

**KIPP New Orleans Schools  
Finance Committee Meeting  
February 29, 2024**

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 February 29, 2024, at 3:45 p.m.

The following members of the finance committee were present: Reggie Jackson and Barrett Green. A quorum was established. The following KNOS staff members were present: Chief Executive Officer Rhonda Kalifey-Aluise, Chief Financial Officer Katie Walmsley, and Director of Accounting Rebecca Guarino.

The meeting is called to order at 3:48PM. Mr. Green made a motion to approve the minutes from the December 6, 2023 meeting; the committee unanimously approved the minutes.

Ms. Walmsley began her CFO report by reporting an expected end-of-year net income position that exceeds budgeted net income by \$1.1 million, but also represents a \$3.35 million negative variance from the previous financial projection. She explained that this change is mainly because the organization is planning to roll over and defer some grant funding (around \$4.5 million in ESSER and block grant funding) from the current fiscal year to the next fiscal year in FY25. This decision would help to stabilize the expected drop in funding from ESSER grants ending.

Ms. Walmsley then discussed the financial statements, highlighting a sizeable cash position, net income through 12-31-23 of \$2.2 million, and about 52% of the organization’s budgeted expenses incurred year-to-date through 12-31-23. Mr. Jackson and Mr. Green initiated a discussion of the organization's cash balance of \$32 million, suggesting that the organization potentially invest some of it in low-risk securities to earn a higher return. Ms. Walmsley intends to bring the organization’s Investment Policy to the April committee meeting so the committee can familiarize itself with the policy and contemplate the role that it or an investment committee will play in the oversight of investments in the future. Ms. Walmsley also reminded the committee that they may be electing to utilize a substantial portion of its cash when the KIPP Believe building is refinanced in October.

Ms. Walmsley then presented the Finance scorecard with no changes and turned to the official 10-1-23 and 2-1-24 enrollment counts, where high schools saw a drop of between 2.4% and 4% from the fall to the spring. The committee expressed concerns about student retention. Ms. Aluise acknowledged these concerns and stated that citywide enrollment trends show small but concerning year over year declines. Ms. Aluise affirmed that the organization is seeking to outperform these trends through student retention efforts and new student enrollment that outperforms the norm in the core entrance grades of kindergarten, 5<sup>th</sup> grade, and 9<sup>th</sup> grade.

Mr. Jackson adjourned the committee meeting at 4:34pm.