NOTE 9 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education
Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas. Starting in Fiscal Year 2015, the program services were required to be broken out between the regular education and special education programs.

The significant supporting services are:

Management and General
Time and materials relating to operating the non-programmatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

Fundraising
Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 10 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements for such potential claims. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

Response 21g-1166 Response 24-1641

KIPP ACADEMY CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant/ Contract Period	Grant Amount	Accrued or (Deferred) Revenue at 7/1/14	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued or (Deferred) at 6/30/15
U.S. Department of Education:									
Pass-through New York Department of Education:									
Title I Grant - Improving Academic Achievement	I	84.010	0021-144110	9/1/13-8/31/14	$ 565,518	$ 86,466	$ 86,466	$ -	$ -
ARRA - Race to the Top	I	84.395	5500-144110	7/1/13-6/30/14	11,360	6,501	6,501	-	-
Title II Grant- Teaching, Principal Training, Recruitment	I	84.367	0147-144110	9/1/13-8/31/14	26,358	2,407	2,407	-	-
Title I Grant - Improving Academic Achievement	I	84.010	0021-154110	9/1/14-8/31/15	669,980	-	538,469	652,375	113,906
Title II Grant- Teaching, Principal Training, Recruitment	I	84.367	0147-154110	9/1/14-8/31/15	22,548	-	20,524	24,629	4,105
Investing in Innovation Grant (i3)	I	84.411	n/a	7/1/14-6/30/15	9,429	-	9,429	9,429	-
School Food Program	I	10.555	n/a	7/1/14-6/30/15	89,656	-	89,656	89,656	-
Total Federal Expenditures						$ 95,374	$ 753,452	$ 776,089	$ 118,011

I - Indirect Funding

See accompanying Notes to Schedule of Expenditures of Federal Awards.

Response 21g-1167 Response 24-1642

KIPP ACADEMY CHARTER SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

NOTE A GENERAL INFORMATION

The accompanying Schedule of Expenditures of Federal Awards presents the activities of the federal financial assistance programs of KIPP Academy Charter School (the School). Financial awards received directly from federal agencies, as well as financial assistance passed through other governmental agencies or non-profit organizations, are included in the schedule.

NOTE B BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE C RELATIONSHIP TO FINANCIAL STATEMENTS

The Schedule of Expenditures of Federal Awards presents only a selected portion of the activities of the School. It is not intended to, and does not; present either the balance sheet or revenue, expenditures, and changes in net assets. The financial activity for the aforementioned awards is reported in the School's statement of activities.

Response 21g-1168 Response 24-1643

INDEPENDENT AUDITORS' 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*

Board of Trustees
KIPP Academy Charter School
Bronx, New York

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 financial statements of KIPP Academy Charter School, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2015.

Internal Control Over Financial Reporting

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

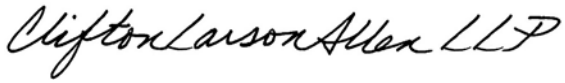
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP Academy Charter School's 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2015

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
KIPP Academy Charter School
Bronx, New York

Report on Compliance for Each Major Federal Program

We have audited KIPP Academy Charter School's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of KIPP Academy Charter School's major federal programs for the year ended June 30, 2015. KIPP Academy Charter School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of KIPP Academy Charter School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KIPP Academy Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of KIPP Academy Charter School's compliance.

Opinion on Each Major Federal Program

In our opinion, KIPP Academy Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

NEXIA INTERNATIONAL | An independent member of Nexia International

Report on Internal Control Over Compliance

Management of KIPP Academy Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KIPP Academy Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KIPP Academy Charter School's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2015

KIPP ACADEMY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? _____ yes ___X___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ___X___ none reported

3. Noncompliance material to financial statements noted? _____ yes ___X___ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? _____ yes ___X___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ___X___ none reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes ___X___ no

Identification of Major Federal Programs

CFDA Number(s)	**Name of Federal Program or Cluster**
84.010	U.S. Department of Education, Pass-through New York State Education Department, Title I Grant – Improving Academic Achievement

Dollar threshold used to distinguish between Type A or Type B programs was: $ 300,000

Auditee qualified as low-risk auditee pursuant to OMB Circular A-133? _____ yes ___X___ no

Response 21g-1173 Response 24-1648

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with Section 510(a) of OMB Circular A-133.

Section IV – Prior Year Findings

There were no prior year findings required to be reported.

KIPP AMP ACADEMY CHARTER SCHOOL

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

KIPP AMP ACADEMY CHARTER SCHOOL
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2015 AND 2014

INDEPENDENT AUDITORS' REPORT	**1**
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	**3**
STATEMENTS OF ACTIVITIES	**4**
STATEMENTS OF FUNCTIONAL EXPENSES	**5**
STATEMENTS OF CASH FLOWS	**7**
NOTES TO FINANCIAL STATEMENTS	**8**
INDEPENDENT AUDITORS' 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*	**15**

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
KIPP AMP Academy Charter School
Brooklyn, New York

Report on the Financial Statements

We have audited the accompanying financial statements of KIPP AMP Academy Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
KIPP AMP Academy Charter School

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP AMP Academy Charter School as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2015 on our consideration of KIPP AMP Academy Charter 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 KIPP AMP Academy Charter School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2015

Response 21g-1178 Response 24-1653

KIPP AMP ACADEMY CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	$ 2,765,429	$ 2,108,080
Grants and Contracts Receivable	199,994	153,150
Due from Related Parties	-	-
Prepaid Expenses and Other Assets	487,340	127,648
Equipment and Improvements	957,079	546,176
Total Assets	$ 4,409,842	$ 2,935,054
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 159,459	$ 199,416
Due to Related Parties	2,381,244	162,690
Refundable Advances	-	-
Capital Lease Obligations	-	-
Total Liabilities	2,540,703	362,106
NET ASSETS		
Unrestricted	1,862,713	2,562,028
Temporarily Restricted	6,426	10,920
Total Net Assets	1,869,139	2,572,948
Total Liabilities and Net Assets	$ 4,409,842	$ 2,935,054

See accompanying Notes to Financial Statements.

KIPP AMP ACADEMY CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 12,778,122	$ -	$ 12,778,122	$ 8,372,029	$ -	$ 8,372,029
Government Grants and Contracts	902,581	-	902,581	539,305	-	539,305
Total Operating Revenue	13,680,703	-	13,680,703	8,911,334	-	8,911,334
OPERATING EXPENSES						
Program Services	13,286,104	-	13,286,104	8,200,021	-	8,200,021
Supporting Services	1,513,559	-	1,513,559	970,954	-	970,954
Total Expenses	14,799,663	-	14,799,663	9,170,975	-	9,170,975
School Operating Deficit	(1,118,960)	-	(1,118,960)	(259,641)	-	(259,641)
Other Revenue:						
Contributions and Other Grants	113,068	170,064	283,132	221,413	50,414	271,827
Interest and Other Income	131,406	-	131,406	42,782	-	42,782
Donated Services	613	-	613	-	-	-
Total Other Revenue	245,087	170,064	415,151	264,195	50,414	314,609
Net Assets Released from Restrictions	174,558	(174,558)	-	326,894	(326,894)	-
CHANGE IN NET ASSETS	(699,315)	(4,494)	(703,809)	331,448	(276,480)	54,968
Net Assets - Beginning of Year	2,562,028	10,920	2,572,948	2,230,580	287,400	2,517,980
NET ASSETS - END OF YEAR	$ 1,862,713	$ 6,426	$ 1,869,139	$ 2,562,028	$ 10,920	$ 2,572,948

See accompanying Notes to Financial Statements.

KIPP AMP ACADEMY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	2015				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages- Instructional	$ 4,299,403	$ 1,309,038	$ 5,608,441	$ -	$ 5,608,441
Employee Wages- Non Instructional	2,893,362	160,899	3,054,261	-	3,054,261
Payroll Taxes & Employee Benefits	1,727,809	-	1,727,809	-	1,727,809
Licensing & Management Fee	69,156	-	69,156	1,513,559	1,582,715
Litigation & Legal Services Fees	3,574	-	3,574	-	3,574
Accounting & Audit Services Fees	19,561	-	19,561	-	19,561
Other Professional Fees	477,321	17,556	494,877	-	494,877
Consultant Fees	38,624	-	38,624	-	38,624
Grants to Related Entities	1,831	-	1,831	-	1,831
Academic Programming	235,421	6,278	241,699	-	241,699
Field Lessons	125,434	-	125,434	-	125,434
Professional Development	193,466	-	193,466	-	193,466
Equipment & Maintenance	159,886	-	159,886	-	159,886
Student Transportation & Other Services	52,310	-	52,310	-	52,310
Supplies & Materials	414,196	-	414,196	-	414,196
Technology Equipment & Materials	326,161	-	326,161	-	326,161
Events	46,372	-	46,372	-	46,372
Printing & Publications	23,495	-	23,495	-	23,495
Occupancy	216,442	-	216,442	-	216,442
Telephone & Internet	193,902	-	193,902	-	193,902
Insurance	145,911	-	145,911	-	145,911
Memberships & Subscriptions	19,067	-	19,067	-	19,067
Postage & Shipping	5,643	-	5,643	-	5,643
Bank and Other Fees	5	-	5	-	5
Candidate Recruiting	4,633	-	4,633	-	4,633
Miscellaneous	(28,924)	-	(28,924)	-	(28,924)
Donated Materials & Services	613	-	613	-	613
Depreciation & Amortization	126,947	-	126,947	-	126,947
Uncollectible Receivables	713	-	713	-	713
Total Functional Expenses	$ 11,792,333	$ 1,493,771	$ 13,286,104	$ 1,513,559	$ 14,799,663

See accompanying Notes to Financial Statements.

KIPP AMP ACADEMY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014

	2014		
	Program Services	Supporting Services	
	School Operations	Management & General	Total Expenses
Salaries	$ 5,181,238	$ -	$ 5,181,238
Payroll Taxes & Employee Benefits	1,059,030	-	1,059,030
Technology Equipment & Materials	314,214	-	314,214
Field Lessons	138,152	-	138,152
Professional Fees	227,190	20,083	247,273
Academic Programming	111,888	-	111,888
Professional Development	106,230	-	106,230
Supplies & Materials	246,610	-	246,610
Depreciation & Amortization	109,728	-	109,728
Equipment and Building	97,055	-	97,055
Fees and Other	139,087	950,871	1,089,958
Contracted Services - Other	80,218	-	80,218
Telephone & Internet	134,458	-	134,458
Insurance	80,696	-	80,696
Events	30,289	-	30,289
Occupancy	143,938	-	143,938
Total Functional Expenses	$ 8,200,021	$ 970,954	$ 9,170,975

See accompanying Notes to Financial Statements.

Response 21g-1182 Response 24-1657

KIPP AMP ACADEMY CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State and Federal Sources	$ 13,274,167	$ 8,848,540
Receipts from Others	415,151	1,083,097
Payments to Suppliers and Vendors	(3,716,666)	(2,566,657)
Payments to Employees	(8,662,702)	(6,240,268)
Net Cash Provided by Operating Activities	1,309,950	1,124,712
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(652,602)	(517,571)
Net Cash Used by Capital and Related Financing Activities	(652,602)	(517,571)
NET INCREASE IN CASH AND CASH EQUIVALENTS	657,349	607,141
Cash and Cash Equivalents - Beginning	2,108,080	1,500,939
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,765,429	$ 2,108,080
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	$ (703,809)	$ 54,968
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	241,699	109,728
Change in Assets and Liabilities		
Increase in Grants and Contracts Receivable	(46,844)	(62,794)
Increase in Prepaid Expenses and Other Assets	(359,692)	(29,109)
Decrease in Due from Related Parties	-	768,488
Increase (Decrease) in Accounts Payable and Accrued Expenses	(39,957)	63,594
Increase in Due to Related Parties	2,218,554	223,301
Decrease in Refundable Advances	-	(3,464)
Net Cash Provided by Operating Activities	1,309,950	1,124,712

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP AMP Academy Charter School (the "School") is an education corporation that operates in the borough of Brooklyn and county of Kings, New York. On March 15, 2005, the Board of Regents of the University of the State of New York granted the School a provisional charter valid for a term of five years and renewable upon expiration. The provisional charter was renewed on March 17, 2015 and is effective through June 30, 2018.

The School's mission is to develop and strengthen the students' academic skills, intellectual habits, and character traits needed to succeed in top-quality high schools, colleges and to contribute to the social improvement of their own community and society at large.

In fiscal year 2014, the School operated classes for students in grades kindergarten and five through twelve. In fiscal year 2015, the School added first grade.

The major source of revenue and support for the School is from state and local funding on a per pupil basis. 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. Amounts with respect to these items are not included in these financial statements.

Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for not for profit entities. The School is required to report information regarding its financial position and activities in according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Response 21g-1184 Response 24-1659

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2015 no allowance was warranted. As of June 30, 2014 an allowance of $1,585 was warranted.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

Response 21g-1185 Response 24-1660

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment, Improvements, Depreciation and Amortization

Equipment is recorded at cost. The School capitalizes all purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and applicable income tax regulations of the State of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements.

Reclassification

Certain accounts in the prior year information have been reclassified to conform to the presentation in the current year financial statements.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 26, 2015, the date the financial statements were available to be issued.

Response 21g-1186 Response 24-1661

NOTE 2 RELATED PARTY TRANSACTIONS

The Knowledge is Power Program Foundation ("KIPP Foundation") is a national, nonprofit organization that trains school1 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. See Note 7 for additional information about the license fee agreement.

KIPP NYC, LLC ("LLC") is the sole member of KIPP New York, Inc. ("KNYI"). The School did not receive grants from KNYI for the years ended June 30, 2015 and 2014, respectively. Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2009, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $1,513,559 and $950,871 for the years ended June 30, 2015 and 2014, respectively.

KIPP New York, Inc. ("KNYI") is the sole member of KTC NYC, LLC ("KTC"). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, college scholars and career preparation.

KIPP NYC Facilities II LLC ("Facilities") is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware non-stock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KIPP NY Inc., KIPP Academy, KIPP AMP, KIPP Infinity, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. There were no transactions between Facilities and the School during the years ended June 30, 2015 and 2014, respectively.

The School, KIPP Academy Charter School, KIPP Infinity Charter School, and New York Public Charter School share minimal common membership on their Board of Directors (maximum of two shared members per school).

During the year ended June 30, 2014, the School moved out of the space it shared with KIPP Infinity Charter School. As a result of this move, the School transferred leasehold improvements and equipment to KIPP Infinity Charter School with a net book value of $60,611. This transaction is netted within due to related parties on the statement of financial position.

Response 21g-1187 Response 24-1662

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and Improvements consist of the following:

	2015	2014
Furniture and Fixtures	$ 75,247	$ 55,226
Leasehold Improvements	965,598	491,437
Technology	510,327	467,421
Equipment	56,164	56,164
Total	1,607,336	1,070,248
Less: Accumulated Depreciation and Amortization	(650,257)	(524,072)
Total Equipment	$ 957,079	$ 546,176

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets at June 30, 2015 and 2014 were available for the following purposes:

	2015	2014
Academic Programs	$ 1,865	$ 5,080
Arts & Music Programs	1,065	800
Athletic Programs	3,496	5,040
	$ 6,426	$ 10,920

NOTE 5 PENSION

The School contributes to the Teachers Retirement System of the City of New York, a multiemployer defined benefit pension plan (the "Plan"), on behalf of the 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 57.7% at June 30, 2013, the date of the most recent actuarial calculation as indicated in the June 30, 2014 plan audit. The amount charged to operations for contributions to this Plan amounted to $110,707 and $167,864 for the years ended June 30, 2015 and 2014, respectively.

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the Internal Revenue Code which employees of the School can elect to contribute. Employees, whom option for this plan, can contribute up to the level set by the IRS. The Employer match is a discretionary contribution. Employees who are eligible for the Teachers Retirement System of the City of New York are not eligible for the Company contribution. The employer contributions to this Plan amounted $134,283 and $52,291, for the years ended June 30, 2015 and 2014, respectively.

NOTE 6 SCHOOL FACILITY

The School has an agreement with the New York City Department of Education for dedicated and shared space at M.S. 390, a New York City public school, located at 1224 Park Place, Brooklyn, New York. The facility is provided to the School at no cost. The School is responsible for any overtime-related costs for services provided beyond regular opening hours. These costs have been included in contracted services in the accompanying statement of functional expenses.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. For the years ended June 30, 2015 and 2014, the School incurred licensing fees amounting to $69,156 and $33,861, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education
Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas. Starting in Fiscal Year 2015, the program services were required to be broken out between the regular education and special education programs.

The significant supporting services are:

Management and General
Time and materials relating to operating the non-programmatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

Fundraising
Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting and events. The fundraising expenses were incurred by KIPP NYC, LLC.

Response 21g-1189 Response 24-1664

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

Response 21g-1190 Response 24-1665

INDEPENDENT AUDITORS' 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*

Board of Trustees
KIPP AMP Academy Charter School
Brooklyn, New York

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 financial statements of KIPP AMP Academy Charter School, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPP AMP Academy Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIPP AMP Academy Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP AMP Academy Charter 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP AMP Academy Charter School's 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2015

Response 21g-1192 Response 24-1667

KIPP INFINITY CHARTER SCHOOL

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2015 AND 2014

KIPP INFINITY CHARTER SCHOOL
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2015 AND 2014

INDEPENDENT AUDITORS' REPORT	**1**
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	**3**
STATEMENTS OF ACTIVITIES	**4**
STATEMENTS OF FUNCTIONAL EXPENSES	**5**
STATEMENTS OF CASH FLOWS	**7**
NOTES TO FINANCIAL STATEMENTS	**8**
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**15**
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**16**
INDEPENDENT AUDITORS' 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*	**17**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	**19**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**21**

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
KIPP Infinity Charter School
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of KIPP Infinity Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
KIPP Infinity Charter School

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP Infinity Charter School as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information – Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the 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 October 26, 2015, on our consideration of KIPP Infinity Charter 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 KIPP Infinity Charter School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2015

Response 21g-1196 Response 24-1671

KIPP INFINITY CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	$ 642,569	$ 984,367
Grants and Contracts Receivable	310,833	441,741
Due from Related Parties	2,039,913	1,544,375
Prepaid Expenses and Other Assets	495,173	316,272
Equipment and Improvements	997,406	786,474
Total Assets	$ 4,485,894	$ 4,073,229
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 577,413	$ 849,014
Due to Related Parties	-	0
Refundable Advances	-	3,093
Capital Lease Obligations	-	-
Total Liabilities	577,413	852,107
NET ASSETS		
Unrestricted	3,907,474	3,216,459
Temporarily Restricted	1,007	4,663
Total Net Assets	3,908,481	3,221,122
Total Liabilities and Net Assets	$ 4,485,894	$ 4,073,229

See accompanying Notes to Financial Statements.

KIPP INFINITY CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 17,508,161	$ -	$ 17,508,161	$ 15,275,756	$ -	$ 15,275,756
Government Grants and Contracts	1,265,569	-	1,265,569	1,087,703	-	1,087,703
Total Operating Revenue	18,773,730	-	18,773,730	16,363,459	-	16,363,459
OPERATING EXPENSES						
Program Services	16,834,199	-	16,834,199	15,336,531	-	15,336,531
Supporting Services	2,026,162	-	2,026,162	1,794,658	-	1,794,658
Total Operating Expenses	18,860,361	-	18,860,361	17,131,189	-	17,131,189
School Operating Deficit	(86,631)	-	(86,631)	(767,730)	-	(767,730)
Other Revenue:						
Contributions and Other Grants	306,280	291,269	597,549	292,020	127,483	419,503
Interest and Other Income	175,953	-	175,953	202,899	-	202,899
Special Event Income	-	-	-	-	-	-
Donated Goods and Services	488	-	488	200	-	200
	482,721	291,269	773,990	495,119	127,483	622,602
Net Assets Released from Restrictions	294,925	(294,925)	-	142,044	(142,044)	-
CHANGE IN NET ASSETS	691,015	(3,656)	687,359	(130,567)	(14,561)	(145,128)
Net Assets - Beginning of Year	3,216,459	4,663	3,221,122	3,347,026	19,224	3,366,250
NET ASSETS - END OF YEAR	$ 3,907,474	$ 1,007	$ 3,908,481	$ 3,216,459	$ 4,663	$ 3,221,122

See accompanying Notes to Financial Statements.

KIPP INFINITY CHARTER SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	2015				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages- Instructional	$ 5,868,423	$ 2,194,947	$ 8,063,370	$ -	$ 8,063,370
Employee Wages- Non Instructional	2,624,632	479,796	3,104,428	-	3,104,428
Payroll Taxes & Employee Benefits	2,473,205	-	2,473,205	-	2,473,205
Licensing & Management Fee	67,281	-	67,281	2,026,162	2,093,443
Accounting & Audit Services Fees	21,996	-	21,996	-	21,996
Other Professional Services	438,237	17,795	456,032	-	456,032
Consultant Fees	67,955	-	67,955	-	67,955
Grants to Related Entities	1,456	-	1,456	-	1,456
Academic Programming	254,684	14,705	269,389	-	269,389
Field Lessons	242,040	-	242,040	-	242,040
Professional Development	212,826	-	212,826	-	212,826
Equipment & Maintenance	169,673	-	169,673	-	169,673
Student Transportation & Other Services	37,640	-	37,640	-	37,640
Supplies & Materials	495,640	-	495,640	-	495,640
Technology Equipment & Materials	363,547	-	363,547	-	363,547
Events	54,106	-	54,106	-	54,106
Printing & Publications	15,993	-	15,993	-	15,993
Occupancy	160,938	-	160,938	-	160,938
Telephone & Internet	237,836	-	237,836	-	237,836
Insurance	171,152	-	171,152	-	171,152
Memberships & Subscriptions	25,508	-	25,508	-	25,508
Postage & Shipping	4,102	-	4,102	-	4,102
Bank & Other Fees	4	-	4	-	4
Candidate Recruiting	4,175	-	4,175	-	4,175
Miscellaneous	(34,095)	-	(34,095)	-	(34,095)
Donated Materials & Services	488	-	488	-	488
Depreciation & Amortization	147,514	-	147,514	-	147,514
Total Functional Expenses	$ 14,126,956	$ 2,707,243	$ 16,834,199	$ 2,026,162	$ 18,860,361

See accompanying Notes to Financial Statements.

KIPP INFINITY CHARTER SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014

	2014		
	Program Services	Supporting Services	
	School Operations	Management & General	Total Expenses
Salaries	$ 9,885,726	$ -	$ 9,885,726
Payroll Taxes & Employee Benefits	2,300,428	-	2,300,428
Technology	523,860	-	523,860
Academic Programming	211,701	-	211,701
Professional Development	152,855	-	152,855
Field Lessons	225,444	-	225,444
Supplies & Materials	448,873	-	448,873
Professional Fees	435,137	21,898	457,035
Donated Materials & Services	200	-	200
Depreciation and Amortization	153,123	-	153,123
Insurance	149,706	-	149,706
Telephone & Internet	299,093	-	299,093
Equipment & Maintenance	108,849	-	108,849
Licensing & Management Fees	68,883	1,772,760	1,841,643
Occupancy	180,014	-	180,014
Contracted Services - Other	42,496	-	42,496
Student Events	50,524	-	50,524
Miscellaneous	48,153	-	48,153
Student Transportation & Other	51,466	-	51,466
Total Functional Expenses	$ 15,336,531	$ 1,794,658	$ 17,131,189

See accompanying Notes to Financial Statements.

KIPP INFINITY CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State and Federal Sources	$ 18,904,638	$ 16,125,831
Receipts from Others	278,452	99,246
Payments to Suppliers and Vendors	(10,578,862)	(3,857,718)
Payments to Employees	(8,493,055)	(12,186,154)
Net Cash Provided by Operating Activities	111,173	181,205
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(452,971)	(354,211)
Net Cash Used by Capital and Related Financing Activities	(452,971)	(354,211)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(341,798)	(173,006)
Cash and Cash Equivalents - Beginning	984,367	1,157,373
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 642,569	$ 984,367
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	$ 687,359	$ (145,128)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	242,040	153,123
Change in Assets and Liabilities		
(Increase) Decrease in Grants and Contracts Receivable	130,908	(237,628)
(Increase) Decrease in Prepaid Expenses and Other Assets	(178,901)	486,910
Decrease in Due from Related Parties	(495,538)	(523,356)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(271,602)	457,719
Decrease in Refundable Advances	(3,093)	(10,435)
Net Cash Provided (Used) by Operating Activities	111,173	181,205

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP Infinity Charter School (the "School") is an education corporation that operates as a charter school in the borough of Manhattan (Harlem), New York City. On March 15, 2005, the Board of Regents of the University of the State of New York granted the School a provisional charter valid for a term of five years and renewable upon expiration. The provisional charter was renewed on March 17, 2015 and is effective through June 30, 2019.

The School's mission is to provide all of its students with the knowledge, skills and character traits necessary to prepare them for success in the nation's finest high schools and colleges, and to contribute to the social improvement of their own community and society at large.

In fiscal year 2014, the School operated for students in to kindergarten through third grade and grades five through twelve. In fiscal year 2015, the School added grade four.

The major source of revenue and support for the School is from state and local funding on a per pupil basis. 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. Amounts with respect to these items are not included in these financial statements.

Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for not for profit entities. The School is required to report information regarding its financial position and activities in according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Response 21g-1202 Response 24-1677

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2015 no allowance was warranted. As of June 30, 2014 an allowance of $5,821 was warranted.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

Response 21g-1203 Response 24-1678

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment, Improvements, Depreciation and Amortization

Equipment is recorded at cost. The School capitalizes purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and applicable income tax regulations of the State of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements.

Reclassification

Certain accounts in the prior year information have been reclassified to conform to the presentation in the current year financial statements.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 26, 2015, the date the financial statements were available to be issued.

Response 21g-1204 Response 24-1679

NOTE 2 RELATED PARTY TRANSACTIONS

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. See Note 7 for additional information about the license fee agreement.

KIPP NYC, LLC ("LLC") is the sole member of KIPP New York, Inc. ("KNYI"). The School received grants from KNYI in the amounts of $500,000 and $200,000 for the years ended June 30, 2015 and 2014, respectively. Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2009, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $2,026,162 and $1,772,760 for the years ended June 30, 2015 and 2014, respectively.

KIPP New York, Inc. ("KNYI") is the sole member of KTC NYC, LLC ("KTC"). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, college scholars and career preparation. There were no transactions between KTC and the School during the year.

KIPP NYC Facilities II LLC ("Facilities") is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware non-stock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KIPP NY Inc., KIPP Academy, KIPP AMP, KIPP Infinity, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. There were no transactions between Facilities and the School during the year.

The School, KIPP AMP Academy Charter School, KIPP Academy Charter School, and New York Public Charter School share minimal common membership on their Board of Directors (maximum of two shared members per school).

During the year ended June 30, 2014, the School received a transfer of leasehold improvements and equipment from KIPP AMP Academy Charter School and KIPP NYC Public Charter School with net book values of $60,611 and $108,537, respectively. This transfer occurred after KIPP AMP Academy Charter School and KIPP NYC Public Charter School moved out of the School's shared facility. This transaction is netted within in due from related parties on the statement of financial position.

Response 21g-1205 Response 24-1680

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and improvements consist of the following:

	2015	2014
Furniture and Fixtures	$ 72,843	$ 64,755
Leasehold Improvements	1,171,536	850,253
Equipment and Other	757,635	725,357
Total	2,002,014	1,640,365
Less: Accumulated Depreciation and Amortization	(1,004,608)	(853,891)
Total Equipment and Improvements	$ 997,406	$ 786,474

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets at June 30, 2015 and 2014 were available for the following purposes:

	2015	2014
Academic Programs	$ 1,007	$ 1,638
Athletic Programs	-	3,025
Total Temporarily Restricted Net Assets	$ 1,007	$ 4,663

NOTE 5 PENSION PLAN

The School contributes to the Teachers Retirement System of the City of New York, a multiemployer defined benefit pension plan (the "Plan"), on behalf of the 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 57.7% at June 30, 2013, the date of the most recent actuarial calculation as indicated in the June 30, 2014 plan audit. The amount charged to operations for contributions to this Plan amounted to $360,405 and $537,237 for the years ended June 30, 2015 and 2014, respectively.

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the Internal Revenue Code which employees of the School can elect to contribute. Employees, whom option for this plan, can contribute up to the level set by the IRS. The Employer match is a discretionary contribution. Employees who are eligible for the Teachers Retirement System of the City of New York are not eligible for the Company contribution. The employer contributions to this Plan amounted $214,660 and $154,148, for the years ended June 30, 2015 and 2014, respectively.

NOTE 6 AGREEMENT FOR SCHOOL FACILITY

The School occupies approximately 27,500 square feet of space through an agreement with the New York City Department of Education for dedicated and shared space at M.S. 195, a New York City public school, located at 625 West 133rd Street, New York City, New York. The facility is provided to the School at no cost. The School is responsible for any overtime-related costs for services provided beyond regular opening hours. These costs have been included in contracted services in the accompanying statement of functional expenses.

The School also jointly occupies approximately 132,500 square feet of space at 201 East 144th St in the South Bronx where the joint high school for KIPP Infinity Charter School, KIPP Academy Charter School, KIPP AMP Academy Charter School and KIPP NYC Public Charter Schools resides. The facility was provided to the school at no cost, but the School must provide for continuing maintenance and operating expenses. The expenses are also included in building costs in the accompanying statement of functional expenses.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. For the years ended June 30, 2015 and 2014, the School incurred licensing fees amount of $67,281 and $68,883, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education
Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas. Starting in Fiscal Year 2015, the program services were required to be broken out between the regular education and special education programs.

Response 21g-1207 Response 24-1682

NOTE 8 OPERATING EXPENSES (CONTINUED)

The significant supporting services are:

Management and General

Time and materials relating to operating the non-programmatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

Fundraising

Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements for such potential claims. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

Response 21g-1208 Response 24-1683

KIPP INFINITY CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant/ Contract Period	Grant Amount	Accrued or (Deferred) Revenue at 7/1/13	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued or (Deferred) at 6/30/14
U.S. Department of Education:									
Pass-through New York Department of Education:									
Title I Grant - Improving Academic Achievement	I	84.010	0021-134110	9/1/13-8/31/14	613,079	$ 102,189	$ 102,189	$ -	$ -
Title II Grant- Teaching, Principal Training, Recruitment	I	84.367	0147-134110	9/1/13-8/31/14	8,696	929	929	-	-
ARRA - Race to the Top	I	84.395	5500-134110	7/1/13-6/30/14	16,674	4,169	4,169	-	-
Title I Grant - Improving Academic Achievement	I	84.010	0021-154296	9/1/14-8/31/15	581,516	-	479,597	581,516	101,919
Title II Grant- Teaching, Principal Training, Recruitment	I	84.367	0147-154296	9/1/14-8/31/15	9,884	-	8,237	9,884	1,647
Investing in Innovation Grant (i3)	I	84.411	n/a	7/1/14-6/30/15	6,750	-	3,000	6,750	3,750
School Food Program	I	10.555	n/a	7/1/14-6/30/15	83,883	-	70,522	83,883	13,361
Total Federal Expenditures						$ 107,287	$ 668,643	$ 682,033	$ 120,677

D - Direct Funding
I - Indirect Funding

See accompanying Notes to Schedule of Expenditures of Federal Awards.

Response 21g-1209 Response 24-1684

KIPP INFINITY CHARTER SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

NOTE A GENERAL INFORMATION

The accompanying Schedule of Expenditures of Federal Awards presents the activities of the federal financial assistance programs of KIPP Infinity Charter School (the School). Financial awards received directly from federal agencies, as well as financial assistance passed through other governmental agencies or non-profit organizations, are included in the schedule.

NOTE B BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE C RELATIONSHIP TO FINANCIAL STATEMENTS

The Schedule of Expenditures of Federal Awards presents only a selected portion of the activities of the School. It is not intended to, and does not; present either the balance sheet or revenue, expenditures, and changes in net assets. The financial activity for the aforementioned awards is reported in the School's statement of activities.

Response 21g-1210 Response 24-1685

INDEPENDENT AUDITORS' 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*

Board of Trustees
KIPP Infinity Charter School
New York, New York

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 financial statements of KIPP Infinity Charter School, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPP Infinity Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIPP Infinity Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP Infinity Charter 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP Infinity Charter School's 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2015

Response 21g-1212 Response 24-1687

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
KIPP Infinity Charter School
New York, New York

Report on Compliance for Each Major Federal Program

We have audited KIPP Infinity Charter School's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of KIPP Infinity Charter School's major federal programs for the year ended June 30, 2015. KIPP Infinity Charter School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of KIPP Infinity Charter School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KIPP Infinity Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of KIPP Infinity Charter School's compliance.

Opinion on Each Major Federal Program

In our opinion, KIPP Infinity Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

NEXIA INTERNATIONAL | An independent member of Nexia International

Report on Internal Control Over Compliance

Management of KIPP Infinity Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KIPP Infinity Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KIPP Infinity Charter School's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2015

KIPP INFINITY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? _____ yes ___X___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ___X___ none reported

3. Noncompliance material to financial statements noted? _____ yes ___X___ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? _____ yes ___X___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ___X___ none reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes ___X___ no

Identification of Major Federal Programs

CFDA Number(s)	**Name of Federal Program or Cluster**
84.010	U.S. Department of Education, Pass-through New York State Education Department, Title I Grant – Improving Academic Achievement

Dollar threshold used to distinguish between Type A or Type B programs was: $ 300,000

Auditee qualified as low-risk auditee pursuant to OMB Circular A-133? _____ yes ___X___ no

Response 21g-1215 Response 24-1690

KIPP INFINITY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with Section 510(a) of OMB Circular A-133.

Section IV – Prior Year Findings

There were no prior year findings required to be reported.

