

KIPP New Orleans Schools

Finance Committee Meeting Minutes

August 17, 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 August 17, 2022, at 5:21 p.m.

The following members of the finance committee were present: Treasurer Drew Marsh and Board Member Danielle Willis. Aimee McCarron and Larry Washington resigned from the Committee. A quorum was established.

The following KIPP staff members were present: Chief Executive Officer Rhonda Kalifey-Aluise, Chief Financial Officer Katie Walmsley, Director of Finance Jamiela Sekou, and Controller Ivette Casey.

Reggie Jackson attended as a guest.

A vote to approve the minutes from the June 13, 2022, meeting was called and unanimously approved.

Mrs. Walmsley reported the financial summary, noting the current projected FY22 adjusted fund balance as a percent of operating expenses of 28.62 percent. This projection aligns closely to the fund balance reported during the last committee meeting. Mrs. Walmsley noted that the source of the nearly \$3.5 million variance to approved budget originates from increased revenue recognition in the last quarter of the fiscal year. The team also determined the return of 100 percent of contingency after KNOS received greater clarity around OPSB’s 2021-2022 expected MFP funding allocations, which was delayed in association with the LDE’s release of finalized MFP student counts. Expenses also increased somewhat as well; in particular, to respond to emergent school security risks and the rising costs of security-related upgrades, the team approved surplus spending.

Then, Mrs. Walmsley, turned to the FY22 financial statements. Mrs. Walmsley highlighted the positive net income of nearly \$2.5 million through June 30th, noting that the positive net income is because of advancements in KNOS grant claiming activities. The long-term debt from the Payroll Protection Plan (PPP) loan is no longer reflected as debt because KNOS received confirmation of debt forgiveness from the Small Business Administration in early May. It was further noted that 99.5 percent of expected revenue has been recognized, which is on pace for this point of the year. Mrs. Walmsley noted that there are no new investments, but that KNOS will revisit our investment portfolio in the coming months.

Mrs. Walmsley then turned to the FY23 revenue and budget targets. Mrs. Walmsley reminded the board of the FY23 budget that was presented at the June finance committee noting that no changes to the budget have initiated since the June meeting.

Next, Mrs. Walmsley led a review of the KNOS FY23 enrollment forecast, noting that no changes have been made to the enrollment forecast. Mrs. Walmsley noted that forecast updates would be reported to the committee after more data is collected post 10/1 student counts. Anecdotally, Mrs. Walmsley shared that schools in New Orleans East are experiencing modest rebounding in enrollment trends within the first few weeks of school.

Ms. Sekou highlighted that the budget’s expenses and revenue increased by \$9.889 million from prior year, amounting to a 9.6 percent expense increase. Ms. Sekou shared that most of the increased budget

was related to increased costs in programs intended to address student learning, attendance, missed academic content, and mental health supports by investing in salaries and benefits; the increase was also due to inflationary pressure in purchased services such as transportation and custodial services. Ms. Sekou then led a deeper dive into the expense categories trends between FY22 and FY23.

Then, Mrs. Walmsley noted that end-of-year grant claims are on track and thus noted as current on the financial scorecard.

In conclusion, Ms. Walmsley reminded the committee that the final FY23 budget would be presented to the full board for approval on Thursday's board meeting.

With the CFO report complete, Mr. Marsh adjourned the meeting at 6:57 p.m.