



KIPP NYC PUBLIC CHARTER SCHOOLS

**CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND
UNIFORM GUIDANCE
JUNE 30, 2024 AND 2023**

KIPP NYC PUBLIC CHARTER SCHOOLS

Contents
June 30, 2024 and 2023

	<u>Pages</u>
Unmodified Opinion on Financial Statements Accompanied by Supplementary Information – Not-For-Profit Entity	1 - 1B
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	2
Consolidated Statements of Activities and Changes in Net Assets	3
Consolidated Statements of Cash Flows	4
Consolidated Statements of Functional Expenses	5 - 6
Notes to Consolidated Financial Statements	7 - 17
Supplementary Information:	
Statement of Financial Position by Entity	18
Statement of Activities and Changes in Net Assets by Entity	19 - 23
Statement of Functional Expenses by Entity	24 - 32
Schedule of Expenditures of Federal Awards	33 - 35
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	36 - 37
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	38 - 40
Schedule of Findings and Questioned Costs	41 - 42
Schedule of Prior Year Findings and Questioned Costs	43



**Unmodified Opinion on Financial Statements Accompanied by Supplementary
Information – Not-For-Profit Entity**

Independent Auditor's Report

To the Board of Directors of
KIPP NYC Public Charter Schools:

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of KIPP NYC Public Charter Schools (a New York nonprofit corporation) (the School), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of KIPP NYC Public Charter Schools as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information shown on pages 18 through 32 and the Schedule of Expenditures of Federal Awards for the year ended June 30, 2024, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information shown on pages 18 through 32 and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

AAFCPA, Inc.

Westborough, Massachusetts
December 18, 2024

KIPP NYC PUBLIC CHARTER SCHOOLSConsolidated Statements of Financial Position
June 30, 2024 and 2023

Assets	2024	2023
Current Assets:		
Cash and cash equivalents	\$ 26,795,838	\$ 11,328,875
Grants and contracts receivable	12,031,642	6,387,050
Prepaid expenses and other assets	6,917,003	7,435,477
Total current assets	45,744,483	25,151,402
Other Assets:		
Right-of-use lease assets - operating	37,831,760	42,418,762
Right-of-use lease assets - finance	264,938,626	553,376
Property and equipment, net	4,947,807	6,660,164
Total assets	<u>\$ 353,462,676</u>	<u>\$ 74,783,704</u>
Liabilities and Net Assets		
Current Liabilities:		
Current portion of loan payable	\$ 100,000	\$ 200,000
Current portion of operating lease liabilities	5,672,439	4,379,252
Current portion of finance lease liabilities	10,630,701	153,141
Accounts payable and accrued expenses	6,437,364	4,714,012
Due to KIPP NYC Enterprise	5,854,497	289,254
Deferred revenue	-	166,332
Total current liabilities	28,695,001	9,901,991
Other Liabilities:		
Loan payable, net of current portion	-	100,000
Operating lease liabilities, net of current portion	34,689,158	40,361,597
Finance lease liabilities, net of current portion	261,313,098	410,926
Total liabilities	<u>324,697,257</u>	<u>50,774,514</u>
Net Assets:		
Without donor restrictions	27,323,731	23,936,723
With donor restrictions	1,441,688	72,467
Total net assets	<u>28,765,419</u>	<u>24,009,190</u>
Total liabilities and net assets	<u>\$ 353,462,676</u>	<u>\$ 74,783,704</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Consolidated Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue:						
Per-pupil tuition	\$ 143,625,637	\$ -	\$ 143,625,637	\$ 118,909,553	\$ -	\$ 118,909,553
Government grants and contracts	37,791,941	-	37,791,941	28,772,092	-	28,772,092
Grants and contributions	1,791,494	1,418,189	3,209,683	56,054	138,715	194,769
Interest and other	1,308,386	-	1,308,386	1,018,346	-	1,018,346
Donated goods and services	198,202	-	198,202	126,080	-	126,080
Net assets released from purpose restrictions	48,968	(48,968)	-	374,984	(374,984)	-
Total operating revenue	184,764,628	1,369,221	186,133,849	149,257,109	(236,269)	149,020,840
Operating Expenses:						
Program services	159,672,971	-	159,672,971	127,766,897	-	127,766,897
Supporting services	23,173,828	-	23,173,828	19,093,530	-	19,093,530
Total operating expenses	182,846,799	-	182,846,799	146,860,427	-	146,860,427
Changes in net assets from operations	1,917,829	1,369,221	3,287,050	2,396,682	(236,269)	2,160,413
Other Revenue:						
Forgiveness of due to KIPP NYC Enterprise	1,469,179	-	1,469,179	-	-	-
Total changes in net assets	3,387,008	1,369,221	4,756,229	2,396,682	(236,269)	2,160,413
Net Assets:						
Beginning of year	23,936,723	72,467	24,009,190	21,540,041	308,736	21,848,777
End of year	\$ 27,323,731	\$ 1,441,688	\$ 28,765,419	\$ 23,936,723	\$ 72,467	\$ 24,009,190

The accompanying notes are an integral part of these consolidated statements.

KIPP NYC PUBLIC CHARTER SCHOOLS

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Receipts from per-pupil tuition and government grants and contracts	\$ 176,967,183	\$ 146,778,001
Receipts from other sources	3,157,540	1,869,789
Payments for personnel and related	(105,568,442)	(98,627,221)
Payments for supplies and services	(58,606,847)	(51,633,033)
Payments for interest	(21,345)	(18,780)
Net cash provided by (used in) operating activities	<u>15,928,089</u>	<u>(1,631,244)</u>
Cash Flows from Investing Activities:		
Acquisition of property and equipment	<u>(107,985)</u>	<u>(2,225,936)</u>
Cash Flows from Financing Activities:		
Principal payments on loan payable	(200,000)	-
Principal payments on finance lease liabilities	<u>(153,141)</u>	<u>(319,266)</u>
Net cash used in financing activities	<u>(353,141)</u>	<u>(319,266)</u>
Net Change in Cash and Cash Equivalents	15,466,963	(4,176,446)
Cash and Cash Equivalents:		
Beginning of year	<u>11,328,875</u>	<u>15,505,321</u>
End of year	<u>\$ 26,795,838</u>	<u>\$ 11,328,875</u>
Reconciliation of Changes in Net Assets to Net Cash and Cash Equivalents		
Provided by (Used in) Operating Activities:		
Changes in net assets	\$ 4,756,229	\$ 2,160,413
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation and amortization	1,978,449	2,260,682
Non-cash lease expense	11,576,518	6,504,581
Forgiveness of due to KIPP NYC Enterprise	(1,469,179)	-
Changes in operating assets and liabilities:		
Grants and contracts receivable	(5,644,592)	381,342
Prepaid expenses and other assets	518,474	(881,823)
Change in operating lease liabilities	(4,379,252)	(4,182,494)
Accounts payable and accrued expenses	1,723,352	(1,122,235)
Due to/from KIPP NYC Enterprise	7,034,422	(4,147,377)
Deferred revenue	(166,332)	(628,312)
Deferred rent	-	(1,976,021)
Net cash provided by (used in) operating activities	<u>\$ 15,928,089</u>	<u>\$ (1,631,244)</u>
Supplemental Disclosure of Non-Cash Transaction:		
Right-of-use lease assets - operating exchanged for operating lease liabilities	<u>\$ -</u>	<u>\$ 46,882,227</u>
Right-of-use lease assets - finance exchanged for finance lease liabilities	<u>\$ 270,578,421</u>	<u>\$ 637,530</u>

The accompanying notes are an integral part of these consolidated statements.