Response 21g-1216 Response 24-1691

KIPP NYC PUBLIC CHARTER SCHOOL

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2015 AND 2014

KIPP NYC PUBLIC CHARTER SCHOOL
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2015 AND 2014

INDEPENDENT AUDITORS' REPORT	**1**
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	**3**
STATEMENTS OF ACTIVITIES	**4**
STATEMENTS OF FUNCTIONAL EXPENSES	**5**
STATEMENTS OF CASH FLOWS	**7**
NOTES TO FINANCIAL STATEMENTS	**8**
SUPPLEMENTARY INFORMATION	
SCHEDULE OF FINANCIAL POSITION BY SCHOOL	**15**
SCHEDULE OF ACTIVITIES BY SCHOOL	**16**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP STAR COLLEGE PREP CHARTER SCHOOL	**17**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP NYC WASHINGTON HEIGHTS ACADEMY CHARTER SCHOOL	**18**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**19**
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**20**
INDEPENDENT AUDITORS' 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*	**21**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	**23**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**25**

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
KIPP NYC Public Charter School
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of KIPP NYC Public Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
KIPP NYC Public Charter School

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP NYC Public Charter School as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

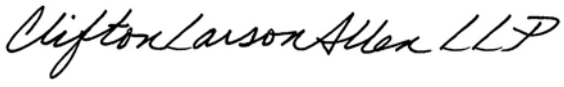
Other Matters

Other Information – Supplemental Schedules and Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules, which comprise the schedule of financial position by school, schedule of activities by school and schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the schedule of federal awards are fairly stated, in all material respects, in relation to the 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 October 26, 2015, on our consideration of KIPP NYC Public Charter 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 KIPP NYC Public Charter School's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2015

Response 21g-1220 Response 24-1695

KIPP NYC PUBLIC CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	$ 4,801,183	$ 3,688,307
Grants and Contracts Receivable	373,694	730,666
Prepaid Expenses and Other Assets	371,368	327,091
Property and Equipment	1,384,699	673,879
Total Assets	$ 6,930,944	$ 5,419,943
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 383,730	$ 269,103
Due to Related Parties	1,015,092	462,879
Total Liabilities	1,398,822	731,982
NET ASSETS		
Unrestricted	5,525,272	4,431,802
Temporarily Restricted	6,850	256,159
Total Net Assets	5,532,122	4,687,961
Total Liabilities and Net Assets	$ 6,930,944	$ 5,419,943

See accompanying Notes to Financial Statements.

Response 21g-1221 Response 24-1696

KIPP NYC PUBLIC CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 21,542,304	$ -	$ 21,542,304	$ 16,021,150	$ -	$ 16,021,150
Government Grants and Contracts	1,252,194	324,855	1,577,049	1,176,531	-	1,176,531
Total Operating Revenue	22,794,498	324,855	23,119,353	17,197,681	-	17,197,681
OPERATING EXPENSES						
Program Services	20,497,926	-	20,497,926	14,502,833	-	14,502,833
Supporting Services	2,471,022	-	2,471,022	1,877,722	-	1,877,722
Total Operating Expenses	22,968,948	-	22,968,948	16,380,555	-	16,380,555
School Operating Surplus	(174,450)	324,855	150,405	817,126	-	817,126
Other Revenue						
Contributions and Other Grants	316,162	163,278	479,440	327,207	393,712	720,919
Interest and Other Income - Net	211,152	-	211,152	309,216	-	309,216
Donated Goods and Services	3,164	-	3,164	3,409	-	3,409
Special Event Revenue	-	-	-	200	-	200
Total Other Revenue	530,478	163,278	693,756	640,032	393,712	1,033,744
Net Assets Released from Restrictions	737,442	(737,442)	-	152,267	(152,267)	-
CHANGE IN NET ASSETS	1,093,470	(249,309)	844,161	1,609,425	241,445	1,850,870
Net Assets - Beginning of Year	4,431,802	256,159	4,687,961	2,822,377	14,714	2,837,091
NET ASSETS - END OF YEAR	$ 5,525,272	$ 6,850	$ 5,532,122	$ 4,431,802	$ 256,159	$ 4,687,961

See accompanying Notes to Financial Statements.

KIPP NYC PUBLIC CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	2015				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages- Instructional	$ 6,220,587	$ 2,352,537	$ 8,573,124	$ -	$ 8,573,124
Employee Wages- Non-instructional	4,463,644	495,994	4,959,638	-	4,959,638
Payroll Taxes & Employee Benefits	2,645,468	-	2,645,468	-	2,645,468
Licensing & Management Fee	82,070	-	82,070	2,471,022	2,553,092
Accounting & Audit Services Fees	32,979	-	32,979	-	32,979
Other Professional Fees	602,014	-	602,014	-	602,014
Consultant Fees	12,379	11,070	23,449	-	23,449
Grants to Related Entities	1,487	-	1,487	-	1,487
Academic Programming	362,518	10,314	372,832	-	372,832
Alumni Programming	1,898	-	1,898	-	1,898
Field Lessons	303,564	-	303,564	-	303,564
Professional Development	270,157	-	270,157	-	270,157
Equipment & Maintenance	175,779	-	175,779	-	175,779
Student Transportation & Other Services	48,351	-	48,351	-	48,351
Supplies & Materials	579,379	-	579,379	-	579,379
Technology Equipment & Materials	616,406	-	616,406	-	616,406
Events	51,390	-	51,390	-	51,390
Printing & Publications	27,011	-	27,011	-	27,011
Occupancy	184,000	-	184,000	-	184,000
Telephone & Internet	453,716	-	453,716	-	453,716
Insurance	210,829	-	210,829	-	210,829
Memberships & Subscriptions	37,650	-	37,650	-	37,650
Postage & Shipping	7,155	-	7,155	-	7,155
Bank and Other Fees	4	-	4	-	4
Candidate Recruiting	13,237	-	13,237	-	13,237
Miscellaneous	(16,880)	-	(16,880)	-	(16,880)
Donated Goods & Services	3,164	-	3,164	-	3,164
Depreciation & Amortization	236,533	-	236,533	-	236,533
Uncollectible Receivables	1,522	-	1,522	-	1,522
Total Functional Expenses	$ 17,628,011	$ 2,869,915	$ 20,497,926	$ 2,471,022	$ 22,968,948

See accompanying Notes to Financial Statements.

Response 21g-1223 Response 24-1698

KIPP NYC PUBLIC CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014

	2014		
	Program Services	Supporting Services	
	School Operations	Management & General	Total Expenses
Salaries	$ 9,569,639	$ -	$ 9,569,639
Payroll Taxes & Employee Benefits	1,792,273	-	1,792,273
Technology Equipment & Materials	543,661		543,661
Professional Fees	389,768	38,553	428,321
Field Lessons	256,009	-	256,009
Professional Development	179,575	-	179,575
Instructional Materials & Supplies	408,413	-	408,413
Academic Programming	188,618	-	188,618
Donated Goods & Services	3,409	-	3,409
Telephone and Internet	322,230	-	322,230
Insurance	150,950	-	150,950
Equipment & Maintenance	125,611	-	125,611
Depreciation & Amortization	123,173	-	123,173
Licensing & Management Fees	94,339	1,839,169	1,933,508
Occupancy	169,755	-	169,755
Contracted Services - Other	24,875	-	24,875
Student Events	47,139	-	47,139
Miscellaneous	61,394	-	61,394
Student Transportation & Other	47,230	-	47,230
Bad Debt Expense	4,772	-	4,772
Total Functional Expenses	$ 14,502,833	$ 1,877,722	$ 16,380,555

See accompanying Notes to Financial Statements.

KIPP NYC PUBLIC CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State and Federal Sources	$ 23,476,325	$ 16,822,572
Receipts from Others	693,756	2,336,786
Payments to Suppliers and Vendors	(11,486,375)	(4,782,773)
Payments to Employees	(10,684,231)	(11,361,912)
Net Cash Provided by Operating Activities	1,999,475	3,014,673
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(886,599)	(301,945)
Net Cash Used by Capital and Related Financing Activities	(886,599)	(301,945)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,112,876	2,712,728
Cash and Cash Equivalents - Beginning	3,688,307	975,579
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,801,183	$ 3,688,307
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	$ 844,161	$ 1,850,870
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	175,779	123,173
Change in Assets and Liabilities		
(Increase) Decrease in Grants and Contracts Receivable	356,972	(375,109)
(Increase) Decrease in Prepaid Expenses and Other Assets	(44,277)	(164,360)
(Increase) Decrease in Due from Related Parties	-	1,303,042
Increase (Decrease) in Accounts Payable and Accrued Expenses	114,627	76,132
Increase (Decrease) in Due to Related Parties	552,213	212,879
Increase (Decrease) in Refundable Advances	-	(11,954)
Net Cash Provided by Operating Activities	1,999,475	3,014,673

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP NYC Public Charter School (the "School") is an education corporation that is the consolidation of the former KIPP STAR College Prep Charter School (STAR) and KIPP NYC Washington Heights Academy Charter School (Washington Heights). As of July 1, 2013, the charter schools combined their financial books and records as a business combination accounted for as a merger and ceased operating as two separate entities. Through their merger, the charter entities seek to achieve substantial operational efficiencies in governance and accounting workflow, enhanced buying power and shared resources, all of which will provide for a more streamlined, cost efficient organization for students, families and staff. The School's mission is to equip students with the academic and character skills necessary to succeed in high school, college and the competitive world beyond. The School will operate under the provisional charter of KIPP NYC Washington Heights Academy Charter School. The charter is effective through June 30, 2016.

In fiscal year 2014, the School operated for students in kindergarten through two and grades five through twelve. In 2015, grade three was added.

The major source of revenue and support for the School is from state and local funding on per pupil basis. 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. Amounts with respect to these items are not included in these financial statements.

Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for not for profit entities. The School is required to report information regarding its financial position and activities in according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Response 21g-1226 Response 24-1701

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2015 an allowance was not warranted. As of June 30, 2014 an allowance of $3,822 was established.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

Response 21g-1227 Response 24-1702

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment, Improvements, and Depreciation

Property and equipment is recorded at cost. The School capitalizes purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Property and equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and applicable income tax regulations of the State of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements.

Financial Statement Reclassification

The 2014 financial statements have been reclassified to conform with the 2015 presentation.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 26, 2015, the date the financial statements were available to be issued.

Response 21g-1228 Response 24-1703

NOTE 2 RELATED PARTY TRANSACTIONS

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. See Note 7 for additional information about the license fee agreement.

KIPP NYC, LLC ("LLC") is the sole member of KIPP New York, Inc. ("KNYI"). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2013, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $2,471,022 and $ 1,839,169 for the years ended June 30, 2015 and 2014, respectively. In addition, the School was provided a $250,000 interest free loan from LLC in 2012. This balance remains unpaid and is included with Due to Related Parties on the Statement of Financial Position.

KIPP New York, Inc. ("KNYI") is the sole member of KTC NYC, LLC ("KTC"). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, collage scholars and career preparation. There were no transactions between KTC and the School during the year.

KIPP NYC Facilities II LLC ("Facilities") is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware non-stock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KIPP NY Inc., KIPP Academy, KIPP AMP, KIPP Infinity, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. There were no transactions between Facilities and the School during the years ended June 30, 2015 and 2014.

The School, KIPP Academy Charter School, KIPP AMP Academy Charter School, and KIPP Infinity Charter School, share minimal common membership on their Board of Directors (maximum of two shared members per school).

During the year ended June 30, 2014, the School moved out of the space it shared with KIPP Infinity Charter School. As a result of this move, the School transferred leasehold improvements and equipment to KIPP Infinity Charter School with a net book value of $108,537. This transaction is netted within due to related parties on the statement of financial position as of June 30, 2014.

Response 21g-1229 Response 24-1704

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and Improvements consists of the following:

	2015	2014
Furniture and Fixtures	$ 117,272	$ 75,828
Technology	1,053,636	786,125
Equipment	62,390	62,390
Leasehold Improvements	1,047,325	409,990
Total	2,280,623	1,334,333
Less: Accumulated Depreciation and Amortization	(895,924)	(660,454)
Total Property and Equipment	$ 1,384,699	$ 673,879

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets at June 30, 2015 and 2014 were available for the following purposes:

	2015	2014
Athletic Programs	$ 3,375	$ 6,107
Music Programs	273	3,123
Academic Programs	3,202	246,929
	$ 6,850	$ 256,159

NOTE 5 PENSION EXPENSE

Due to a cost sharing arrangement for high school employees the School incurs expenses for a defined benefit pension plan provided by KIPP Infinity Charter School. The amount charged to the School's operations for contributions to this Plan amounted to $75,710 and $102,143 for the years ended June 30, 2015 and 2014, respectively.

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the Internal Revenue Code which employees of the School can elect to contribute. Employees, who choose this plan, can contribute up to the level set by the IRS. The Employer match is a discretionary contribution. The employer contributions to this Plan amounted $253,578 and $165,328 for the years ended June 30, 2015 and 2014, respectively.

NOTE 6 SCHOOL FACILITY

The School occupies several facilities. The School has an agreement with the New York City Department of Education for this dedicated and shared space at P.S. 125, a New York City public school, located at West 123rd Street, New York City, New York, P.S 115, New York City public school, located at West 177th Street, New York City, New York, and at I.S. 90, a New York City public school, located at Jumel Place, New York City, New York. The School is responsible for any overtime-related costs for services provided beyond regular opening hours in both facilities. These costs have been included in contracted services in the accompanying statement of functional expenses. The School also jointly occupies approximately 132,500 square feet of space at 201 East 144th St in the South Bronx where the joint high school for KIPP NYC Public Charter Schools, KIPP Academy Charter School, KIPP AMP Academy Charter School and KIPP Infinity Charter School resides.

The facility was provided to the School at no cost, but the school must provide for continuing maintenance and operating expenses. The expenses are also included in building costs in the accompanying statement of functional expenses.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. The School incurred licensing fees amounting to $82,070 and $94,339 for the years ended June 30, 2015 and 2014, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education
Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas. Starting in Fiscal Year 2015, the program services were required to be broken out between the regular education and special education programs.

The significant supporting services are:

Management and General
Time and materials relating to operating the non-programmatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

Response 21g-1231 Response 24-1706

NOTE 8 OPERATING EXPENSES (CONTINUED)

Fundraising

Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

Response 21g-1232 Response 24-1707

KIPP NYC PUBLIC CHARTER SCHOOL
SCHEDULE OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2015

	KIPP STAR COLLEGE PREP	KIPP NYC WASHINGTON HEIGHTS ACADEMY	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 4,684,301	$ 116,882	$ 4,801,183
Grants and Contracts Receivable	157,153	216,541	373,694
Prepaid Expenses and Other Assets	163,778	207,590	371,368
Property and Equipment	349,428	1,035,271	1,384,699
Total Assets	$ 5,354,660	$ 1,576,284	$ 6,930,944
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable and Accrued Expenses	$ 156,389	227,341	383,730
Due to / (from) Related Parties	3,187,203	(2,172,111)	1,015,092
Total Liabilities	3,343,592	(1,944,770)	1,398,822
NET ASSETS			
Unrestricted	2,004,218	3,521,054	5,525,272
Temporarily Restricted	6,850	-	6,850
Total Net Assets	2,011,068	3,521,054	5,532,122
Total Liabilities and Net Assets	$ 5,354,660	$ 1,576,284	$ 6,930,944

KIPP NYC PUBLIC CHARTER SCHOOL
SCHEDULE OF ACTIVITIES BY SCHOOL
YEAR ENDED JUNE 30, 2015

	KIPP STAR COLLEGE PREP			KIPP NYC WASHINGTON HEIGHTS ACADEMY			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	TOTAL
OPERATING REVENUE							
State and Local Per Pupil Operating Revenue	$ 10,801,440	$ -	$ 10,801,440	$ 10,740,864	$ -	$ 10,740,864	$ 21,542,304
Government Grants and Contracts	697,495	157,651	855,146	554,699	167,204	721,903	1,577,049
Total Operating Revenue	11,498,935	157,651	11,656,586	11,295,563	167,204	11,462,767	23,119,353
OPERATING EXPENSES							
Program Services	11,433,401	-	11,433,401	9,064,525	-	9,064,525	20,497,926
Supporting Services	1,232,118	-	1,232,118	1,238,904	-	1,238,904	2,471,022
Total Operating Expenses	12,665,519	-	12,665,519	10,303,429	-	10,303,429	22,968,948
School Operating Surplus (Deficit)	(1,166,584)	157,651	(1,008,933)	992,134	167,204	1,159,338	150,405
Other Revenue (Expenses)							
Contributions and Other Grants	258,248	29,676	287,924	57,914	133,602	191,516	479,440
Interest and Other Income - Net	122,761	-	122,761	88,391	-	88,391	211,152
Donated Goods and Services	3,164	-	3,164	-	-	-	3,164
Total Other Revenue, Net	384,173	29,676	413,849	146,305	133,602	279,907	693,756
Net Assets Released from Restrictions	420,636	(420,636)	-	316,806	(316,806)	-	-
CHANGE IN NET ASSETS	(361,775)	(233,309)	(595,084)	1,455,245	(16,000)	1,439,245	844,161
Net Assets - Beginning of Year	2,365,993	240,159	2,606,152	2,065,809	16,000	2,081,809	4,687,961
NET ASSETS - END OF YEAR	$ 2,004,218	$ 6,850	$ 2,011,068	$ 3,521,054	$ -	$ 3,521,054	$ 5,532,122

KIPP NYC PUBLIC CHARTER SCHOOL
SCHEDULE OF FUNCTIONAL EXPENSES –
KIPP STAR COLLEGE PREP CHARTER SCHOOL
YEAR ENDED JUNE 30, 2015

	2015				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages- Instructional	$ 3,134,167	$ 1,215,972	$ 4,350,139	$ -	$ 4,350,139
Employee Wages- Non Instructional	2,789,903	245,198	3,035,101	-	3,035,101
Payroll Taxes & Employee Benefits	1,460,065	-	1,460,065	-	1,460,065
Licensing & Management Fee	52,070	-	52,070	1,232,118	1,284,188
Accounting & Audit Services Fees	8,396	-	8,396	-	8,396
Other Professional Services	475,874	11,023	486,897	-	486,897
Consultant Fees	23,249	-	23,249	-	23,249
Grants to Related Entities	1,487	-	1,487	-	1,487
Academic Programming	206,310	-	206,310	-	206,310
Field Lessons	211,742	-	211,742	-	211,742
Professional Development	127,565	-	127,565	-	127,565
Equipment & Maintenance	80,191	-	80,191	-	80,191
Student Transportation & Other Services	37,343	-	37,343	-	37,343
Supplies & Materials	375,606	-	375,606	-	375,606
Technology Equipment & Materials	282,042	-	282,042	-	282,042
Events	45,015	-	45,015	-	45,015
Printing & Publications	18,386	-	18,386	-	18,386
Occupancy	165,751	-	165,751	-	165,751
Telephone & Internet	222,050	-	222,050	-	222,050
Insurance	121,807	-	121,807	-	121,807
Memberships & Subscriptions	19,259	-	19,259	-	19,259
Postage & Shipping	3,818		3,818		3,818
Bank and Other Fees	4	-	4	-	4
Candidate Recruiting	6,563	-	6,563	-	6,563
Miscellaneous	(9,023)	-	(9,023)	-	(9,023)
Use of Donated Materials & Services	3,164		3,164		3,164
Depreciation & Amortization	98,403	-	98,403	-	98,403
Uncollectible Receivables	1	-	1	-	1
Total Functional Expenses	$ 9,961,208	$ 1,472,193	$ 11,433,401	$ 1,232,118	$ 12,665,519

KIPP NYC PUBLIC CHARTER SCHOOL
SCHEDULE OF FUNCTIONAL EXPENSES –
KIPP NYC WASHINGTON HEIGHTS ACADEMY CHARTER SCHOOL
YEAR ENDED JUNE 30, 2015

	2015				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages- Instructional	$ 3,007,012	$ 1,215,972	$ 4,222,984	$ -	$ 4,222,984
Employee Wages- Non Instructional	1,679,339	245,198	1,924,537	-	1,924,537
Payroll Taxes & Employee Benefits	1,185,403	-	1,185,403	-	1,185,403
Licensing & Management Fee	30,000	-	30,000	1,238,904	1,268,904
Accounting & Audit Services Fees	24,583	-	24,583	-	24,583
Other Professional Services	115,069	28	115,097	-	115,097
Consultant Fees	200	-	200	-	200
Grants to Related Entities	166,522	-	166,522	-	166,522
Academic Programming	1,898	-	1,898	-	1,898
Field Lessons	91,822	-	91,822	-	91,822
Professional Development	142,612	-	142,612	-	142,612
Equipment & Maintenance	95,588	-	95,588	-	95,588
Student Transportation & Other Services	11,009	-	11,009	-	11,009
Supplies & Materials	203,773	-	203,773	-	203,773
Technology Equipment & Materials	334,365	-	334,365	-	334,365
Events	6,375	-	6,375	-	6,375
Printing & Publications	8,626	-	8,626	-	8,626
Occupancy	18,250	-	18,250	-	18,250
Telephone & Internet	231,666	-	231,666	-	231,666
Insurance	89,022	-	89,022	-	89,022
Memberships & Subscriptions	18,391	-	18,391	-	18,391
Postage & Shipping	3,337	-	3,337	-	3,337
Candidate Recruiting	6,674	-	6,674	-	6,674
Miscellaneous	(7,860)	-	(7,860)	-	(7,860)
Depreciation & Amortization	138,130	-	138,130	-	138,130
Uncollectible Receivables	1,521	-	1,521	-	1,521
Total Functional Expenses	$ 7,603,327	$ 1,461,198	$ 9,064,525	$ 1,238,904	$ 10,303,429

KIPP NYC PUBLIC CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant/ Contract Period	Grant Amount	Accrued or (Deferred) Revenue at 7/1/14	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued or (Deferred) Revenue at 6/30/15
U.S. Department of Education:									
Pass-through New York Department of Education:									
Title I Grant - Improving Academic Achievement	I	84.010	0021-144110	9/1/13-8/31/14	$ 482,012	$ 107,165	$ 107,165	$ -	$ -
ARRA - Race to the Top	I	84.395	5500-144110	7/1/13-6/30/14	13,530	3,383	3,383	-	-
Title II Grant- Teaching, Principal Training, Recruitment	I	84.367	0147-144110	9/1/13-8/31/14	25,159	2,692	2,692	-	-
Investing in Innovation (i3)	I	84.396A	U396A100031	7/1/13-6/30/14	60,796	60,796	60,796	-	-
Title I Grant - Improving Academic Achievement	I	84.010	0021-154160	9/1/14-8/31/15	238,447	-	158,673	238,447	79,774
Title II Grant- Teaching, Principal Training, Recruitment	I	84.367	0147-154160	9/1/14-8/31/15	7,730	-	3,865	7,730	3,865
Title I Grant - Improving Academic Achievement	I	84.010	0021-154282	9/1/14-8/31/15	218,002	-	183,020	218,002	34,982
Title II Grant- Teaching, Principal Training, Recruitment	I	84.367	0147-154282	9/1/14-8/31/15	19,149		15,958	19,149	3,191
Investing in Innovation (i3)	I	84.396A	U396A100031	7/1/14-6/30/15	78,055	-	68,094	78,055	9,961
School Food Program	I	10.555	n/a	7/1/14-6/30/15	66,032	-	66,032	66,032	-
Total Federal Expenditures					$ 1,208,912	$ 174,036	$ 669,678	$ 627,415	$ 131,773

D - Direct Funding

I - Indirect Funding

S - State Share

See accompanying Notes to Schedule of Expenditures of Federal Awards.

Response 21g-1237 Response 24-1712

KIPP NYC PUBLIC CHARTER SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

NOTE A GENERAL INFORMATION

The accompanying Schedule of Expenditures of Federal Awards presents the activities of the federal financial assistance programs of KIPP NYC Public Charter School (the School). Financial awards received directly from federal agencies, as well as financial assistance passed through other governmental agencies or non-profit organizations, are included in the schedule.

NOTE B BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE C RELATIONSHIP TO FINANCIAL STATEMENTS

The Schedule of Expenditures of Federal Awards presents only a selected portion of the activities of the School. It is not intended to, and does not; present either the balance sheet or revenue, expenditures, and changes in net assets. The financial activity for the aforementioned awards is reported in the School's statement of activities.

Response 21g-1238 Response 24-1713

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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*

Board of Trustees
KIPP NYC Public Charter School
New York, New York

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 financial statements of KIPP NYC Public Charter School, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPP NYC Public Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIPP NYC Public Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP NYC Public Charter 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP NYC Public Charter School's 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2015

Response 21g-1240 Response 24-1715

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
KIPP NYC Public Charter School
New York, New York

Report on Compliance for Each Major Federal Program

We have audited KIPP NYC Public Charter School's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of KIPP NYC Public Charter School's major federal programs for the year ended June 30, 2015. KIPP NYC Public Charter School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of KIPP NYC Public Charter School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KIPP NYC Public Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of KIPP NYC Public Charter School's compliance.

Opinion on Each Major Federal Program

In our opinion, KIPP NYC Public Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

NEXIA INTERNATIONAL | An independent member of Nexia International

Report on Internal Control Over Compliance

Management of KIPP NYC Public Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KIPP NYC Public Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KIPP NYC Public Charter School's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Plymouth Meeting, Pennsylvania
October 26, 2015

KIPP NYC PUBLIC CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? _____ yes ___X___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ___X___ none reported

3. Noncompliance material to financial statements noted? _____ yes ___X___ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? _____ yes ___X___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ___X___ none reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes ___X___ no

Identification of Major Federal Programs

CFDA Number(s)	**Name of Federal Program or Cluster**
84.010	U.S. Department of Education, Pass-through New York State Education Department, Title I Grant – Improving Academic Achievement

Dollar threshold used to distinguish between Type A or Type B programs was: $ 300,000

Auditee qualified as low-risk auditee pursuant to OMB Circular A-133? _____ yes ___X___ no

Response 21g-1243 Response 24-1718

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with Section 510(a) of OMB Circular A-133.

Section IV – Prior Year Findings

There were no prior year findings required to be reported.

KIPP ACADEMY CHARTER SCHOOL

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2016 AND 2015

KIPP ACADEMY CHARTER SCHOOL
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2016 AND 2015

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITORS' 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*	15

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
KIPP Academy Charter School
Bronx, New York

Report on the Financial Statements

We have audited the accompanying financial statements of KIPP Academy Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A member of Nexia International

Board of Trustees
KIPP Academy Charter School

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP Academy Charter School as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2016 on our consideration of KIPP Academy Charter 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 KIPP Academy Charter School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2016

KIPP ACADEMY CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 3,715,380	$ 3,336,293
Grants and Contracts Receivable	324,305	261,071
Prepaid Expenses and Other Assets	52,580	70,685
Equipment and Improvements	457,528	254,559
Total Assets	$ 4,549,793	$ 3,922,608
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 243,736	$ 215,585
Refundable Advances	587	-
Due to Related Parties	1,553,455	412,668
Total Liabilities	1,797,778	628,253
NET ASSETS		
Unrestricted	2,747,132	3,287,624
Temporarily Restricted	4,883	6,731
Total Net Assets	2,752,015	3,294,355
Total Liabilities and Net Assets	$ 4,549,793	$ 3,922,608

See accompanying Notes to Financial Statements.

Response 21g-1249 Response 24-1724

KIPP ACADEMY CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 17,253,915	$ -	$ 17,253,915	$ 15,120,893	$ -	$ 15,120,893
Federal Government Grants and Contracts	782,881	-	782,881	888,755	-	888,755
Non-Federal Grants and Contracts	672,404	-	672,404	519,262	-	519,262
Total Operating Revenue	18,709,200	-	18,709,200	16,528,910	-	16,528,910
OPERATING EXPENSES						
Program Services	18,539,847	-	18,539,847	15,840,370	-	15,840,370
Supporting Services	2,003,755	-	2,003,755	1,762,750	-	1,762,750
Total Expenses	20,543,602	-	20,543,602	17,603,120	-	17,603,120
School Operating Deficit	(1,834,402)	-	(1,834,402)	(1,074,210)	-	(1,074,210)
Other Revenue and Expenses						
Contributions and Other Grants	777,193	365,282	1,142,475	384,244	303,908	688,152
Interest and Other Income	149,587	-	149,587	140,630	-	140,630
Donated Services	-	-	-	410	-	410
Total Other Revenue and Expenses, Net	926,780	365,282	1,292,062	525,284	303,908	829,192
Net Assets Released from Restrictions	367,130	(367,130)	-	308,330	(308,330)	-
CHANGE IN NET ASSETS	(540,492)	(1,848)	(542,340)	(240,596)	(4,422)	(245,018)
Net Assets - Beginning of Year	3,287,624	6,731	3,294,355	3,528,220	11,153	3,539,373
NET ASSETS - END OF YEAR	$ 2,747,132	$ 4,883	$ 2,752,015	$ 3,287,624	$ 6,731	$ 3,294,355

See accompanying Notes to Financial Statements.

Response 21g-1250
Response 24-1725

KIPP ACADEMY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	2016				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages	$ 10,078,729	$ 1,295,575	$ 11,374,304	$ -	$ 11,374,304
Payroll Taxes & Employee Benefits	3,053,523	175,258	3,228,781	-	3,228,781
Licensing & Management Fee	39,033	-	39,033	1,998,438	2,037,471
Litigation & Legal Services Fees	3,678		3,678	-	3,678
Accounting & Audit Services Fees	24,032	-	24,032	-	24,032
Other Professional Fees	697,357	9,568	706,925	-	706,925
Consultants	65,056	29,122	94,178	-	94,178
Grants to Related Entities	3,538	-	3,538	-	3,538
Academic Programming	298,224	336	298,560	-	298,560
Field Lessons	162,209	-	162,209	-	162,209
Professional Development	185,246	4,723	189,969	-	189,969
Equipment & Maintenance	259,773	-	259,773	-	259,773
Student Transportation & Other Fees	34,601	-	34,601	-	34,601
Supplies & Materials	560,750	42	560,792	-	560,792
Technology Equipment & Materials	328,355	-	328,355	-	328,355
Student Events	41,539	-	41,539	5,317	46,856
Printing & Publications	15,807	-	15,807	-	15,807
Occupancy	377,452	-	377,452	-	377,452
Telephone & Internet	378,707	-	378,707	-	378,707
Insurance	194,603	-	194,603	-	194,603
Memberships & Subscriptions	30,923	-	30,923	-	30,923
Postage & Shipping	7,357	-	7,357	-	7,357
Bank and Other Fees	12	-	12	-	12
Candidate Recruiting	4,938	297	5,235	-	5,235
Miscellaneous	(618)	-	(618)	-	(618)
Depreciation & Amortization	148,337	-	148,337	-	148,337
Uncollectible Receivables	24,938	-	24,938	-	24,938
Prior Period Adjustments	6,169	658	6,827	-	6,827
Total Expenditures	$ 17,024,268	$ 1,515,579	$ 18,539,847	$ 2,003,755	$ 20,543,602

See accompanying Notes to Financial Statements.

Response 21g-1251
Response 24-1726

KIPP ACADEMY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	2015				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages	$ 8,321,447	$ 1,504,099	$ 9,825,546	$ -	$ 9,825,546
Payroll Taxes & Employee Benefits	2,584,038	-	2,584,038	-	2,584,038
Licensing & Management Fee	36,125	-	36,125	-	36,125
Accounting & Audit Services Fees	24,939	-	24,939	-	24,939
Other Professional Fees	560,652	9,274	569,926	-	569,926
Consultants	19,212	-	19,212	-	19,212
Grants to Related Entities	1,225	-	1,225	-	1,225
Academic Programming	214,005	4,082	218,087	-	218,087
Field Lessons	184,730	-	184,730	-	184,730
Professional Development	193,851	-	193,851	-	193,851
Equipment & Maintenance	81,146	-	81,146	-	81,146
Student Transportation & Other Fees	26,548	-	26,548	1,762,750	1,789,298
Supplies & Materials	451,858	-	451,858	-	451,858
Technology Equipment & Materials	577,015	-	577,015	-	577,015
Student Events	35,239	-	35,239	-	35,239
Printing & Publications	13,677	-	13,677	-	13,677
Occupancy	245,266	-	245,266	-	245,266
Telephone & Internet	310,448	-	310,448	-	310,448
Insurance	180,133	-	180,133	-	180,133
Memberships & Subscriptions	22,231	-	22,231	-	22,231
Postage & Shipping	4,839	-	4,839	-	4,839
Bank and Other Fees	3	-	3	-	3
Candidate Recruiting	2,197	-	2,197	-	2,197
Miscellaneous	130,624	-	130,624	-	130,624
Donated Materials & Services	410	-	410	-	410
Depreciation & Amortization	101,057	-	101,057	-	101,057
Total Expenditures	$ 14,322,915	$ 1,517,455	$ 15,840,370	$ 1,762,750	$ 17,603,120

See accompanying Notes to Financial Statements.

Response 21g-1252
Response 24-1727

KIPP ACADEMY CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State and Federal Sources	$ 18,645,966	$ 17,489,219
Receipts from Others	1,292,062	829,192
Payments to Suppliers and Vendors	(7,833,331)	(8,809,716)
Payments to Employees	(11,374,304)	(9,825,546)
Net Cash Provided (Used) by Operating Activities	730,393	(316,851)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(351,306)	(143,825)
Net Cash Used by Capital and Related Financing Activities	(351,306)	(143,825)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	379,087	(460,676)
Cash and Cash Equivalents - Beginning	3,336,293	3,796,969
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,715,380	$ 3,336,293
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	$ (542,340)	$ (245,018)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	148,337	101,057
Change in Assets and Liabilities:		
(Increase) Decrease in Grants and Contracts Receivable	(63,234)	960,309
(Increase) Decrease in Prepaid Expenses and Other Assets	18,105	157,121
Increase (Decrease) in Accounts Payable and Accrued Expenses	28,151	(18,725)
Increase (Decrease) in Refundable Advances	587	(1,244)
Increase (Decrease) in Due To Related Parties	1,140,787	(1,270,351)
Total Adjustments	1,272,733	(71,833)
Net Cash Provided (Used) by Operating Activities	$ 730,393	$ (316,851)

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP Academy Charter School (the "School") is an education corporation that operates as a charter school in the borough of the Bronx, New York City. On May 4, 2000, the Board of Regents of the City of New York for and on behalf of the State Education Department granted the School a provisional charter valid for a term of five years from the effective date of September 1, 2000 and renewable upon expiration. The provisional charter was renewed on April 14, 2015 and is now effective through June 30, 2019.

