

## KIPP Atlanta Schools Finance Committee Meeting Minutes

Wednesday, October 9, 2024

8:30 a.m. - 10:30 a.m.

Meeting location: 1038 White Street, Suite D, Atlanta, GA 30310

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**Committee Members in Attendance:** Brooks Lumpkin, Catherine Mealor, Craig Jones, Dennis Love, Hector Calzada\*, Richard Deane, and Stephen Council

**Committee Members Absent:** Tom Avery

**Board Members Present:** None

**Regional Staff Members Present:** Ben Cabeza, Justin Anderson, Justin Knowles, Kristen Knowles, Lakeesha Ramdhanie, and Ra'Chel Ford.

**Guests Present:** Alicia Howell and Stephen Doolittle from Mauldin & Jenkins (virtual attendees)

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*The meeting was called to order at 8:38 a.m.*

### Welcome and Mission Moment

- Hector Calzada, Finance Committee Chair, took a vote to begin the meeting officially, motioned by Craig Jones and seconded by Richard Deane at 8:38 am. Hector Calzada welcomed Brooks Lumpkin and Stephen Council to the meeting. Justin Anderson, Chief Financial Officer reviewed the agenda.

### Consent: Prior Minutes

- Hector Calzada called for a motion to approve the 08/12/2024 meeting minutes. Craig Jones moved to approve and Dennis Love seconded. No Discussion. Approved unanimously.

### Mission Moment

- Dr. Hines Book Signing of "Tomorrow's Children" at the Gathering Spot sponsored by KIPP ATL.

### Procurement Requests

- Previously approved and allocated funding for Impact Study and Literacy Intervention Support Initiative
  - i. Ben Cabeza presented the timeline and shared that the purpose of the initiative is to partner with a research firm to study the KIPP Atlanta Schools impact over 22 years including K-12 outcomes and alumni success.
    - Hector Calzada requested that for the upcoming vote, the presentation to the Finance Committee include a more detailed explanation of the thesis, the impact study's purpose, and the specifics of the procurement decision-making process. Additionally, he asked for observations from the vendor regarding the data they are working with, and whether there is an opportunity to incorporate any recent

data.

- Lakeesha Ramdhanie presented the timeline and purpose of the Literacy Lab Interventionists model, which aims to reduce the scholar-to-teacher ratio and maximize instructional time through virtual delivery.
  - i. Hector Calzada specifically requested a timeline for achieving full staffing.
  - ii. Richard Deane asked that the presentation to the general board include details on how the virtual instruction is being implemented, how the literacy timeframe is executed, how the two overlay, the initiative's purpose, and how success will be measured, including a comparison of virtual tutors to in-person instructors.
- The decision deadline is set for early November, pending a procurement review of the submitted proposal. Hector Calzada expressed that he is comfortable with conducting the vote via email. He encouraged members to reach out directly if they had any questions or concerns.

## **Audit Presentation**

- Alicia Howell (Lead Engagement Partner) and Stephen Doolittle (Director) from Mauldin & Jenkins, CPAs & Advisors, presented the audit process, outlining the timeline and expected outcome for the final audit presentation. The engagement includes KMAC, KIPP Opportunity Fund, KSFA, Uniform Guidance, and the IRS 990, which encompasses both qualitative and quantitative analysis. This year, Uniform Guidance requires the review of two major programs: Title I Special Programs and the CIS Success Grant. A clean and unmodified opinion is anticipated. The financial statements are the responsibility of management, and about 90% of the audit has been completed. Uniform Guidance will require two additional opinions above \$750k in the use of federal funds. The GASB Report highlights internal accounting controls, and no findings or concerns have been identified. At this point, there are no questioned costs, and the audit is expected to be completed before October 31, 2024. The IRS 990 is due by November 15, but an extension to May 15 is possible if needed.

## **Enrollment 2024-25FY**

- Ra'Chel Ford and Kirsten Knowles provided an update on enrollment, highlighting year-over-year re-enrollment and application trends, as well as the factors driving these results. They reported that current enrollment is 114 scholars above the budgeted target but 157 scholars below the FTE Count Day target. They also outlined the plan to close the gap and prepare for the upcoming lottery session.
- There was a discussion on South Fulton's underperformance despite strong academic results, with retention identified as an area for improvement. Efforts are underway to identify early withdrawal indicators so that early intervention is possible. Scholars starting mid-year show higher attrition rates. We are focusing on Ways, Soul, and Vision for enrollment boosting this school year and exploring a satellite drop-off at Publix for the Soul campus to address traffic congestion. Currently, attrition is at 18% (above the national average of 15%), with a target to reduce it to 15%. The goal is a fully enrolled school, and a 5% contingency has been added to the budget.

## **Endowment**

- Justin Anderson also shared an update on the endowment, which had a value of \$3,853,598 as of August 31, reflecting a 14.6% increase year-to-date, net of fees. Additionally, the IRS nonprofit application is still in process.

## **FY25 Financials Update**

- Justin Anderson provided an update on FY25 financials, reporting 3.9 months of

operating cash totaling \$46.9 million, with 11% of the revenue budget and 17% of the expense budget utilized so far. Justin stated that the organization does not receive funding from district partners in June or July.

## **Meeting Close**

- Hector Calzada thanked the committee and KIPP staff for attending and participating in the meeting. Hector Calazad called for a motion to close the meeting, moved by Dennis Love and Richard Deane seconded. No Discussion. Approved unanimously.

*The October 9, 2024 Finance Committee meeting was adjourned at 10:27 a.m. Minutes taken by Ra'Chel Ford, Deputy Chief Executive Officer.*