Page 4

KIPP NYC PUBLIC CHARTER SCHOOLS

Consolidated Statement of Functional Expenses

For the Year Ended June 30, 2024

(With Summarized Comparative Totals for the Year Ended June 30, 2023)

	2024			2023		
	Program Services		Total	Support Services	Total Expenses	
	Regular Education	Special Education		Management and General		Total Expenses
Personnel and Related:						
Employee wages	\$ 75,337,483	\$ 5,980,890	\$ 81,318,373	\$ -	\$ 81,318,373	\$ 76,883,072
Payroll taxes and employee benefits	20,945,502	1,535,702	22,481,204	-	22,481,204	19,536,225
Professional development	2,275,418	1,251	2,276,669	-	2,276,669	1,851,641
Total personnel and related	<u>98,558,403</u>	<u>7,517,843</u>	<u>106,076,246</u>	<u>-</u>	<u>106,076,246</u>	<u>98,270,938</u>
Occupancy and Related:						
Rent	26,617,544	-	26,617,544	-	26,617,544	7,303,591
Security and cleaning	1,914,757	-	1,914,757	-	1,914,757	1,980,852
Depreciation	1,210,027	-	1,210,027	-	1,210,027	1,526,048
Contracted services	1,170,967	-	1,170,967	-	1,170,967	723,237
Insurance	-	-	-	1,010,249	1,010,249	1,003,291
Repairs and maintenance	575,222	-	575,222	-	575,222	1,067,214
Utilities	544,709	-	544,709	-	544,709	450,119
Supplies and equipment	332,635	-	332,635	-	332,635	304,733
Total occupancy and related	<u>32,365,861</u>	<u>-</u>	<u>32,365,861</u>	<u>1,010,249</u>	<u>33,376,110</u>	<u>14,359,085</u>
Other:						
Management fee	-	-	-	21,476,193	21,476,193	17,592,854
Student supplies and materials	7,391,578	4,723	7,396,301	-	7,396,301	5,727,449
Technology	4,639,995	-	4,639,995	-	4,639,995	3,728,232
Contracted services	3,073,416	34,482	3,107,898	-	3,107,898	1,565,251
Office	2,679,728	-	2,679,728	-	2,679,728	1,546,960
Student services	1,698,147	105	1,698,252	-	1,698,252	1,429,668
Miscellaneous	160,857	-	160,857	475,170	636,027	447,704
Depreciation	610,315	-	610,315	-	610,315	650,480
Professional fees	261,860	-	261,860	212,216	474,076	245,216
Equipment and maintenance	348,113	491	348,604	-	348,604	888,017
Amortization	158,107	-	158,107	-	158,107	84,154
Recruiting	147,602	-	147,602	-	147,602	305,639
Interest	21,345	-	21,345	-	21,345	18,780
Total other	<u>21,191,063</u>	<u>39,801</u>	<u>21,230,864</u>	<u>22,163,579</u>	<u>43,394,443</u>	<u>34,230,404</u>
Total expenses	<u>\$ 152,115,327</u>	<u>\$ 7,557,644</u>	<u>\$ 159,672,971</u>	<u>\$ 23,173,828</u>	<u>\$ 182,846,799</u>	<u>\$ 146,860,427</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Personnel and Related:					
Employee wages	\$ 71,596,705	\$ 5,286,367	\$ 76,883,072	\$ -	\$ 76,883,072
Payroll taxes and employee benefits	18,212,747	1,323,478	19,536,225	-	19,536,225
Professional development	1,851,641	-	1,851,641	-	1,851,641
Total personnel and related	<u>91,661,093</u>	<u>6,609,845</u>	<u>98,270,938</u>	<u>-</u>	<u>98,270,938</u>
Occupancy and Related:					
Rent	7,303,591	-	7,303,591	-	7,303,591
Security and cleaning	1,980,852	-	1,980,852	-	1,980,852
Depreciation	1,526,048	-	1,526,048	-	1,526,048
Contracted services	723,237	-	723,237	-	723,237
Insurance	-	-	-	1,003,291	1,003,291
Repairs and maintenance	1,067,214	-	1,067,214	-	1,067,214
Utilities	450,119	-	450,119	-	450,119
Supplies and equipment	304,733	-	304,733	-	304,733
Total occupancy and related	<u>13,355,794</u>	<u>-</u>	<u>13,355,794</u>	<u>1,003,291</u>	<u>14,359,085</u>
Other:					
Management fee	-	-	-	17,592,854	17,592,854
Student supplies and materials	5,704,500	22,949	5,727,449	-	5,727,449
Technology	3,728,232	-	3,728,232	-	3,728,232
Contracted services	1,437,230	128,021	1,565,251	-	1,565,251
Office	1,546,960	-	1,546,960	-	1,546,960
Student services	1,429,668	-	1,429,668	-	1,429,668
Miscellaneous	63,361	-	63,361	384,343	447,704
Depreciation	650,480	-	650,480	-	650,480
Professional fees	132,174	-	132,174	113,042	245,216
Equipment and maintenance	888,017	-	888,017	-	888,017
Amortization	84,154	-	84,154	-	84,154
Recruiting	305,639	-	305,639	-	305,639
Interest	18,780	-	18,780	-	18,780
Total other	<u>15,989,195</u>	<u>150,970</u>	<u>16,140,165</u>	<u>18,090,239</u>	<u>34,230,404</u>
Total expenses	<u>\$ 121,006,082</u>	<u>\$ 6,760,815</u>	<u>\$ 127,766,897</u>	<u>\$ 19,093,530</u>	<u>\$ 146,860,427</u>

The accompanying notes are an integral part of these consolidated statements.

KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

1. OPERATIONS AND NONPROFIT STATUS

KIPP NYC Public Charter Schools (the School) is an education corporation consisting of the consolidation of the former KIPP NYC Washington Heights Academy Charter School (Washington Heights), KIPP STAR College Prep Charter School (STAR), KIPP Infinity Charter School (Infinity), KIPP Always Mentally Prepared Academy Charter School (AMP), KIPP Freedom Charter School (Freedom), KIPP Bronx Charter School II (KIPP Bronx II), KIPP Bronx Charter School III (KIPP Bronx III), and KIPP Beyond Charter School (KIPP Beyond). In fiscal years 2024 and 2023, the School served students in grades kindergarten through twelve. The schools have aligned the charter renewal timings to all be on the same timeline to increase operational efficiency. All eight charters were renewed during fiscal year 2024 for a term of five years and run through July 2029.

The School is exempt from Federal income taxes as an organization (not private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The School is also exempt from state income taxes. Contributions made to the School are deductible within the requirements of the IRC.

The School served approximately 8,440 and 6,070 students in fiscal years 2024 and 2023, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School prepares its consolidated financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Principles of Consolidation

The consolidated financial statements include the accounts of the KIPP NYC Public Charter Schools and its eight wholly-owned subsidiaries: Washington Heights PCS, LLC, STAR Harlem PCS, LLC, Infinity PCS, LLC, AMP PCS, LLC, Freedom PCS, LLC, KIPP Bronx II, KIPP Bronx III, and KIPP Beyond (collectively, KIPP PCS). All intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For the purposes of the consolidated statements of cash flows, management considers all highly liquid investments with an initial maturity of ninety days or less to be cash and cash equivalents. Cash and cash equivalents at June 30, 2024 and 2023, include an escrow account with a balance of \$300,000 established by the School in accordance with the terms of its charter agreement. The escrow account was adequately funded as of June 30, 2024 and 2023. This account must be held in a separate account and can only be used in the event the School closes.

Grants and Contracts Receivable

Reserves for grants and contracts receivable are recorded based on management's analysis of specific grants and contracts receivable and their estimate of amounts that may become uncollectible, if any. Amounts are written off when they are determined to be uncollectible. There was no reserve deemed necessary at June 30, 2024 and 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation

Property and equipment (see Note 5) are recorded at cost, if purchased, with a cost of \$2,500 or greater and a useful life of greater than one year, or at fair value at the date of donation. Repair and maintenance costs are expensed when incurred. Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

Furniture and fixtures	3 - 7 years
Technology and equipment	3 - 15 years
Leasehold improvements	3 - 15 years

Improvements to the facility are amortized over the useful life as there is no set lease term for the school building.

The School accounts for the carrying value of its property and equipment in accordance with the requirements of ASC Topic, *Property, Plant, and Equipment*. As of June 30, 2024, the School has not recognized any reduction in the carrying value of its property and equipment when considering this standard.

Consolidated Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the School's services are reported as operating revenues and operating expenses in the accompanying consolidated statements of activities and changes in net assets. Peripheral or incidental transactions are reported as other revenue, which included forgiveness of due to KIPP NYC Enterprise for the year ended June 30, 2024.

Leases

The School determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets - operating and operating lease liabilities in the School's consolidated statements of financial position. Financing leases are included in right-of-use (ROU) assets - finance leases and financing lease liabilities in the School's consolidated statements of financial position. The School only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with initial terms, including renewal options, of twelve months or less are treated as short-term leases and are not recorded on the consolidated statements of financial position.

All of the School's leases are presented as right-of-use (ROU) assets with a corresponding current and long-term lease liability in the accompanying consolidated statements of financial position. ROU assets represent the School's right to use an underlying asset during its lease term, and lease liabilities represent the obligation to make lease payments.

Operating and finance lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The ROU assets equal the lease liabilities adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The School uses the implicit discount rate when it is readily determinable. Since the School's leases do not provide an implicit rate, the School uses the risk-free discount rate at the lease commencement date to determine the present value of the lease payments. Variable rent payments, if included in the lease agreement and not determinable at the lease commencement, are not included in the measurement of the lease liabilities. Lease expense is recognized on a straight-line basis over the lease term. The School's lease terms may include options to extend or terminate leases when it is reasonably certain that the options will be exercised.

KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets Classification

Net Assets Without Donor Restrictions

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the School.

Net Assets With Donor Restrictions

The School receives contributions and grants that are designated by donors for specific time periods or purposes. These contributions are recorded as net assets with donor restrictions until they have been expended for their designated purposes or as time restrictions expired. Net assets with donor restrictions are restricted for purpose at June 30, 2024 and 2023.

Revenue Recognition

The School's main sources of revenue are per-pupil tuition, government grants and contracts, and grants and contributions. These amounts have been recorded in accordance with FASB's Accounting Standards Update (ASU) 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions*. These conditional contributions are recognized as services are provided or as costs are incurred.

In accordance with Topic 958, the School must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or another measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the School should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met (see Note 7). These amounts are reflected as deferred revenue in the accompanying consolidated financial statements.

Unconditional contributions without donor restrictions are recorded as revenue and net assets without donor restrictions when unconditionally received or committed by the donor. Grants and contributions with donor restrictions are generally transferred to revenues and net assets without donor restrictions as services are performed, costs are incurred, or through the passage of time.

Interest and other income are recorded as earned.

Estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The School follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the School would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The School uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the School. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All of the School's qualifying assets and liabilities are valued using Level 1 inputs.

Allocation of Expenses

The costs of providing services have been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets and functional expenses. Allocation of expenses to program services and support services is completed by direct expenses related to each function and based on enrollment, where applicable. Allocated expenses include employee wages and payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort.

Income Taxes

The School accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the consolidated financial statements regarding a tax position taken or expected to be taken in a tax return. The School has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the consolidated financial statements at June 30, 2024 and 2023. The School's informational returns are subject to examination by the appropriate jurisdictions.

KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Goods and Services

The School receives donated goods and services. These amounts, which are based upon information provided by the donors who contributed these goods and services, are recorded at their estimated fair value determined on the date of contribution. Donated goods and services consist of food commodities for the years ended June 30, 2024 and 2023, and are included in donated goods and services in the accompanying consolidated statements of activities and changes in net assets and student supplies and materials in the accompanying consolidated statements of functional expenses. Donated goods and services were utilized by the School's program services and there were no donor-imposed restrictions associated with them.

The School also receives the services of volunteers who have made significant contributions of their time in furtherance of the School's mission. These services were not reflected in the accompanying consolidated statements of activities and changes in net assets because they do not meet the necessary criteria for recognition under U.S. GAAP.

The School occupies facilities through agreements with the New York City Department of Education at no charge (see Note 9). In addition, the New York City Department of Food Services provides free and reduced-price lunches, and the New York City Department of Transportation provides transportation vouchers directly to a majority of the School's students. The School was unable to determine a value for these services.

Subsequent Events

Subsequent events have been evaluated through December 18, 2024, which is the date the consolidated financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the consolidated financial statements.

3. LIQUIDITY

The School regularly monitors liquidity required to meet its operating needs and commitments, while also striving to maximize the investment of available funds. For purposes of analyzing resources available to meet general expenditures over the next year, the School considers all expenditures related to its ongoing school activities of teaching, educating, and other school activities. In addition to financial assets available to meet general expenditures over the next year, the School operates with a balanced budget and anticipates collecting sufficient revenue from state and local per-pupil subsidy and Federal and state grants and contributions in the next fiscal year to cover general expenditures.

As of June 30, 2024 and 2023, the following financial assets could be readily made available within one year of the consolidated statements of financial position date meet general expenditures:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 26,795,838	\$ 11,328,875
Grants and contracts receivable	<u>12,031,642</u>	<u>6,387,050</u>
	38,827,480	17,715,925
Less - cash escrow	(300,000)	(300,000)
Less - donor-imposed restrictions	<u>(1,441,688)</u>	<u>(72,467)</u>
Total	<u>\$ 37,085,792</u>	<u>\$ 17,343,458</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

4. KIPP NYC ENTERPRISE

The School is associated with KIPP Academy Charter Schools through shared services. Although not formally related to any other organizations, the School's mission is aligned with a set of other tax-exempt organizations, all of which support education in New York City. The other mission-aligned tax-exempt organizations include KIPP New York, Inc. (KNYI) (including its wholly-owned subsidiary limited liability companies), KIPP Facilities Holdings, Inc. (including its wholly-owned subsidiary limited liability companies), and PCS Properties Foundation, Inc. (collectively referred to as the KIPP NYC Enterprise). From time-to-time, these organizations support each other through access to capital in support of their missions. These amounts are reflected in the accompanying consolidated statements of financial position as due to KIPP NYC Enterprise.

Amounts due to and from the KIPP NYC Enterprise represent short-term timing differences of expenses incurred on behalf of the School that have not been paid or received as of the consolidated financial statement date.

In addition, the School leases and subleases spaces from subsidiaries of KNYI, subleases space from a subsidiary of KIPP Facilities Holdings, Inc., and leases space from a subsidiary of PCS Properties Foundation, Inc. (see Note 10), and a subsidiary of KNYI provides management services to the School (see Note 12).

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 478,229	\$ 731,681
Technology and equipment	6,445,647	8,310,114
Leasehold improvements	12,186,227	12,123,986
Work-in-progress	<u>14,735</u>	<u>1,240,767</u>
	19,124,838	22,406,548
Less - accumulated depreciation	<u>14,177,031</u>	<u>15,746,384</u>
Property and equipment, net	<u>\$ 4,947,807</u>	<u>\$ 6,660,164</u>

Work-in-progress at June 30, 2024 and 2023, consists of various projects that were underway at year-end. These assets will begin to be depreciated when placed in service. During fiscal year 2024, the School placed \$1,226,032 of work in progress in service.

Depreciation expense was \$1,820,342 and \$2,176,528 for the years ended June 30, 2024 and 2023, respectively, and is included in depreciation in the accompanying consolidated statements of functional expenses.

6. LOAN PAYABLE

The School has entered into a \$300,000 unsecured loan agreement with KIPP Foundation, bearing interest at 1% per annum and maturing on June 30, 2025. As of June 30, 2024 and 2023, the outstanding principal balance of this loan was \$100,000 and \$300,000, respectively. Interest expense incurred for the years ended June 30, 2024 and 2023, was \$2,000 and \$3,000, respectively. The outstanding balance of this loan is expected to be paid off during fiscal year 2025.

KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

7. CONTRIBUTIONS AND GRANTS - CONDITIONAL

The School receives grants and contributions that contain donor-imposed conditions that represent a barrier that must be overcome, as well as a right of return of assets or release from obligations. The School recognizes these grants and contributions when donor-imposed conditions are met. During fiscal year 2024, the School was awarded a conditional grant totaling \$1,920,000 that contained donor-imposed conditions on future funding payments. As of June 30, 2024, the School recognized \$1,344,000 of this conditional grant, which is included in grants and contributions in the accompanying 2024 consolidated statement of activities and changes in net assets. As of June 30, 2024, the remaining conditional balance on this grant which has not been included in the accompanying consolidated financial statements amounted to \$576,000.

8. PENSION PLANS

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the IRC, which employees of the School can elect to contribute. Employees who choose this plan can contribute up to the level set by the Internal Revenue Service. The employer match is a discretionary contribution. The employer contributions to the plan totaled \$2,359,489 and \$2,265,685 for the years ended June 30, 2024 and 2023, respectively, and are included in payroll taxes and employee benefits in the accompanying consolidated statements of functional expenses.

The School also contributes to the Teachers Retirement System of the City of New York, a multiemployer defined benefit pension plan (the Plan), on behalf of eligible teachers. The Plan provides New York City educators with retirement, disability, and death benefit services. The School's participation in the Plan constitutes less than 1% of total plan contributions. The funded status of the Plan was 83.8% and 80.4% at June 30, 2021 and 2020, respectively, the date of the most recent actuarial calculation as indicated in the June 30, 2023 and 2022 Plan audits. The amount charged to operations for contributions to this Plan totaled \$711,394 and \$532,601 for the years ended June 30, 2024 and 2023, respectively, and are included in payroll taxes and employee benefits in the accompanying consolidated statements of functional expenses.

9. SCHOOL FACILITIES

The School occupies several facilities at no cost. As of fiscal year 2024, the School no longer occupies space at M.S. 45, a New York City public school, located at 2502 Lorillard Place, Bronx, New York. The School has an agreement with the New York City Department of Education for the following dedicated and shared space:

- P.S. 125, a New York City public school, located at 433 West 123rd Street, New York City, New York;
- P.S. 115, a New York City public school, located at 586 West 177th Street, New York City, New York;
- I.S. 90, a New York City public school, located at 21 Jumel Place, New York City, New York;
- M.S. 390, a New York City public school, located at 1224 Park Place, Brooklyn, New York;
- M.S. 195, a New York City public school, located at 625 West 133rd Street, New York City, New York; and
- X859, a New York City public school, located at 2246 Jerome Avenue, Bronx, New York;
- P.S. 44, a New York City public school, located at 1825 Prospect Avenue, Bronx, New York.