The School was converted from an existing New York City Department of Education school. The School's mission is to prepare students with the academic and character skills necessary to succeed in high school, college and the competitive world beyond.

In fiscal years 2016 and 2015, the School operated classes for students in grades kindergarten through twelve.

The major source of revenue and support for the School is from state and local funding on a per pupil basis. 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. Amounts with respect to these items are not included in these financial statements.

Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for not for profit entities. The School is required to report information regarding its financial position and activities in according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2016 and 2015, no allowance was warranted.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status is based on the number of students enrolled. The revenue is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

Response 21g-1255 Response 24-1730

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment, Improvements, Depreciation and Amortization

Equipment is recorded at cost. The School capitalizes purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and applicable income tax regulations of the State of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements.

Reclassification

Certain accounts in the prior year information have been reclassified to conform to the presentation in the current year financial statements. The reclassification had no effect on previously reported net assets or change in net asset amounts.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 24, 2016, the date the financial statements were available to be issued.

Response 21g-1256 Response 24-1731

NOTE 2 RELATED PARTY TRANSACTIONS

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. KIPP Foundation charges a license fee to all of the KIPP Charter Schools. See Note 8 for additional information about the license fee agreement.

KIPP NYC, LLC ("LLC") is the sole member of KIPP New York, Inc. ("KNYI"). The School received grants from KNYI in the amounts of $1,000,000 and $500,000 for the years ended June 30, 2016 and 2015, respectively. Amounts due to and from related parties represent short-term timing differences of expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2009, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $1,998,438 and $1,762,750 for the years ended June 30, 2016 and 2015, respectively.

KIPP New York, Inc. ("KNYI") is the sole member of KTC NYC, LLC ("KTC"). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, college scholars and career preparation. There were no transactions between KTC and the School during the year.

KIPP NYC Facilities II LLC ("Facilities") is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware non-stock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KIPP NY Inc., KIPP Academy, KIPP AMP, KIPP Infinity, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. The School had no transactions with Facilities during the years ended June 30, 2016 and 2015, respectively. The related party transactions are further discussed in Note 7.

The School, KIPP AMP Academy Charter School, KIPP Infinity Charter School and New York Public Charter School share some common membership on their Board of Directors.

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and Improvements consist of the following:

	2016	2015
Furniture and Fixtures	$ 81,147	$ 81,147
Technology	1,614,407	1,460,427
Leasehold Improvements	292,337	163,381
Construction in Progress	66,733	-
Equipment	241,864	241,864
Total	2,296,488	1,946,819
Less: Accumulated Depreciation and Amortization	(1,838,960)	(1,692,260)
Total Equipment and Improvements	$ 457,528	$ 254,559

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets at June 30, 2016 and 2015 were available for the following purposes:

	2016	2015
Purpose Restrictions:		
Athletic Programs	$ 1,238	$ -
Arts & Music Programs	2,365	3,981
Academic Programs	1,280	2,750
Total Temporarily Restricted Net Assets	$ 4,883	$ 6,731

NOTE 5 PENSION PLAN

The School contributes to the Teachers Retirement System of the City of New York, a multiemployer defined benefit pension plan (the "Plan"), on behalf of the 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 57.7% at June 30, 2014, the date of the most recent actuarial calculation as indicated in the June 30, 2015 plan audit. The amount charged to operations for contributions to this Plan amounted to $765,088 and $590,560 for the years ended June 30, 2016 and 2015, respectively.

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the Internal Revenue Code which employees of the School can elect to contribute. Employees, whom option for this plan, can contribute up to the level set by the IRS. The Employer match is a discretionary contribution. The employer contributions to this Plan amounted $72,865 and $51,535, for the years ended June 30, 2016 and 2015, respectively.

NOTE 6 SCHOOL FACILITY

The School occupies three facilities to support its operations. Approximately 25,000 square feet of dedicated and shared space located at 250 East 156th St. in the South Bronx, New York is occupied through an agreement with the New York City Department of Education, which provides the space at no cost. The School is responsible for any overtime-related costs for services provided beyond regular opening hours. These costs have been included in building costs in the accompanying statement of functional expenses.

The School also jointly occupies approximately 132,500 square feet of space at 201 East 144th St in the South Bronx where the joint high school for KIPP Academy Charter School, KIPP AMP Academy Charter School, KIPP Infinity Charter School and KIPP NYC Public Charter Schools resides. The facility was provided to the School at no cost, but the School must provide for continuing maintenance and operating expenses. The expenses are also included in building costs in the accompanying statement of functional expenses. The School also occupies the Mott Haven Facility.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. For the years ended June 30, 2016 and 2015, the School incurred licensing fees amounting to $39,033 and $36,125, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education
Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas.

The significant supporting services are:

Management and General
Time and materials relating to operating the non-programmatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

Response 21g-1259 Response 24-1734

NOTE 8 OPERATING EXPENSES (CONTINUED)

Fundraising

Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements for such potential claims. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

Response 21g-1260 Response 24-1735

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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*

Board of Directors
KIPP Academy Charter School
Bronx, New York

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 financial statements of KIPP Academy Charter School, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPP Academy Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIPP Academy Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP Academy Charter 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 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 may exist that have not been identified.

Board of Directors
KIPP Academy Charter School

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP Academy Charter School's 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2016

KIPP AMP ACADEMY CHARTER SCHOOL

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

KIPP AMP ACADEMY CHARTER SCHOOL
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2016 AND 2015

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
INDEPENDENT AUDITORS' 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*	15

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
KIPP AMP Academy Charter School
Brooklyn, New York

Report on the Financial Statements

We have audited the accompanying financial statements of KIPP AMP Academy Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
KIPP AMP Academy Charter School

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP AMP Academy Charter School as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2016 on our consideration of KIPP AMP Academy Charter 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 KIPP AMP Academy Charter School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2016

KIPP AMP ACADEMY CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 1,024,174	$ 2,765,429
Grants and Contracts Receivable	277,992	199,994
Prepaid Expenses and Other Assets	81,876	487,340
Equipment and Improvements	1,809,948	957,079
Total Assets	$ 3,193,990	$ 4,409,842
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 285,420	$ 159,459
Due to Related Parties	485,960	2,381,244
Total Liabilities	771,380	2,540,703
NET ASSETS		
Unrestricted	2,419,643	1,862,713
Temporarily Restricted	2,967	6,426
Total Net Assets	2,422,610	1,869,139
Total Liabilities and Net Assets	$ 3,193,990	$ 4,409,842

See accompanying Notes to Financial Statements.

KIPP AMP ACADEMY CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 12,529,406	$ -	$ 12,529,406	$ 12,778,122	$ -	$ 12,778,122
Government Grants and Contracts	928,476	-	928,476	902,581	-	902,581
Total Operating Revenue	13,457,882	-	13,457,882	13,680,703	-	13,680,703
OPERATING EXPENSES						
Program Services	11,975,659	-	11,975,659	13,286,104	-	13,286,104
Supporting Services	1,448,769	-	1,448,769	1,513,559	-	1,513,559
Total Expenses	13,424,428	-	13,424,428	14,799,663	-	14,799,663
School Operating Surplus (Deficit)	33,454	-	33,454	(1,118,960)	-	(1,118,960)
Other Revenue:						
Contributions and Other Grants	138,462	285,997	424,459	113,068	170,064	283,132
Interest and Other Income	95,558	-	95,558	131,406	-	131,406
Donated Services	-	-	-	613	-	613
Total Other Revenue	234,020	285,997	520,017	245,087	170,064	415,151
Net Assets Released from Restrictions	289,456	(289,456)	-	174,558	(174,558)	-
CHANGE IN NET ASSETS	556,930	(3,459)	553,471	(699,315)	(4,494)	(703,809)
Net Assets - Beginning of Year	1,862,713	6,426	1,869,139	2,562,028	10,920	2,572,948
NET ASSETS - END OF YEAR	$ 2,419,643	$ 2,967	$ 2,422,610	$ 1,862,713	$ 6,426	$ 1,869,139

See accompanying Notes to Financial Statements.

Response 21g-1268
Response 24-1743

KIPP AMP ACADEMY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	2016				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages	$ 6,330,246	$ 1,266,231	$ 7,596,477	$ -	$ 7,596,477
Payroll Taxes & Employee Benefits	1,395,809	293,005	1,688,814	-	1,688,814
Licensing & Management Fee	64,197	-	64,197	1,448,769	1,512,966
Litigation & Legal Services Fees	1,709	-	1,709	-	1,709
Accounting & Audit Services Fees	17,537	-	17,537	-	17,537
Other Professional Fees	294,574	1,037	295,611	-	295,611
Consultant Fees	28,317	13,340	41,657	-	41,657
Grants to Related Entities	1,644	-	1,644	-	1,644
Academic Programming	253,786	146	253,932	-	253,932
Field Lessons	69,789	-	69,789	-	69,789
Professional Development	121,498	7,766	129,264	-	129,264
Equipment & Maintenance	235,054	-	235,054	-	235,054
Student Transportation & Other Services	34,531	-	34,531	-	34,531
Supplies & Materials	370,435	-	370,435	-	370,435
Technology Equipment & Materials	325,768	-	325,768	-	325,768
Events	24,556	-	24,556	-	24,556
Printing & Publications	19,520	-	19,520	-	19,520
Occupancy	106,983	-	106,983	-	106,983
Telephone & Internet	220,495	-	220,495	-	220,495
Insurance	115,182	-	115,182	-	115,182
Memberships & Subscriptions	17,115	-	17,115	-	17,115
Postage & Shipping	4,820	-	4,820	-	4,820
Bank and Other Fees	6	-	6	-	6
Candidate Recruiting	3,627	1,162	4,789	-	4,789
Miscellaneous	102,499	19	102,518	-	102,518
Depreciation & Amortization	202,138	-	202,138	-	202,138
Uncollectible Receivables	31,118	-	31,118	-	31,118
Total Functional Expenses	$ 10,392,953	$ 1,582,706	$ 11,975,659	$ 1,448,769	$ 13,424,428

See accompanying Notes to Financial Statements.

KIPP AMP ACADEMY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	2015				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages	$ 7,192,764	$ 1,469,937	$ 8,662,701	$ -	$ 8,662,701
Payroll Taxes & Employee Benefits	1,727,809	-	1,727,809	-	1,727,809
Licensing & Management Fee	69,156	-	69,156	1,513,559	1,582,715
Litigation & Legal Services Fees	3,574	-	3,574	-	3,574
Accounting & Audit Services Fees	19,561	-	19,561	-	19,561
Other Professional Fees	477,321	17,556	494,877	-	494,877
Consultant Fees	38,624	-	38,624	-	38,624
Grants to Related Entities	1,831	-	1,831	-	1,831
Academic Programming	235,421	6,278	241,699	-	241,699
Field Lessons	125,434	-	125,434	-	125,434
Professional Development	193,466	-	193,466	-	193,466
Equipment & Maintenance	159,886	-	159,886	-	159,886
Student Transportation & Other Services	52,310	-	52,310	-	52,310
Supplies & Materials	414,196	-	414,196	-	414,196
Technology Equipment & Materials	326,161	-	326,161	-	326,161
Events	46,372	-	46,372	-	46,372
Printing & Publications	23,495	-	23,495	-	23,495
Occupancy	216,442	-	216,442	-	216,442
Telephone & Internet	193,902	-	193,902	-	193,902
Insurance	145,911	-	145,911	-	145,911
Memberships & Subscriptions	19,067	-	19,067	-	19,067
Postage & Shipping	5,643	-	5,643	-	5,643
Bank and Other Fees	5	-	5	-	5
Candidate Recruiting	4,633	-	4,633	-	4,633
Miscellaneous	(28,924)	-	(28,924)	-	(28,924)
Donated Materials & Services	613	-	613	-	613
Depreciation & Amortization	126,947	-	126,947	-	126,947
Uncollectible Receivables	713	-	713	-	713
Total Functional Expenses	$ 11,792,333	$ 1,493,771	$ 13,286,104	$ 1,513,559	$ 14,799,663

See accompanying Notes to Financial Statements.

KIPP AMP ACADEMY CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State and Federal Sources	$ 13,785,348	$ 13,274,167
Receipts from Others	520,017	415,151
Payments to Suppliers and Vendors	(7,395,136)	(3,831,420)
Payments to Employees	(7,596,477)	(8,662,701)
Net Cash Provided by Operating Activities	(686,248)	1,195,197
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(1,055,007)	(537,848)
Net Cash Used by Capital and Related Financing Activities	(1,055,007)	(537,848)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,741,255)	657,349
Cash and Cash Equivalents - Beginning	2,765,429	2,108,080
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,024,174	$ 2,765,429
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	$ 553,471	$ (703,809)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	202,138	126,947
Change in Assets and Liabilities		
Increase in Grants and Contracts Receivable	(77,998)	(46,844)
Increase in Prepaid Expenses and Other Assets	405,464	(359,692)
Increase (Decrease) in Accounts Payable and Accrued Expenses	125,961	(39,958)
Increase in Due to Related Parties	(1,895,284)	2,218,553
Net Cash Provided by Operating Activities	$ (686,248)	$ 1,195,197

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP AMP Academy Charter School (the "School") is an education corporation that operates in the borough of Brooklyn and county of Kings, New York. On March 15, 2005, the Board of Regents of the University of the State of New York granted the School a provisional charter valid for a term of five years and renewable upon expiration. The provisional charter was renewed on March 17, 2015 and is effective through June 30, 2018.

The School's mission is to develop and strengthen the students' academic skills, intellectual habits, and character traits needed to succeed in top-quality high schools, colleges and to contribute to the social improvement of their own community and society at large.

In fiscal years 2015 and 2016, the School operated classes for students in grades kindergarten through third and five through twelve.

The major source of revenue and support for the School is from state and local funding on a per pupil basis. 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. Amounts with respect to these items are not included in these financial statements.

Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for not for profit entities. The School is required to report information regarding its financial position and activities in according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Response 21g-1272 Response 24-1747

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2016 and 2015, no allowance was warranted.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment, Improvements, Depreciation and Amortization

Equipment is recorded at cost. The School capitalizes all purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and applicable income tax regulations of the State of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements.

Reclassification

Certain accounts in the prior year information have been reclassified to conform to the presentation in the current year financial statements. The reclassification had no effect on previously reported net assets or change in net asset amounts.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 24, 2016, the date the financial statements were available to be issued.

NOTE 2 RELATED PARTY TRANSACTIONS

The Knowledge is Power Program Foundation ("KIPP Foundation") is a national, nonprofit organization that trains school1 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. See Note 7 for additional information about the license fee agreement.

KIPP NYC, LLC ("LLC") is the sole member of KIPP New York, Inc. ("KNYI"). The School did not receive grants from KNYI for the years ended June 30, 2016 and 2015, respectively. Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2009, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $1,448,769 and $1,513,559 for the years ended June 30, 2016 and 2015, respectively.

KIPP New York, Inc. ("KNYI") is the sole member of KTC NYC, LLC ("KTC"). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date. The School received a grant in the amount of $400,000 for the year ended June 30, 2016.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, college scholars and career preparation.

KIPP NYC Facilities II LLC ("Facilities") is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware non-stock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KIPP NY Inc., KIPP Academy, KIPP AMP, KIPP Infinity, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. There were no transactions between Facilities and the School during the years ended June 30, 2016 and 2015, respectively.

The School, KIPP Academy Charter School, KIPP Infinity Charter School, and New York Public Charter School share minimal common membership on their Board of Directors (maximum of two shared members per school).

Response 21g-1275 Response 24-1750

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and Improvements consist of the following:

	2016	2015
Furniture and Fixtures	$ 276,680	$ 75,247
Leasehold Improvements	1,476,055	965,598
Construction in Process	186,888	-
Technology	665,662	510,327
Equipment	56,164	56,164
Total	2,661,449	1,607,336
Less: Accumulated Depreciation and Amortization	(851,501)	(650,257)
Total Equipment	$ 1,809,948	$ 957,079

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets at June 30, 2016 and 2015 were available for the following purposes:

	2016	2015
Academic Programs	$ 1,845	$ 1,865
Arts & Music Programs	1,065	1,065
Athletic Programs	57	3,496
	$ 2,967	$ 6,426

NOTE 5 PENSION

The School contributes to the Teachers Retirement System of the City of New York, a multiemployer defined benefit pension plan (the "Plan"), on behalf of the 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 57.7% at June 30, 2014, the date of the most recent actuarial calculation as indicated in the June 30, 2015 plan audit. The amount charged to operations for contributions to this Plan amounted to $75,952 and $110,707 for the years ended June 30, 2016 and 2015, respectively.

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the Internal Revenue Code which employees of the School can elect to contribute. Employees, whom option for this plan, can contribute up to the level set by the IRS. The Employer match is a discretionary contribution. Employees who are eligible for the Teachers Retirement System of the City of New York are not eligible for the Company contribution. The employer contributions to this Plan amounted $124,822 and $134,283, for the years ended June 30, 2016 and 2015, respectively.

NOTE 6 SCHOOL FACILITY

The School has an agreement with the New York City Department of Education for dedicated and shared space at M.S. 390, a New York City public school, located at 1224 Park Place, Brooklyn, New York. The facility is provided to the School at no cost. The School is responsible for any overtime-related costs for services provided beyond regular opening hours. These costs have been included in contracted services in the accompanying statement of functional expenses.

The School also jointly occupies approximately 132,500 square feet of space at 201 East 144th St in the South Bronx where the joint high school for KIPP Infinity Charter School, KIPP Academy Charter School, KIPP AMP Academy Charter School and KIPP NYC Public Charter Schools resides. The facility was provided to the School at no cost, but the School must provide for continuing maintenance and operating expenses. The expenses are also included in building costs in the accompanying statement of functional expenses.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. For the years ended June 30, 2016 and 2015, the School incurred licensing fees amounting to $64,197 and $69,156, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education
Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas.

The significant supporting services are:

Management and General
Time and materials relating to operating the non-programmatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

Response 21g-1277 Response 24-1752

NOTE 8 OPERATING EXPENSES (CONTINUED)

Fundraising
Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

NOTE 10 SUBSEQUENT EVENT

At the December 14, 2015 meeting of the Board of Regents of the State University of New York, an application to consolidate KIPP NYC Public Charter Schools, KIPP Infinity Charter School and KIPP AMP Charter School was approved. As of July 1, 2016, the charter schools consolidated their books and records and ceased to operate as three separate entities. The consolidated charter school operates under the charter of KIPP NYC Public Charter Schools.

In preparation for the merger, KIPP NYC Public Charter Schools created four, wholly owned subsidiary LLCs, Washington Heights PCS, LLC, STAR Harlem PCS, LLC, Infinity PCS, LLC and AMP PCS, LLC. These disregarded entities were formed to segregate and protect assets of the four legacy charter entities of KIPP NYC Public Charter Schools (KIPP STAR College Prep Charter Schools, KIPP NYC Washington Heights Charter School, KIPP AMP Charter School and KIPP Infinity Charter School).

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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*

Board of Directors
KIPP AMP Academy Charter School
Brooklyn, New York

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 financial statements of KIPP AMP Academy Charter School, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPP AMP Academy Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIPP AMP Academy Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP AMP Academy Charter 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP AMP Academy Charter School's 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2016

KIPP INFINITY CHARTER SCHOOL

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2016 AND 2015

KIPP INFINITY CHARTER SCHOOL
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2016 AND 2015

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITORS' 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*	15

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
KIPP Infinity Charter School
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of KIPP Infinity Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
KIPP Infinity Charter School

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP Infinity Charter School as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2016, on our consideration of KIPP Infinity Charter 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 KIPP Infinity Charter School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2016

KIPP INFINITY CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 22,387	$ 642,569
Grants and Contracts Receivable	304,830	310,833
Due from Related Parties	1,906,155	2,039,913
Prepaid Expenses and Other Assets	206,029	495,173
Equipment and Improvements	1,225,056	997,406
Total Assets	$ 3,664,457	$ 4,485,894
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 499,152	$ 577,413
Refundable Advances	5,736	-
Total Liabilities	504,888	577,413
NET ASSETS		
Unrestricted	3,122,295	3,907,474
Temporarily Restricted	37,274	1,007
Total Net Assets	3,159,569	3,908,481
Total Liabilities and Net Assets	$ 3,664,457	$ 4,485,894

See accompanying Notes to Financial Statements.

KIPP INFINITY CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 18,908,272	$ -	$ 18,908,272	$ 17,508,161	$ -	$ 17,508,161
Government Grants and Contracts	1,055,499	278,128	1,333,627	1,265,569	-	1,265,569
Total Operating Revenue	19,963,771	278,128	20,241,899	18,773,730	-	18,773,730
OPERATING EXPENSES						
Program Services	19,102,942	-	19,102,942	16,834,199	-	16,834,199
Supporting Services	2,178,398	-	2,178,398	2,026,162	-	2,026,162
Total Operating Expenses	21,281,340	-	21,281,340	18,860,361	-	18,860,361
School Operating Surplus (Deficit)	(1,317,569)	278,128	(1,039,441)	(86,631)	-	(86,631)
Other Revenue:						
Contributions and Other Grants	-	134,773	134,773	306,280	291,269	597,549
Interest and Other Income	142,018	12,463	154,481	175,953	-	175,953
Donated Goods and Services	275	1,000	1,275	488	-	488
	142,293	148,236	290,529	482,721	291,269	773,990
Net Assets Released from Restrictions	390,097	(390,097)	-	294,925	(294,925)	-
CHANGE IN NET ASSETS	(785,179)	36,267	(748,912)	691,015	(3,656)	687,359
Net Assets - Beginning of Year	3,907,474	1,007	3,908,481	3,216,459	4,663	3,221,122
NET ASSETS - END OF YEAR	$ 3,122,295	$ 37,274	$ 3,159,569	$ 3,907,474	$ 1,007	$ 3,908,481

See accompanying Notes to Financial Statements.

Response 21g-1286
Response 24-1761

KIPP INFINITY CHARTER SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	2016				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages	$ 9,800,593	$ 2,257,068	$ 12,057,661	$ -	$ 12,057,661
Payroll Taxes & Employee Benefits	2,541,380	560,226	3,101,606	-	3,101,606
Licensing & Management Fee	68,958	-	68,958	2,178,209	2,247,167
Litigation & Legal Services	3,647	-	3,647	-	3,647
Accounting & Audit Services Fees	24,311	-	24,311	-	24,311
Other Professional Services	477,008	2,688	479,696	-	479,696
Consultant Fees	92,137	29,798	121,935	-	121,935
Grants to Related Entities	3,509	-	3,509	-	3,509
Academic Programming	373,213	6,473	379,686	-	379,686
Field Lessons	242,227	-	242,227	-	242,227
Professional Development	184,016	1,950	185,966	-	185,966
Equipment & Maintenance	374,059	265	374,324	-	374,324
Student Transportation & Other Services	42,325	-	42,325	-	42,325
Supplies & Materials	600,980	631	601,611	-	601,611
Technology Equipment & Materials	400,610	-	400,610	-	400,610
Events	55,390	-	55,390	189	55,579
Printing & Publications	15,019	-	15,019	-	15,019
Occupancy	190,535	-	190,535	-	190,535
Telephone & Internet	289,205	-	289,205	-	289,205
Insurance	175,578	-	175,578	-	175,578
Memberships & Subscriptions	28,507	-	28,507	-	28,507
Postage & Shipping	8,338	-	8,338	-	8,338
Bank & Other Fees	41	-	41	-	41
Candidate Recruiting	5,182	293	5,475	-	5,475
Miscellaneous	16,766	-	16,766	-	16,766
Donated Materials & Services	1,275	-	1,275	-	1,275
Depreciation & Amortization	228,741	-	228,741	-	228,741
Total Functional Expenses	$ 16,243,550	$ 2,859,392	$ 19,102,942	$ 2,178,398	$ 21,281,340

See accompanying Notes to Financial Statements.

KIPP INFINITY CHARTER SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	2015				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages	$ 8,493,055	$ 2,674,743	$ 11,167,798	$ -	$ 11,167,798
Payroll Taxes & Employee Benefits	2,473,205	-	2,473,205	-	2,473,205
Licensing & Management Fee	67,281	-	67,281	2,026,162	2,093,443
Accounting & Audit Services Fees	21,996	-	21,996	-	21,996
Other Professional Services	438,237	17,795	456,032	-	456,032
Consultant Fees	67,955	-	67,955	-	67,955
Grants to Related Entities	1,456	-	1,456	-	1,456
Academic Programming	254,684	14,705	269,389	-	269,389
Field Lessons	242,040	-	242,040	-	242,040
Professional Development	212,826	-	212,826	-	212,826
Equipment & Maintenance	169,673	-	169,673	-	169,673
Student Transportation & Other Services	37,640	-	37,640	-	37,640
Supplies & Materials	495,640	-	495,640	-	495,640
Technology Equipment & Materials	363,547	-	363,547	-	363,547
Events	54,106	-	54,106	-	54,106
Printing & Publications	15,993	-	15,993	-	15,993
Occupancy	160,938	-	160,938	-	160,938
Telephone & Internet	237,836	-	237,836	-	237,836
Insurance	171,152	-	171,152	-	171,152
Memberships & Subscriptions	25,508	-	25,508	-	25,508
Postage & Shipping	4,102	-	4,102	-	4,102
Bank & Other Fees	4	-	4	-	4
Candidate Recruiting	4,175	-	4,175	-	4,175
Miscellaneous	(34,095)	-	(34,095)	-	(34,095)
Donated Materials & Services	488	-	488	-	488
Depreciation & Amortization	147,514	-	147,514	-	147,514
Total Functional Expenses	$ 14,126,956	$ 2,707,243	$ 16,834,199	$ 2,026,162	$ 18,860,361

See accompanying Notes to Financial Statements.

KIPP INFINITY CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State and Federal Sources	$ 20,247,902	$ 18,904,638
Receipts from Others	424,287	278,452
Payments to Suppliers and Vendors	(8,778,320)	(7,998,645)
Payments to Employees	(12,057,661)	(11,167,798)
Net Cash Provided (Used) by Operating Activities	(163,792)	16,647
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(456,390)	(358,445)
Net Cash Used by Capital and Related Financing Activities	(456,390)	(358,445)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(620,182)	(341,798)
Cash and Cash Equivalents - Beginning	642,569	984,367
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 22,387	$ 642,569
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	$ (748,912)	$ 687,359
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	228,741	147,514
Change in Assets and Liabilities		
Decrease in Grants and Contracts Receivable	6,003	130,908
(Increase) Decrease in Prepaid Expenses and Other Assets	289,144	(178,901)
Increase (Decrease) in Due from Related Parties	133,758	(495,538)
Decrease in Accounts Payable and Accrued Expenses	(78,262)	(271,602)
Increase (Decrease) in Refundable Advances	5,736	(3,093)
Net Cash Provided (Used) by Operating Activities	$ (163,792)	$ 16,647

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP Infinity Charter School (the "School") is an education corporation that operates as a charter school in the borough of Manhattan (Harlem), New York City. On March 15, 2005, the Board of Regents of the University of the State of New York granted the School a provisional charter valid for a term of five years and renewable upon expiration. The provisional charter was renewed on March 17, 2015 and is effective through June 30, 2019.

The School's mission is to provide all of its students with the knowledge, skills and character traits necessary to prepare them for success in the nation's finest high schools and colleges, and to contribute to the social improvement of their own community and society at large.

In fiscal years 2016 and 2015, the School operated for students in to kindergarten through twelve.

The major source of revenue and support for the School is from state and local funding on a per pupil basis. 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. Amounts with respect to these items are not included in these financial statements.

Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for not for profit entities. The School is required to report information regarding its financial position and activities in according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Response 21g-1290 Response 24-1765

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2016 and 2015, no allowance was warranted.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

Response 21g-1291 Response 24-1766

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment, Improvements, Depreciation and Amortization

Equipment is recorded at cost. The School capitalizes purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and applicable income tax regulations of the State of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 24, 2016, the date the financial statements were available to be issued.

Response 21g-1292 Response 24-1767

NOTE 2 RELATED PARTY TRANSACTIONS

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. See Note 7 for additional information about the license fee agreement.

KIPP NYC, LLC ("LLC") is the sole member of KIPP New York, Inc. ("KNYI"). The School received grants from KNYI in the amounts of $0 and $500,000 for the years ended June 30, 2016 and 2015, respectively. Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2009, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $2,178,209 and $2,026,162 for the years ended June 30, 2016 and 2015, respectively.

KIPP New York, Inc. ("KNYI") is the sole member of KTC NYC, LLC ("KTC"). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, college scholars and career preparation. There were no transactions between KTC and the School during the year.

KIPP NYC Facilities II LLC ("Facilities") is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware non-stock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KIPP NY Inc., KIPP Academy, KIPP AMP, KIPP Infinity, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. There were no transactions between Facilities and the School during the year.

The School, KIPP AMP Academy Charter School, KIPP Academy Charter School, and New York Public Charter School share minimal common membership on their Board of Directors (maximum of two shared members per school).

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and improvements consist of the following:

	2016	2015
Furniture and Fixtures	$ 72,843	$ 72,843
Leasehold Improvements	1,388,066	1,171,536
Construction in Progress	92,749	-
Equipment and Other	908,579	757,635
Total	2,462,237	2,002,014
Less: Accumulated Depreciation and Amortization	(1,237,181)	(1,004,608)
Total Equipment and Improvements	$ 1,225,056	$ 997,406

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets at June 30, 2016 and 2015 were available for the following purposes:

	2016	2015
Academic Programs	$ 27,274	$ 1,007
Athletic Programs	10,000	-
Total Temporarily Restricted Net Assets	$ 37,274	$ 1,007

NOTE 5 PENSION PLAN

The School contributes to the Teachers Retirement System of the City of New York, a multiemployer defined benefit pension plan (the "Plan"), on behalf of the 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 57.7% at June 30, 2014, the date of the most recent actuarial calculation as indicated in the June 30, 2015 plan audit. The amount charged to operations for contributions to this Plan amounted to $400,315 and $360,405 for the years ended June 30, 2016 and 2015, respectively.

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the Internal Revenue Code which employees of the School can elect to contribute. Employees, whom option for this plan, can contribute up to the level set by the IRS. The Employer match is a discretionary contribution. Employees who are eligible for the Teachers Retirement System of the City of New York are not eligible for the Company contribution. The employer contributions to this Plan amounted $261,513 and $214,660, for the years ended June 30, 2016 and 2015, respectively.

NOTE 6 AGREEMENT FOR SCHOOL FACILITY

The School occupies approximately 27,500 square feet of space through an agreement with the New York City Department of Education for dedicated and shared space at M.S. 195, a New York City public school, located at 625 West 133rd Street, New York City, New York. The facility is provided to the School at no cost. The School is responsible for any overtime-related costs for services provided beyond regular opening hours. These costs have been included in contracted services in the accompanying statement of functional expenses.

The School also jointly occupies approximately 132,500 square feet of space at 201 East 144th St in the South Bronx where the joint high school for KIPP Infinity Charter School, KIPP Academy Charter School, KIPP AMP Academy Charter School and KIPP NYC Public Charter Schools resides. The facility was provided to the School at no cost, but the School must provide for continuing maintenance and operating expenses. The expenses are also included in building costs in the accompanying statement of functional expenses.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. For the years ended June 30, 2016 and 2015, the School incurred licensing fees amount of $68,958 and $67,281, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education
Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas. Starting in Fiscal Year 2015, the program services were required to be broken out between the regular education and special education programs.

Response 21g-1295 Response 24-1770

NOTE 8 OPERATING EXPENSES (CONTINUED)

The significant supporting services are:

Management and General
Time and materials relating to operating the non-programmatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

Fundraising
Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements for such potential claims. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

NOTE 10 SUBSEQUENT EVENT

At the December 14, 2015 meeting of the Board of Regents of the State University of New York, an application to consolidate KIPP NYC Public Charter Schools, KIPP Infinity Charter School and KIPP AMP Charter School was approved. As of July 1, 2016 the charter schools consolidated their books and records and ceased to operate as three separate entities. The consolidated charter school operates under the charter of KIPP NYC Public Charter Schools.

In preparation for the merger, KIPP NYC Public Charter Schools created four, wholly owned subsidiary LLCs, Washington Heights PCS, LLC, STAR Harlem PCS, LLC, Infinity PCS, LLC and AMP PCS, LLC. These disregarded entities were formed to segregate and protect assets of the four legacy charter entities of KIPP NYC Public Charter Schools (KIPP STAR College Prep Charter Schools, KIPP NYC Washington Heights Charter School, KIPP AMP Charter School and KIPP Infinity Charter School).

Response 21g-1296 Response 24-1771

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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*

Board of Directors
KIPP Infinity Charter School
New York, New York

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 financial statements of KIPP Infinity Charter School, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPP Infinity Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIPP Infinity Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP Infinity Charter 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 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 may exist that have not been identified.

