

**KIPP New Orleans Schools
Finance Committee Meeting Minutes
July 17, 2023**

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 July 17, 2023, at 3:30 p.m.

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

The following KNOS staff members were present: Chief Executive Officer Rhonda Kalifey-Aluise, Chief Financial Officer Katie Walmsley, Controller Ivette Casey, and Director of Grants Development and Administration Kristen Harwood.

Ms. Walmsley called the meeting to order. Ms. Willis made a motion to approve the minutes from the April 20, 2023 meeting; the committee unanimously approved the minutes.

Ms. Walmsley began the meeting discussing KNOS’s projected financial position at the end of FY23 and the organization’s methodology in the ESSER claiming process that has a September 30, 2024 spend deadline. Ms. Walmsley also explained deferred revenue and its impact on revenue volatility, which FY23 projected to run a very large surplus given the timing of grant revenues while FY24’s budget will run much tighter given inflationary pressure on various expense categories.

Ms. Walmsley initiated conversation to obtain the committee’s perspective about the strategic merits of transferring KNOS excess fund balance to Friends of KIPP New Orleans under the guidelines of a Board-initiated cooperative endeavor agreement establishing how the funds would be used for KNOS’s benefit. Ms. Walmsley also relayed advice that she had sought from Ericksen Krentel audit partner Jeremy Thibodeaux, whose suggestion was for the Board to establish an endowment for a specific range of purposes. Ms. Walmsley noted that management will be exploring multiple avenues to reduce long-run recurring expenses in the wake of the sunset of ESSER funds, and that some cost-reduction strategies could involve the strategic investment of fund balance. The committee continued to preliminarily discuss the potential use of funds to support either FKNO or KNOS buying the KIPP Believe building when its NMTC transaction matures in the fall of 2024. The committee also began considerations regarding ways to utilize fund-balance to decrease recurring student transportation expenses. Ms. Walmsley relayed that KNOS has engaged with financial planning consultants Bellwether Education Partners through an NSNO grant, and that this project is delving into cutting expenses, including staffing expenses.

Mr. Marsh suggested that, if KNOS finds itself in a position of running a temporary operating deficit as it adjusts to federal grant revenue volatility and the sunset of ESSER funds, that KNOS seek to explain the deficit considering those factors and its healthy fund balance. Ms. Willis also agreed, stating that if all CMOs are experiencing these factors, that it would only be expected that KNOS shows a parallel narrative.

Ms. Willis moved to adjourn the meeting at 5:05PM. Mr. Marsh adjourned the meeting.