The School is responsible for any overtime-related costs for services provided beyond regular opening hours in all facilities. Costs for these kinds of services are included in contracted services in the accompanying consolidated statements of functional expenses.

KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

9. SCHOOL FACILITIES (Continued)

The School also occupies approximately 132,500 square feet of space at 201 East 144th Street in the South Bronx, where the joint high school for KIPP NYC Public Charter Schools and KIPP Academy Charter School resides. The lease requires rent payments from the School to cover all maintenance and operating costs, and other expenses passed through from the landlord to the School. The expenses are included in rent and repairs and maintenance in the accompanying statements of functional expenses.

10. LEASES

Finance Leases

The School leases office equipment under three finance lease agreements expiring at various dates through December 2028.

On August 28, 2023, the School entered into two facility lease agreements (the Macombs Facility and the Jerome Facility) with subsidiaries of KNYI expiring on June 30, 2061. The School is also responsible for its proportionate share of facility maintenance, repairs, utilities, safety, and other expenses as stated in the agreements.

Total cash paid for amounts included in the measurement of the finance lease liabilities was \$9,000,119 (principal of \$153,141 and interest of \$8,846,978) for the year ended June 30, 2024.

Operating Leases

The School rents two facilities under operating lease agreements. The School is also responsible for its proportionate share of facility maintenance, repairs, utilities, safety, and other expenses as stated in the agreements.

On March 24, 2021, a subsidiary of KNYI and the School entered into a sublease for the facility located at 501 Gerard Avenue, Bronx, New York. The sublease was amended and restated on November 30, 2021, and on January 20, 2023. The term of the sublease payments started on September 1, 2021, and is through June 30, 2042. The School has an option to terminate at its first option on June 30, 2032.

On July 26, 2021, a subsidiary of KIPP Facilities Holdings, Inc. and the School entered into a sublease agreement for the facility located at 533-535 West 121st Street, New York. The sublease commenced on August 1, 2021, and terminates on July 30, 2028.

The School has entered into an additional facility (Canal Facility Lease) and equipment lease (Canal Equipment Lease). Rent for the Canal Facility Lease and the Canal Equipment Lease has not commenced yet as the facility is under construction and the rent commencement date is the date of substantial completion. Management expects substantial completion for school year 2025-2026. The School has made a payment of \$5,453,000 in connection with the Canal Facility and Canal Equipment leases, which is included in prepaid expenses and other assets as of June 30, 2024 and 2023.

The School has certain leases that are for a period of twelve months or less or contain renewals for periods of twelve months or less. The School has elected the practical expedient to not include these leases within the operating ROU assets and lease liabilities.

KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

10. LEASES (Continued)

The following summarizes the line items in the accompanying consolidated statements of functional expenses which include the components of finance lease expense for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Operating lease costs:		
Operating lease costs (included in rent expense)	\$ 5,806,388	\$ 5,806,388
Add - variable lease cost (included in rent expense)	4,994,007	1,490,553
Add - short-term lease costs (included in rent expense)	-	6,650
Finance lease costs:		
Amortization of lease asset included in rent expense	6,035,064	-
Interest on finance lease liabilities included in rent expense	<u>9,782,085</u>	<u>-</u>
Total lease expense	<u>\$ 26,617,544</u>	<u>\$ 7,303,591</u>

The following summarizes the weighted-average remaining lease term and discount rate as of June 30:

	<u>2024</u>	<u>2023</u>
Weighted-Average Remaining Lease Term:		
Operating leases	7.63 years	8.51 years
Finance leases	36.97 years	3.42 years
Weighted-Average Discount Rate:		
Operating leases	2.88%	2.90%
Finance leases	4.29%	4.00%

The maturities of operating and finance lease liabilities by fiscal year as of June 30, 2024, are as follows:

<u>Year Ending June 30:</u>	<u>Operating</u>	<u>Finance</u>
2025	\$ 5,672,439	\$ 10,630,701
2026	5,790,767	10,630,701
2027	5,866,859	12,298,208
2028	5,944,597	12,216,278
2029	5,079,317	12,521,684
Thereafter	<u>16,792,333</u>	<u>516,456,663</u>
Total future undiscounted lease payments	45,146,312	574,754,235
Less - present value discount	<u>(4,784,715)</u>	<u>(302,810,436)</u>
	40,361,597	271,943,799
Less - current portion of lease liabilities	<u>(5,672,439)</u>	<u>(10,630,701)</u>
Lease liabilities, net	<u>\$ 34,689,158</u>	<u>\$ 261,313,098</u>

KIPP NYC PUBLIC CHARTER SCHOOLSNotes to Consolidated Financial Statements
June 30, 2024 and 2023

10. LEASES (Continued)

The following summarizes the line items in the accompanying consolidated statements of financial position, which include amounts for operating and finance leases as of June 30:

	<u>2024</u>	<u>2023</u>
Right-of-use lease assets - operating	\$ 46,882,227	\$ 46,882,227
Less - accumulated amortization	<u>(9,050,467)</u>	<u>(4,463,465)</u>
Right-of-use lease assets - operating, net	<u>\$ 37,831,760</u>	<u>\$ 42,418,762</u>
Operating lease liabilities:		
Current portion	\$ 5,672,439	\$ 4,379,252
Long-term portion	<u>34,689,158</u>	<u>40,361,597</u>
Total operating lease liabilities	<u>\$ 40,361,597</u>	<u>\$ 44,740,849</u>
Right-of-use lease assets - finance	\$ 271,215,951	\$ 637,530
Less - accumulated amortization	<u>(6,277,325)</u>	<u>(84,154)</u>
Right-of-use lease assets - finance, net	<u>\$ 264,938,626</u>	<u>\$ 553,376</u>
Finance lease liabilities:		
Current portion	\$ 10,630,701	\$ 153,141
Long-term portion	<u>261,313,098</u>	<u>410,926</u>
Total finance lease liabilities	<u>\$ 271,943,799</u>	<u>\$ 564,067</u>

11. TRADEMARK LICENSE AGREEMENT

The Knowledge is Power Program Foundation (KIPP Foundation) is a national nonprofit organization that trains school leaders to open and run academically rigorous public schools. The School is a member of KIPP Foundation's KIPP Network of Schools and, as such, is eligible for a range of benefits and fee-based services.

The School has entered into a trademark license agreement with KIPP Foundation subject to a license fee of 1% per-pupil operating revenue not to exceed \$30,000 per elementary school, middle school, or high school. Schools that opened in year 2000 or earlier are not subject to this fee. The School incurred licensing fees amounting to \$475,170 and \$384,343 for the years ended June 30, 2024 and 2023, respectively, which are included in miscellaneous expense in the accompanying consolidated statements of functional expenses.

The School can elect to terminate this agreement. However, if the School elects to terminate the agreement, it is required to reimburse KIPP Foundation up to \$300,000, which is intended to offset costs KIPP Foundation incurred in the training of staff and assistance in opening the School.

KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

12. SHARED SERVICES AGREEMENT

The School is party to a fee agreement with KIPP NYC, LLC (LLC), a wholly-owned disregarded entity of KNYI (see Note 4), for the back-office functions. The management fee ranges from 10% to 12% of the revenue as defined in the services agreement. The School incurred a management fee to LLC in the amount of \$21,476,193 and \$17,592,854 for the years ended June 30, 2024 and 2023, respectively. The amount due to LLC for shared services as of June 30, 2024 and 2023, was \$1,614,015 and \$2,162,504, respectively, and is included in accounts payable and accrued expenses.

13. FUNDING AND CONCENTRATIONS

The School receives significant funding from the State of New York for its per-pupil tuition revenue and grant support. This funding is subject to audit by the appropriate governmental agency. In the opinion of management, the results of such audits, if any, will not have a material effect on the consolidated statements of financial position of the School as of June 30, 2024 and 2023, or on the consolidated changes in net assets for the years then ended.

The School received approximately 97% and 99% of its revenue from the State of New York for the years ended June 30, 2024 and 2023, respectively. Approximately 86% and 95% of grants and contracts receivable are due from the State of New York at June 30, 2024 and 2023, respectively.

The School maintains its cash balances in a New York bank, which is insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, these cash balances exceeded the insured amount. The School has not experienced any losses in such accounts. The School's management believes the School is not exposed to any significant credit risk on cash and cash equivalents.