Board of Directors
KIPP Infinity Charter School

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP Infinity Charter School's 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2016

Response 21g-1298 Response 24-1773

KIPP NYC PUBLIC CHARTER SCHOOLS

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2016 AND 2015

KIPP NYC PUBLIC CHARTER SCHOOLS
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2016 AND 2015

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
SCHEDULE OF FINANCIAL POSITION BY SCHOOL	15
SCHEDULE OF ACTIVITIES BY SCHOOL	16
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP STAR COLLEGE PREP CHARTER SCHOOL	17
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP NYC WASHINGTON HEIGHTS ACADEMY CHARTER SCHOOL	18
INDEPENDENT AUDITORS' 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*	19

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
KIPP NYC Public Charter Schools
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of KIPP NYC Public Charter Schools (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A member of Nexia International

Board of Directors
KIPP NYC Public Charter Schools

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP NYC Public Charter Schools as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information – Supplemental Schedules

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules, which comprise the schedule of financial position by school, schedule of activities by school and schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the 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 October 24, 2016, on our consideration of KIPP NYC Public Charter Schools' 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 KIPP NYC Public Charter Schools' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2016

Response 21g-1302 Response 24-1777

KIPP NYC PUBLIC CHARTER SCHOOLS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 4,752,580	$ 4,801,183
Grants and Contracts Receivable	439,597	373,694
Prepaid Expenses and Other Assets	279,782	371,368
Property and Equipment	2,102,136	1,384,699
Total Assets	$ 7,574,095	$ 6,930,944
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 616,053	$ 383,730
Due to Related Parties	468,192	1,015,092
Total Liabilities	1,084,245	1,398,822
NET ASSETS		
Unrestricted	6,489,267	5,525,272
Temporarily Restricted	583	6,850
Total Net Assets	6,489,850	5,532,122
Total Liabilities and Net Assets	$ 7,574,095	$ 6,930,944

See accompanying Notes to Financial Statements.

KIPP NYC PUBLIC CHARTER SCHOOLS
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 25,699,528	$ -	$ 25,699,528	$ 21,542,304	$ -	$ 21,542,304
Government Grants and Contracts	1,362,132	539,401	1,901,533	1,252,194	324,855	1,577,049
Total Operating Revenue	27,061,660	539,401	27,601,061	22,794,498	324,855	23,119,353
OPERATING EXPENSES						
Program Services	25,123,766	-	25,123,766	20,497,926	-	20,497,926
Supporting Services	2,955,591	-	2,955,591	2,471,022	-	2,471,022
Total Operating Expenses	28,079,357	-	28,079,357	22,968,948	-	22,968,948
School Operating Surplus (Deficit)	(1,017,697)	539,401	(478,296)	(174,450)	324,855	150,405
Other Revenue						
Contributions and Other Grants	1,161,805	23,793	1,185,598	316,162	163,278	479,440
Interest and Other Income - Net	247,826	-	247,826	211,152	-	211,152
Donated Goods and Services	2,600	-	2,600	3,164	-	3,164
Total Other Revenue	1,412,231	23,793	1,436,024	530,478	163,278	693,756
Net Assets Released from Restrictions	569,461	(569,461)	-	737,442	(737,442)	-
CHANGE IN NET ASSETS	963,995	(6,267)	957,728	1,093,470	(249,309)	844,161
Net Assets - Beginning of Year	5,525,272	6,850	5,532,122	4,431,802	256,159	4,687,961
NET ASSETS - END OF YEAR	$ 6,489,267	$ 583	$ 6,489,850	$ 5,525,272	$ 6,850	$ 5,532,122

See accompanying Notes to Financial Statements.

Response 21g-1304
Response 24-1779

KIPP NYC PUBLIC CHARTER SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	2016				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages	$ 13,281,580	$ 2,829,625	$ 16,111,205	$ -	$ 16,111,205
Payroll Taxes & Employee Benefits	3,099,437	660,773	3,760,210	-	3,760,210
Licensing & Management Fee	126,158	-	126,158	2,955,591	3,081,749
Litigation & Legal Services Fee	3,591	-	3,591	-	3,591
Accounting & Audit Services Fees	28,269	-	28,269	-	28,269
Other Professional Fees	476,677	7,207	483,884	-	483,884
Consultant Fees	90,814	27,270	118,084	-	118,084
Grants to Related Entities	3,060	-	3,060	-	3,060
Academic Programming	496,736	5,781	502,517	-	502,517
Alumni Programming	1,313	-	1,313	-	1,313
Field Lessons	340,432	-	340,432	-	340,432
Professional Development	250,754	9,209	259,963	-	259,963
Equipment & Maintenance	341,755	-	341,755	-	341,755
Student Transportation & Other Services	48,440	-	48,440	-	48,440
Supplies & Materials	720,815	387	721,202	-	721,202
Technology Equipment & Materials	514,198	-	514,198	-	514,198
Events	74,000	-	74,000	-	74,000
Printing & Publications	34,514	-	34,514	-	34,514
Occupancy	203,468	-	203,468	-	203,468
Telephone & Internet	618,500	-	618,500	-	618,500
Insurance	253,905	-	253,905	-	253,905
Memberships & Subscriptions	42,362	-	42,362	-	42,362
Postage & Shipping	7,830	-	7,830	-	7,830
Bank and Other Fees	68	-	68	-	68
Candidate Recruiting	5,781	248	6,029	-	6,029
Miscellaneous	56,091	134	56,225	-	56,225
Donated Goods & Services	2,600	-	2,600	-	2,600
Depreciation & Amortization	399,554	-	399,554	-	399,554
Uncollectible Receivables	60,430	-	60,430	-	60,430
Total Functional Expenses	$ 21,583,132	$ 3,540,634	$ 25,123,766	$ 2,955,591	$ 28,079,357

See accompanying Notes to Financial Statements.

KIPP NYC PUBLIC CHARTER SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	2015				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages	$ 10,684,231	$ 2,848,531	$ 13,532,762	$ -	$ 13,532,762
Payroll Taxes & Employee Benefits	2,645,468	-	2,645,468	-	2,645,468
Licensing & Management Fee	82,070	-	82,070	2,471,022	2,553,092
Accounting & Audit Services Fees	32,979	-	32,979	-	32,979
Other Professional Fees	602,014	-	602,014	-	602,014
Consultant Fees	12,379	11,070	23,449	-	23,449
Grants to Related Entities	1,487	-	1,487	-	1,487
Academic Programming	362,518	10,314	372,832	-	372,832
Alumni Programming	1,898	-	1,898	-	1,898
Field Lessons	303,564	-	303,564	-	303,564
Professional Development	270,157	-	270,157	-	270,157
Equipment & Maintenance	175,779	-	175,779	-	175,779
Student Transportation & Other Services	48,351	-	48,351	-	48,351
Supplies & Materials	579,379	-	579,379	-	579,379
Technology Equipment & Materials	616,406	-	616,406	-	616,406
Events	51,390	-	51,390	-	51,390
Printing & Publications	27,011	-	27,011	-	27,011
Occupancy	184,000	-	184,000	-	184,000
Telephone & Internet	453,716	-	453,716	-	453,716
Insurance	210,829	-	210,829	-	210,829
Memberships & Subscriptions	37,650	-	37,650	-	37,650
Postage & Shipping	7,155	-	7,155	-	7,155
Bank and Other Fees	4	-	4	-	4
Candidate Recruiting	13,237	-	13,237	-	13,237
Miscellaneous	(16,880)	-	(16,880)	-	(16,880)
Donated Goods & Services	3,164	-	3,164	-	3,164
Depreciation & Amortization	236,533	-	236,533	-	236,533
Uncollectible Receivables	1,522	-	1,522	-	1,522
Total Functional Expenses	$ 17,628,011	$ 2,869,915	$ 20,497,926	$ 2,471,022	$ 22,968,948

See accompanying Notes to Financial Statements.

Response 21g-1306 Response 24-1781

KIPP NYC PUBLIC CHARTER SCHOOLS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State and Federal Sources	$ 27,535,158	$ 23,476,325
Receipts from Others	1,436,024	693,756
Payments to Suppliers and Vendors	(11,791,589)	(8,577,090)
Payments to Employees	(16,111,205)	(13,532,762)
Net Cash Provided by Operating Activities	1,068,388	2,060,229
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(1,116,991)	(947,353)
Net Cash Used by Capital and Related Financing Activities	(1,116,991)	(947,353)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(48,603)	1,112,876
Cash and Cash Equivalents - Beginning	4,801,183	3,688,307
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,752,580	$ 4,801,183
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	$ 957,728	$ 844,161
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	399,554	236,533
Change in Assets and Liabilities		
(Increase) Decrease in Grants and Contracts Receivable	(65,903)	356,972
(Increase) Decrease in Prepaid Expenses and Other Assets	91,586	(44,277)
Increase (Decrease) in Accounts Payable and Accrued Expenses	232,323	114,627
Increase (Decrease) in Due to Related Parties	(546,900)	552,213
Net Cash Provided by Operating Activities	$ 1,068,388	$ 2,060,229

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP NYC Public Charter Schools (the "School") is an education corporation that is the consolidation of the former KIPP STAR College Prep Charter School (STAR) and KIPP NYC Washington Heights Academy Charter School (Washington Heights). As of July 1, 2013, the charter schools combined their financial books and records as a business combination accounted for as a merger and ceased operating as two separate entities. Through their merger, the charter entities seek to achieve substantial operational efficiencies in governance and accounting workflow, enhanced buying power and shared resources, all of which will provide for a more streamlined, cost efficient organization for students, families and staff. The School's mission is to equip students with the academic and character skills necessary to succeed in high school, college and the competitive world beyond. The School is operating under the provisional charter of KIPP NYC Washington Heights Academy Charter School. The charter is effective through June 30, 2016.

In fiscal year 2015, the School operated for students in kindergarten through three and grades five through twelve. In 2016, grade four was added.

The major source of revenue and support for the School is from state and local funding on per pupil basis. 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. Amounts with respect to these items are not included in these financial statements.

Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for not for profit entities. The School is required to report information regarding its financial position and activities in according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Response 21g-1308 Response 24-1783

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2016 and 2015, an allowance was not warranted.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

Response 21g-1309 Response 24-1784

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment, Improvements, and Depreciation

Property and equipment is recorded at cost. The School capitalizes purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Property and equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and applicable income tax regulations of the State of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements.

Reclassification

Certain accounts in the prior year information have been reclassified to conform to the presentation in the current year financial statements. The reclassification had no effect on previously reported net assets or change in net asset amounts.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 24, 2016, the date the financial statements were available to be issued.

Response 21g-1310 Response 24-1785

NOTE 2 RELATED PARTY TRANSACTIONS

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. See Note 7 for additional information about the license fee agreement.

KIPP NYC, LLC ("LLC") is the sole member of KIPP New York, Inc. ("KNYI"). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2013, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $2,955,591 and $ 2,471,022 for the years ended June 30, 2016 and 2015, respectively. In 2012, the School was provided a $250,000 interest free loan from LLC which has been repaid during fiscal year 2016.

KIPP New York, Inc. ("KNYI") is the sole member of KTC NYC, LLC ("KTC"). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, collage scholars and career preparation. There were no transactions between KTC and the School during the year.

KIPP NYC Facilities II LLC ("Facilities") is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware non-stock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KIPP NY Inc., KIPP Academy, KIPP AMP, KIPP Infinity, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. There were no transactions between Facilities and the School during the years ended June 30, 2016 and 2015.

The School, KIPP Academy Charter School, KIPP AMP Academy Charter School, and KIPP Infinity Charter School, share minimal common membership on their Board of Directors (maximum of two shared members per school).

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and Improvements consists of the following:

	2016	2015
Furniture and Fixtures	$ 117,272	$ 117,272
Technology	1,437,050	1,053,636
Equipment	62,390	62,390
Leasehold Improvements	1,549,558	1,047,325
Construction in Progress	230,038	-
Total	3,396,308	2,280,623
Less: Accumulated Depreciation and Amortization	(1,294,172)	(895,924)
Total Property and Equipment	$ 2,102,136	$ 1,384,699

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets at June 30, 2016 and 2015 were available for the following purposes:

	2016	2015
Athletic Programs	$ 86	$ 3,375
Music Programs	273	273
Academic Programs	224	3,202
	$ 583	$ 6,850

NOTE 5 PENSION EXPENSE

Due to a cost sharing arrangement for high school employees the School incurs expenses for a defined benefit pension plan provided by KIPP Infinity Charter School. The amount charged to the School's operations for contributions to this Plan amounted to $87,476 and $75,710 for the years ended June 30, 2016 and 2015, respectively.

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the Internal Revenue Code which employees of the School can elect to contribute. Employees, who choose this plan, can contribute up to the level set by the IRS. The Employer match is a discretionary contribution. The employer contributions to this Plan amounted $313,826 and $253,578 for the years ended June 30, 2016 and 2015, respectively.

NOTE 6 SCHOOL FACILITY

The School occupies several facilities. The School has an agreement with the New York City Department of Education for this dedicated and shared space at P.S. 125, a New York City public school, located at West 123rd Street, New York City, New York, P.S 115, New York City public school, located at West 177th Street, New York City, New York, and at I.S. 90, a New York City public school, located at Jumel Place, New York City, New York. The School is responsible for any overtime-related costs for services provided beyond regular opening hours in both facilities. These costs have been included in contracted services in the accompanying statement of functional expenses. The School also jointly occupies approximately 132,500 square feet of space at 201 East 144th St in the South Bronx where the joint high school for KIPP NYC Public Charter Schools, KIPP Academy Charter School, KIPP AMP Academy Charter School and KIPP Infinity Charter School resides.

The facility was provided to the School at no cost, but the School must provide for continuing maintenance and operating expenses. The expenses are also included in building costs in the accompanying statement of functional expenses.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. The School incurred licensing fees amounting to $126,158 and $82,070 for the years ended June 30, 2016 and 2015, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education
Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas.

The significant supporting services are:

Management and General
Time and materials relating to operating the non-programmatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

NOTE 8 OPERATING EXPENSES (CONTINUED)

Fundraising

Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

NOTE 10 SUBSEQUENT EVENT

At the December 14, 2015 meeting of the Board of Regents of the State University of New York, an application to consolidate KIPP NYC Public Charter Schools, KIPP Infinity Charter School and KIPP AMP Charter School was approved. As of July 1, 2016 the charter schools consolidated their books and records and ceased to operate as three separate entities. The consolidated charter school operates under the charter of KIPP NYC Public Charter Schools.

In preparation for the merger, KIPP NYC Public Charter Schools created four, wholly owned subsidiary LLCs, Washington Heights PCS, LLC, STAR Harlem PCS, LLC, Infinity PCS, LLC and AMP PCS, LLC. These disregarded entities were formed to segregate and protect assets of the four legacy charter entities of KIPP NYC Public Charter Schools (KIPP STAR College Prep Charter Schools, KIPP NYC Washington Heights Charter School, KIPP AMP Charter School and KIPP Infinity Charter School).

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2016

	KIPP STAR COLLEGE PREP	KIPP NYC WASHINGTON HEIGHTS ACADEMY	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 1,479,862	3,272,718	$ 4,752,580
Grants and Contracts Receivable	190,954	248,643	439,597
Prepaid Expenses and Other Assets	188,567	91,215	279,782
Property and Equipment	639,970	1,462,166	2,102,136
Total Assets	$ 2,499,353	$ 5,074,742	$ 7,574,095
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable and Accrued Expenses	$ 349,469	$ 266,584	$ 616,053
Due to / (from) Related Parties	1,744,513	(1,276,321)	468,192
Total Liabilities	2,093,982	(1,009,737)	1,084,245
NET ASSETS			
Unrestricted	1,600,601	4,888,666	6,489,267
Temporarily Restricted	583	-	583
Total Net Assets	1,601,184	4,888,666	6,489,850
Total Liabilities and Net Assets	$ 3,695,166	$ 3,878,929	$ 7,574,095

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF ACTIVITIES BY SCHOOL
YEAR ENDED JUNE 30, 2016

	KIPP STAR COLLEGE PREP			KIPP NYC WASHINGTON HEIGHTS ACADEMY			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	TOTAL
OPERATING REVENUE							
State and Local Per Pupil Operating Revenue	$ 12,330,740	$ -	$ 12,330,740	$ 13,368,788	$ -	$ 13,368,788	$ 25,699,528
Government Grants and Contracts	443,813	539,401	983,214	918,319	-	918,319	1,901,533
Total Operating Revenue	12,774,553	539,401	13,313,954	14,287,107	-	14,287,107	27,601,061
OPERATING EXPENSES							
Program Services	13,615,143	-	13,615,143	11,508,623	-	11,508,623	25,123,766
Supporting Services	1,420,210	-	1,420,210	1,535,381	-	1,535,381	2,955,591
Total Operating Expenses	15,035,353	-	15,035,353	13,044,004	-	13,044,004	28,079,357
School Operating Surplus (Deficit)	(2,260,800)	539,401	(1,721,399)	1,243,103	-	1,243,103	(478,296)
Other Revenue							
Contributions and Other Grants	1,155,805	23,793	1,179,598	6,000	-	6,000	1,185,598
Interest and Other Income - Net	131,617	-	131,617	116,209	-	116,209	247,826
Donated Goods and Services	300	-	300	2,300	-	2,300	2,600
Total Other Revenue, Net	1,287,722	23,793	1,311,515	124,509	-	124,509	1,436,024
Net Assets Released from Restrictions	569,461	(569,461)	-	-	-	-	-
CHANGE IN NET ASSETS	(403,617)	(6,267)	(409,884)	1,367,612	-	1,367,612	957,728
Net Assets - Beginning of Year	2,004,218	6,850	2,011,068	3,521,054	-	3,521,054	5,532,122
NET ASSETS - END OF YEAR	$ 1,600,601	$ 583	$ 1,601,184	$ 4,888,666	$ -	$ 4,888,666	$ 6,489,850

Response 21g-1316

Response 24-1791

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES –
KIPP STAR COLLEGE PREP CHARTER SCHOOL
YEAR ENDED JUNE 30, 2016

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages	$ 7,041,547	$ 1,369,075	$ 8,410,622	$ -	$ 8,410,622
Payroll Taxes & Employee Benefits	1,632,084	317,322	1,949,406	-	1,949,406
Licensing & Management Fee	66,158	-	66,158	1,420,210	1,486,368
Litigation & Legal Services Fee	3,591	-	3,591	-	3,591
Accounting & Audit Services Fees	13,711	-	13,711	-	13,711
Other Professional Services	399,069	1,725	400,794	-	400,794
Consultant Fees	62,979	27,270	90,249	-	90,249
Grants to Related Entities	3,060	-	3,060	-	3,060
Academic Programming	322,180	4,914	327,094	-	327,094
Field Lessons	207,689	-	207,689	-	207,689
Professional Development	160,777	3,936	164,713	-	164,713
Equipment & Maintenance	206,501	-	206,501	-	206,501
Student Transportation & Other Services	32,630	-	32,630	-	32,630
Supplies & Materials	464,638	387	465,025	-	465,025
Technology Equipment & Materials	283,244	-	283,244	-	283,244
Events	58,912	-	58,912	-	58,912
Printing & Publications	20,718	-	20,718	-	20,718
Occupancy	185,513	-	185,513	-	185,513
Telephone & Internet	308,535	-	308,535	-	308,535
Insurance	119,671	-	119,671	-	119,671
Memberships & Subscriptions	20,602	-	20,602	-	20,602
Postage & Shipping	5,855	-	5,855	-	5,855
Bank and Other Fees	11	-	11	-	11
Candidate Recruiting	1,752	248	2,000	-	2,000
Miscellaneous	40,842	72	40,914	-	40,914
Use of Donated Materials & Services	300	-	300	-	300
Depreciation & Amortization	194,183	-	194,183	-	194,183
Uncollectible Receivables	33,442	-	33,442	-	33,442
Total Functional Expenses	$ 11,890,194	$ 1,724,949	$ 13,615,143	$ 1,420,210	$ 15,035,353

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES –
KIPP NYC WASHINGTON HEIGHTS ACADEMY CHARTER SCHOOL
YEAR ENDED JUNE 30, 2016

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management & General	Total Expenses
Employee Wages	$ 6,240,033	$ 1,460,550	$ 7,700,583	$ -	$ 7,700,583
Payroll Taxes & Employee Benefits	1,467,353	343,451	1,810,804	-	1,810,804
Licensing & Management Fee	60,000	-	60,000	1,535,381	1,595,381
Accounting & Audit Services Fees	14,558	-	14,558	-	14,558
Other Professional Services	77,608	5,482	83,090	-	83,090
Consultant Fees	27,835	-	27,835	-	27,835
Academic Programming	174,556	867	175,423	-	175,423
Alumni Programming	1,313	-	1,313	-	1,313
Field Lessons	132,743	-	132,743	-	132,743
Professional Development	89,977	5,273	95,250	-	95,250
Equipment & Maintenance	135,254	-	135,254	-	135,254
Student Transportation & Other Services	15,810	-	15,810	-	15,810
Supplies & Materials	256,177	-	256,177	-	256,177
Technology Equipment & Materials	230,954	-	230,954	-	230,954
Events	15,088	-	15,088	-	15,088
Printing & Publications	13,796	-	13,796	-	13,796
Occupancy	17,955	-	17,955	-	17,955
Telephone & Internet	309,965	-	309,965	-	309,965
Insurance	134,234	-	134,234	-	134,234
Memberships & Subscriptions	21,760	-	21,760	-	21,760
Postage & Shipping	1,975	-	1,975	-	1,975
Bank and Other Fees	57	-	57	-	57
Candidate Recruiting	4,029	-	4,029	-	4,029
Miscellaneous	15,249	62	15,311	-	15,311
Use of Donated Materials & Services	2,300	-	2,300	-	2,300
Depreciation & Amortization	205,371	-	205,371	-	205,371
Uncollectible Receivables	26,988	-	26,988	-	26,988
Total Functional Expenses	$ 9,692,938	$ 1,815,685	$ 11,508,623	$ 1,535,381	$ 13,044,004

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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*

Board of Trustees
KIPP NYC Public Charter Schools
New York, New York

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 financial statements of KIPP NYC Public Charter Schools, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPP NYC Public Charter Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIPP NYC Public Charter Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP NYC Public Charter Schools' 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP NYC Public Charter Schools' 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2016

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

The Board of Directors and Management
KIPP New York Charter Schools
New York, New York

In planning and performing our audits of the financial statements of KIPP Academy Charter School, KIPP AMP Academy Charter School, KIPP Infinity Charter School and KIPP NYC Public Charter Schools ("KIPP New York Charter Schools") as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal control and operating efficiency. Our comments and suggestions regarding those matters are summarized below. This letter does not affect our communication dated October 24, 2016.

Prior Year Comments:

Completeness of SEFA Schedule (All Schools)
During the review of the original Schedule of Federal Awards (SEFA) schedule, year-end trial balance and grant agreement, it was identified that the food service program income should be federal funding and should be included on the SEFA schedule. We recommend management continue to review grant and award agreements to identify funding sources and determine the funds have been properly identified as federal or non-federal funding.

Current year update:
No issues were noted during the review of the federal revenue and review of Schedule of Federal Expenditures completed during FY16. This item has been resolved for the current year.

Shared Services Agreement (All schools)
During our review of the Shared Services agreements between KIPP NYC LLC and the KIPP NYC Charter Schools, we observed the current agreements states a 10% service fee percentage being charged to the KIPP New York Charter Schools based on the net state and federal government revenue received. We were provided an approved Board resolution from the June 2013 minutes stating the fee increasing to 11%. We noted there were no amended signed agreements highlighting the change of the service fee percentage. Related party activity between the schools involves potential risk and skepticism from outside parties. As a best practice, KIPP New York Charter Schools should have current signed documents and agreements to support the transactions between the schools. We recommend management and the Board of directors prepare and sign an updated Shared Services agreement to properly coincide with the change in the service fee percentage.

Current year update:
An agreement has been updated to note the 11% fee and has been signed. This item has been resolved for the current year.

Employee Personnel File Documentation (KIPP Academy, Infinity and Public Charter School)

During our review of employee personnel files, it was observed that some of the employee's I-9 forms and verification documents were missing (I-9s – 1 missing for Academy and 2 missing for Public Charter School. Verification documents - 2 missing for Infinity and 1 missing for Public Charter School). In addition, there was 1 fingerprint form missing for Infinity. These are required forms to verify employment for the school employees and working with students. We recommend that the School ensure the required forms and documents are provided at the time of employment.

Current year update:
During our review, there was still missing documentation in Infinity and AMP in the current year. Both schools had an employee who did not sign their W-4. We recommend that the School ensure the required forms and documents are provided at the time of employment.

Management's response:

We will continue to work on improving our review process of personnel files to ensure that all required documentation is completed accurately.

Student Reporting (Infinity)

We noted one files did not include proof of residency/address verification and existence documents that should be included in the student's file. This was a student who left during the school year and the documentation was not received while the student was enrolled. We recommend that the School systematically review the student files to make sure the required documentation is included.

Current year update:
There were no issues of missing proof of residency/address verification and existence documents during our audit testing. This item has been resolved for the current year.

* * * * * *

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2016

KIPP ACADEMY CHARTER SCHOOL

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2017 AND 2016

KIPP ACADEMY CHARTER SCHOOL
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2017 AND 2016

INDEPENDENT AUDITORS' REPORT	**1**
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	**3**
STATEMENTS OF ACTIVITIES	**4**
STATEMENTS OF FUNCTIONAL EXPENSES	**5**
STATEMENTS OF CASH FLOWS	**7**
NOTES TO FINANCIAL STATEMENTS	**8**
SINGLE AUDIT REQUIREMENTS	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**15**
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**16**
INDEPENDENT AUDITORS' 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*	**17**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	**19**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**21**

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
KIPP Academy Charter School
Bronx, New York

Report on the Financial Statements

We have audited the accompanying financial statements of KIPP Academy Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP Academy Charter School as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the KIPP Academy Charter School's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic 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 October 26, 2017 on our consideration of KIPP Academy Charter 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 result of that testing, and not to provide an opinion on the effectiveness of KIPP Academy Charter 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 KIPP Academy Charter School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2017

KIPP ACADEMY CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Cash Equivalents	$ 3,469,309	$ 3,715,380
Grants and Contracts Receivable	514,625	324,305
Prepaid Expenses and Other Assets	46,153	52,580
Equipment and Improvements	493,283	457,528
Total Assets	$ 4,523,370	$ 4,549,793
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 530,292	$ 243,736
Refundable Advances	19,755	587
Due to Related Parties	1,307,370	1,553,455
Total Liabilities	1,857,417	1,797,778
NET ASSETS		
Unrestricted	2,635,502	2,747,132
Temporarily Restricted	30,451	4,883
Total Net Assets	2,665,953	2,752,015
Total Liabilities and Net Assets	$ 4,523,370	$ 4,549,793

See accompanying Notes to Financial Statements.

Response 21g-1328 Response 24-1803

KIPP ACADEMY CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 17,326,109	$ -	$ 17,326,109	$ 17,253,915	$ -	$ 17,253,915
Federal Government Grants and Contracts	961,376	-	961,376	782,881	-	782,881
Nonfederal Grants and Contracts	522,908	-	522,908	672,404	-	672,404
Total Operating Revenue	18,810,393	-	18,810,393	18,709,200	-	18,709,200
OPERATING EXPENSES						
Program Services	18,685,484	-	18,685,484	18,539,847	-	18,539,847
Supporting Services	2,023,168	-	2,023,168	2,003,755	-	2,003,755
Total Expenses	20,708,652	-	20,708,652	20,543,602	-	20,543,602
SCHOOL OPERATING REVENUE (DEFICIT)	(1,898,259)	-	(1,898,259)	(1,834,402)	-	(1,834,402)
OTHER REVENUE AND EXPENSES						
Contributions and Other Grants	1,520,332	171,046	1,691,378	777,193	365,282	1,142,475
Interest and Other Income	120,819	-	120,819	149,587	-	149,587
Total Other Revenue and Expenses, Net	1,641,151	171,046	1,812,197	926,780	365,282	1,292,062
NET ASSETS RELEASED FROM RESTRICTIONS	145,478	(145,478)	-	367,130	(367,130)	-
CHANGE IN NET ASSETS	(111,630)	25,568	(86,062)	(540,492)	(1,848)	(542,340)
Net Assets – Beginning of Year	2,747,132	4,883	2,752,015	3,287,624	6,731	3,294,355
NET ASSETS – END OF YEAR	$ 2,635,502	$ 30,451	$ 2,665,953	$ 2,747,132	$ 4,883	$ 2,752,015

See accompanying Notes to Financial Statements.

Response 21g-1329
Response 24-1804

KIPP ACADEMY CHARTER SCHOOL
STATEMENT OF FUCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	2017				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 9,404,714	$ 1,218,414	$ 10,623,128	$ -	$ 10,623,128
Payroll Taxes and Employee Benefits	3,441,003	176,624	3,617,627	-	3,617,627
Licensing and Management Fee	37,818	-	37,818	2,017,771	2,055,589
Litigation and Legal Services Fees	811,418	-	811,418	-	811,418
Other Professional Fees	625,865	7,230	633,095	-	633,095
Supplies and Materials	475,254	-	475,254	-	475,254
Occupancy	362,580	-	362,580	-	362,580
Telephone and Internet	339,989	-	339,989	-	339,989
Technology Equipment and Materials	303,226	67	303,293	-	303,293
Equipment and Maintenance	245,066	-	245,066	-	245,066
Academic Programming	237,602	2,294	239,896	-	239,896
Professional Development	204,383	111	204,494	-	204,494
Insurance	194,999	-	194,999	-	194,999
Depreciation and Amortization	180,787	-	180,787	-	180,787
Field Lessons	168,338	-	168,338	-	168,338
Consultants	41,103	27,063	68,166	-	68,166
Student Events	53,444	-	53,444	5,397	58,841
Student Transportation and Other Fees	34,203	-	34,203	-	34,203
Memberships and Subscriptions	27,184	-	27,184	-	27,184
Accounting and Audit Services Fees	21,844	-	21,844	-	21,844
Printing and Publications	19,368	-	19,368	-	19,368
Uncollectible Receivables	11,876	-	11,876	-	11,876
Postage and Shipping	5,473	-	5,473	-	5,473
Miscellaneous	2,904	3	2,907	-	2,907
Candidate Recruiting	1,678	-	1,678	-	1,678
Alumni Programming	704	-	704	-	704
Grants to Related Entities	586	-	586	-	586
Use of Donated Materials and Services	271	-	271	-	271
Bank and Other Fees	59	-	59	-	59
Prior Period Adjustments	(61)	-	(61)	-	(61)
Total Expenditures	$ 17,253,678	$ 1,431,806	$ 18,685,484	$ 2,023,168	$ 20,708,652

See accompanying Notes to Financial Statements.

KIPP ACADEMY CHARTER SCHOOL
STATEMENT OF FUCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	2016				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 10,078,729	$ 1,295,575	$ 11,374,304	$ -	$ 11,374,304
Payroll Taxes and Employee Benefits	3,053,523	175,258	3,228,781	-	3,228,781
Licensing and Management Fee	39,033	-	39,033	1,998,438	2,037,471
Other Professional Fees	697,357	9,568	706,925	-	706,925
Supplies and Materials	560,750	42	560,792	-	560,792
Telephone and Internet	378,707	-	378,707	-	378,707
Occupancy	377,452	-	377,452	-	377,452
Technology Equipment and Materials	328,355	-	328,355	-	328,355
Academic Programming	298,224	336	298,560	-	298,560
Equipment and Maintenance	259,773	-	259,773	-	259,773
Insurance	194,603	-	194,603	-	194,603
Professional Development	185,246	4,723	189,969	-	189,969
Field Lessons	162,209	-	162,209	-	162,209
Depreciation and Amortization	148,337	-	148,337	-	148,337
Consultants	65,056	29,122	94,178	-	94,178
Student Events	41,539	-	41,539	5,317	46,856
Student Transportation and Other Fees	34,601	-	34,601	-	34,601
Memberships and Subscriptions	30,923	-	30,923	-	30,923
Uncollectible Receivables	24,938	-	24,938	-	24,938
Accounting and Audit Services Fees	24,032	-	24,032	-	24,032
Printing and Publications	15,807	-	15,807	-	15,807
Postage and Shipping	7,357	-	7,357	-	7,357
Prior Period Adjustments	6,169	658	6,827	-	6,827
Candidate Recruiting	4,938	297	5,235	-	5,235
Litigation and Legal Services Fees	3,678	-	3,678	-	3,678
Grants to Related Entities	3,538	-	3,538	-	3,538
Bank and Other Fees	12	-	12	-	12
Miscellaneous	(618)	-	(618)	-	(618)
Total Expenditures	$ 17,024,268	$ 1,515,579	$ 18,539,847	$ 2,003,755	$ 20,543,602

See accompanying Notes to Financial Statements.

KIPP ACADEMY CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State, and Federal Sources	$ 18,620,073	$ 18,645,966
Receipts from Others	1,812,197	1,292,062
Payments to Suppliers and Vendors	(9,838,671)	(7,833,331)
Payments to Employees	(10,623,128)	(11,374,304)
Net Cash Provided (Used) by Operating Activities	(29,529)	730,393
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(216,542)	(351,306)
Net Cash Used by Capital and Related Financing Activities	(216,542)	(351,306)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(246,071)	379,087
Cash and Cash Equivalents – Beginning of Year	3,715,380	3,336,293
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 3,469,309	$ 3,715,380
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	$ (86,062)	$ (542,340)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	180,787	148,337
Change in Assets and Liabilities:		
Grants and Contracts Receivable	(190,320)	(63,234)
Prepaid Expenses and Other Assets	6,427	18,105
Accounts Payable and Accrued Expenses	286,556	28,151
Refundable Advances	19,168	587
Due to Related Parties	(246,085)	1,140,787
Total Adjustments	56,533	1,272,733
Net Cash Provided (Used) by Operating Activities	$ (29,529)	$ 730,393

See accompanying Notes to Financial Statements.

Response 21g-1332 Response 24-1807

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP Academy Charter School (the School) is an education corporation that operates as a charter school in the borough of the Bronx, New York City. On May 4, 2000, the Board of Regents of the City of New York for and on behalf of the State Education Department, granted the School a provisional charter valid for a term of five years from the effective date of September 1, 2000 and renewable upon expiration. The provisional charter was renewed on April 14, 2015 and is now effective through June 30, 2019.

