

**KIPP New Orleans Schools  
Finance Committee Meeting  
December 9, 2025**

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 December 9, 2025, at 9:00 a.m.

The following members of the finance committee were present: Reggie Jackson, Danielle Willis, and Barrett Green, who attended virtually. A quorum was not established. The following KNOS staff members were present: CFO Katie Walmsley, CEO Rhonda Kalifey-Aluise, Director of Accounting Rebecca Guarino, and Director of Budget Planning and Fund Administration Kristen Horwood. Director of Accounting, Maura Redden, attended virtually. Three guests were present: Ericksen Krentel auditors Jeremy Thibodeaux, Gretchen Fischer, and Alexandra Kloor.

Mr. Jackson called the meeting to order at 9:03 a.m. Due to not having a quorum, the vote on the adoption of the prior meeting minutes was deferred until the subsequent committee meeting.

Representatives from Ericksen Krentel began the Finance Committee meeting by presenting the results of KIPP New Orleans’ FY25 audit, reporting clean opinions across all reports with no significant findings or material weaknesses identified. The auditors noted a minor exception related to personnel data reporting to the state concerning education levels and years of experience, which management indicated have since been corrected and were attributed to how the organization’s HR data systems fed into state reports.

The auditors then reviewed the audited financial statements, reporting total assets of KIPP New Orleans, Inc and Subsidiary of approximately \$59.2 million, and liabilities of approximately \$3.4 million. They highlighted the elimination of a \$15 million note receivable and a \$6 million note payable associated with the KIPP Believe building transaction, as well as recognized revenue at Friends of KIPP New Orleans when it took ownership of the building. A significant portion of the discussion focused on the accounting treatment of the KIPP Believe lease, with the auditors confirming that it could be classified as an operating lease rather than a financing lease, preserving the intended accounting treatment, but that subsequent questions should be explored moving forward. The conversation noted that there remains an unresolved question about what happens to the building when the long-term ground lease with the Housing Authority of New Orleans (HANO) expires in 85 years, and whether the concept of probable alternative use for the building can be established. Management indicated that these contingencies would need to be explored with HANO in due course, and if necessary, the lease’s accounting treatment would be revisited at that time. The committee also discussed a potential minor lease amendment in the coming months between Friends of KIPP New Orleans, Inc. and KIPP New Orleans, Inc. to remove language regarding the capital fund being potentially refundable if all repair obligations are met at the end of the lease, despite language indicating that refundability is at the lessor’s sole discretion, to eliminate any potential for dispute about planned accounting treatment in FY26 and onward.

Ms. Walmsley then provided a financial update, reporting a positive variance of approximately \$815,000 compared to the most recent projections, driven in part by the retention of a higher proportion of special education students. She noted that a review of non-payroll budget items has been completed, with payroll analysis ongoing, and shared that the organization is currently operating approximately \$150,000 below its board-approved budgeted loss. Ms. Walmsley reported that revenue and expense pacing through October remain appropriate. She concluded by raising concerns related to declining English learner enrollment and attendance, outlining emergency transportation and family support measures and noting that associated unplanned costs may place additional pressure on the budget.

The meeting was adjourned at 10:16 a.m.