14. CONTINGENCIES

The School, from time-to-time, is the defendant in lawsuits. It is management's experience that the results of these infrequent actions will not have a material impact on the consolidated statements of activities and changes in net assets of the School. Accordingly, no amounts have been reflected in the accompanying consolidated financial statements.

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Financial Position by Entity
June 30, 2024

Assets	KIPP Star College Prep	KIPP NYC Washington Heights Academy	KIPP AMP Academy	KIPP Infinity	KIPP Freedom	KIPP Bronx II	KIPP Bronx III	KIPP Beyond	KIPP PCS	Total
Current Assets:										
Cash and cash equivalents	\$ 1,914,576	\$ 6,108,274	\$ 5,308,562	\$ 1,147,607	\$ 919,617	\$ 3,898,252	\$ 2,780,066	\$ 1,410,988	\$ 3,307,896	\$ 26,795,838
Grants and contracts receivable	1,756,391	1,714,125	1,146,887	1,265,088	842,489	3,366,396	1,626,415	209,847	104,004	12,031,642
Prepaid expenses and other assets	1,052,956	1,571,593	1,228,297	170,624	1,058,080	270,884	1,406,354	158,215	-	6,917,003
Total current assets	4,723,923	9,393,992	7,683,746	2,583,319	2,820,186	7,535,532	5,812,835	1,779,050	3,411,900	45,744,483
Other Assets:										
Right-of-use lease assets - operating	-	-	-	-	-	-	-	3,761,797	34,069,963	37,831,760
Right-of-use lease assets - finance	-	-	-	-	-	-	-	-	264,938,626	264,938,626
Property and equipment, net	133,708	774,259	1,248,672	484,182	545,113	987,639	261,136	513,098	-	4,947,807
Total assets	\$ 4,857,631	\$ 10,168,251	\$ 8,932,418	\$ 3,067,501	\$ 3,365,299	\$ 8,523,171	\$ 6,073,971	\$ 6,053,945	\$ 302,420,489	\$ 353,462,676
Liabilities and Net Assets										
Current Liabilities:										
Loan payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Current portion of operating lease liabilities	-	-	-	-	-	-	-	875,882	4,796,557	5,672,439
Current portion of finance lease liabilities	-	-	-	-	-	-	-	-	10,630,701	10,630,701
Accounts payable and accrued expenses	568,794	561,425	521,631	1,634,111	497,673	799,562	915,743	216,080	722,345	6,437,364
Due to (from) KIPP NYC Enterprise	(1,618,029)	(8,870,888)	(4,895,891)	10,735,734	1,156,221	774,669	6,135,518	4,573,406	(2,136,243)	5,854,497
Total current liabilities	(1,049,235)	(8,309,463)	(4,374,260)	12,369,845	1,653,894	1,574,231	7,051,261	5,665,368	14,113,360	28,695,001
Other Liabilities:										
Operating lease liabilities, net of current portion	-	-	-	-	-	-	-	3,028,196	31,660,962	34,689,158
Finance lease liabilities, net of current portion	-	-	-	-	-	-	-	-	261,313,098	261,313,098
Total liabilities	(1,049,235)	(8,309,463)	(4,374,260)	12,369,845	1,653,894	1,574,231	7,051,261	8,693,564	307,087,420	324,697,257
Net Assets:										
Without donor restrictions	5,389,967	18,463,459	13,008,460	(9,357,889)	1,709,905	6,437,858	(1,014,951)	(2,646,147)	(4,666,931)	27,323,731
With donor restrictions	516,899	14,255	298,218	55,545	1,500	511,082	37,661	6,528	-	1,441,688
Total net assets	5,906,866	18,477,714	13,306,678	(9,302,344)	1,711,405	6,948,940	(977,290)	(2,639,619)	(4,666,931)	28,765,419
Total liabilities and net assets	\$ 4,857,631	\$ 10,168,251	\$ 8,932,418	\$ 3,067,501	\$ 3,365,299	\$ 8,523,171	\$ 6,073,971	\$ 6,053,945	\$ 302,420,489	\$ 353,462,676

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Activities and Changes in Net Assets by Entity
For the Year Ended June 30, 2024

	KIPP Star College Prep			KIPP NYC Washington Heights Academy		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue:						
Per-pupil tuition	\$ 13,781,796	\$ -	\$ 13,781,796	\$ 16,150,021	\$ -	\$ 16,150,021
Government grants and contracts	2,018,219	-	2,018,219	2,711,897	-	2,711,897
Grants and contributions	18,264	515,200	533,464	22,218	10,000	32,218
Interest and other	36,887	-	36,887	27,418	-	27,418
Net assets released from purpose restrictions	9,850	(9,850)	-	49	(49)	-
Total operating revenue	15,865,016	505,350	16,370,366	18,911,603	9,951	18,921,554
Operating Expenses:						
Program services	12,777,857	-	12,777,857	14,068,660	-	14,068,660
Supporting services	2,090,401	-	2,090,401	2,437,255	-	2,437,255
Total operating expenses	14,868,258	-	14,868,258	16,505,915	-	16,505,915
Changes in net assets	996,758	505,350	1,502,108	2,405,688	9,951	2,415,639
Net Assets:						
Beginning of year	4,393,209	11,549	4,404,758	16,057,771	4,304	16,062,075
End of year	\$ 5,389,967	\$ 516,899	\$ 5,906,866	\$ 18,463,459	\$ 14,255	\$ 18,477,714

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Activities and Changes in Net Assets by Entity
For the Year Ended June 30, 2024

	KIPP AMP Academy			KIPP Infinity		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue:						
Per-pupil tuition	\$ 18,327,001	\$ -	\$ 18,327,001	\$ 36,021,734	\$ -	\$ 36,021,734
Government grants and contracts	2,200,093	-	2,200,093	7,845,655	-	7,845,655
Grants and contributions	25,333	302,400	327,733	455,081	10,000	465,081
Interest and other	103,681	-	103,681	615,589	-	615,589
Donated goods and services	-	-	-	198,202	-	198,202
Net assets released from purpose restrictions	10,263	(10,263)	-	3,488	(3,488)	-
Total operating revenue	20,666,371	292,137	20,958,508	45,139,749	6,512	45,146,261
Operating Expenses:						
Program services	13,883,397	-	13,883,397	42,910,190	-	42,910,190
Supporting services	2,644,070	-	2,644,070	5,596,084	-	5,596,084
Total operating expenses	16,527,467	-	16,527,467	48,506,274	-	48,506,274
Changes in net assets	4,138,904	292,137	4,431,041	(3,366,525)	6,512	(3,360,013)
Net Assets:						
Beginning of year	8,869,556	6,081	8,875,637	(5,991,364)	49,033	(5,942,331)
End of year	\$ 13,008,460	\$ 298,218	\$ 13,306,678	\$ (9,357,889)	\$ 55,545	\$ (9,302,344)

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Activities and Changes in Net Assets by Entity
For the Year Ended June 30, 2024

	KIPP Freedom			KIPP Bronx II		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue:						
Per-pupil tuition	\$ 9,150,391	\$ -	\$ 9,150,391	\$ 19,382,424	\$ -	\$ 19,382,424
Government grants and contracts	1,941,608	-	1,941,608	8,962,820	-	8,962,820
Grants and contributions	12,476	-	12,476	24,952	526,400	551,352
Interest and other	92,816	-	92,816	66,093	-	66,093
Net assets released from purpose restrictions	-	-	-	15,318	(15,318)	-
Total operating revenue	11,197,291	-	11,197,291	28,451,607	511,082	28,962,689
Operating Expenses:						
Program services	9,063,608	-	9,063,608	20,347,271	-	20,347,271
Supporting services	1,475,125	-	1,475,125	3,529,003	-	3,529,003
Total operating expenses	10,538,733	-	10,538,733	23,876,274	-	23,876,274
Changes in net assets	658,558	-	658,558	4,575,333	511,082	5,086,415
Net Assets:						
Beginning of year	1,051,347	1,500	1,052,847	1,862,525	-	1,862,525
End of year	\$ 1,709,905	\$ 1,500	\$ 1,711,405	\$ 6,437,858	\$ 511,082	\$ 6,948,940

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Activities and Changes in Net Assets by Entity
For the Year Ended June 30, 2024