The School was converted from an existing New York City Department of Education school. The School's mission is to prepare students with the academic and character skills necessary to succeed in high school, college, and the competitive world beyond.

In fiscal years 2017 and 2016, the School operated classes for students in grades kindergarten through twelve.

The major source of revenue and support for the School is from state and local funding on a per pupil basis. 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. Amounts with respect to these items are not included in these financial statements.

Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for nonprofit entities. The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2017 and 2016, no allowance was warranted.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status is based on the number of students enrolled. The revenue is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

Response 21g-1334 Response 24-1809

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment, Improvements, Depreciation, and Amortization

Equipment is recorded at cost. The School capitalizes purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable income tax regulations of the state of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 26, 2017, the date the financial statements were available to be issued.

Response 21g-1335 Response 24-1810

NOTE 2 RELATED PARTY TRANSACTIONS

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. KIPP Foundation charges a license fee to all of the KIPP Charter Schools. See Note 7 for additional information about the license fee agreement.

KIPP NYC, LLC (LLC) is the sole member of KIPP New York, Inc. (KNYI). The School received grants from KNYI in the amounts of $1,500,000 and $1,000,000 for the years ended June 30, 2017 and 2016, respectively. Amounts due to and from related parties represent short-term timing differences of expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2009, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $2,017,771 and $1,998,438 for the years ended June 30, 2017 and 2016, respectively.

KIPP New York, Inc. (KNYI) is the sole member of KTC NYC, LLC (KTC). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, college scholars and career preparation. There were no transactions between KTC and the School during the year.

KIPP NYC Facilities II LLC (Facilities) is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware nonstock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KNYI, the School, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. The School had no transactions with Facilities during the years ended June 30, 2017 and 2016.

The School and KIPP NYC Public Charter Schools share some common membership on their board of directors.

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and improvements consist of the following:

	2017	2016
Furniture and Fixtures	$ 98,022	$ 81,147
Technology	1,636,334	1,614,407
Leasehold Improvements	534,727	292,337
Construction in Progress	-	66,733
Equipment	241,864	241,864
Total	2,510,947	2,296,488
Less: Accumulated Depreciation and Amortization	(2,017,664)	(1,838,960)
Total Equipment and Improvements	$ 493,283	$ 457,528

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets were available for the following purposes at June 30:

	2017	2016
Purpose Restrictions:		
Athletic Programs	$ -	$ 1,238
Arts and Music Programs	7,240	2,365
Academic Programs	23,211	1,280
Total Temporarily Restricted Net Assets	$ 30,451	$ 4,883

NOTE 5 PENSION PLAN

The School is part of the KIPP NYC 403(b) Retirement Plan, a multi-employer defined contribution plan, under Section 403(b) of the IRC which employees of the School can elect to contribute. Employees, whom option for 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 this Plan amounted $113,883 and $72,865 for the years ended June 30, 2017 and 2016, respectively.

The School also contributes to the Teachers Retirement System of the City of New York, a multi-employer defined benefit pension plan (the Plan), on behalf of the 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 55.7% at June 30, 2014, the date of the most recent actuarial calculation as indicated in the June 30, 2016 plan audit. The amount charged to operations for contributions to this Plan amounted to $1,245,990 and $765,088 for the years ended June 30, 2017 and 2016, respectively.

NOTE 6 SCHOOL FACILITY

The School occupies three facilities to support its operations. Approximately 25,000 square feet of dedicated and shared space located at 250 East 156th St. in the South Bronx, New York is occupied through an agreement with the New York City Department of Education, which provides the space at no cost. The School is responsible for any overtime-related costs for services provided beyond regular opening hours. These costs have been included in building costs in the accompanying statement of functional expenses.

The School also jointly occupies approximately 132,500 square feet of space at 201 East 144th St in the South Bronx where the joint high school for KIPP Academy Charter School and KIPP NYC Public Charter Schools resides. The facility was provided to the School at no cost, but the School must provide for continuing maintenance and operating expenses. The expenses are also included in building costs in the accompanying statement of functional expenses. The School also occupies the Mott Haven Facility.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. For the years ended June 30, 2017 and 2016, the School incurred licensing fees amounting to $37,818 and $39,033, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education

Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas.

The significant supporting services are:

Management and General

Time and materials relating to operating the nonprogrammatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

NOTE 8 OPERATING EXPENSES (CONTINUED)

Fundraising

Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting, and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements for such potential claims. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

Response 21g-1339 Response 24-1814

KIPP ACADEMY CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant/ Contract Period	Grant Amount	Accrued or (Deferred) Revenue at 7/1/16	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued or (Deferred) at 6/30/17
U.S. Department of Education:									
Pass-through New York Department of Education:									
Title I Grant – Improving Academic Achievement	I	84.010A	0021-164110	9/1/15-8/31/16	643,488	$ -	$ 94,397	$ 94,382	$ (15)
Title I Grant – Improving Academic Achievement	I	84.010A	0021-174110	9/1/16-8/31/17	637,596	-	523,670	523,670	-
Total Title I Grant – Improving Academic Achievement						-	618,067	618,052	(15)
Title II Grant – Teaching, Principal Training, Recruitment	I	84.367A	0147-164110	9/1/15-8/31/16	23,416	-	3,903	3,903	-
Title II Grant – Teaching, Principal Training, Recruitment	I	84.367A	0147-174110	9/1/16-8/31/17	21,512	-	17,927	17,927	-
Total Title II Grant – Teaching, Principal Training, Recruitment						-	21,830	21,830	-
Supporting Effective Educator Development (SEED)	I	84.367D	U367D150018	7/1/16-6/30/17	18,750	-	18,750	18,750	-
Total U.S. Department of Education						-	658,647	658,632	(15)
U.S. Department of Agriculture:									
Pass-through New York Department of Education:									
School Food Program	I	10.555	n/a	7/1/16-6/30/17	136,733	-	136,733	136,015	(718)
Total U.S. Department of Agriculture						-	136,733	136,015	(718)
Total Federal Expenditures						$ -	$ 795,380	$ 794,647	$ (733)

I – Indirect Funding

Response 21g-1340

Response 24-1815

KIPP ACADEMY CHARTER SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

NOTE 1 GENERAL INFORMATION

The accompanying schedule of expenditures of federal awards presents the activities of the federal financial assistance programs of KIPP Academy Charter School (the School). Financial awards received directly from federal agencies, as well as financial assistance passed through other governmental agencies or nonprofit organizations, are included in the schedule.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant 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*.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The schedule of expenditures of federal awards presents only a selected portion of the activities of the School. It is not intended to, nor does it, present either the balance sheet, revenue, expenditures, or changes in net assets. The financial activity for the aforementioned awards is reported in the School's statement of activities.

NOTE 4 INDIRECT COST RATE

KIPP Academy Charter School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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*

Board of Directors
KIPP Academy Charter School
Bronx, New York

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 financial statements of KIPP Academy Charter School, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPP Academy Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIPP Academy Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP Academy Charter 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 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 may exist that have not been identified.

A member of Nexia International

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP Academy Charter School's 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2017

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
KIPP Academy Charter School
Bronx, New York

Report on Compliance for Each Major Federal Program

We have audited KIPP Academy Charter School's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of KIPP Academy Charter School's major federal programs for the year ended June 30, 2017. KIPP Academy Charter School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of KIPP Academy Charter School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KIPP Academy Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of KIPP Academy Charter School's compliance.

A member of Nexia International

Opinion on Each Major Federal Program

In our opinion, KIPP Academy Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of KIPP Academy Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KIPP Academy Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KIPP Academy Charter School's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2017

KIPP ACADEMY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? _____yes ____X____no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ____X___ none reported

3. Noncompliance material to financial statements noted? _____ yes ____X___ no

Federal Awards

1. Internal control over major federal programs:

   Material weakness(es) identified? _____ yes ____X___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ____X___ none reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. 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 Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	U.S. Department of Education – Title I - Basic, Concentration, Targeted and Education Finance Incentive Grants

Dollar threshold used to distinguish between Type A or Type B programs was: $ 750,000

Auditee qualified as low-risk auditee? _____ yes ____X____ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with the Federal Single Audit Act.

Section IV – Prior Audit Findings

There were no prior year findings required to be reported under the Federal Single Audit Act.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

KIPP NYC PUBLIC CHARTER SCHOOLS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2017 AND 2016

KIPP NYC PUBLIC CHARTER SCHOOLS
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2017 AND 2016

INDEPENDENT AUDITORS' REPORT	**1**
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	**4**
STATEMENTS OF ACTIVITIES	**5**
STATEMENTS OF FUNCTIONAL EXPENSES	**6**
STATEMENTS OF CASH FLOWS	**8**
NOTES TO FINANCIAL STATEMENTS	**9**
SUPPLEMENTARY INFORMATION	
SCHEDULE OF FINANCIAL POSITION BY SCHOOL	**16**
SCHEDULE OF ACTIVITIES BY SCHOOL	**17**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP STAR COLLEGE PREP CHARTER SCHOOL	**19**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP NYC WASHINGTON HEIGHTS ACADEMY CHARTER SCHOOL	**20**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP AMP ACADEMY CHARTER SCHOOL	**21**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP INFINITY ACADEMY CHARTER SCHOOL	**22**
SINGLE AUDIT REQUIREMENTS	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**23**
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**24**
INDEPENDENT AUDITORS' 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*	**25**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	**27**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**29**

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
KIPP NYC Public Charter Schools
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of KIPP NYC Public Charter Schools (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A member of Nexia International

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP NYC Public Charter Schools as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Other Information – Supplemental Schedules

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules, which comprise the schedule of financial position by school, schedule of activities by school and schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Merger

As discussed in Note 1 to the financial statements, as of July 1, 2016, KIPP Infinity Charter School and KIPP AMP Academy Charter School merged their financial books and records and ceased operating as separate entities. Our opinion is not modified with respect to that matter.

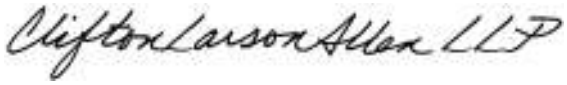
Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the KIPP NYC Public Charter Schools' basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic 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 October 26, 2017, on our consideration of KIPP NYC Public Charter Schools' 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 result of that testing, and not to provide an opinion on the effectiveness of KIPP NYC Public Charter 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 KIPP NYC Public Charter Schools' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2017

Response 21g-1353 Response 24-1828

KIPP NYC PUBLIC CHARTER SCHOOLS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Cash Equivalents	$ 5,638,315	$ 4,752,580
Grants and Contracts Receivable	2,743,383	439,597
Due from Related Parties	960,000	-
Prepaid Expenses and Other Assets	762,464	279,782
Property and Equipment	5,819,239	2,102,136
Total Assets	$ 15,923,401	$ 7,574,095
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 2,636,309	$ 616,053
Due to Related Parties	189,610	468,192
Refundable Advances	30,976	-
Total Liabilities	2,856,895	1,084,245
NET ASSETS		
Unrestricted	12,929,750	6,489,267
Temporarily Restricted	136,756	583
Total Net Assets	13,066,506	6,489,850
Total Liabilities and Net Assets	$ 15,923,401	$ 7,574,095

See accompanying Notes to Financial Statements.

KIPP NYC PUBLIC CHARTER SCHOOLS
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 61,906,955	$ -	$ 61,906,955	$ 25,699,528	$ -	$ 25,699,528
Government Grants and Contracts	4,308,694	-	4,308,694	1,362,132	539,401	1,901,533
Total Operating Revenue	66,215,649	-	66,215,649	27,061,660	539,401	27,601,061
OPERATING EXPENSES						
Program Services	59,296,310	-	59,296,310	25,123,766	-	25,123,766
Supporting Services	7,175,910	-	7,175,910	2,955,591	-	2,955,591
Total Operating Expenses	66,472,220	-	66,472,220	28,079,357	-	28,079,357
SCHOOL OPERATING SURPLUS (DEFICIT)	(256,571)	-	(256,571)	(1,017,697)	539,401	(478,296)
OTHER REVENUE						
Contributions and Other Grants	471,737	111,764	583,501	1,161,805	23,793	1,185,598
Interest and Other Income – Net	666,776	-	666,776	247,826	-	247,826
Donated Goods and Services	771	-	771	2,600	-	2,600
Total Other Revenue	1,139,284	111,764	1,251,048	1,412,231	23,793	1,436,024
NET ASSETS RELEASED FROM RESTRICTIONS	15,832	(15,832)	-	569,461	(569,461)	-
CHANGE IN NET ASSETS BEFORE MERGER	898,545	95,932	994,477	963,995	(6,267)	957,728
NET ASSETS TRANSFERRED FROM MERGER						
Transfer of Net Assets of KIPP AMP Academy to PCS	2,419,643	2,967	2,422,610	-	-	-
Transfer of Net Assets of KIPP Infinity to PCS	3,122,295	37,274	3,159,569	-	-	-
Total Net Assets Transferred from Merger	5,541,938	40,241	5,582,179	-	-	-
CHANGE IN NET ASSETS	6,440,483	136,173	6,576,656	963,995	(6,267)	957,728
Net Assets – Beginning of Year	6,489,267	583	6,489,850	5,525,272	6,850	5,532,122
NET ASSETS – END OF YEAR	$ 12,929,750	$ 136,756	$ 13,066,506	$ 6,489,267	$ 583	$ 6,489,850

See accompanying Notes to Financial Statements.

Response 21g-1355
Response 24-1830

KIPP NYC PUBLIC CHARTER SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	2017				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 32,551,697	$ 5,715,732	$ 38,267,429	$ -	$ 38,267,429
Payroll Taxes and Employee Benefits	8,182,329	1,257,862	9,440,191	-	9,440,191
Licensing and Management Fee	262,182	-	262,182	7,175,910	7,438,092
Litigation and Legal Services Fee	82,631	-	82,631	-	82,631
Accounting and Audit Services Fees	58,656	-	58,656	-	58,656
Other Professional Fees	1,268,320	-	1,268,320	-	1,268,320
Consultant Fees	160,212	70,530	230,742	-	230,742
Grants to Related Entities	1,663	-	1,663	-	1,663
Academic Programming	1,002,144	10,262	1,012,406	-	1,012,406
Alumni Programming	2,967	-	2,967	-	2,967
Field Lessons	551,727	-	551,727	-	551,727
Professional Development	704,794	697	705,491	-	705,491
Equipment and Maintenance	710,185	-	710,185	-	710,185
Student Transportation and Other Services	148,588	-	148,588	-	148,588
Supplies and Materials	1,577,500	-	1,577,500	-	1,577,500
Technology Equipment and Materials	1,270,313	174	1,270,487	-	1,270,487
Events	215,545	-	215,545	-	215,545
Printing and Publications	59,061	-	59,061	-	59,061
Occupancy	530,442	-	530,442	-	530,442
Telephone and Internet	920,563	-	920,563	-	920,563
Insurance	598,584	-	598,584	-	598,584
Memberships and Subscriptions	86,207	-	86,207	-	86,207
Postage and Shipping	14,262	-	14,262	-	14,262
Bank and Other Fees	1,893	-	1,893	-	1,893
Candidate Recruiting	8,867	-	8,867	-	8,867
Miscellaneous	9,659	50	9,709	-	9,709
Donated Goods and Services	771	-	771	-	771
Depreciation and Amortization	1,207,997	-	1,207,997	-	1,207,997
Uncollectible Receivables	29,282	-	29,282	-	29,282
Prior Period Adjustments	17,340	4,622	21,962	-	21,962
Total Functional Expenses	$ 52,236,381	$ 7,059,929	$ 59,296,310	$ 7,175,910	$ 66,472,220

See accompanying Notes to Financial Statements.

KIPP NYC PUBLIC CHARTER SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	2016				
	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 13,281,580	$ 2,829,625	$ 16,111,205	$ -	$ 16,111,205
Payroll Taxes and Employee Benefits	3,099,437	660,773	3,760,210	-	3,760,210
Licensing and Management Fee	126,158	-	126,158	2,955,591	3,081,749
Litigation and Legal Services Fee	3,591	-	3,591	-	3,591
Accounting and Audit Services Fees	28,269	-	28,269	-	28,269
Other Professional Fees	476,677	7,207	483,884	-	483,884
Consultant Fees	90,814	27,270	118,084	-	118,084
Grants to Related Entities	3,060	-	3,060	-	3,060
Academic Programming	496,736	5,781	502,517	-	502,517
Alumni Programming	1,313	-	1,313	-	1,313
Field Lessons	340,432	-	340,432	-	340,432
Professional Development	250,754	9,209	259,963	-	259,963
Equipment and Maintenance	341,755	-	341,755	-	341,755
Student Transportation and Other Services	48,440	-	48,440	-	48,440
Supplies and Materials	720,815	387	721,202	-	721,202
Technology Equipment and Materials	514,198	-	514,198	-	514,198
Events	74,000	-	74,000	-	74,000
Printing and Publications	34,514	-	34,514	-	34,514
Occupancy	203,468	-	203,468	-	203,468
Telephone and Internet	618,500	-	618,500	-	618,500
Insurance	253,905	-	253,905	-	253,905
Memberships and Subscriptions	42,362	-	42,362	-	42,362
Postage and Shipping	7,830	-	7,830	-	7,830
Bank and Other Fees	68	-	68	-	68
Candidate Recruiting	5,781	248	6,029	-	6,029
Miscellaneous	56,091	134	56,225	-	56,225
Donated Goods and Services	2,600	-	2,600	-	2,600
Depreciation and Amortization	399,554	-	399,554	-	399,554
Uncollectible Receivables	60,430	-	60,430	-	60,430
Total Functional Expenses	$ 21,583,132	$ 3,540,634	$ 25,123,766	$ 2,955,591	$ 28,079,357

See accompanying Notes to Financial Statements.

KIPP NYC PUBLIC CHARTER SCHOOLS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State, and Federal Sources	$ 64,494,685	$ 27,535,158
Receipts from Others	2,197,203	1,436,024
Payments to Suppliers and Vendors	(26,695,189)	(11,791,589)
Payments to Employees	(38,267,429)	(16,111,205)
Net Cash Provided by Operating Activities	1,729,270	1,068,388
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(1,890,096)	(1,116,991)
Net Cash Used by Capital and Related Financing Activities	(1,890,096)	(1,116,991)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(160,826)	(48,603)
Cash and Cash Equivalents – Beginning of Year	5,799,141	4,801,183
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 5,638,315	$ 4,752,580
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	$ 994,477	$ 957,728
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	1,207,997	399,554
Change in Assets and Liabilities:		
Grants and Contracts Receivable	(1,720,964)	(65,903)
Prepaid Expenses and Other Assets	(194,777)	91,586
Due from Related Parties	946,155	-
Accounts Payable and Accrued Expenses	1,235,684	232,323
Due to Related Parties	(764,542)	(546,900)
Refundable Advances	25,240	-
Net Cash Provided by Operating Activities	$ 1,729,270	$ 1,068,388

See accompanying Notes to Financial Statements.

Response 21g-1358 Response 24-1833

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP NYC Public Charter Schools (the School) is an education corporation that is 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) and KIPP AMP Academy Charter School (AMP). As of July 1, 2013, Washington Heights and STAR combined their financial books and records as a business combination accounted for as a merger and ceased operating as two entities. As of July 1, 2016, Infinity and AMP combined their financial books and records with the School and ceased operating as two separate entities. The total assets, total liabilities, unrestricted, and temporary restricted net assets of the former schools at July 1, 2016 were $3,664,457, $504,888, $3,122,295, and $37,274 for Infinity and $3,193,990, $771,380, $2,419,643, and $2,967 for AMP, respectively. Through their mergers, the charter entities seek to achieve substantial operational efficiencies in governance and accounting workflow, enhanced buying power, and shared resources, all of which will provide for a more streamlined, cost efficient organization for students, families, and staff. The School's mission is to equip students with the academic and character skills necessary to succeed in high school, college and the competitive world beyond. The School holds the four charters for each of the legacy charter entities, which continue to be renewed on their separate schedules.

In preparation for the July 2016 merger, KIPP NYC Public Charter Schools created four, wholly owned subsidiary LLCs, Washington Heights PCS, LLC, STAR Harlem PCS, LLC, Infinity PCS, LLC, and AMP PCS, LLC. These disregarded entities were formed to segregate assets of the four legacy charter entities of KIPP NYC Public Charter Schools (Washington Heights, STAR, AMP, and Infinity)

In fiscal years 2016 and 2017, the School operated for students in grades kindergarten through twelve.

The major source of revenue and support for the School is from state and local funding on per pupil basis. 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. Amounts with respect to these items are not included in these financial statements.

Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for nonprofit entities. The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Response 21g-1359 Response 24-1834

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2017 and 2016, an allowance was not warranted.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Response 21g-1360 Response 24-1835

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

Equipment, Improvements, and Depreciation

Property and equipment is recorded at cost. The School capitalizes purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Property and equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable income tax regulations of the state of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 26, 2017, the date the financial statements were available to be issued.

Response 21g-1361 Response 24-1836

NOTE 2 RELATED PARTY TRANSACTIONS

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. See Note 7 for additional information about the license fee agreement.

KIPP NYC, LLC (LLC) is the sole member of KIPP New York, Inc. (KNYI). The School received grants from KNYI in the amounts of $-0- and $1,401,000 for the years ended June 30, 2017 and 2016, respectively. Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2013, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $7,181,086 and $2,955,591 for the years ended June 30, 2017 and 2016, respectively.

KIPP New York, Inc. (KNYI) is the sole member of KTC NYC, LLC (KTC). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, collage scholars, and career preparation. There were no transactions between KTC and the School during the year.

KIPP NYC Facilities II LLC (Facilities) is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware nonstock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KIPP NY Inc., KIPP Academy, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. There were no transactions between Facilities and the School during the years ended June 30, 2017 and 2016.

The School and KIPP Academy Charter School share common membership on their board of directors.

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and improvements consists of the following at June 30:

	2017	2016
Furniture and Fixtures	$ 469,555	$ 117,272
Technology	3,469,330	1,437,050
Equipment	219,099	62,390
Leasehold Improvements	6,107,961	1,549,558
Construction in Progress	146,226	230,038
Total	10,412,171	3,396,308
Less: Accumulated Depreciation and Amortization	(4,592,932)	(1,294,172)
Total Property and Equipment	$ 5,819,239	$ 2,102,136

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets were available for the following purposes at June 30:

	2017	2016
Athletic Programs	$ 142	$ 86
Music Programs	66,939	273
Academic Programs	69,675	224
Total	$ 136,756	$ 583

NOTE 5 PENSION EXPENSE

The School is part of the KIPP NYC 403(b) Retirement Plan, a multi-employer 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 this Plan amounted $1,065,810 and $313,826 for the years ended June 30, 2017 and 2016, respectively.

The School also contributes to the Teachers Retirement System of the City of New York, a multi-employer 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 55.7% at June 30, 2014, the date of the most recent actuarial calculation as indicated in the June 30, 2016 plan audit. The amount charged to operations for contributions to this Plan amounted to $984,857 and $87,476 for the years ended June 30, 2017 and 2016, respectively.

Response 21g-1363 Response 24-1838

NOTE 6 SCHOOL FACILITY

The School occupies several facilities. The School has an agreement with the New York City Department of Education for this dedicated and shared space at P.S. 125, a New York City public school, located at West 123rd Street, New York City, New York, P.S 115, New York City public school, located at West 177th Street, New York City, New York, I.S. 90, a New York City public school, located at Jumel Place, New York City, New York, M.S. 390, a New York City public school, located at 1224 Park Place, Brooklyn, New York, and M.S. 195, a New York City public school, located at 625 West 133rd Streee, New York City, New York. The School is responsible for any overtime-related costs for services provided beyond regular opening hours in both facilities. These costs have been included in contracted services in the accompanying statement of functional expenses. The School also jointly occupies approximately 132,500 square feet of space at 201 East 144th St in the South Bronx where the joint high school for KIPP NYC Public Charter Schools and KIPP Academy Charter School resides.

The facility was provided to the School at no cost, but the School must provide for continuing maintenance and operating expenses. The expenses are also included in building costs in the accompanying statement of functional expenses.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. The School incurred licensing fees amounting to $262,182 and $126,158 for the years ended June 30, 2017 and 2016, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education

Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas.

Response 21g-1364 Response 24-1839

NOTE 8 OPERATING EXPENSES (CONTINUED)

The significant supporting services are:

Management and General

Time and materials relating to operating the nonprogrammatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

Fundraising

Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting, and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	KIPP Star College Prep	KIPP NYC Washington Heights Academy	KIPP AMP Academy	KIPP Infinity	Total
ASSETS					
Cash and Cash Equivalents	$ 613,742	$ 4,064,620	$ 296,161	$ 663,792	$ 5,638,315
Grants and Contracts Receivable	287,693	1,740,682	296,048	418,960	2,743,383
Due from Related Parties	800,000	-	160,000	-	960,000
Prepaid Expenses and Other Assets	91,677	165,968	89,938	414,881	762,464
Property and Equipment	916,142	1,447,932	2,242,598	1,212,567	5,819,239
Total Assets	$ 2,709,254	$ 7,419,202	$ 3,084,745	$ 2,710,200	$ 15,923,401
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts Payable and Accrued Expenses	$ 233,941	$ 1,497,027	$ 425,439	$ 479,902	$ 2,636,309
Due to / (from) Related Parties	1,608,102	(434,754)	133,373	(1,117,111)	189,610
Refundable Advances	28,544	-	2,432	-	30,976
Total Liabilities	1,870,587	1,062,273	561,244	(637,209)	2,856,895
NET ASSETS					
Unrestricted	822,605	6,353,499	2,514,234	3,239,412	12,929,750
Temporarily Restricted	16,062	3,430	9,267	107,997	136,756
Total Net Assets	838,667	6,356,929	2,523,501	3,347,409	13,066,506
Total Liabilities and Net Assets	$ 2,709,254	$ 7,419,202	$ 3,084,745	$ 2,710,200	$ 15,923,401

Response 21g-1366

Response 24-1841

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF ACTIVITIES BY SCHOOL
YEAR ENDED JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	KIPP Star College Prep			KIPP NYC Washington Heights Academy		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 13,659,189	$ -	$ 13,659,189	$ 15,099,470	$ -	$ 15,099,470
Government Grants and Contracts	999,342	-	999,342	941,140	-	941,140
Total Operating Revenue	14,658,531	-	14,658,531	16,040,610	-	16,040,610
OPERATING EXPENSES						
Program Services	14,184,944	-	14,184,944	13,073,385	-	13,073,385
Supporting Services	1,587,183	-	1,587,183	1,734,529	-	1,734,529
Total Operating Expenses	15,772,127	-	15,772,127	14,807,914	-	14,807,914
SCHOOL OPERATING SURPLUS (DEFICIT)	(1,113,596)	-	(1,113,596)	1,232,696	-	1,232,696
OTHER REVENUE						
Contributions and Other Grants	192,233	17,150	209,383	29,656	3,979	33,635
Interest and Other Income – Net	141,447	-	141,447	201,850	-	201,850
Donated Goods and Services	249	-	249	82	-	82
Total Other Revenue, Net	333,929	17,150	351,079	231,588	3,979	235,567
NET ASSETS RELEASED FROM RESTRICTIONS	1,671	(1,671)	-	549	(549)	-
CHANGE IN NET ASSETS BEFORE MERGER	(777,996)	15,479	(762,517)	1,464,833	3,430	1,468,263
NET ASSETS TRANSFERRED FROM MERGER						
Transfer of Net Assets to PCS	-	-	-	-	-	-
Total Net Assets Transferred from Merger	-	-	-	-	-	-
CHANGE IN NET ASSETS	(777,996)	15,479	(762,517)	1,464,833	3,430	1,468,263
Net Assets – Beginning of Year	1,600,601	583	1,601,184	4,888,666	-	4,888,666
NET ASSETS – END OF YEAR	$ 822,605	$ 16,062	$ 838,667	$ 6,353,499	$ 3,430	$ 6,356,929

Response 21g-1367
Response 24-1842

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF ACTIVITIES BY SCHOOL (CONTINUED)
YEAR ENDED JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	KIPP AMP Academy			KIPP Infinity			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE							
State and Local Per Pupil Operating Revenue	$ 13,640,760	$ -	$ 13,640,760	$ 19,507,536	$ -	$ 19,507,536	$ 61,906,955
Government Grants and Contracts	977,139	-	977,139	1,391,073	-	1,391,073	4,308,694
Total Operating Revenue	14,617,899	-	14,617,899	20,898,609	-	20,898,609	66,215,649
OPERATING EXPENSES							
Program Services	13,170,027	-	13,170,027	18,867,954	-	18,867,954	59,296,310
Supporting Services	1,580,701	-	1,580,701	2,273,497	-	2,273,497	7,175,910
Total Operating Expenses	14,750,728	-	14,750,728	21,141,451	-	21,141,451	66,472,220
SCHOOL OPERATING SURPLUS (DEFICIT)	(132,829)	-	(132,829)	(242,842)	-	(242,842)	(256,571)
OTHER REVENUE							
Contributions and Other Grants	82,240	7,425	89,665	167,608	83,210	250,818	583,501
Interest and Other Income – Net	143,904	-	143,904	179,575	-	179,575	666,776
Donated Goods and Services	151	-	151	289	-	289	771
Total Other Revenue, Net	226,295	7,425	233,720	347,472	83,210	430,682	1,251,048
NET ASSETS RELEASED FROM RESTRICTIONS	1,125	(1,125)	-	12,487	(12,487)	-	-
CHANGE IN NET ASSETS BEFORE MERGER	94,591	6,300	100,891	117,117	70,723	187,840	994,477
NET ASSETS TRANSFERRED FROM MERGER							
Transfer of Net Assets to PCS	2,419,643	2,967	2,422,610	3,122,295	37,274	3,159,569	5,582,179
Total Net Assets Transferred from Merger	2,419,643	2,967	2,422,610	3,122,295	37,274	3,159,569	5,582,179
CHANGE IN NET ASSETS	2,514,234	9,267	2,523,501	3,239,412	107,997	3,347,409	6,576,656
Net Assets – Beginning of Year	-	-	-	-	-	-	6,489,850
NET ASSETS – END OF YEAR	$ 2,514,234	$ 9,267	$ 2,523,501	$ 3,239,412	$ 107,997	$ 3,347,409	$ 13,066,506

Response 21g-1368

Response 24-1843

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES
KIPP STAR COLLEGE PREP CHARTER SCHOOL
YEAR ENDED JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 7,539,945	$ 1,478,309	$ 9,018,254	$ -	$ 9,018,254
Payroll Taxes and Employee Benefits	1,750,932	305,776	2,056,708	-	2,056,708
Licensing and Management Fee	67,161	-	67,161	1,587,183	1,654,344
Litigation and Legal Services Fee	33,577	-	33,577	-	33,577
Accounting and Audit Services Fees	11,617	-	11,617	-	11,617
Other Professional Services	330,209	-	330,209	-	330,209
Consultant Fees	48,165	22,651	70,816	-	70,816
Grants to Related Entities	537	-	537	-	537
Academic Programming	252,861	2,222	255,083	-	255,083
Alumni Programming	644	-	644	-	644
Field Lessons	122,769	-	122,769	-	122,769
Professional Development	158,269	-	158,269	-	158,269
Equipment and Maintenance	261,227	-	261,227	-	261,227
Student Transportation and Other Services	33,913	-	33,913	-	33,913
Supplies and Materials	421,565	-	421,565	-	421,565
Technology Equipment and Materials	302,052	56	302,108	-	302,108
Events	73,891	-	73,891	-	73,891
Printing and Publications	24,009	-	24,009	-	24,009
Occupancy	164,863	-	164,863	-	164,863
Telephone and Internet	241,375	-	241,375	-	241,375
Insurance	146,025	-	146,025	-	146,025
Memberships and Subscriptions	23,751	-	23,751	-	23,751
Postage and Shipping	4,271	-	4,271	-	4,271
Bank and Other Fees	491	-	491	-	491
Candidate Recruiting	2,236	-	2,236	-	2,236
Miscellaneous	2,114	3	2,117	-	2,117
Use of Donated Materials and Services	249	-	249	-	249
Depreciation and Amortization	349,735	-	349,735	-	349,735
Uncollectible Receivables	6,182	-	6,182	-	6,182
Prior Period Adjustments	1,292	-	1,292	-	1,292
Total Functional Expenses	$ 12,375,927	$ 1,809,017	$ 14,184,944	$ 1,587,183	$ 15,772,127

Response 21g-1369 Response 24-1844

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES
KIPP NYC WASHINGTON HEIGHTS ACADEMY CHARTER SCHOOL
YEAR ENDED JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 7,671,945	$ 1,225,546	$ 8,897,491	$ -	$ 8,897,491
Payroll Taxes and Employee Benefits	1,768,515	269,247	2,037,762	-	2,037,762
Licensing and Management Fee	62,352	-	62,352	1,734,529	1,796,881
Litigation and Legal Services Fee	4,855	-	4,855	-	4,855
Accounting and Audit Services Fees	10,802	-	10,802	-	10,802
Other Professional Services	137,559	-	137,559	-	137,559
Consultant Fees	16,466	8,442	24,908	-	24,908
Grants to Related Entities	176	-	176	-	176
Academic Programming	229,485	2,692	232,177	-	232,177
Alumni Programming	1,112	-	1,112	-	1,112
Field Lessons	139,245	-	139,245	-	139,245
Professional Development	128,188	1,535	129,723	-	129,723
Equipment and Maintenance	80,411	-	80,411	-	80,411
Student Transportation and Other Services	22,335	-	22,335	-	22,335
Supplies and Materials	216,773	-	216,773	-	216,773
Technology Equipment and Materials	278,768	21	278,789	-	278,789
Events	45,906	-	45,906	-	45,906
Printing and Publications	12,079	-	12,079	-	12,079
Occupancy	60,773	-	60,773	-	60,773
Telephone and Internet	282,046	-	282,046	-	282,046
Insurance	137,847	-	137,847	-	137,847
Memberships and Subscriptions	17,201	-	17,201	-	17,201
Postage and Shipping	1,348	-	1,348	-	1,348
Bank and Other Fees	464	-	464	-	464
Candidate Recruiting	226	-	226	-	226
Miscellaneous	1,879	1	1,880	-	1,880
Use of Donated Materials and Services	82	-	82	-	82
Depreciation and Amortization	230,679	-	230,679	-	230,679
Uncollectible Receivables	4,855	-	4,855	-	4,855
Prior Period Adjustments	1,529	-	1,529	-	1,529
Total Functional Expenses	$ 11,565,901	$ 1,507,484	$ 13,073,385	$ 1,734,529	$ 14,807,914

