the organization is well within 15%, but fund balance will grow over the course of the fiscal year. No action recommended at this time, but a plan will be presented at the next meeting and the Committee should always review unassigned fund balance in May to create assignments before year end close.

V. Procurement Requests

- a. KWPA Furniture – Brian Frankly presented information for an anticipated large furniture purchase, but after posting to the Georgia Procurement Registry the resulting price doesn't require approval. The three vendors presented were Corporate Environments, Russell Contract Furnishings, and Krueger.
- b. Support Team Lease –
Ra'Chel Ford discussed three remaining options for a new office space lease after the last property was sold: Lee + White, Abrams, and Jefferson Station. Lee + White was ranked highest and is within the school geographic footprint. Dennis moved to approve the lease with Lee + White; Richard Deane seconded. The motion was approved unanimously.

Catherine Mealar and Craig Jones left the meeting at 9:57. The remaining participants did not represent quorum. Additional informational updates were provided to remaining participants but no committee business occurred.

VI. Enrollment Insights

- c. Lawrence Harris shared an update on enrollment. Count day enrollment exceeds budgeted goal and we will have revenue in excess of our budget at approx. \$1.5MM
- d. An after action review of the enrollment process is scheduled for 10/20 and will include the impact of immunization compliance for FY25 and beyond.

VII. Endowment Update

- e. Kelly provided an update on the endowment. The committee meets 10/23 value of endowment is \$2,841,446.

VIII. FY24 Financials

- f. Kelly provided an update on FY24 financials. There is 3.1 months of operating cash on hand. Recognized 11% of budgeted revenue has been recognized. Salaries are slightly favorable, but much closer to budget than prior year due to a reduction in vacancies. Overall expenses are showing ahead of pace (18%) but in line with expectations due to

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the issuance of retention bonuses on the August 31 paycheck. New Hire bonuses will be included on the October 31 paycheck.

IX. CARES Reimbursements

- g. Kelly shared that there is \$4MM left to be reimbursed for CARES; \$1.6MM needs to be spent on learning response plan. The team is working with APS to reconcile outstanding budgets on Friday.
- X. Hector ended the meeting and thanked Kelly for her contributions to KIPP Metro Atlanta..

DRAFT