	KIPP Bronx III			KIPP Beyond		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue:						
Per-pupil tuition	\$ 25,274,799	\$ -	\$ 25,274,799	\$ 5,537,471	\$ -	\$ 5,537,471
Government grants and contracts	10,207,490	-	10,207,490	1,904,159	-	1,904,159
Grants and contributions	1,226,279	47,661	1,273,940	6,641	6,528	13,169
Interest and other	136,149	-	136,149	36,238	-	36,238
Net assets released from purpose restrictions	10,000	(10,000)	-	-	-	-
Total operating revenue	36,854,717	37,661	36,892,378	7,484,509	6,528	7,491,037
Operating Expenses:						
Program services	32,434,343	-	32,434,343	6,805,111	-	6,805,111
Supporting services	4,471,178	-	4,471,178	930,712	-	930,712
Total operating expenses	36,905,521	-	36,905,521	7,735,823	-	7,735,823
Changes in net assets	(50,804)	37,661	(13,143)	(251,314)	6,528	(244,786)
Net Assets:						
Beginning of year	(964,147)	-	(964,147)	(2,394,833)	-	(2,394,833)
End of year	<u>\$ (1,014,951)</u>	<u>\$ 37,661</u>	<u>\$ (977,290)</u>	<u>\$ (2,646,147)</u>	<u>\$ 6,528</u>	<u>\$ (2,639,619)</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Activities and Changes in Net Assets by Entity
For the Year Ended June 30, 2024

	KIPP PCS			Total
	Without Donor Restrictions	With Donor Restrictions	Eliminations	
Operating Revenue:				
Grants and contributions	\$ 250	\$ -	\$ -	\$ 250
Interest and other	193,515	-	-	193,515
Rent	13,474,200	-	(13,474,200)	-
Total operating revenue	<u>13,667,965</u>	<u>-</u>	<u>(13,474,200)</u>	<u>193,765</u>
Operating Expenses:				
Program services	20,856,734	-	(13,474,200)	7,382,534
Supporting services	-	-	-	-
Total operating expenses	<u>20,856,734</u>	<u>-</u>	<u>(13,474,200)</u>	<u>7,382,534</u>
Changes in net assets from operations	(7,188,769)	-	-	(7,188,769)
Other Revenue:				
Forgiveness of due to KIPP NYC Enterprise	1,469,179	-	-	1,469,179
Total changes in net assets	<u>(5,719,590)</u>	<u>-</u>	<u>-</u>	<u>(5,719,590)</u>
Net Assets:				
Beginning of year	1,052,659	-	-	1,052,659
End of year	<u>\$ (4,666,931)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,666,931)</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Functional Expenses by Entity
For the Year Ended June 30, 2024

	KIPP Star College Prep				
	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Personnel and Related:					
Employee wages	\$ 7,693,630	\$ 574,645	\$ 8,268,275	\$ -	\$ 8,268,275
Payroll taxes and employee benefits	2,181,809	192,202	2,374,011	-	2,374,011
Professional development	258,397	144	258,541	-	258,541
Total personnel and related	<u>10,133,836</u>	<u>766,991</u>	<u>10,900,827</u>	<u>-</u>	<u>10,900,827</u>
Occupancy and Related:					
Security and cleaning	176,585	-	176,585	-	176,585
Depreciation	52,247	-	52,247	-	52,247
Contracted services	56,413	-	56,413	-	56,413
Insurance	-	-	-	95,170	95,170
Repairs and maintenance	37,991	-	37,991	-	37,991
Supplies and equipment	9,853	-	9,853	-	9,853
Total occupancy and related	<u>333,089</u>	<u>-</u>	<u>333,089</u>	<u>95,170</u>	<u>428,259</u>
Other:					
Management fee	-	-	-	1,913,778	1,913,778
Student supplies and materials	460,078	-	460,078	-	460,078
Technology	396,817	-	396,817	-	396,817
Contracted services	178,713	-	178,713	-	178,713
Office	276,339	-	276,339	-	276,339
Student services	144,745	-	144,745	-	144,745
Miscellaneous	15,151	-	15,151	60,000	75,151
Depreciation	23,275	-	23,275	-	23,275
Professional fees	15,087	-	15,087	21,453	36,540
Equipment and maintenance	20,830	-	20,830	-	20,830
Recruiting	12,906	-	12,906	-	12,906
Total other	<u>1,543,941</u>	<u>-</u>	<u>1,543,941</u>	<u>1,995,231</u>	<u>3,539,172</u>
Total expenses	<u>\$ 12,010,866</u>	<u>\$ 766,991</u>	<u>\$ 12,777,857</u>	<u>\$ 2,090,401</u>	<u>\$ 14,868,258</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Functional Expenses by Entity
For the Year Ended June 30, 2024

KIPP NYC Washington Heights Academy

	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Personnel and Related:					
Employee wages	\$ 8,646,707	\$ 620,335	\$ 9,267,042	\$ -	\$ 9,267,042
Payroll taxes and employee benefits	2,338,993	152,109	2,491,102	-	2,491,102
Professional development	211,091	-	211,091	-	211,091
Total personnel and related	<u>11,196,791</u>	<u>772,444</u>	<u>11,969,235</u>	<u>-</u>	<u>11,969,235</u>
Occupancy and Related:					
Security and cleaning	37,794	-	37,794	-	37,794
Depreciation	164,675	-	164,675	-	164,675
Contracted services	81,036	-	81,036	-	81,036
Insurance	-	-	-	103,861	103,861
Repairs and maintenance	28,027	-	28,027	-	28,027
Supplies and equipment	41,240	-	41,240	-	41,240
Total occupancy and related	<u>352,772</u>	<u>-</u>	<u>352,772</u>	<u>103,861</u>	<u>456,633</u>
Other:					
Management fee	-	-	-	2,250,698	2,250,698
Student supplies and materials	415,731	-	415,731	-	415,731
Technology	421,367	-	421,367	-	421,367
Contracted services	254,541	-	254,541	-	254,541
Office	315,351	-	315,351	-	315,351
Student services	139,745	-	139,745	-	139,745
Miscellaneous	23,873	-	23,873	60,000	83,873
Depreciation	43,960	-	43,960	-	43,960
Professional fees	32,280	-	32,280	22,696	54,976
Equipment and maintenance	69,389	-	69,389	-	69,389
Recruiting	30,416	-	30,416	-	30,416
Total other	<u>1,746,653</u>	<u>-</u>	<u>1,746,653</u>	<u>2,333,394</u>	<u>4,080,047</u>
Total expenses	<u>\$ 13,296,216</u>	<u>\$ 772,444</u>	<u>\$ 14,068,660</u>	<u>\$ 2,437,255</u>	<u>\$ 16,505,915</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Functional Expenses by Entity
For the Year Ended June 30, 2024

	KIPP AMP Academy				
	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Personnel and Related:					
Employee wages	\$ 8,519,772	\$ 292,558	\$ 8,812,330	\$ -	\$ 8,812,330
Payroll taxes and employee benefits	2,383,248	54,357	2,437,605	-	2,437,605
Professional development	255,923	-	255,923	-	255,923
Total personnel and related	<u>11,158,943</u>	<u>346,915</u>	<u>11,505,858</u>	<u>-</u>	<u>11,505,858</u>
Occupancy and Related:					
Security and cleaning	14,481	-	14,481	-	14,481
Depreciation	195,779	-	195,779	-	195,779
Contracted services	80,195	-	80,195	-	80,195
Insurance	-	-	-	112,698	112,698
Repairs and maintenance	35,638	-	35,638	-	35,638
Supplies and equipment	38,109	-	38,109	-	38,109
Total occupancy and related	<u>364,202</u>	<u>-</u>	<u>364,202</u>	<u>112,698</u>	<u>476,900</u>
Other:					
Management fee	-	-	-	2,445,823	2,445,823
Student supplies and materials	400,495	-	400,495	-	400,495
Technology	530,480	-	530,480	-	530,480
Contracted services	343,037	-	343,037	-	343,037
Office	375,648	-	375,648	-	375,648
Student services	229,803	-	229,803	-	229,803
Miscellaneous	6,557	-	6,557	60,000	66,557
Depreciation	31,454	-	31,454	-	31,454
Professional fees	13,909	-	13,909	25,549	39,458
Equipment and maintenance	73,619	-	73,619	-	73,619
Recruiting	8,335	-	8,335	-	8,335
Total other	<u>2,013,337</u>	<u>-</u>	<u>2,013,337</u>	<u>2,531,372</u>	<u>4,544,709</u>
Total expenses	<u>\$ 13,536,482</u>	<u>\$ 346,915</u>	<u>\$ 13,883,397</u>	<u>\$ 2,644,070</u>	<u>\$ 16,527,467</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Functional Expenses by Entity
For the Year Ended June 30, 2024