Response 21g-1370 Response 24-1845

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES
KIPP AMP ACADEMY CHARTER SCHOOL
YEAR ENDED JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 7,243,406	$ 1,116,589	$ 8,359,995	$ -	$ 8,359,995
Payroll Taxes and Employee Benefits	1,811,562	240,557	2,052,119	-	2,052,119
Licensing and Management Fee	64,347	-	64,347	1,580,701	1,645,048
Litigation and Legal Services Fee	29,012	-	29,012	-	29,012
Accounting and Audit Services Fees	16,264	-	16,264	-	16,264
Other Professional Services	354,743	-	354,743	-	354,743
Consultant Fees	26,233	12,931	39,164	-	39,164
Grants to Related Entities	326	-	326	-	326
Academic Programming	253,134	1,096	254,230	-	254,230
Alumni Programming	462	-	462	-	462
Field Lessons	89,735	-	89,735	-	89,735
Professional Development	152,530	53	152,583	-	152,583
Equipment and Maintenance	165,199	-	165,199	-	165,199
Student Transportation and Other Services	44,272	-	44,272	-	44,272
Supplies and Materials	450,896	-	450,896	-	450,896
Technology Equipment and Materials	275,679	32	275,711	-	275,711
Events	28,833	-	28,833	-	28,833
Printing and Publications	12,032	-	12,032	-	12,032
Occupancy	103,151	-	103,151	-	103,151
Telephone and Internet	169,603	-	169,603	-	169,603
Insurance	126,431	-	126,431	-	126,431
Memberships and Subscriptions	17,397	-	17,397	-	17,397
Postage and Shipping	3,583	-	3,583	-	3,583
Bank and Other Fees	460	-	460	-	460
Candidate Recruiting	4,414	-	4,414	-	4,414
Miscellaneous	3,822	43	3,865	-	3,865
Use of Donated Materials and Services	151	-	151	-	151
Depreciation and Amortization	325,933	-	325,933	-	325,933
Uncollectible Receivables	7,694	-	7,694	-	7,694
Prior Period Adjustments	12,800	4,622	17,422	-	17,422
Total Functional Expenses	$ 11,794,104	$ 1,375,923	$ 13,170,027	$ 1,580,701	$ 14,750,728

Response 21g-1371 Response 24-1846

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES
KIPP INFINITY ACADEMY CHARTER SCHOOL
YEAR ENDED JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 10,096,401	$ 1,895,288	$ 11,991,689	$ -	$ 11,991,689
Payroll Taxes and Employee Benefits	2,851,320	442,282	3,293,602	-	3,293,602
Licensing and Management Fee	68,322	-	68,322	2,273,497	2,341,819
Litigation and Legal Services Fee	15,187	-	15,187	-	15,187
Accounting and Audit Services Fees	19,973	-	19,973	-	19,973
Other Professional Services	445,809	-	445,809	-	445,809
Consultant Fees	69,348	26,506	95,854	-	95,854
Grants to Related Entities	624	-	624	-	624
Academic Programming	266,664	4,252	270,916	-	270,916
Alumni Programming	749	-	749	-	749
Field Lessons	199,978	-	199,978	-	199,978
Professional Development	265,807	(891)	264,916	-	264,916
Equipment and Maintenance	203,348	-	203,348	-	203,348
Student Transportation and Other Services	48,068	-	48,068	-	48,068
Supplies and Materials	488,266	-	488,266	-	488,266
Technology Equipment and Materials	413,814	65	413,879	-	413,879
Events	66,915	-	66,915	-	66,915
Printing and Publications	10,941	-	10,941	-	10,941
Occupancy	201,655	-	201,655	-	201,655
Telephone and Internet	227,539	-	227,539	-	227,539
Insurance	188,281	-	188,281	-	188,281
Memberships and Subscriptions	27,858	-	27,858	-	27,858
Postage and Shipping	5,060	-	5,060	-	5,060
Bank and Other Fees	478	-	478	-	478
Candidate Recruiting	1,991	-	1,991	-	1,991
Miscellaneous	1,844	3	1,847	-	1,847
Use of Donated Materials and Services	289	-	289	-	289
Depreciation and Amortization	301,650	-	301,650	-	301,650
Uncollectible Receivables	10,551	-	10,551	-	10,551
Prior Period Adjustments	1,719	-	1,719	-	1,719
Total Functional Expenses	$ 16,500,449	$ 2,367,505	$ 18,867,954	$ 2,273,497	$ 21,141,451

Response 21g-1372 Response 24-1847

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant/ Contract Period	Grant Amount	Accrued or (Deferred) Revenue at 7/1/16	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued or (Deferred) Revenue at 6/30/17
U.S. Department of Education:									
Pass-through New York Department of Education:									
Title I Grant - Improving Academic Achievement	I	84.010A	0021-164294	9/1/15-8/31/16	$ 326,358	$ -	$ 41,302	$ 41,302	$ -
Title I Grant - Improving Academic Achievement	I	84.010A	0021-174294	9/1/16-8/31/17	432,979	-	343,370	343,370	-
Title I Grant - Improving Academic Achievement	I	84.010A	0021-164296	9/1/15-8/31/16	552,440	(1,986)	83,520	83,539	(1,967)
Title I Grant - Improving Academic Achievement	I	84.010A	0021-174296	9/1/16-8/31/17	526,283	-	420,555	420,555	-
Title I Grant - Improving Academic Achievement	I	84.010A	0021-164282	9/1/15-8/31/16	223,034	-	37,172	37,172	-
Title I Grant - Improving Academic Achievement	I	84.010A	0021-174282	9/1/16-8/31/17	278,975	-	226,189	226,189	-
Title I Grant - Improving Academic Achievement	I	84.010A	0021-164160	9/1/15-8/31/16	283,373	-	31,752	31,752	-
Title I Grant - Improving Academic Achievement	I	84.010A	0021-174160	9/1/16-8/31/17	319,965	-	275,415	275,415	-
Total Title I Grant - Improving Academic Achievement						(1,986)	1,459,275	1,459,294	(1,967)
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-164294	9/1/15-8/31/16	11,610	-	1,934	1,934	-
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-174294	9/1/16-8/31/17	11,264	-	9,387	9,387	-
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-164296	9/1/15-8/31/16	9,097	-	1,516	1,516	-
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-174296	9/1/16-8/31/17	8,075	-	6,729	6,729	-
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-164282	9/1/15-8/31/16	19,457	-	(1,297)	-	1,297
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-174282	9/1/16-8/31/17	19,262	-	16,052	16,052	-
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-164160	9/1/15-8/31/16	7,832	-	1,305	1,305	-
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-174160	9/1/16-8/31/17	7,357	-	6,131	6,131	-
Total Title II Grant - Teaching, Principal Training, Recruitment						-	41,757	43,054	1,297
Supporting Effective Educator Development	I	84.367D	U367D150018	7/1/16-6/30/17	18,750	-	18,750	18,750	-
Supporting Effective Educator Development	I	84.367D	U367D150018	7/1/16-6/30/17	37,500	-	37,500	37,500	-
Total Supporting Effective Educator Development						-	56,250	56,250	-
Total U.S. Department of Education						(1,986)	1,557,282	1,558,598	(670)
U.S. Department of Agriculture:									
Pass-through New York Department of Education:									
School Food Program	I	10.555	n/a	7/1/16-6/30/17		-	74,048	64,991	(9,057)
School Food Program	I	10.555	n/a	7/1/16-6/30/17		3,242	126,695	133,219	9,766
School Food Program	I	10.555	n/a	7/1/16-6/30/17		-	114,448	113,844	(604)
School Food Program	I	10.555	n/a	7/1/16-6/30/17		-	45,912	42,428	(3,484)
Total School Food Program						3,242	361,103	354,482	(3,379)
Total U.S. Department of Agriculture						3,242	361,103	354,482	(3,379)
Total Expenditures of Federal Awards						$ 1,256	$ 1,918,385	$ 1,913,080	$ (4,049)

I – Indirect Funding

Response 21g-1373
Response 24-1848

KIPP NYC PUBLIC CHARTER SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

NOTE 1 GENERAL INFORMATION

The accompanying schedule of expenditures of federal awards presents the activities of the federal financial assistance programs of KIPP NYC Public Charter Schools (the School). Financial awards received directly from federal agencies, as well as financial assistance passed through other governmental agencies or nonprofit organizations, are included in the schedule.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant 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*.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The schedule of expenditures of federal awards presents only a selected portion of the activities of the School. It is not intended to, nor does it, present either the balance sheet, revenue, expenditures, or changes in fund balances of governmental funds. The financial activity for the aforementioned awards is reported in the School's statement of activities and statement of revenue, expenditures, and changes in fund balance – governmental funds.

NOTE 4 INDIRECT COST RATE

KIPP NYC Public Charter Schools has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Response 21g-1374 Response 24-1849

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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*

Board of Directors
KIPP NYC Public Charter Schools
New York, New York

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 financial statements of KIPP NYC Public Charter Schools, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPP NYC Public Charter Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIPP NYC Public Charter Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP NYC Public Charter Schools' 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 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 may exist that have not been identified.

A member of Nexia International

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP NYC Public Charter Schools' 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2017

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
KIPP NYC Public Charter Schools
Bronx, New York

Report on Compliance for Each Major Federal Program

We have audited KIPP NYC Public Charter Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of KIPP NYC Public Charter Schools' major federal programs for the year ended June 30, 2017. KIPP NYC Public Charter Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of KIPP NYC Public Charter Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KIPP NYC Public Charter Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of KIPP NYC Public Charter Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, KIPP NYC Public Charter Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of KIPP NYC Public Charter Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KIPP NYC Public Charter Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KIPP NYC Public Charter Schools' 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2017

Response 21g-1378 Response 24-1853

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? _____yes ____X____no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ____X___ none reported

3. Noncompliance material to financial statements noted? _____ yes ____X___ no

Federal Awards

1. Internal control over major federal programs:

   Material weakness(es) identified? _____ yes ____X___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ____X___ none reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. 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 Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	U.S. Department of Education – Title I – Basic, Concentration, Targeted and Education Finance Incentive Grants
10.555	U.S. Department of Education – School Food Program

Dollar threshold used to distinguish between Type A or Type B programs was: $ 750,000

Auditee qualified as low-risk auditee? _____ yes ____X____ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with the Federal Single Audit Act.

Section IV – Prior Audit Findings

There were no prior year findings required to be reported under the Federal Single Audit Act.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

Board of Directors
KIPP Academy Charter School
New York, New York

We have audited the financial statements of KIPP Academy Charter School for the year ended June 30, 2013, and have issued our report thereon dated October 28, 2013. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KIPP Academy Charter School are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the due from New York State Education Department is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2012-2013. The most significant of these is the Title funds. Because of the timing of the review and approval of the reimbursements, the actual reimbursement may differ from the estimate. Management expects any differences between estimated and actual amounts will be insignificant.

- Management's estimate of useful lives for depreciable assets is based on historical information, vendor information, and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation and percentage breakdown for certain programs. We evaluated the key

factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2013.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated October 28, 2013, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 28, 2013.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * * * *

The purpose of this communication is solely to provide you with information about findings or issues arising from the financial statement audit and the compliance audit that are significant and relevant to your responsibility to oversee the financial reporting process and compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* and with OMB Circular A-133. This communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 28, 2013

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

The Board of Directors
KIPP AMP Academy Charter School
New York, New York

We have audited the financial statements of KIPP AMP Academy Charter School for the year ended June 30, 2013, and have issued our report thereon dated October 28, 2013. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KIPP AMP Academy Charter School are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the due from New York State Education Department is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2012-2013. The most significant of these is the Title funds. Because of the timing of the review and approval of the reimbursements, the actual reimbursement may differ from the estimate. Management expects any differences between estimated and actual amounts will be insignificant.

- Management's estimate of useful lives for depreciable assets is based on historical information, vendor information, and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors

such as direct payroll allocation and percentage breakdown for certain programs. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2013.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated October 28, 2013, communicating internal control related matters identified during the audit.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

The purpose of this communication is solely to provide you with information about findings or issues arising from the audit that are significant and relevant to your responsibility to oversee the financial reporting process and compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards*. This communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 28, 2013

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

The Board of Directors and Management
KIPP New York Charter Schools
New York, New York

In planning and performing our audits of the financial statements of KIPP New York Charter Schools as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control. However, during our audit we became aware of several matters that are opportunities for strengthening internal control and operating efficiency. Our comments and suggestions regarding those matters are summarized below. This letter does not affect our communication dated October 28, 2013.

Prior Year Comments:

Adjustments and Year-end Closing

At the start of final fieldwork, management communicated to us that some accounts needed to be reviewed and additional entries were required to adjust the initial trial balance that was provided.

Management is responsible for the accuracy and completeness of all financial records and related information. Their responsibilities include adjusting the financial statements to correct material misstatements. Management is responsible for controls over the period-end financial reporting process, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record, and process journal entries into the general ledger; and record recurring and nonrecurring adjustments to the financial statements.

During the performance of our audit engagement procedures and previously communicated by management, proposed adjustments were provided to adjust cash, receivables, accrued salaries, equipment and depreciation based on the initial trial balance that was provided. Timely and accurate account reconciliations are a necessary step in ensuring that financial statements are fairly stated.

We recommend that the School work to adjust all account balances to reflect appropriate year-end balances. This process would ideally occur before the year-end external audit.

Current year update:

Management has made significant improvement in this area. There were minimal adjustments provided after the initial trial balance was provided. We recommend that management continue to review and reconcile accounts throughout the year in order to provide timely and accurate financial information.

Management Response:

An increase in the accounting staff of the Shared Services Team allowed for more thorough and timely reviews of general ledger accounts. We will continue to have scheduled reviews all accounts on either a monthly or quarterly basis in order to improve the timeliness and accuracy of our financial information.

Credit Cards

During our audit, we noted a few instances in which supporting invoices or receipts were not included in the credit card file as supporting documentation. We recommend that all supporting invoices or receipts be provided for Credit Card purchases and be included in the files as the supporting documentation for the purchases. In addition, we noted the credit card use by the school is significant which imposes risk with the credit card usage. We recommend emphasizing reviewing the purchases of the credit cards and consider using vendor purchase process for expenses where available.

Current year update:
There have been significant improvements in the documentation and use of the credit cards. We continue to encourage management to look into developing vendor relationships. The schools could potentially see significant savings if relationships are developed across all entities.

Management Response:
Over the past year we have made a concerted effort to establish accounts with vendors with which we traditionally have a high volume of purchasing through our corporate credit cards. We will continue use this method to decrease organizational risk and look for other ways to streamline purchasing and minimize costs in the future.

* * * * * *

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 28, 2013

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

The Board of Directors
KIPP Infinity Charter School
New York, New York

We have audited the financial statements of KIPP Infinity Charter School for the year ended June 30, 2013, and have issued our report thereon dated October 28, 2013. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KIPP Infinity Charter School are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the due from New York State Education Department is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2012-2013. The most significant of these is the Title funds. Because of the timing of the review and approval of the reimbursements, the actual reimbursement may differ from the estimate. Management expects any differences between estimated and actual amounts will be insignificant.

- Management's estimate of useful lives for depreciable assets is based on historical information, vendor information, and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation and percentage breakdown for certain programs. We evaluated the key

factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2013.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

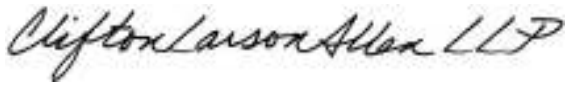
Other audit findings or issues

We have provided a separate letter to you dated October 28, 2013, communicating internal control related matters identified during the audit.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

The purpose of this communication is solely to provide you with information about findings or issues arising from the audit that are significant and relevant to your responsibility to oversee the financial reporting process and compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards*. This communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 28, 2013

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

The Board of Directors
KIPP STAR College Prep Charter School
New York, New York

We have audited the financial statements of KIPP STAR College Prep Charter School for the year ended June 30, 2013, and have issued our report thereon dated October 28, 2013. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KIPP STAR College Prep Charter School are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the due from New York State Education Department is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2012-2013. The most significant of these is the Title funds. Because of the timing of the review and approval of the reimbursements, the actual reimbursement may differ from the estimate. Management expects any differences between estimated and actual amounts will be insignificant.

- Management's estimate of useful lives for depreciable assets is based on historical information, vendor information, and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors

such as direct payroll allocation and percentage breakdown for certain programs. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2013.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated October 28, 2013, communicating internal control related matters identified during the audit.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

The purpose of this communication is solely to provide you with information about findings or issues arising from the audit that are significant and relevant to your responsibility to oversee the financial reporting process and compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards*. This communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 28, 2013

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

The Board of Directors
KIPP Washington Heights Charter School
New York, New York

We have audited the financial statements of KIPP Washington Heights Charter School for the year ended June 30, 2013, and have issued our report thereon dated October 28, 2013. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KIPP Washington Heights Charter School are described in Note 1 to the financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the due from New York State Education Department is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2012-2013. The most significant of these is the Title funds. Because of the timing of the review and approval of the reimbursements, the actual reimbursement may differ from the estimate. Management expects any differences between estimated and actual amounts will be insignificant.

- Management's estimate of useful lives for depreciable assets is based on historical information, vendor information, and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation and percentage breakdown for certain programs. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2013.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

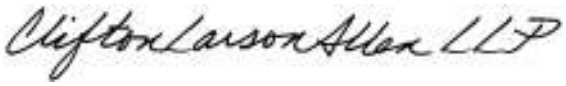
Other audit findings or issues

We have provided a separate letter to you dated October 28, 2013, communicating internal control related matters identified during the audit.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

The purpose of this communication is solely to provide you with information about findings or issues arising from the audit that are significant and relevant to your responsibility to oversee the financial reporting process and compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards*. This communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 28, 2013

CliftonLarsonAllen LLP
CLAconnect.com

The Board of Directors and Management
KIPP New York Charter Schools
New York, New York

In planning and performing our audits of the financial statements of KIPP New York Charter Schools as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control. However, during our audit we became aware of several matters that are opportunities for strengthening internal control and operating efficiency. Our comments and suggestions regarding those matters are summarized below. This letter does not affect our communication dated October 29, 2014.

Current Year Comments:

Review and Approval of Journal Entries

During the review of client prepared journal entries, it was noted that there are instances of journal entries being prepared, reviewed, and posted by the same person. We recommend that these duties be segregated and all entries be seen by two different people.

Management's Response:

Our standard internal procedures already provide for an appropriate segregation of duties when preparing and recording journal entries in the accounting system. When short-staffed there have been instances when the Managing Director has both prepared and posted entries to the system in order to assist the team during month closings. While we do not believe this resulted in any improper entries, we do understand the potential risk this presented to the organization and have since updated the security restrictions in our accounting system to prevent any future occurrences.

Information Technology Review:

As part of our fiscal year 2014 audit, we issued an Information Technology Review report, dated October 29, 2014. The objective of this review was to evaluate the computer processing environments and general controls that help ensure the reliability of the business and financial systems that support business objectives during the current and future reporting period. Please refer to this report for information technology related comments and recommendations.

Management's Response:

Throughout the past year, the organization's technology systems have been upgraded along with the implementation and use of best practices and standards throughout the environment. As such, there are still items that are in progress as part of the Technology Team's strategic initiatives that are planned for completion in the next 6-9 months. Documentation of new processes and system efficiencies will continue to be implemented in order to minimize any associated risks within the environment as it relates to data, security, privacy, PII and financial information.

Prior Year Comments:

Adjustments and Year-end Closing

At the start of final fieldwork, management communicated to us that some accounts needed to be reviewed and additional entries were required to adjust the initial trial balance that was provided.

Management is responsible for the accuracy and completeness of all financial records and related information. Their responsibilities include adjusting the financial statements to correct material misstatements. Management is responsible for controls over the period-end financial reporting process, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record, and process journal entries into the general ledger; and record recurring and nonrecurring adjustments to the financial statements.

During the performance of our audit engagement procedures and previously communicated by management, proposed adjustments were provided to adjust cash, receivables, accrued salaries, equipment and depreciation based on the initial trial balance that was provided. Timely and accurate account reconciliations are a necessary step in ensuring that financial statements are fairly stated.

We recommend that the School work to adjust all account balances to reflect appropriate year-end balances. This process would ideally occur before the year-end external audit.

Current year update:
There was a significant delay in the receipt of the final trial balance for the NYC Public Charter School. This trial balance was not received until several weeks after the scheduled final fieldwork. In addition, several of the entities required adjustments after the final trial balance was provided. We recommend that management continue to review and reconcile accounts throughout the year in order to provide timely and accurate financial information.

Management's Response:

The delay in providing the final trial balance for KIPP NYC Public Charter Schools was due to an unusual circumstance resulting from the necessity to reorganize the assets from the two legacy charters, KIPP NYC Washington Heights Academy Charter School and KIPP STAR College Prep Charter School, into a new entity structure, which combined assets from each of the legacy charters into two new programs. As the merger was a one-time occurrence we do not expect this happening again.

As a part of our normal procedures we conduct monthly or quarterly reviews of all general ledger accounts. While our goal is to release completely finalized trial balances prior to the start of the audit, occasionally we realize that an additional entry is needed to correct a previously undiscovered error or to treat an entry differently as guided by the auditors. Over the years the number of adjusting entries provided has continued to decrease despite an increase in the size and complexity of the organization. In the future we will continue to work on improving in this area.

Credit Cards

During our audit, we noted instances in which supporting invoices or receipts were not included in the credit card file as supporting documentation. We recommend that all supporting invoices or receipts be provided for Credit Card purchases and be included in the files as the supporting documentation for the purchases. In addition, we noted the credit card use by the school is significant which imposes risk with the credit card usage. We recommend emphasizing reviewing the purchases of the credit cards and consider using vendor purchase process for expenses where available.

Current year update:
This is a continuing comment as there were missing receipts in the credit card testing sample. We continue to encourage management to look into developing vendor relationships. The schools could potentially see savings if relationships are developed across all entities.

Management's Response:

As a growing organization we have often utilized credit cards as a method of payment to facilitate travel and the purchase of materials and supplies for our schools and programs. We continually monitor credit card usage and establish accounts with vendors were we experience a high volume of credit card purchases. Our current policy states that all credit card users are required to provide appropriate documentation for all purchases made with their card. We recognize the organizational risk of non-compliance by card users and are currently working with a consultant to update the policy with strengthened accountability measures to help mitigate that risk and increase compliance.

* * * * * *

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 29, 2014

CliftonLarsonAllen LLP
CLAconnect.com

The Board of Directors and Management
KIPP New York Charter Schools
New York, New York

In planning and performing our audits of the financial statements of KIPP Academy Charter School, KIPP AMP Academy Charter School, KIPP Infinity Charter School and KIPP NYC Public Charter Schools ("KIPP New York Charter Schools") as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal control and operating efficiency. Our comments and suggestions regarding those matters are summarized below. This letter does not affect our communication dated October 24, 2016.

Prior Year Comments:

Completeness of SEFA Schedule (All Schools)
During the review of the original Schedule of Federal Awards (SEFA) schedule, year-end trial balance and grant agreement, it was identified that the food service program income should be federal funding and should be included on the SEFA schedule. We recommend management continue to review grant and award agreements to identify funding sources and determine the funds have been properly identified as federal or non-federal funding.

Current year update:
No issues were noted during the review of the federal revenue and review of Schedule of Federal Expenditures completed during FY16. This item has been resolved for the current year.

Shared Services Agreement (All schools)
During our review of the Shared Services agreements between KIPP NYC LLC and the KIPP NYC Charter Schools, we observed the current agreements states a 10% service fee percentage being charged to the KIPP New York Charter Schools based on the net state and federal government revenue received. We were provided an approved Board resolution from the June 2013 minutes stating the fee increasing to 11%. We noted there were no amended signed agreements highlighting the change of the service fee percentage. Related party activity between the schools involves potential risk and skepticism from outside parties. As a best practice, KIPP New York Charter Schools should have current signed documents and agreements to support the transactions between the schools. We recommend management and the Board of directors prepare and sign an updated Shared Services agreement to properly coincide with the change in the service fee percentage.

Current year update:
An agreement has been updated to note the 11% fee and has been signed. This item has been resolved for the current year.

Employee Personnel File Documentation (KIPP Academy, Infinity and Public Charter School)

During our review of employee personnel files, it was observed that some of the employee's I-9 forms and verification documents were missing (I-9s – 1 missing for Academy and 2 missing for Public Charter School. Verification documents - 2 missing for Infinity and 1 missing for Public Charter School). In addition, there was 1 fingerprint form missing for Infinity. These are required forms to verify employment for the school employees and working with students. We recommend that the School ensure the required forms and documents are provided at the time of employment.

Current year update:
During our review, there was still missing documentation in Infinity and AMP in the current year. Both schools had an employee who did not sign their W-4. We recommend that the School ensure the required forms and documents are provided at the time of employment.

Management's response:

We will continue to work on improving our review process of personnel files to ensure that all required documentation is completed accurately.

Student Reporting (Infinity)

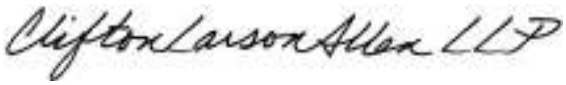
We noted one files did not include proof of residency/address verification and existence documents that should be included in the student's file. This was a student who left during the school year and the documentation was not received while the student was enrolled. We recommend that the School systematically review the student files to make sure the required documentation is included.

Current year update:
There were no issues of missing proof of residency/address verification and existence documents during our audit testing. This item has been resolved for the current year.

* * * * * *

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2016

CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors
KIPP Academy Charter School
New York, New York

We have audited the financial statements of KIPP Academy Charter School as of and for the year ended June 30, 2017, and have issued our report thereon dated October 26, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KIPP Academy Charter School are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2017.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the due from New York State Education Department is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2016-2017. The most significant of these is the Food Service program. Due to the timing of the review and approval of the reimbursements, the actual reimbursement may differ from the estimate. Management expects any differences between estimated and actual amounts will be insignificant.

- Management's estimate of useful lives for depreciable assets and depreciation expense are based on historical information, vendor information, and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation and percentage breakdown for certain programs. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 26, 2017.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated October 26, 2017, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 26, 2017.

* * *

This communication is intended solely for the information and use of the board of directors and management of KIPP Academy Charter School and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2017

CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors and Management
KIPP New York Charter Schools
New York, New York

In planning and performing our audits of the financial statements of KIPP Academy Charter School and KIPP NYC Public Charter Schools (KIPP New York Charter Schools) as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of one matter that is an opportunity for strengthening internal control and operating efficiency. Our comments and suggestions regarding this matters are summarized below. This letter does not affect our communication dated October 26, 2017.

Current Year Comment:

Credit Cards

During our testing of credit cards, we noted some of the purchases were not accompanied with a supporting receipt or invoice. We recommend that the School review the current process to ensure that receipts for all credit card purchases have been submitted by cardholders and that the expenditures are for appropriate business purposes.

Management's response:

Our current policy states that all credit card users are required to provide appropriate documentation for all purchases made with their card. In the event that a card user loses a receipt they may submit a letter detailing the details and purpose of the purchase for approval by the CFO. As a large and complex organization we recognize the need to have tighter financial controls. We are currently in the process of revising our purchasing policy to better reflect industry best practices.

Prior Year Comment:

Employee Personnel File Documentation (KIPP Academy and KIPP NYC Public Charter Schools)

During our review of employee personnel files, it was observed that some of the employees' I-9 forms and verification documents were missing (I-9s – 1 missing for Academy and 2 missing for Public Charter School. Verification documents - 2 missing for Infinity and 1 missing for Public Charter School). In addition, there was 1 fingerprint form missing for Infinity. These are required forms to verify employment for the school employees and working with students. We recommend that the School ensure the required forms and documents are provided at the time of employment.

Current year update:
During our review, there was one employee from Academy missing an I-9. CLA will continue to recommend that the School ensure the required forms and documents are provided at the time of employment.

Management's response:
We will continue to work on improving our review and storage process of personnel files to ensure all required documentation is completed and properly stored.

Management's responses
Management's written response to the recommendations identified in our audit was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

* * * * * *

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2017

CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors
KIPP NYC Public Charter School
New York, New York

We have audited the financial statements of KIPP NYC Public Charter School as of and for the year ended June 30, 2017, and have issued our report thereon dated October 26, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KIPP NYC Public Charter School are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2017.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the due from New York State Education Department is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2016-2017. The most significant of these is the Food Service program. Due to the timing of the review and approval of the reimbursements, the actual reimbursement may differ from the estimate. Management expects any differences between estimated and actual amounts will be insignificant.

- Management's estimate of useful lives for depreciable assets and depreciation expense are based on historical information, vendor information, and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the SUI liability due to New York Department of Labor (NYDOL) is based on an estimated liability calculated from what would have been owed using the experience rating the NYDOL issued less the actual amounts paid by the school during the underreported years (2012 to 2015). We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation and percentage breakdown for certain programs. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 26, 2017.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated October 26, 2017, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 26, 2017.

With respect to the Supplemental Schedule of Financial Position By School, Schedule of Activities By School, Schedule of Functional Expenses – KIPP Star College Prep Charter School, Schedule of Functional Expenses – KIPP NYC Washington Heights Academy Charter School, Schedule of Functional Expenses – KIPP AMP Academy Charter School, and Schedule of Functional Expenses – KIPP Infinity Charter School (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 26, 2017.

* * * * *

This communication is intended solely for the information and use of the board of directors and management of KIPP NYC Public Charter School and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 26, 2017

KIPP ACADEMY CHARTER SCHOOL

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2018 AND 2017

KIPP ACADEMY CHARTER SCHOOL
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2018 AND 2017

INDEPENDENT AUDITORS' REPORT	**1**
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	**3**
STATEMENTS OF ACTIVITIES	**4**
STATEMENTS OF FUNCTIONAL EXPENSES	**5**
STATEMENTS OF CASH FLOWS	**7**
NOTES TO FINANCIAL STATEMENTS	**8**
SINGLE AUDIT REQUIREMENTS	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**15**
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**16**
INDEPENDENT AUDITORS' 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*	**17**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	**19**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**21**

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
KIPP Academy Charter School
Bronx, New York

Report on the Financial Statements

We have audited the accompanying financial statements of KIPP Academy Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A member of Nexia International

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP Academy Charter School as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the KIPP Academy Charter School's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic 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 October 24, 2018 on our consideration of KIPP Academy Charter 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 result of that testing, and not to provide an opinion on the effectiveness of KIPP Academy Charter 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 KIPP Academy Charter School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2018

KIPP ACADEMY CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and Cash Equivalents	$ 2,223,809	$ 3,469,309
Grants and Contracts Receivable	1,593,465	514,625
Prepaid Expenses and Other Assets	240,431	46,153
Equipment and Improvements	475,493	493,283
Total Assets	$ 4,533,198	$ 4,523,370
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 644,885	$ 530,292
Refundable Advances	39,068	19,755
Due to Related Parties	1,049,502	1,307,370
Total Liabilities	1,733,455	1,857,417
NET ASSETS		
Unrestricted	2,746,860	2,635,502
Temporarily Restricted	52,883	30,451
Total Net Assets	2,799,743	2,665,953
Total Liabilities and Net Assets	$ 4,533,198	$ 4,523,370

See accompanying Notes to Financial Statements.

KIPP ACADEMY CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 17,334,238	$ -	$ 17,334,238	$ 17,326,109	$ -	$ 17,326,109
Federal Government Grants and Contracts	1,090,580	-	1,090,580	961,376	-	961,376
Nonfederal Grants and Contracts	594,045	-	594,045	522,908	-	522,908
Total Operating Revenue	19,018,863	-	19,018,863	18,810,393	-	18,810,393
OPERATING EXPENSES						
Program Services	19,660,015	-	19,660,015	18,685,484	-	18,685,484
Supporting Services	2,037,212	-	2,037,212	2,023,168	-	2,023,168
Total Expenses	21,697,227	-	21,697,227	20,708,652	-	20,708,652
SCHOOL OPERATING REVENUE (DEFICIT)	(2,678,364)	-	(2,678,364)	(1,898,259)	-	(1,898,259)
OTHER REVENUE AND EXPENSES						
Contributions and Other Grants	1,719,359	948,004	2,667,363	1,520,332	171,046	1,691,378
Interest and Other Income	144,791	-	144,791	120,819	-	120,819
Total Other Revenue and Expenses, Net	1,864,150	948,004	2,812,154	1,641,151	171,046	1,812,197
NET ASSETS RELEASED FROM RESTRICTIONS	925,572	(925,572)	-	145,478	(145,478)	-
CHANGE IN NET ASSETS	111,358	22,432	133,790	(111,630)	25,568	(86,062)
Net Assets – Beginning of Year	2,635,502	30,451	2,665,953	2,747,132	4,883	2,752,015
NET ASSETS – END OF YEAR	$ 2,746,860	$ 52,883	$ 2,799,743	$ 2,635,502	$ 30,451	$ 2,665,953

See accompanying Notes to Financial Statements.