	KIPP Infinity				Total Expenses
	Program Services			Support Services	
	Regular Education	Special Education	Total	Management and General	
Personnel and Related:					
Employee wages	\$ 21,932,230	\$ 1,971,892	\$ 23,904,122	\$ -	\$ 23,904,122
Payroll taxes and employee benefits	6,300,997	457,034	6,758,031	-	6,758,031
Professional development	561,975	753	562,728	-	562,728
Total personnel and related	<u>28,795,202</u>	<u>2,429,679</u>	<u>31,224,881</u>	<u>-</u>	<u>31,224,881</u>
Occupancy and Related:					
Rent	2,495,753	-	2,495,753	-	2,495,753
Security and cleaning	740,944	-	740,944	-	740,944
Depreciation	171,509	-	171,509	-	171,509
Contracted services	267,216	-	267,216	-	267,216
Insurance	-	-	-	333,659	333,659
Repairs and maintenance	212,036	-	212,036	-	212,036
Utilities	375,366	-	375,366	-	375,366
Supplies and equipment	119,115	-	119,115	-	119,115
Total occupancy and related	<u>4,381,939</u>	<u>-</u>	<u>4,381,939</u>	<u>333,659</u>	<u>4,715,598</u>
Other:					
Management fee	-	-	-	5,129,629	5,129,629
Student supplies and materials	4,353,545	3,213	4,356,758	-	4,356,758
Technology	894,095	-	894,095	-	894,095
Contracted services	718,852	23,455	742,307	-	742,307
Office	568,171	-	568,171	-	568,171
Student services	383,118	71	383,189	-	383,189
Miscellaneous	17,440	-	17,440	77,121	94,561
Depreciation	179,065	-	179,065	-	179,065
Professional fees	83,291	-	83,291	55,675	138,966
Equipment and maintenance	56,077	334	56,411	-	56,411
Recruiting	22,643	-	22,643	-	22,643
Total other	<u>7,276,297</u>	<u>27,073</u>	<u>7,303,370</u>	<u>5,262,425</u>	<u>12,565,795</u>
Total expenses	<u>\$ 40,453,438</u>	<u>\$ 2,456,752</u>	<u>\$ 42,910,190</u>	<u>\$ 5,596,084</u>	<u>\$ 48,506,274</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Functional Expenses by Entity
For the Year Ended June 30, 2024

	KIPP Freedom				
	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Personnel and Related:					
Employee wages	\$ 4,903,727	\$ 394,764	\$ 5,298,491	\$ -	\$ 5,298,491
Payroll taxes and employee benefits	1,345,555	106,933	1,452,488	-	1,452,488
Professional development	148,418	-	148,418	-	148,418
Total personnel and related	<u>6,397,700</u>	<u>501,697</u>	<u>6,899,397</u>	<u>-</u>	<u>6,899,397</u>
Occupancy and Related:					
Security and cleaning	21,535	-	21,535	-	21,535
Depreciation	466,370	-	466,370	-	466,370
Contracted services	81,957	-	81,957	-	81,957
Insurance	-	-	-	64,916	64,916
Repairs and maintenance	101,675	-	101,675	-	101,675
Supplies and equipment	11,986	-	11,986	-	11,986
Total occupancy and related	<u>683,523</u>	<u>-</u>	<u>683,523</u>	<u>64,916</u>	<u>748,439</u>
Other:					
Management fee	-	-	-	1,335,974	1,335,974
Student supplies and materials	168,797	-	168,797	-	168,797
Technology	385,570	-	385,570	-	385,570
Contracted services	320,548	-	320,548	-	320,548
Office	245,923	-	245,923	-	245,923
Student services	151,260	-	151,260	-	151,260
Miscellaneous	47,073	-	47,073	60,000	107,073
Depreciation	118,968	-	118,968	-	118,968
Professional fees	10,430	-	10,430	14,235	24,665
Equipment and maintenance	20,284	-	20,284	-	20,284
Recruiting	11,835	-	11,835	-	11,835
Total other	<u>1,480,688</u>	<u>-</u>	<u>1,480,688</u>	<u>1,410,209</u>	<u>2,890,897</u>
Total expenses	<u>\$ 8,561,911</u>	<u>\$ 501,697</u>	<u>\$ 9,063,608</u>	<u>\$ 1,475,125</u>	<u>\$ 10,538,733</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Functional Expenses by Entity
For the Year Ended June 30, 2024

	KIPP Bronx II				
	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Personnel and Related:					
Employee wages	\$ 8,303,964	\$ 641,318	\$ 8,945,282	\$ -	\$ 8,945,282
Payroll taxes and employee benefits	2,094,922	181,929	2,276,851	-	2,276,851
Professional development	354,826	-	354,826	-	354,826
Total personnel and related	<u>10,753,712</u>	<u>823,247</u>	<u>11,576,959</u>	<u>-</u>	<u>11,576,959</u>
Occupancy and Related:					
Rent	5,609,145	-	5,609,145	-	5,609,145
Security and cleaning	66,954	-	66,954	-	66,954
Depreciation	2,399	-	2,399	-	2,399
Contracted services	240,899	-	240,899	-	240,899
Insurance	-	-	-	111,137	111,137
Repairs and maintenance	10,538	-	10,538	-	10,538
Supplies and equipment	4,659	-	4,659	-	4,659
Total occupancy and related	<u>5,934,594</u>	<u>-</u>	<u>5,934,594</u>	<u>111,137</u>	<u>6,045,731</u>
Other:					
Management fee	-	-	-	3,329,830	3,329,830
Student supplies and materials	720,950	-	720,950	-	720,950
Technology	776,898	-	776,898	-	776,898
Contracted services	502,450	-	502,450	-	502,450
Office	364,561	-	364,561	-	364,561
Student services	231,367	-	231,367	-	231,367
Miscellaneous	37,348	-	37,348	60,000	97,348
Depreciation	70,105	-	70,105	-	70,105
Professional fees	61,711	-	61,711	28,036	89,747
Equipment and maintenance	42,892	-	42,892	-	42,892
Recruiting	27,436	-	27,436	-	27,436
Total other	<u>2,835,718</u>	<u>-</u>	<u>2,835,718</u>	<u>3,417,866</u>	<u>6,253,584</u>
Total expenses	<u>\$ 19,524,024</u>	<u>\$ 823,247</u>	<u>\$ 20,347,271</u>	<u>\$ 3,529,003</u>	<u>\$ 23,876,274</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Functional Expenses by Entity
For the Year Ended June 30, 2024

	KIPP Bronx III				
	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Personnel and Related:					
Employee wages	\$ 12,566,585	\$ 1,204,005	\$ 13,770,590	\$ -	\$ 13,770,590
Payroll taxes and employee benefits	3,581,021	314,440	3,895,461	-	3,895,461
Professional development	419,195	354	419,549	-	419,549
Total personnel and related	<u>16,566,801</u>	<u>1,518,799</u>	<u>18,085,600</u>	<u>-</u>	<u>18,085,600</u>
Occupancy and Related:					
Rent	9,879,170	-	9,879,170	-	9,879,170
Security and cleaning	426,646	-	426,646	-	426,646
Depreciation	9,262	-	9,262	-	9,262
Contracted services	309,574	-	309,574	-	309,574
Insurance	-	-	-	155,857	155,857
Repairs and maintenance	122,714	-	122,714	-	122,714
Utilities	169,343	-	169,343	-	169,343
Supplies and equipment	58,159	-	58,159	-	58,159
Total occupancy and related	<u>10,974,868</u>	<u>-</u>	<u>10,974,868</u>	<u>155,857</u>	<u>11,130,725</u>
Other:					
Management fee	-	-	-	4,209,784	4,209,784
Student supplies and materials	718,261	1,510	719,771	-	719,771
Technology	991,786	-	991,786	-	991,786
Contracted services	629,997	11,027	641,024	-	641,024
Office	445,587	-	445,587	-	445,587
Student services	331,090	34	331,124	-	331,124
Miscellaneous	167	-	167	68,049	68,216
Depreciation	125,650	-	125,650	-	125,650
Professional fees	40,138	-	40,138	37,488	77,626
Equipment and maintenance	52,539	157	52,696	-	52,696
Recruiting	25,932	-	25,932	-	25,932
Total other	<u>3,361,147</u>	<u>12,728</u>	<u>3,373,875</u>	<u>4,315,321</u>	<u>7,689,196</u>
Total expenses	<u>\$ 30,902,816</u>	<u>\$ 1,531,527</u>	<u>\$ 32,434,343</u>	<u>\$ 4,471,178</u>	<u>\$ 36,905,521</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Functional Expenses by Entity
For the Year Ended June 30, 2024

	KIPP Beyond				Total Expenses
	Program Services			Support Services	
	Regular Education	Special Education	Total	Management and General	
Personnel and Related:					
Employee wages	\$ 2,770,868	\$ 281,373	\$ 3,052,241	\$ -	\$ 3,052,241
Payroll taxes and employee benefits	718,957	76,698	795,655	-	795,655
Professional development	65,593	-	65,593	-	65,593
Total personnel and related	<u>3,555,418</u>	<u>358,071</u>	<u>3,913,489</u>	<u>-</u>	<u>3,913,489</u>
Occupancy and Related:					
Rent	1,463,193	-	1,463,193	-	1,463,193
Security and cleaning	429,818	-	429,818	-	429,818
Depreciation	147,786	-	147,786	-	147,786
Contracted services	53,677	-	53,677	-	53,677
Insurance	-	-	-	32,951	32,951
Repairs and maintenance	26,603	-	26,603	-	26,603
Supplies and equipment	49,514	-	49,514	-	49,514
Total occupancy and related	<u>2,170,591</u>	<u>-</u>	<u>2,170,591</u>	<u>32,951</u>	<u>2,203,542</u>
Other:					
Management fee	-	-	-	860,677	860,677
Student supplies and materials	153,721	-	153,721	-	153,721
Technology	242,982	-	242,982	-	242,982
Contracted services	114,238	-	114,238	-	114,238
Office	79,590	-	79,590	-	79,590
Student services	87,019	-	87,019	-	87,019
Miscellaneous	47	-	47	30,000	30,047
Depreciation	17,838	-	17,838	-	17,838
Professional fees	5,014	-	5,014	7,084	12,098
Equipment and maintenance	12,483	-	12,483	-	12,483
Recruiting	8,099	-	8,099	-	8,099
Total other	<u>721,031</u>	<u>-</u>	<u>721,031</u>	<u>897,761</u>	<u>1,618,792</u>
Total expenses	<u>\$ 6,447,040</u>	<u>\$ 358,071</u>	<u>\$ 6,805,111</u>	<u>\$ 930,712</u>	<u>\$ 7,735,823</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Functional Expenses by Entity
For the Year Ended June 30, 2024

KIPP PCS

	Program Services			Support Services	Eliminations	Total Expenses
	Regular Education	Special Education	Total	Management and General		
Occupancy and Related:						
Rent	\$ 20,644,483	\$ -	\$ 20,644,483	\$ -	\$ (13,474,200)	\$ 7,170,283
Other:						
Contracted services	11,040	-	11,040	-	-	11,040
Office	8,558	-	8,558	-	-	8,558
Miscellaneous	13,201	-	13,201	-	-	13,201
Amortization	158,107	-	158,107	-	-	158,107
Interest	21,345	-	21,345	-	-	21,345
Total other	212,251	-	212,251	-	-	212,251
Total expenses	\$ 20,856,734	\$ -	\$ 20,856,734	\$ -	\$ (13,474,200)	\$ 7,382,534

KIPP NYC PUBLIC CHARTER SCHOOLS

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing (AL) Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education:			
Passed-through New York State Education Department:			
COVID-19 - Education Stabilization Fund	84.425D	5891-21-5445 5891-21-5515 5891-21-5520 5891-21-4294 5891-21-4296 5891-21-4160 5891-21-4282	\$ 413,668
COVID-19 - Education Stabilization Fund	84.425U	5880-21-5445 5880-21-5515 5880-21-5520 5880-21-4294 5880-21-4296 5880-21-5720 5880-21-4160 5880-21-4282	7,154,879
COVID-19 - Education Stabilization Fund	84.425W	5218-21-4282	<u>1,333</u>
Total AL No. 84.425			7,569,880
Title I Grants to Local Educational Agencies	84.010	0021-23-5445 0021-23-5515 0021-23-5520 0021-23-4294 0021-23-4296 0021-23-5720 0021-23-4160 0021-23-4282 0021-24-5445 0021-24-5515 0021-24-5520 0021-24-4294 0021-24-4296 0021-24-5720 0021-24-4160 0021-24-4282	3,664,590

KIPP NYC PUBLIC CHARTER SCHOOLS

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing (AL) Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education: (Continued)			
Passed-through New York State Education Department: (Continued)			
Supporting Effective Instruction State Grants (Formerly, Improving Teacher Quality State Grants)	84.367	0147-23-5445 0147-23-5515 0147-23-5520 0147-23-4294 0147-23-4296 0147-23-5720 0147-23-4160 0147-23-4282 0147-24-5445 0147-24-5515 0147-24-5520 0147-24-4294 0147-24-4296 0147-24-5720 0147-24-4160 0147-24-4282	386,896
Student Support and Academic Enrichment Program	84.424	0204-23-5445 0204-23-5515 0204-23-5520 0204-23-4294 0204-23-4296 0204-23-4160 0204-23-4282 0204-24-5445 0204-24-5515 0204-24-5520 0204-24-4294 0204-24-4296 0204-24-5720 0204-24-4160 0204-24-4282	227,101
English Language Acquisition State Grants	84.365	0293-24-4282	<u>72,176</u>
Total U.S. Department of Education			<u>11,920,643</u>

KIPP NYC PUBLIC CHARTER SCHOOLS

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing (AL) Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed-through New York State Education Department:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	N/A	3,606,962
National School Lunch Program (Food Commodities)	10.555	N/A	<u>198,202</u>
Total AL No. 10.555			3,805,164
School Breakfast Program	10.553	N/A	<u>1,374,244</u>
Total Child Nutrition Cluster and U.S. Department of Agriculture			<u>5,179,408</u>
Federal Communications Commission:			
Passed-through KIPP New York LLC:			
COVID-19 - Emergency Connectivity Fund Program	32.009	N/A	<u>56,056</u>
U.S. Department of Health and Human Services:			
Passed-through New York Office of Children and Family Services:			
Child Care and Development Block Grant (CCDF Cluster)	93.575	N/A	<u>213,812</u>
Total Expenditures of Federal Awards			<u><u>\$ 17,369,919</u></u>

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the Federal assistance activity of the School and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2. Indirect Cost Rate

The School has elected not to use the 10% de minimis cost rate for its Federal programs.

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditor's Report

To the Board of Directors of
KIPP NYC Public Charter Schools:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of KIPP NYC Public Charter Schools (the School), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

AAFCPA, Inc.

Westborough, Massachusetts
December 18, 2024

**Report on Compliance for Each Major Federal Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance**

Independent Auditor's Report

To the Board of Directors of
KIPP NYC Public Charter Schools:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited KIPP NYC Public Charter Schools' (the School) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect the School's major Federal program for the year ended June 30, 2024. The School's major Federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major Federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to on the previous page occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to on the previous page is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of the major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control Over Compliance (Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

AAFCPA, Inc.

Westborough, Massachusetts
December 18, 2024

KIPP NYC PUBLIC CHARTER SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2024

1. SUMMARY OF AUDITOR’S RESULTS

Consolidated Financial Statements

Type of auditor’s report issued on whether the consolidated financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Is a “going concern” emphasis-of-matter paragraph included in the auditor’s report? _____ Yes X No

Internal control over financial reporting:

- Material weakness(es) disclosed? _____ Yes X No
- Significant deficiency(ies) disclosed? _____ Yes X No

Noncompliance material to consolidated financial statements disclosed? _____ Yes X No

Federal Awards

Internal control over major Federal program:

- Material weakness(es) disclosed? _____ Yes X No
- Significant deficiency(ies) disclosed? _____ Yes X No

Type of auditor’s report issued on compliance for major Federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major Federal program:

Name of Federal Program or Cluster	Assistance Listing Number
COVID-19 - Education Stabilization Fund	84.425D 84.425U 84.425W

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

Auditee qualified as low-risk auditee? _____ Yes X No

KIPP NYC PUBLIC CHARTER SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2024

2. CONSOLIDATED FINANCIAL STATEMENT FINDINGS

None

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

KIPP NYC PUBLIC CHARTER SCHOOLS

Schedule of Prior Year Findings and Questioned Costs
June 30, 2024

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Consolidated Financial Statement Findings – Material Weakness

Finding 2023-001

During fiscal years 2022 and 2023, the School had unreconciled per-pupil tuition billing discrepancies with the New York State Education Department (NYSED) for both general education and special education students. The discrepancies resulted primarily from three types of data: (a) misalignment of the level of service billed compared to the level approved in the Special Education Student Information System, (b) data for students who left the School and for whom residence data in the School system lagged NYSED data, and (c) a misalignment of final attendance information between the School and NYSED data. In fiscal year 2022, the total per-pupil revenue was \$107,449,851 and the amount unreconciled for general education students was \$755,117 and \$180,552 for special education students. There was an unreconciled amount of \$104,627 for rental assistance payments. In fiscal year 2023, the total per-pupil revenue was \$118,909,553 and the amount unreconciled for general education students was \$660,328 and \$466,488 for special education students.

Status

Corrective action has been taken during fiscal year 2024. Current management has developed the controls and procedures and put additional training in place to ensure adherence to updated procedures. Management has widely distributed the new procedures and has conducted trainings to ensure per-pupil tuition reconciliations are occurring on a timely basis. This finding was addressed in fiscal year 2024.