Response 21g-1419
Response 24-1894

KIPP ACADEMY CHARTER SCHOOL
STATEMENT OF FUCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	Program Services			Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 9,808,145	$ 1,535,713	$ 11,343,858	$ -	$ 11,343,858
Payroll Taxes and Employee Benefits	3,343,833	158,481	3,502,314	-	3,502,314
Licensing and Management Fee	37,017	-	37,017	2,035,728	2,072,745
Litigation and Legal Services Fees	936,449	-	936,449	-	936,449
Other Professional Fees	678,306	10,215	688,521	-	688,521
Supplies and Materials	520,963	514	521,477	-	521,477
Occupancy	375,430	-	375,430	-	375,430
Telephone and Internet	336,967	-	336,967	-	336,967
Technology Equipment and Materials	362,344	-	362,344	-	362,344
Equipment and Maintenance	198,018	-	198,018	-	198,018
Academic Programming	325,491	4,220	329,711	-	329,711
Professional Development	258,722	473	259,195	-	259,195
Insurance	149,084	-	149,084	-	149,084
Depreciation and Amortization	211,790	-	211,790	-	211,790
Field Lessons	140,064	-	140,064	-	140,064
Consultants	40,843	22,960	63,803	-	63,803
Events	43,318	-	43,318	1,484	44,802
Student Transportation and Other Fees	66,299	-	66,299	-	66,299
Memberships and Subscriptions	24,184	-	24,184	-	24,184
Accounting and Audit Services Fees	20,945	-	20,945	-	20,945
Printing and Publications	26,556	-	26,556	-	26,556
Uncollectible Receivables	2,302	-	2,302	-	2,302
Postage and Shipping	7,189	-	7,189	-	7,189
Miscellaneous	1,639	-	1,639	-	1,639
Use of Donated Materials and Services	2,557	-	2,557	-	2,557
Bank and Other Fees	267	-	267	-	267
Prior Period Adjustments	8,717	-	8,717	-	8,717
Total Expenditures	$ 17,927,439	$ 1,732,576	$ 19,660,015	$ 2,037,212	$ 21,697,227

See accompanying Notes to Financial Statements.

Response 21g-1420 Response 24-1895

KIPP ACADEMY CHARTER SCHOOL
STATEMENT OF FUCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 9,404,714	$ 1,218,414	$ 10,623,128	$ -	$ 10,623,128
Payroll Taxes and Employee Benefits	3,441,003	176,624	3,617,627	-	3,617,627
Licensing and Management Fee	37,818	-	37,818	2,017,771	2,055,589
Litigation and Legal Services Fees	811,418	-	811,418	-	811,418
Other Professional Fees	625,865	7,230	633,095	-	633,095
Supplies and Materials	475,254	-	475,254	-	475,254
Occupancy	362,580	-	362,580	-	362,580
Telephone and Internet	339,989	-	339,989	-	339,989
Technology Equipment and Materials	303,226	67	303,293	-	303,293
Equipment and Maintenance	245,066	-	245,066	-	245,066
Academic Programming	237,602	2,294	239,896	-	239,896
Professional Development	204,383	111	204,494	-	204,494
Insurance	194,999	-	194,999	-	194,999
Depreciation and Amortization	180,787	-	180,787	-	180,787
Field Lessons	168,338	-	168,338	-	168,338
Consultants	41,103	27,063	68,166	-	68,166
Student Events	53,444	-	53,444	5,397	58,841
Student Transportation and Other Fees	34,203	-	34,203	-	34,203
Memberships and Subscriptions	27,184	-	27,184	-	27,184
Accounting and Audit Services Fees	21,844	-	21,844	-	21,844
Printing and Publications	19,368	-	19,368	-	19,368
Uncollectible Receivables	11,876	-	11,876	-	11,876
Postage and Shipping	5,473	-	5,473	-	5,473
Miscellaneous	2,904	3	2,907	-	2,907
Candidate Recruiting	1,678	-	1,678	-	1,678
Alumni Programming	704	-	704	-	704
Grants to Related Entities	586	-	586	-	586
Use of Donated Materials and Services	271	-	271	-	271
Bank and Other Fees	59	-	59	-	59
Prior Period Adjustments	(61)	-	(61)	-	(61)
Total Expenditures	$ 17,253,678	$ 1,431,806	$ 18,685,484	$ 2,023,168	$ 20,708,652

See accompanying Notes to Financial Statements.

KIPP ACADEMY CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State, and Federal Sources	$ 17,940,023	$ 18,620,073
Receipts from Others	2,812,154	1,812,197
Payments to Suppliers and Vendors	(10,459,819)	(9,838,671)
Payments to Employees	(11,343,858)	(10,623,128)
Net Cash Used by Operating Activities	(1,051,500)	(29,529)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(194,000)	(216,542)
Net Cash Used by Capital and Related Financing Activities	(194,000)	(216,542)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,245,500)	(246,071)
Cash and Cash Equivalents – Beginning of Year	3,469,309	3,715,380
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 2,223,809	$ 3,469,309
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	$ 133,790	$ (86,062)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	211,790	180,787
Change in Assets and Liabilities:		
Grants and Contracts Receivable	(1,078,840)	(190,320)
Prepaid Expenses and Other Assets	(194,278)	6,427
Accounts Payable and Accrued Expenses	114,593	286,556
Refundable Advances	19,313	19,168
Due to Related Parties	(257,868)	(246,085)
Total Adjustments	(1,185,290)	56,533
Net Cash Used by Operating Activities	$ (1,051,500)	$ (29,529)

See accompanying Notes to Financial Statements.

Response 21g-1422 Response 24-1897

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP Academy Charter School (the School) is an education corporation that operates as a charter school in the borough of the Bronx, New York City. On May 4, 2000, the Board of Regents of the City of New York for and on behalf of the State Education Department, granted the School a provisional charter valid for a term of five years from the effective date of September 1, 2000 and renewable upon expiration. The provisional charter was renewed on April 14, 2015 and is now effective through June 30, 2019.

The School was converted from an existing New York City Department of Education school. The School's mission is to prepare students with the academic and character skills necessary to succeed in high school, college, and the competitive world beyond.

In fiscal years 2018 and 2017, the School operated classes for students in grades kindergarten through twelve.

The major source of revenue and support for the School is from state and local funding on a per pupil basis. 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. Amounts with respect to these items are not included in these financial statements.

Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for nonprofit entities. The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2018 and 2017, no allowance was warranted.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status is based on the number of students enrolled. The revenue is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

Response 21g-1424 Response 24-1899

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment, Improvements, Depreciation, and Amortization

Equipment is recorded at cost. The School capitalizes purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable income tax regulations of the state of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 24, 2018, the date the financial statements were available to be issued.

Response 21g-1425 Response 24-1900

NOTE 2 RELATED PARTY TRANSACTIONS

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. KIPP Foundation charges a license fee to all of the KIPP Charter Schools. See Note 7 for additional information about the license fee agreement.

KIPP NYC, LLC (LLC) is the sole member of KIPP New York, Inc. (KNYI). The School received grants from KNYI in the amounts of $2,600,000 and $1,500,000 for the years ended June 30, 2018 and 2017, respectively. Amounts due to and from related parties represent short-term timing differences of expenses incurred on behalf of the School that have not been paid or received as of the financial statement date. As of June 30, 2018 and 2017, the School had receivables balances for grants in the amounts of $1,000,000 and $-0-, respectively.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2009, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $2,035,728 and $2,017,771 for the years ended June 30, 2018 and 2017, respectively. The amount due to LLC for shared services as of June 30, 2018 and 2017 was $83,870 and $34,679, respectively.

KNYI is the sole member of KTC NYC, LLC (KTC). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, college scholars and career preparation. There were no transactions between KTC and the School during the year.

KIPP NYC Facilities II LLC (Facilities) is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware nonstock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KNYI, the School, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. The School had no transactions with Facilities during the years ended June 30, 2018 and 2017.

The School and KIPP NYC Public Charter Schools share some common membership on their board of directors.

Response 21g-1426 Response 24-1901

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and improvements consist of the following:

	2018	2017
Furniture and Fixtures	$ 98,020	$ 98,022
Technology	1,642,678	1,636,334
Leasehold Improvements	691,174	534,727
Construction in Progress	23,721	-
Equipment	249,358	241,864
Total	2,704,951	2,510,947
Less: Accumulated Depreciation and Amortization	(2,229,458)	(2,017,664)
Total Equipment and Improvements	$ 475,493	$ 493,283

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets were available for the following purposes at June 30:

	2018	2017
Purpose Restrictions:		
Arts and Music Programs	$ 7,240	$ 7,240
Academic Programs	45,643	23,211
Total Temporarily Restricted Net Assets	$ 52,883	$ 30,451

NOTE 5 PENSION PLAN

The School is part of the KIPP NYC 403(b) Retirement Plan, a multi-employer defined contribution plan, under Section 403(b) of the IRC which employees of the School can elect to contribute. Employees, whom option for 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 this Plan amounted $128,832 and $113,883 for the years ended June 30, 2018 and 2017, respectively.

The School also contributes to the Teachers Retirement System of the City of New York, a multi-employer defined benefit pension plan (the Plan), on behalf of the 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 56.4% at June 30, 2015, the date of the most recent actuarial calculation as indicated in the June 30, 2017 plan audit. The amount charged to operations for contributions to this Plan amounted to $950,782 and $1,245,990 for the years ended June 30, 2018 and 2017, respectively.

Response 21g-1427 Response 24-1902

NOTE 6 SCHOOL FACILITY

The School occupies three facilities to support its operations. Approximately 25,000 square feet of dedicated and shared space located at 250 East 156th St. in the South Bronx, New York is occupied through an agreement with the New York City Department of Education, which provides the space at no cost. The School is responsible for any overtime-related costs for services provided beyond regular opening hours. These costs have been included in building costs in the accompanying statement of functional expenses.

The School also jointly occupies approximately 132,500 square feet of space at 201 East 144th St in the South Bronx where the joint high school for KIPP Academy Charter School and KIPP NYC Public Charter Schools resides. The facility was provided to the School at no cost, but the School must provide for continuing maintenance and operating expenses. The expenses are also included in building costs in the accompanying statement of functional expenses. The School also occupies the Mott Haven Facility.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. For the years ended June 30, 2018 and 2017, the School incurred licensing fees amounting to $37,017 and $37,818, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education

Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas.

The significant supporting services are:

Management and General

Time and materials relating to operating the nonprogrammatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

NOTE 8 OPERATING EXPENSES (CONTINUED)

Fundraising

Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting, and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements for such potential claims. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

Response 21g-1429 Response 24-1904

KIPP ACADEMY CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant/ Contract Period	Grant Amount	Accrued or (Deferred) Revenue at 7/1/16	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued or (Deferred) at 6/30/17
U.S. Department of Education:									
Pass-through New York Department of Education:									
Title I Grant – Improving Academic Achievement	I	84.010A	0021-174110	9/1/16-8/31/17	$ 627,294	$ (15)	$ 103,609	$ 103,624	$ -
Title I Grant – Improving Academic Achievement	I	84.010A	0021-184110	9/1/17-8/31/18	729,030	-	544,285	612,416	68,131
Total Title I Grant – Improving Academic Achievement						(15)	647,894	716,040	68,131
Title II Grant – Teaching, Principal Training, Recruitment	I	84.367A	0147-174110	9/1/16-8/31/17	21,512	-	3,585	3,585	-
Title II Grant – Teaching, Principal Training, Recruitment	I	84.367A	0147-184110	9/1/17-8/31/18	178,878	-	134,158	90,225	(43,933)
Total Title II Grant – Teaching, Principal Training, Recruitment						-	137,743	93,810	(43,933)
Total U.S. Department of Education						(15)	785,637	809,850	24,198
U.S. Department of Agriculture:									
Pass-through New York Department of Education:									
Child Nutrition Cluster - School Lunch Program	I	10.555	n/a	9/1/17-8/31/18	136,733	-	134,590	134,590	-
Total U.S. Department of Agriculture						-	134,590	134,590	-
Total Federal Expenditures						$ (15)	$ 920,227	$ 944,440	$ 24,198

I – Indirect Funding

Response 21g-1430

Response 24-1905

KIPP ACADEMY CHARTER SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

NOTE 1 GENERAL INFORMATION

The accompanying schedule of expenditures of federal awards presents the activities of the federal financial assistance programs of KIPP Academy Charter School (the School). Financial awards received directly from federal agencies, as well as financial assistance passed through other governmental agencies or nonprofit organizations, are included in the schedule.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant 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*.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The schedule of expenditures of federal awards presents only a selected portion of the activities of the School. It is not intended to, nor does it, present either the balance sheet, revenue, expenditures, or changes in net assets. The financial activity for the aforementioned awards is reported in the School's statement of activities.

NOTE 4 INDIRECT COST RATE

KIPP Academy Charter School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Response 21g-1431 Response 24-1906

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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*

Board of Directors
KIPP Academy Charter School
Bronx, New York

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 financial statements of KIPP Academy Charter School, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIPP Academy Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIPP Academy Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP Academy Charter 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP Academy Charter School's 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2018

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
KIPP Academy Charter School
Bronx, New York

Report on Compliance for Each Major Federal Program

We have audited KIPP Academy Charter School's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of KIPP Academy Charter School's major federal programs for the year ended June 30, 2018. KIPP Academy Charter School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of KIPP Academy Charter School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KIPP Academy Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of KIPP Academy Charter School's compliance.

Opinion on Each Major Federal Program

In our opinion, KIPP Academy Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of KIPP Academy Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KIPP Academy Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KIPP Academy Charter School's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2018

KIPP ACADEMY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? _____yes ____X____no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ____X___ none reported

3. Noncompliance material to financial statements noted? _____ yes ____X___ no

Federal Awards

1. Internal control over major federal programs:

   Material weakness(es) identified? _____ yes ____X___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ____X___ none reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. 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 Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	U.S. Department of Education – Title I - Basic, Concentration, Targeted and Education Finance Incentive Grants

Dollar threshold used to distinguish between Type A or Type B programs was: $ 750,000

Auditee qualified as low-risk auditee? _____ yes ____X____ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with the Federal Single Audit Act.

Section IV – Prior Audit Findings

There were no prior year findings required to be reported under the Federal Single Audit Act.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors
KIPP Academy Charter School
New York, New York

We have audited the financial statements of KIPP Academy Charter School as of and for the year ended June 30, 2018, and have issued our report thereon dated October 24, 2018. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KIPP Academy Charter School are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2018.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the due from New York State Education Department is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2017-2018. Due to the timing of the review and approval of the reimbursements, the actual reimbursement may differ from the estimate. Management expects any differences between estimated and actual amounts will be insignificant.

- Management's estimate of useful lives for depreciable assets and depreciation expense are based on historical information, vendor information, and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation and percentage breakdown for certain programs. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 24, 2018.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated October 24, 2018, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 24, 2018.

* * *

This communication is intended solely for the information and use of the board of directors and management of KIPP Academy Charter School and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2018

KIPP NYC PUBLIC CHARTER SCHOOLS

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2018 AND 2017

KIPP NYC PUBLIC CHARTER SCHOOLS
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2018 AND 2017

INDEPENDENT AUDITORS' REPORT	**1**
FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	**4**
CONSOLIDATED STATEMENTS OF ACTIVITIES	**5**
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	**6**
CONSOLIDATED STATEMENTS OF CASH FLOWS	**8**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	**9**
SUPPLEMENTARY INFORMATION	
SCHEDULE OF FINANCIAL POSITION BY SCHOOL	**16**
SCHEDULE OF ACTIVITIES BY SCHOOL	**17**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP STAR COLLEGE PREP CHARTER SCHOOL	**20**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP NYC WASHINGTON HEIGHTS ACADEMY CHARTER SCHOOL	**21**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP AMP ACADEMY CHARTER SCHOOL	**22**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP INFINITY ACADEMY CHARTER SCHOOL	**23**
SCHEDULE OF FUNCTIONAL EXPENSES – KIPP FREEDOM CHARTER SCHOOL	**24**
SINGLE AUDIT REQUIREMENTS	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**25**
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**26**
INDEPENDENT AUDITORS' 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*	**27**

KIPP NYC PUBLIC CHARTER SCHOOLS
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2018 AND 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	**29**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**31**

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
KIPP NYC Public Charter Schools
New York, New York

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of KIPP NYC Public Charter Schools (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A member of Nexia International

Response 21g-1445 Response 24-1920

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of KIPP NYC Public Charter Schools as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Other Information – Supplemental Schedules

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental schedules, which comprise the schedule of financial position by school, schedule of activities by school and schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The supplemental schedules are the responsibility of management and were derived from and relate 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 supplemental schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the consolidated financial statements that collectively comprise the KIPP NYC Public Charter Schools' basic consolidated financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 basic consolidated financial statements or to the basic 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic 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 October 24, 2018, on our consideration of KIPP NYC Public Charter Schools' 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 result of that testing, and not to provide an opinion on the effectiveness of KIPP NYC Public Charter 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 KIPP NYC Public Charter Schools' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2018

KIPP NYC PUBLIC CHARTER SCHOOLS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and Cash Equivalents	$ 7,080,042	$ 5,638,315
Grants and Contracts Receivable	2,069,568	3,703,383
Due from Related Parties	910,339	-
Prepaid Expenses and Other Assets	1,225,156	762,464
Property and Equipment	6,084,650	5,819,239
Total Assets	$ 17,369,755	$ 15,923,401
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 2,124,929	$ 2,636,309
Due to/from Related Parties	-	189,610
Note Payable - Related Parties	2,000,000	-
Refundable Advances	64,319	30,976
Total Liabilities	4,189,248	2,856,895
NET ASSETS		
Unrestricted	13,016,840	12,929,750
Temporarily Restricted	163,667	136,756
Total Net Assets	13,180,507	13,066,506
Total Liabilities and Net Assets	$ 17,369,755	$ 15,923,401

See accompanying Notes to Consolidated Financial Statements.

KIPP NYC PUBLIC CHARTER SCHOOLS
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 67,365,413	$ -	$ 67,365,413	$ 61,906,955	$ -	$ 61,906,955
Government Grants and Contracts	5,260,758	-	5,260,758	4,308,694	-	4,308,694
Total Operating Revenue	72,626,171	-	72,626,171	66,215,649	-	66,215,649
OPERATING EXPENSES						
Program Services	65,684,987	-	65,684,987	59,296,310	-	59,296,310
Supporting Services	7,829,752	-	7,829,752	7,175,910	-	7,175,910
Total Operating Expenses	73,514,739	-	73,514,739	66,472,220	-	66,472,220
SCHOOL OPERATING SURPLUS (DEFICIT)	(888,568)	-	(888,568)	(256,571)	-	(256,571)
OTHER REVENUE						
Contributions and Other Grants	42,162	213,369	255,531	471,737	111,764	583,501
Interest and Other Income – Net	745,737	-	745,737	666,776	-	666,776
Donated Goods and Services	1,301	-	1,301	771	-	771
Total Other Revenue	789,200	213,369	1,002,569	1,139,284	111,764	1,251,048
NET ASSETS RELEASED FROM RESTRICTIONS	186,458	(186,458)	-	15,832	(15,832)	-
CHANGE IN NET ASSETS BEFORE MERGER	87,090	26,911	114,001	898,545	95,932	994,477
NET ASSETS TRANSFERRED FROM MERGER						
Transfer of Net Assets of KIPP AMP Academy to PCS	-	-	-	2,419,643	2,967	2,422,610
Transfer of Net Assets of KIPP Infinity to PCS	-	-	-	3,122,295	37,274	3,159,569
Total Net Assets Transferred from Merger	-	-	-	5,541,938	40,241	5,582,179
CHANGE IN NET ASSETS	87,090	26,911	114,001	6,440,483	136,173	6,576,656
Net Assets – Beginning of Year	12,929,750	136,756	13,066,506	6,489,267	583	6,489,850
NET ASSETS – END OF YEAR	$ 13,016,840	$ 163,667	$ 13,180,507	$ 12,929,750	$ 136,756	$ 13,066,506

See accompanying Notes to Consolidated Financial Statements.

Response 21g-1449
Response 24-1924

KIPP NYC PUBLIC CHARTER SCHOOLS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 36,736,384	$ 5,947,156	$ 42,683,540	$ -	$ 42,683,540
Payroll Taxes and Employee Benefits	9,218,381	997,296	10,215,677	-	10,215,677
Licensing and Management Fee	262,983	-	262,983	7,819,525	8,082,508
Litigation and Legal Services Fee	41,639	-	41,639	-	41,639
Accounting and Audit Services Fees	34,073	-	34,073	-	34,073
Other Professional Fees	1,400,764	61,264	1,462,028	-	1,462,028
Consultant Fees	168,703	72,508	241,211	-	241,211
Academic Programming	1,346,700	24,866	1,371,566	-	1,371,566
Field Lessons	492,828	-	492,828	-	492,828
Professional Development	933,014	744	933,758	-	933,758
Equipment and Maintenance	925,530	-	925,530	-	925,530
Student Transportation and Other Services	101,657	-	101,657	-	101,657
Supplies and Materials	1,962,151	384	1,962,535	-	1,962,535
Technology Equipment and Materials	1,239,192	108	1,239,300	-	1,239,300
Events	176,538	-	176,538	10,227	186,765
Printing and Publications	115,521	-	115,521	-	115,521
Occupancy	569,360	-	569,360	-	569,360
Telephone and Internet	902,969	-	902,969	-	902,969
Insurance	520,475	-	520,475	-	520,475
Memberships and Subscriptions	98,411	-	98,411	-	98,411
Postage and Shipping	18,330	-	18,330	-	18,330
Bank and Other Fees	4,991	-	4,991	-	4,991
Candidate Recruiting	825	866	1,691	-	1,691
Miscellaneous	4,438	-	4,438	-	4,438
Donated Goods and Services	1,301	-	1,301	-	1,301
Depreciation and Amortization	1,208,322	-	1,208,322	-	1,208,322
Uncollectible Receivables	39,455	-	39,455	-	39,455
Prior Period Adjustments	54,860	-	54,860	-	54,860
Total Functional Expenses	$ 58,579,795	$ 7,105,192	$ 65,684,987	$ 7,829,752	$ 73,514,739

See accompanying Notes to Consolidated Financial Statements.

KIPP NYC PUBLIC CHARTER SCHOOLS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 32,551,697	$ 5,715,732	$ 38,267,429	$ -	$ 38,267,429
Payroll Taxes and Employee Benefits	8,182,329	1,257,862	9,440,191	-	9,440,191
Licensing and Management Fee	262,182	-	262,182	7,175,910	7,438,092
Litigation and Legal Services Fee	82,631	-	82,631	-	82,631
Accounting and Audit Services Fees	58,656	-	58,656	-	58,656
Other Professional Fees	1,268,320	-	1,268,320	-	1,268,320
Consultant Fees	160,212	70,530	230,742	-	230,742
Grants to Related Entities	1,663	-	1,663	-	1,663
Academic Programming	1,002,144	10,262	1,012,406	-	1,012,406
Alumni Programming	2,967	-	2,967	-	2,967
Field Lessons	551,727	-	551,727	-	551,727
Professional Development	704,794	697	705,491	-	705,491
Equipment and Maintenance	710,185	-	710,185	-	710,185
Student Transportation and Other Services	148,588	-	148,588	-	148,588
Supplies and Materials	1,577,500	-	1,577,500	-	1,577,500
Technology Equipment and Materials	1,270,313	174	1,270,487	-	1,270,487
Events	215,545	-	215,545	-	215,545
Printing and Publications	59,061	-	59,061	-	59,061
Occupancy	530,442	-	530,442	-	530,442
Telephone and Internet	920,563	-	920,563	-	920,563
Insurance	598,584	-	598,584	-	598,584
Memberships and Subscriptions	86,207	-	86,207	-	86,207
Postage and Shipping	14,262	-	14,262	-	14,262
Bank and Other Fees	1,893	-	1,893	-	1,893
Candidate Recruiting	8,867	-	8,867	-	8,867
Miscellaneous	9,659	50	9,709	-	9,709
Donated Goods and Services	771	-	771	-	771
Depreciation and Amortization	1,207,997	-	1,207,997	-	1,207,997
Uncollectible Receivables	29,282	-	29,282	-	29,282
Prior Period Adjustments	17,340	4,622	21,962	-	21,962
Total Functional Expenses	$ 52,236,381	$ 7,059,929	$ 59,296,310	$ 7,175,910	$ 66,472,220

See accompanying Notes to Consolidated Financial Statements.

KIPP NYC PUBLIC CHARTER SCHOOLS
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Local, State, and Federal Sources	$ 74,259,986	$ 64,494,685
Receipts from Others	1,002,569	2,197,203
Payments to Suppliers and Vendors	(31,663,555)	(26,695,189)
Payments to Employees	(42,683,540)	(38,267,429)
Net Cash Provided by Operating Activities	915,460	1,729,270
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(1,473,733)	(1,890,096)
Note Payable - Related Parties	2,000,000	-
Net Cash Provided (Used) by Capital and Related Financing Activities	526,267	(1,890,096)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,441,727	(160,826)
Cash and Cash Equivalents – Beginning of Year	5,638,315	5,799,141
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 7,080,042	$ 5,638,315
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	$ 114,001	$ 994,477
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	1,208,322	1,207,997
Change in Assets and Liabilities:		
Grants and Contracts Receivable	1,633,815	(1,720,964)
Prepaid Expenses and Other Assets	(462,692)	(194,777)
Accounts Payable and Accrued Expenses	(511,380)	1,235,684
Due to/from Related Parties	(1,099,949)	181,613
Refundable Advances	33,343	25,240
Net Cash Provided by Operating Activities	$ 915,460	$ 1,729,270

See accompanying Notes to Consolidated Financial Statements.

Response 21g-1452 Response 24-1927

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIPP NYC Public Charter Schools (the School) is an education corporation that is 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) and KIPP AMP Academy Charter School (AMP). As of July 1, 2013, Washington Heights and STAR combined their financial books and records as a business combination accounted for as a merger and ceased operating as two entities. As of July 1, 2016, Infinity and AMP combined their financial books and records with the School and ceased operating as two separate entities. The total assets, total liabilities, unrestricted, and temporary restricted net assets of the former schools at July 1, 2016 were $3,664,457, $504,888, $3,122,295, and $37,274 for Infinity and $3,193,990, $771,380, $2,419,643, and $2,967 for AMP, respectively. Through their mergers, the charter entities seek to achieve substantial operational efficiencies in governance and accounting workflow, enhanced buying power, and shared resources, all of which will provide for a more streamlined, cost efficient organization for students, families, and staff. The School's mission is to equip students with the academic and character skills necessary to succeed in high school, college and the competitive world beyond. The School holds the four charters for each of the legacy charter entities, which continue to be renewed on their separate schedules.

In preparation for the July 2016 merger, KIPP NYC Public Charter Schools created four, wholly owned subsidiary LLCs, Washington Heights PCS, LLC, STAR Harlem PCS, LLC, Infinity PCS, LLC, and AMP PCS, LLC. These disregarded entities were formed to segregate assets of the four legacy charter entities of KIPP NYC Public Charter Schools (Washington Heights, STAR, AMP, and Infinity).

At the November 2017 meeting of the Board of Regents of the State University of New York, an application was approved to issue a charter for KIPP Freedom Charter School, which will be operated under the KIPP NYC Public Charter School. In preparation of the charter, KIPP NYC Public Charter Schools created Freedom PCS, LLC, a wholly owned subsidiary, was formed in December 2017 and recorded start-up activities through June 30, 2018.

In fiscal years 2017 and 2018, the School operated for students in grades kindergarten through twelve.

The major source of revenue and support for the School is from state and local funding on per pupil basis. 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. Amounts with respect to these items are not included in these consolidated financial statements.

Consolidated Financial Statement Presentation

The consolidated financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for nonprofit entities. The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Response 21g-1453 Response 24-1928

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidated Financial Statement Presentation (Continued)

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

Principles of Consolidation

The consolidated financial statements include the accounts of the Organization and its five wholly owned subsidiaries, Washington Heights PCS, LLC, STAR Harlem PCS, LLC, Infinity PCS, LLC, AMP PCS, LLC and Freedom PCS, LLC Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits.

Grants and Contract Receivables

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2018 and 2017, an allowance was not warranted.

Governmental Funding

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

Response 21g-1454 Response 24-1929

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the consolidated financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

Equipment, Improvements, and Depreciation

Property and equipment is recorded at cost. The School capitalizes purchases of equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Property and equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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

Expense Allocation

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Income Taxes

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable income tax regulations of the state of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's consolidated financial statements.

Response 21g-1455 Response 24-1930

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these consolidated financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 24, 2018, the date the consolidated financial statements were available to be issued.

NOTE 2 RELATED PARTY TRANSACTIONS

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. See Note 7 for additional information about the license fee agreement.

KIPP NYC, LLC (LLC) is the sole member of KIPP New York, Inc. (KNYI). LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2013, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 11% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of $7,819,525 and $7,175,910 for the years ended June 30, 2018 and 2017, respectively. The amount due to LLC for shared services as of June 30, 2018 and 2017 was $295,454and $ 166,264, respectively.

In April 2018, KNYI provided a $2,000,000 interest-free loan to KIPP NYC Public Charter Schools to fund operations for the KIPP Freedom Charter Schools. The loan matures and full payment is due in April 2023.

KNYI is the sole member of KTC NYC, LLC (KTC). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the consolidated financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, collage scholars, and career preparation. There were no transactions between KTC and the School during the year.

KIPP NYC Facilities II LLC (Facilities) is a single member limited liability company with KIPP NYC Facility Holdings, Inc. as its sole member. KIPP NYC Facility Holdings Inc. is a Delaware nonstock charitable membership corporation with a mission of securing long-term facilities for KIPP charter schools operating in New York City. KIPP NY Inc., KIPP Academy, and KIPP NYC Public Charter Schools are members of KIPP NYC Facility Holdings Inc. There were no transactions between Facilities and the School during the years ended June 30, 2018 and 2017.

The School and KIPP Academy Charter School share common membership on their board of directors.

Response 21g-1456 Response 24-1931

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and improvements consists of the following at June 30:

	2018	2017
Furniture and Fixtures	$ 483,355	$ 469,555
Technology	3,728,051	3,469,330
Equipment	247,580	219,099
Leasehold Improvements	6,867,502	6,107,961
Construction in Progress	576,642	146,226
Total	11,903,130	10,412,171
Less: Accumulated Depreciation and Amortization	(5,818,480)	(4,592,932)
Total Property and Equipment	$ 6,084,650	$ 5,819,239

NOTE 4 RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets were available for the following purposes at June 30:

	2018	2017
Athletic Programs	$ 142	$ 142
Music Programs	48,334	66,939
Academic Programs	115,191	69,675
Total	$ 163,667	$ 136,756

NOTE 5 PENSION EXPENSE

The School is part of the KIPP NYC 403(b) Retirement Plan, a multi-employer 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 this Plan amounted $1,193,212 and $1,065,810 for the years ended June 30, 2018 and 2017, respectively.

The School also contributes to the Teachers Retirement System of the City of New York, a multi-employer 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 56.4% at June 30, 2015, the date of the most recent actuarial calculation as indicated in the June 30, 2017 plan audit. The amount charged to operations for contributions to this Plan amounted to $759,896 and $984,857 for the years ended June 30, 2018 and 2017, respectively.

NOTE 6 SCHOOL FACILITY

The School occupies several facilities. The School has an agreement with the New York City Department of Education for this dedicated and shared space at P.S. 125, a New York City public school, located at West 123rd Street, New York City, New York, P.S. 115, New York City public school, located at West 177th Street, New York City, New York, I.S. 90, a New York City public school, located at Jumel Place, New York City, New York, M.S. 390, a New York City public school, located at 1224 Park Place, Brooklyn, New York, and M.S. 195, a New York City public school, located at 625 West 133rd Street, New York City, New York, P.S. 315, a New York City public school, located at 2246 Jerome Avenue, Bronx, New York (starting on July 1, 2018) and P.S. 44, a New York City public school, located at 1825 Prospect Avenue, Bronx, New York (starting on July 1, 2018). The School is responsible for any overtime-related costs for services provided beyond regular opening hours in both facilities. These costs have been included in contracted services in the accompanying statement of functional expenses. The School also jointly occupies approximately 132,500 square feet of space at 201 East 144th St in the South Bronx where the joint high school for KIPP NYC Public Charter Schools and KIPP Academy Charter School resides.

The facility was provided to the School at no cost, but the School must provide for continuing maintenance and operating expenses. The expenses are also included in building costs in the accompanying statement of functional expenses.

NOTE 7 TRADEMARK LICENSE AGREEMENT

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. The School incurred licensing fees amounting to $262,983 and $262,182 for the years ended June 30, 2018 and 2017, respectively.

NOTE 8 OPERATING EXPENSES

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

Program Services – Regular Education and Special Education

Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School under the regular education and special education areas. The activities and related costs directly affecting students or parents fall under these program areas.

Response 21g-1458 Response 24-1933

NOTE 8 OPERATING EXPENSES (CONTINUED)

The significant supporting services are:

Management and General

Time and materials relating to operating the nonprogrammatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

Fundraising

Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting, and events. The fundraising expenses were incurred by KIPP NYC, LLC.

NOTE 9 CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying consolidated financial statements. Accordingly, no amounts have been provided in the accompanying consolidated financial statements for such potential claims.

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	KIPP Star College Prep	KIPP NYC Washington Heights Academy	KIPP AMP Academy	KIPP Infinity	KIPP Freedom	Total
ASSETS						
Cash and Cash Equivalents	$ 612,297	$ 3,845,655	$ 378,934	$ 731,416	$ 1,511,740	$ 7,080,042
Grants and Contracts Receivable	206,818	1,597,379	107,128	158,243	-	2,069,568
Due from / (to) Related Parties	(1,111,580)	333,983	154,476	1,539,515	(6,055)	910,339
Prepaid Expenses and Other Assets	206,284	257,097	215,887	422,572	123,316	1,225,156
Property and Equipment	731,542	1,370,280	2,216,575	1,331,203	435,050	6,084,650
Total Assets	$ 645,361	$ 7,404,394	$ 3,073,000	$ 4,182,949	$ 2,064,051	$ 17,369,755
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts Payable and Accrued Expenses	$ 321,570	$ 603,623	$ 372,952	$ 754,000	$ 72,784	$ 2,124,929
Note Payable - Related Parties	-	-	-	-	2,000,000	2,000,000
Refundable Advances	-	-	24,302	40,017	-	64,319
Total Liabilities	321,570	603,623	397,254	794,017	2,072,784	4,189,248
NET ASSETS						
Unrestricted (Deficit)	294,484	6,786,418	2,654,114	3,290,557	(8,733)	13,016,840
Temporarily Restricted	29,307	14,353	21,632	98,375	-	163,667
Total Net Assets	323,791	6,800,771	2,675,746	3,388,932	(8,733)	13,180,507
Total Liabilities and Net Assets	$ 645,361	$ 7,404,394	$ 3,073,000	$ 4,182,949	$ 2,064,051	$ 17,369,755

Response 21g-1460

Response 24-1935

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF ACTIVITIES BY SCHOOL
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	KIPP Star College Prep			KIPP NYC Washington Heights Academy		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 15,741,411	$ -	$ 15,741,411	$ 17,091,505	$ -	$ 17,091,505
Government Grants and Contracts	1,295,412	-	1,295,412	1,286,482	-	1,286,482
Total Operating Revenue	17,036,823	-	17,036,823	18,377,987	-	18,377,987
OPERATING EXPENSES						
Program Services	15,969,544	-	15,969,544	16,168,455	-	16,168,455
Supporting Services	1,839,481	-	1,839,481	1,975,585	-	1,975,585
Total Operating Expenses	17,809,025	-	17,809,025	18,144,040	-	18,144,040
SCHOOL OPERATING SURPLUS (DEFICIT)	(772,202)	-	(772,202)	233,947	-	233,947
OTHER REVENUE						
Contributions and Other Grants	3,197	40,251	43,448	3,672	77,620	81,292
Interest and Other Income – Net	213,491	-	213,491	128,365	-	128,365
Donated Goods and Services	387	-	387	238	-	238
Total Other Revenue, Net	217,075	40,251	257,326	132,275	77,620	209,895
NET ASSETS RELEASED FROM RESTRICTIONS	27,006	(27,006)	-	66,697	(66,697)	-
CHANGE IN NET ASSETS	(528,121)	13,245	(514,876)	432,919	10,923	443,842
Net Assets – Beginning of Year	822,605	16,062	838,667	6,353,499	3,430	6,356,929
NET ASSETS – END OF YEAR	$ 294,484	$ 29,307	$ 323,791	$ 6,786,418	$ 14,353	$ 6,800,771

Response 21g-1461

Response 24-1936

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF ACTIVITIES BY SCHOOL (CONTINUED)
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	KIPP AMP Academy			KIPP Infinity		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE						
State and Local Per Pupil Operating Revenue	$ 14,613,186	$ -	$ 14,613,186	$ 19,919,311	$ -	$ 19,919,311
Government Grants and Contracts	1,071,390	-	1,071,390	1,607,474	-	1,607,474
Total Operating Revenue	15,684,576	-	15,684,576	21,526,785	-	21,526,785
OPERATING EXPENSES						
Program Services	14,875,182	-	14,875,182	19,642,669	-	19,642,669
Supporting Services	1,683,832	-	1,683,832	2,330,854	-	2,330,854
Total Operating Expenses	16,559,014	-	16,559,014	21,973,523	-	21,973,523
SCHOOL OPERATING SURPLUS (DEFICIT)	(874,438)	-	(874,438)	(446,738)	-	(446,738)
OTHER REVENUE						
Contributions and Other Grants	800,000	36,186	836,186	214,889	59,312	274,201
Interest and Other Income – Net	190,260	-	190,260	213,621	-	213,621
Donated Goods and Services	237	-	237	439	-	439
Total Other Revenue, Net	990,497	36,186	1,026,683	428,949	59,312	488,261
NET ASSETS RELEASED FROM RESTRICTIONS	23,821	(23,821)	-	68,934	(68,934)	-
CHANGE IN NET ASSETS	139,880	12,365	152,245	51,145	(9,622)	41,523
Net Assets – Beginning of Year	2,514,234	9,267	2,523,501	3,239,412	107,997	3,347,409
NET ASSETS – END OF YEAR	$ 2,654,114	$ 21,632	$ 2,675,746	$ 3,290,557	$ 98,375	$ 3,388,932

Response 21g-1462

Response 24-1937

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF ACTIVITIES BY SCHOOL (CONTINUED)
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	KIPP Freedom				
	Unrestricted	Temporarily Restricted	Total	Eliminating Entries	Total
OPERATING REVENUE					
State and Local Per Pupil Operating Revenue	$ -	$ -	$ -	$ -	$ 67,365,413
Government Grants and Contracts	-	-	-	-	5,260,758
Total Operating Revenue	-	-	-	-	72,626,171
OPERATING EXPENSES					
Program Services	29,137	-	29,137	(1,000,000)	65,684,987
Supporting Services	-	-	-	-	7,829,752
Total Operating Expenses	29,137	-	29,137	(1,000,000)	73,514,739
SCHOOL OPERATING SURPLUS (DEFICIT)	(29,137)	-	(29,137)	1,000,000	(888,568)
OTHER REVENUE					
Contributions and Other Grants	20,404	-	20,404	(1,000,000)	255,531
Interest and Other Income – Net	-	-	-	-	745,737
Donated Goods and Services	-	-	-	-	1,301
Total Other Revenue, Net	20,404	-	20,404	(1,000,000)	1,002,569
NET ASSETS RELEASED FROM RESTRICTIONS	-	-	-	-	-
CHANGE IN NET ASSETS	(8,733)	-	(8,733)	-	114,001
Net Assets – Beginning of Year	-	-	-	-	13,066,506
NET ASSETS – END OF YEAR	$ (8,733)	$ -	$ (8,733)	$ -	$ 13,180,507

Response 21g-1463

Response 24-1938

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES
KIPP STAR COLLEGE PREP CHARTER SCHOOL
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 8,843,819	$ 1,486,401	$ 10,330,220	$ -	$ 10,330,220
Payroll Taxes and Employee Benefits	2,116,196	250,730	2,366,926	-	2,366,926
Licensing and Management Fee	66,834	-	66,834	1,839,481	1,906,315
Litigation and Legal Services Fee	4,937	-	4,937	-	4,937
Accounting and Audit Services Fees	7,151	-	7,151	-	7,151
Other Professional Services	364,070	8,882	372,952	-	372,952
Consultant Fees	50,929	20,249	71,178	-	71,178
Academic Programming	342,680	12,485	355,165	-	355,165
Field Lessons	111,226	-	111,226	-	111,226
Professional Development	197,589	231	197,820	-	197,820
Equipment and Maintenance	175,722	-	175,722	-	175,722
Student Transportation and Other Services	28,699	-	28,699	-	28,699
Supplies and Materials	496,252	142	496,394	-	496,394
Technology Equipment and Materials	330,978	-	330,978	-	330,978
Events	65,416	-	65,416	-	65,416
Printing and Publications	27,815	-	27,815	-	27,815
Occupancy	171,453	-	171,453	-	171,453
Telephone and Internet	234,824	-	234,824	-	234,824
Insurance	123,302	-	123,302	-	123,302
Memberships and Subscriptions	30,517	-	30,517	-	30,517
Postage and Shipping	5,177	-	5,177	-	5,177
Bank and Other Fees	1,230	-	1,230	-	1,230
Candidate Recruiting	782	-	782	-	782
Use of Donated Materials and Services	387	-	387	-	387
Depreciation and Amortization	365,914	-	365,914	-	365,914
Uncollectible Receivables	5,319	-	5,319	-	5,319
Prior Period Adjustments	21,206	-	21,206	-	21,206
Total Functional Expenses	$ 14,190,424	$ 1,779,120	$ 15,969,544	$ 1,839,481	$ 17,809,025

Response 21g-1464 Response 24-1939

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES
KIPP NYC WASHINGTON HEIGHTS ACADEMY CHARTER SCHOOL
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 8,541,956	$ 1,523,687	$ 10,065,643	$ -	$ 10,065,643
Payroll Taxes and Employee Benefits	2,258,379	242,532	2,500,911	-	2,500,911
Licensing and Management Fee	64,200	-	64,200	1,973,123	2,037,323
Litigation and Legal Services Fee	11,952	-	11,952	-	11,952
Accounting and Audit Services Fees	6,490	-	6,490	-	6,490
Other Professional Services	220,844	8,202	229,046	-	229,046
Consultant Fees	20,413	14,158	34,571	-	34,571
Grants to Related Entities	1,000,000	-	1,000,000	-	1,000,000
Academic Programming	264,565	3,518	268,083	-	268,083
Field Lessons	141,280	-	141,280	-	141,280
Professional Development	170,911	100	171,011	-	171,011
Equipment and Maintenance	148,081	-	148,081	-	148,081
Student Transportation and Other Services	17,997	-	17,997	-	17,997
Supplies and Materials	373,561	46	373,607	-	373,607
Technology Equipment and Materials	293,756	108	293,864	-	293,864
Events	41,234	-	41,234	2,462	43,696
Printing and Publications	28,407	-	28,407	-	28,407
Occupancy	104,962	-	104,962	-	104,962
Telephone and Internet	285,068	-	285,068	-	285,068
Insurance	125,989	-	125,989	-	125,989
Memberships and Subscriptions	16,656	-	16,656	-	16,656
Postage and Shipping	3,396	-	3,396	-	3,396
Bank and Other Fees	1,224	-	1,224	-	1,224
Candidate Recruiting	-	866	866	-	866
Miscellaneous	593	-	593	-	593
Use of Donated Materials and Services	238	-	238	-	238
Depreciation and Amortization	226,254	-	226,254	-	226,254
Uncollectible Receivables	5,248	-	5,248	-	5,248
Prior Period Adjustments	1,584	-	1,584	-	1,584
Total Functional Expenses	$ 14,375,238	$ 1,793,217	$ 16,168,455	$ 1,975,585	$ 18,144,040

Response 21g-1465 Response 24-1940

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES
KIPP AMP ACADEMY CHARTER SCHOOL
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 8,519,246	$ 1,067,777	$ 9,587,023	$ -	$ 9,587,023
Payroll Taxes and Employee Benefits	1,977,076	171,668	2,148,744	-	2,148,744
Licensing and Management Fee	64,191	-	64,191	1,683,832	1,748,023
Litigation and Legal Services Fee	17,237	-	17,237	-	17,237
Accounting and Audit Services Fees	7,585	-	7,585	-	7,585
Other Professional Services	333,974	26,670	360,644	-	360,644
Consultant Fees	22,988	13,824	36,812	-	36,812
Academic Programming	365,952	2,985	368,937	-	368,937
Field Lessons	114,126	-	114,126	-	114,126
Professional Development	290,617	241	290,858	-	290,858
Equipment and Maintenance	237,585	-	237,585	-	237,585
Student Transportation and Other Services	19,299	-	19,299	-	19,299
Supplies and Materials	477,429	116	477,545	-	477,545
Technology Equipment and Materials	245,829	-	245,829	-	245,829
Events	26,286	-	26,286	-	26,286
Printing and Publications	29,901	-	29,901	-	29,901
Occupancy	111,829	-	111,829	-	111,829
Telephone and Internet	167,713	-	167,713	-	167,713
Insurance	116,588	-	116,588	-	116,588
Memberships and Subscriptions	25,884	-	25,884	-	25,884
Postage and Shipping	3,782	-	3,782	-	3,782
Bank and Other Fees	1,223	-	1,223	-	1,223
Candidate Recruiting	43	-	43	-	43
Miscellaneous	1,832	-	1,832	-	1,832
Use of Donated Materials and Services	237	-	237	-	237
Depreciation and Amortization	393,249	-	393,249	-	393,249
Uncollectible Receivables	5,330	-	5,330	-	5,330
Prior Period Adjustments	14,870	-	14,870	-	14,870
Total Functional Expenses	$ 13,591,901	$ 1,283,281	$ 14,875,182	$ 1,683,832	$ 16,559,014

Response 21g-1466 Response 24-1941

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES
KIPP INFINITY ACADEMY CHARTER SCHOOL
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	$ 10,831,363	$ 1,869,291	$ 12,700,654	$ -	$ 12,700,654
Payroll Taxes and Employee Benefits	2,866,730	332,366	3,199,096	-	3,199,096
Licensing and Management Fee	67,758	-	67,758	2,323,089	2,390,847
Litigation and Legal Services Fee	4,546	-	4,546	-	4,546
Accounting and Audit Services Fees	10,722	-	10,722	-	10,722
Other Professional Services	468,533	17,510	486,043	-	486,043
Consultant Fees	74,373	24,277	98,650	-	98,650
Academic Programming	373,097	5,878	378,975	-	378,975
Field Lessons	126,196	-	126,196	-	126,196
Professional Development	270,359	172	270,531	-	270,531
Equipment and Maintenance	361,172	-	361,172	-	361,172
Student Transportation and Other Services	35,662	-	35,662	-	35,662
Supplies and Materials	614,097	80	614,177	-	614,177
Technology Equipment and Materials	367,729	-	367,729	-	367,729
Events	43,602	-	43,602	7,765	51,367
Printing and Publications	28,249	-	28,249	-	28,249
Occupancy	181,116	-	181,116	-	181,116
Telephone and Internet	215,065	-	215,065	-	215,065
Insurance	154,596	-	154,596	-	154,596
Memberships and Subscriptions	25,294	-	25,294	-	25,294
Postage and Shipping	5,407	-	5,407	-	5,407
Bank and Other Fees	1,314	-	1,314	-	1,314
Miscellaneous	2,013	-	2,013	-	2,013
Use of Donated Materials and Services	439	-	439	-	439
Depreciation and Amortization	222,905	-	222,905	-	222,905
Uncollectible Receivables	23,558	-	23,558	-	23,558
Prior Period Adjustments	17,200	-	17,200	-	17,200
Total Functional Expenses	$ 17,393,095	$ 2,249,574	$ 19,642,669	$ 2,330,854	$ 21,973,523

Response 21g-1467 Response 24-1942

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FUNCTIONAL EXPENSES
KIPP FREEDOM CHARTER SCHOOL
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services			Supporting Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Litigation and Legal Services Fee	$ 2,967	$ -	$ 2,967	$ -	$ 2,967
Accounting and Audit Services Fees	2,125	-	2,125	-	2,125
Other Professional Services	13,343	-	13,343	-	13,343
Academic Programming	406	-	406	-	406
Professional Development	3,538	-	3,538	-	3,538
Equipment and Maintenance	2,970	-	2,970	-	2,970
Supplies and Materials	812	-	812	-	812
Technology Equipment and Materials	900	-	900	-	900
Printing and Publications	1,149	-	1,149	-	1,149
Telephone and Internet	299	-	299	-	299
Memberships and Subscriptions	60	-	60	-	60
Postage and Shipping	568	-	568	-	568
Total Functional Expenses	$ 29,137	$ -	$ 29,137	$ -	$ 29,137

Response 21g-1468 Response 24-1943

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant/ Contract Period	Grant Amount	Accrued or (Deferred) Revenue at 7/1/17	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued or (Deferred) Revenue at 6/30/18
U.S. Department of Education:									
Pass-through New York Department of Education:									
Title I Grant - Improving Academic Achievement	I	84.010A	0021-174294	9/1/16-8/31/17	$ 432,979	$ -	$ 65,185	$ 65,185	$ -
Title I Grant - Improving Academic Achievement	I	84.010A	0021-184294	9/1/17-8/31/18	355,891	-	262,346	294,922	32,576
Title I Grant - Improving Academic Achievement	I	84.010A	0021-174296	9/1/16-8/31/17	526,283	(1,967)	83,692	85,659	-
Title I Grant - Improving Academic Achievement	I	84.010A	0021-184296	9/1/17-8/31/18	538,042	-	394,630	446,734	52,104
Title I Grant - Improving Academic Achievement	I	84.010A	0021-174160	9/1/16-8/31/17	319,965	-	56,838	56,838	-
Title I Grant - Improving Academic Achievement	I	84.010A	0021-184160	9/1/17-8/31/18	470,146	-	351,894	393,587	41,693
Title I Grant - Improving Academic Achievement	I	84.010A	0021-174282	9/1/16-8/31/17	278,975	-	45,642	45,642	-
Title I Grant - Improving Academic Achievement	I	84.010A	0021-184282	9/1/17-8/31/18	426,865	-	317,999	356,692	38,693
Total Title I Grant - Improving Academic Achievement						(1,967)	1,578,226	1,745,259	165,066
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-174294	9/1/16-8/31/17	11,264	-	1,877	1,877	-
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-184294	9/1/17-8/31/18	154,708	-	116,030	27,867	(88,163)
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-174296	9/1/16-8/31/17	8,075	-	1,346	1,346	-
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-184296	9/1/17-8/31/18	185,162	-	138,871	59,170	(79,701)
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-174160	9/1/16-8/31/17	7,357	-	1,226	1,226	-
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-184160	9/1/17-8/31/18	160,021	-	119,985	51,201	(68,784)
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-174282	9/1/16-8/31/17	19,262	1,297	4,507	3,210	-
Title II Grant - Teaching, Principal Training, Recruitment	I	84.367A	0147-184282	9/1/17-8/31/18	147,785	-	110,838	44,603	(66,235)
Total Title II Grant - Teaching, Principal Training, Recruitment						1,297	494,680	190,500	(302,883)
Total U.S. Department of Education						(670)	2,072,906	1,935,759	(137,817)
U.S. Department of Agriculture:									
Pass-through New York Department of Education:									
Child Nutrition Cluster - School Lunch Program	I	10.555	n/a	7/1/17-6/30/18	81,891	-	81,891	81,891	-
Child Nutrition Cluster - School Lunch Program	I	10.555	n/a	7/1/17-6/30/18	133,648	-	133,648	133,648	-
Child Nutrition Cluster - School Lunch Program	I	10.555	n/a	7/1/17-6/30/18	92,715	-	92,715	92,715	-
Child Nutrition Cluster - School Lunch Program	I	10.555	n/a	7/1/17-6/30/18	112,091	-	112,091	112,091	-
Total Child Nutrition Cluster - School Lunch Program						-	420,345	420,345	-
Total U.S. Department of Agriculture						-	420,345	420,345	-
Total Expenditures of Federal Awards						$ (670)	$ 2,493,251	$ 2,356,104	$ (137,817)

I – Indirect Funding

Response 21g-1469
Response 24-1944

KIPP NYC PUBLIC CHARTER SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

NOTE 1 GENERAL INFORMATION

The accompanying schedule of expenditures of federal awards presents the activities of the federal financial assistance programs of KIPP NYC Public Charter Schools (the School). Financial awards received directly from federal agencies, as well as financial assistance passed through other governmental agencies or nonprofit organizations, are included in the schedule.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant 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*.

NOTE 3 RELATIONSHIP TO CONSOLIDATED FINANCIAL STATEMENTS

The schedule of expenditures of federal awards presents only a selected portion of the activities of the School. It is not intended to, nor does it, present either the balance sheet, revenue, expenditures, or changes in net assets. The financial activity for the aforementioned awards is reported in the School's statement of activities.

NOTE 4 INDIRECT COST RATE

KIPP NYC Public Charter Schools has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Response 21g-1470 Response 24-1945

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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*

Board of Directors
KIPP NYC Public Charter Schools
New York, New York

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, which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 24, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered KIPP NYC Public Charter Schools' internal control over financial reporting (internal control) to determine the 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 KIPP NYC Public Charter Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP NYC Public Charter Schools' 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP NYC Public Charter Schools' 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 determination of consolidated financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2018

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
KIPP NYC Public Charter Schools
New York, New York

Report on Compliance for Each Major Federal Program

We have audited KIPP NYC Public Charter Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of KIPP NYC Public Charter Schools' major federal programs for the year ended June 30, 2018. KIPP NYC Public Charter Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of KIPP NYC Public Charter Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KIPP NYC Public Charter Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of KIPP NYC Public Charter Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, KIPP NYC Public Charter Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of KIPP NYC Public Charter Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KIPP NYC Public Charter Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KIPP NYC Public Charter Schools' 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2018

KIPP NYC PUBLIC CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

Section I – Summary of Auditors' Results

Consolidated Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? _____yes ____X____no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ____X___ none reported

3. Noncompliance material to financial statements noted? _____ yes ____X___ no

Federal Awards

1. Internal control over major federal programs:

   Material weakness(es) identified? _____ yes ____X___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes ____X___ none reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. 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 Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	U.S. Department of Education – Title I – Basic, Concentration, Targeted and Education Finance Incentive Grants

Dollar threshold used to distinguish between Type A or Type B programs was: $ 750,000

Auditee qualified as low-risk auditee? _____ yes ____X____ no

Section II – Consolidated Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with the Federal Single Audit Act.

Section IV – Prior Audit Findings

There were no prior year findings required to be reported under the Federal Single Audit Act.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors
KIPP NYC Public Charter School
New York, New York

We have audited the consolidated financial statements of KIPP NYC Public Charter School as of and for the year ended June 30, 2018, and have issued our report thereon dated October 24, 2018. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KIPP NYC Public Charter School are described in Note 1 to the consolidated financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2018.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the consolidated financial statements were:

- Management's estimate of the due from New York State Education Department is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2017-2018. Due to the timing of the review and approval of the reimbursements, the actual reimbursement may differ from the estimate. Management expects any differences between estimated and actual amounts will be insignificant.

- Management's estimate of useful lives for depreciable assets and depreciation expense are based on historical information, vendor information, and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

- Management's estimate of the SUI liability due to New York Department of Labor (NYDOL) is based on an estimated liability calculated from what would have been owed using the experience rating the NYDOL issued less the actual amounts paid by the school during the underreported years (2012 to 2015). We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation and percentage breakdown for certain programs. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

Consolidated financial statement disclosures

Certain consolidated financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive consolidated financial statement disclosures.

The consolidated financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the consolidated financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 24, 2018.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's consolidated financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated October 24, 2018, communicating internal control related matters identified during the audit.

Other information in documents containing audited consolidated financial statements

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the consolidated financial statements, on which we were engaged to report in relation to the consolidated financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves. We have issued our report thereon dated October 24, 2018.

With respect to the Supplemental Schedule of Financial Position By School, Schedule of Activities By School, Schedule of Functional Expenses – KIPP Star College Prep Charter School, Schedule of Functional Expenses – KIPP NYC Washington Heights Academy Charter School, Schedule of Functional Expenses – KIPP AMP Academy Charter School, Schedule of Functional Expenses – KIPP Infinity Charter School, and Functional Expenses – KIPP Freedom Charter School (collectively, the supplementary information) accompanying the consolidated financial statements, on which we were engaged to report in relation to the consolidated financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves. We have issued our report thereon dated October 24, 2018.

* * * * *

This communication is intended solely for the information and use of the board of directors and management of KIPP NYC Public Charter School and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2018

CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors and Management
KIPP New York Charter Schools
New York, New York

In planning and performing our audits of the financial statements of KIPP Academy Charter School and KIPP NYC Public Charter Schools (the Schools) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of one matter that is an opportunity for strengthening internal control and operating efficiency. Our comments and suggestions regarding this matters are summarized below. This letter does not affect our communication dated October 24, 2018.

Current Year Comment:

Bank Reconciliations

During our testing of cash, we noted the original year-end bank reconciliations were completed and approved timely. However, there were additional adjustments made to cash after completion and the bank reconciliation were not updated for these adjustments. When brought to management's attention, the bank reconciliations were subsequently updated for nine separate accounts during final fieldwork. The adjustments were material and primarily related to inter-fund activity. We recommend these year-end adjustments not be recorded to cash if they are not transferred within a timely manner after year-end and if the original bank reconciliation has been completed.

Management Response:

There were two year-end intercompany account reconciliations which were posted to the general ledger with the reconciliation period date instead of the transfer date, as is our normal procedure. Since the intercompany account reconciliations impacted cash and took place after the bank reconciliations were completed it caused the cash balance in the general ledger to be different from that of the bank reconciliations. It was an error which was not caught before finalizing our audit materials and one which we will be conscious not to repeat in the future.

Self-Funded Insurance Plan

During 2018, the Schools and KIPP New York Inc./KIPP NYC LLC entered into a new insurance plan (Cigna Minimum Premium self-funded benefit plan), which is handled by KIPP NYC LLC. The plan details noted the premiums and year-end liability are based on calculations provided by Cigna (administrator of the plan), as well as management's assessment of the subsequent claims. The plan is capped at maximum monthly deposit liability determined by Cigna. We noted a year-end adjustment was required to accrue to the maximum monthly deposit liability. We recommend management annually evaluate the plan activity and maximum monthly deposit liability for outstanding incurred claims/liability and to properly record this accrual to the appropriate entities, as needed.

Management Response:

In our first year of using a minimum premium insurance plan, which is based on a calendar year, it was initially unclear if our June 30th liability should equal all claims issued through June 30th or if it should also include an estimate for claims that had not yet been issued. We initially only recorded the liability for claims issued, but later discovered a large balance of claims which by June 30th had not yet been issued, but were related to the 2017-18 fiscal year. Through discussions with both the auditors and our insurance provider we decided the best way to capture the full liability was to record the year-to-date maximum claims liability for which we might be responsible. In the future we will use the maximum claims liability through June 30th as the proper amount to record.

Prior Year Comment:

Credit Cards

During our testing of credit cards, we noted some of the purchases were not accompanied with a supporting receipt or invoice. We recommend that the School review the current process to ensure that receipts for all credit card purchases have been submitted by cardholders and that the expenditures are for appropriate business purposes.

Current year update:
During our review, there was no missing receipt or invoices for the selected transactions.

Employee Personnel File Documentation (KIPP Academy and KIPP NYC Public Charter Schools)

During our review of employee personnel files, it was observed that some of the employees' I-9 forms and verification documents were missing (I-9s – 1 missing for Academy and 2 missing for Public Charter School. Verification documents - 2 missing for Infinity and 1 missing for Public Charter School). In addition, there was 1 fingerprint form missing for Infinity. These are required forms to verify employment for the school employees and working with students. We recommend that the School ensure the required forms and documents are provided at the time of employment.

Current year update:
During our review, there were no missing personnel items found.

Management's response

Management's written response to the recommendations identified in our audit was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

* * * * * *

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 24, 2018

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ **Do not enter social security numbers on this form as it may be made public.**

▶ **Information about Form 990 and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning JUL 1, 2016 **and ending** JUN 30, 2017

B Check if applicable: Address change; Name change; Initial return; Final return/ termin-ated; Amended return; Applica-tion pending

C Name of organization
KIPP ACADEMY CHARTER SCHOOL

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite
250 EAST 156TH STREET, 4TH FLOOR

City or town, state or province, country, and ZIP or foreign postal code
NEW YORK, NY 10451-4722

F Name and address of principal officer: CHARIZMA WILLIAMS
SAME AS C ABOVE

D Employer identification number
11-3550982

E Telephone number [redacted]

G Gross receipts $ 20,709,450.

H(a) Is this a group return for subordinates? Yes [X] No

H(b) Are all subordinates included? Yes No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c)(3) 501(c) ( ) ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ WWW.KIPPNYC.ORG

K Form of organization: [X] Corporation Trust Association Other ▶

L Year of formation: 1995 **M** State of legal domicile: NY

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: OPERATE AND MAINTAIN A PUBLIC SCHOOL CHARTERED BY THE NEW YORK STATE BOARD OF REGENTS.

2 Check this box ▶ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	5
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	5
5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	101
6 Total number of volunteers (estimate if necessary)	6	346
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.

Revenue

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	2,597,760.	3,262,522.
9 Program service revenue (Part VIII, line 2g)	17,403,502.	17,446,928.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	0.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	20,001,262.	20,709,450.

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	3,538.	2,410.
14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	14,603,086.	14,240,758.
16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	5,936,978.	6,552,344.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	20,543,602.	20,795,512.
19 Revenue less expenses. Subtract line 18 from line 12	-542,340.	-86,062.

Net Assets or Fund Balances

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	4,549,793.	4,523,370.
21 Total liabilities (Part X, line 26)	1,797,778.	1,857,417.
22 Net assets or fund balances. Subtract line 21 from line 20	2,752,015.	2,665,953.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ CHARIZMA WILLIAMS, CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
DAVE SEKERAK	DAVE SEKERAK	5/11/18		P01395497

[redacted]

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes No

Response 210-1485 Response 24-1960

Public Disclosure Copy

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

KIPP ACADEMY CHARTER SCHOOL'S MISSION IS TO TEACH STUDENTS TO DEVELOP THE ACADEMIC AND CHARACTER SKILLS NECESSARY FOR SUCCESS IN HIGH SCHOOL AND COLLEGE, TO BE SELF-SUFFICIENT IN THE COMPETITIVE WORLD BEYOND, AND TO BUILD A BETTER TOMORROW FOR THEMSELVES AND US ALL.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 18,772,344. including grants of $ 2,410.) (Revenue $ 17,446,928.)

OPERATION OF THE CHARTER SCHOOL FOR APPROXIMATELY 1,200 STUDENTS ATTENDING GRADES K THROUGH 12.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 18,772,344.

Public Disclosure Copy

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13	X	
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X

Public Disclosure Copy

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25a*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Public Disclosure Copy

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	3		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	101		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a			X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," to line 3b, provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			X
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O.	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b			

Public Disclosure Copy

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI X

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	5		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	5		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6			X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☒ Another's website ☒ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶

CHARIZMA WILLIAMS - [redacted]

470 7TH AVENUE, 10TH FLOOR, NEW YORK, NY 10018

Public Disclosure Copy

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) WHITNEY TILSON TRUSTEE	2.00	X						0.	0.	0.
(2) LISA BLAU TRUSTEE	2.00	X						0.	0.	0.
(3) RAFAEL MAYER CHAIRMAN, TREASURER & TRUS	2.00	X		X				0.	0.	0.
(4) GWENDOLYN BRUNSON TRUSTEE	2.00	X						0.	0.	0.
(5) STEPHANIE COLEMAN TRUSTEE	2.00	X						0.	0.	0.
(6) BRIAN ZIED TREASURER & TRUSTEE	2.00	X		X				0.	0.	0.
(7) JOSEPH NEGRON TRUSTEE	2.00	X						0.	0.	0.
(8) JAMES MANLY SUPERINTENDENT	8.00 32.00			X				53,626.	204,904.	24,040.
(9) ALICIA JOHNSON CHIEF OPERATING OFFICER	1.00 40.00			X				0.	212,502.	16,525.
(10) CHARIZMA WILLIAMS CHIEF FINANCIAL OFFICER	1.00 40.00			X				0.	212,745.	16,525.
(11) FRANCIS CORCORAN PRINCIPAL	40.00				X			172,372.	0.	20,789.
(12) NATALIE WEBB PRINCIPAL	10.00 30.00				X			64,224.	118,107.	16,655.
(13) ANOKHI SARAIYA MANAGING DIRECTOR, SCHOOLS	5.00 35.00				X			22,743.	145,911.	16,526.
(14) BARBARA DEPESA ASSISTANT PRINCIPAL	8.00 32.00					X		45,362.	116,097.	24,529.
(15) CARLOS CAPELLAN ASSISTANT PRINCIPAL	8.00 32.00					X		39,707.	101,395.	21,283.
(16) ANNE WOODS DEAN/HISTORY TEACHER	8.00 32.00					X		37,045.	95,304.	36,784.
(17) HUGH CHEN DIRECTOR OF COUNSELING	8.00 32.00					X		36,919.	94,997.	28,937.

Public Disclosure Copy

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) TYRITIA GROVES	40.00									
PRINCIPAL	0.00					X		131,338.	0.	19,404.
1b Sub-total ▶								603,336.	1,301,962.	241,997.
c Total from continuation sheets to Part VII, Section A ▶								0.	0.	0.
d Total (add lines 1b and 1c) ▶								603,336.	1,301,962.	241,997.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 6

		Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
KIPP NEW YORK LLC, 470 7TH AVENUE, 10TH FLOOR, NEW YORK, NY 10027	MANAGEMENT FEE	2,055,040.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 1

Public Disclosure Copy

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	1,500,000.			
	e Government grants (contributions)	1e	1,048,236.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	714,286.			
	g Noncash contributions included in lines 1a-1f: $ 87,131.					
	h **Total.** Add lines 1a-1f ▶		3,262,522.			
Program Service Revenue		**Business Code**				
	2a STATE/LOCAL PER PUPIL REVENUE	900099	17,326,109.	17,326,109.		
	b STUDENT ACTIVITIES	900099	120,819.	120,819.		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f ▶		17,446,928.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶					
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real / (ii) Personal				
	6a Gross rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) ▶					
	8a Gross income from fundraising events (not including $ ____ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	**Business Code**				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶					
	12 **Total revenue.** See instructions. ▶		20,709,450.	17,446,928.	0.	0

Public Disclosure Copy

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22	2,410.	2,410.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	177,386.	177,386.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	10,481,846.	10,481,846.		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,354,242.	1,354,242.		
9 Other employee benefits	1,419,292.	1,419,292.		
10 Payroll taxes	807,992.	807,992.		
11 Fees for services (non-employees):				
a Management	2,017,771.		2,017,771.	
b Legal	811,418.	811,418.		
c Accounting	21,844.	21,844.		
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	739,068.	739,068.		
12 Advertising and promotion				
13 Office expenses				
14 Information technology	643,281.	643,281.		
15 Royalties				
16 Occupancy	362,580.	362,580.		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	180,788.	180,788.		
23 Insurance	194,999.	194,999.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a SUPPLIES	361,536.	361,536.		
b EQUIPMENT & MAINTENANCE	245,067.	245,067.		
c ACADEMIC PROGRAMMING	240,599.	240,599.		
d PROFESSIONAL DEVELOPMEN	204,495.	204,495.		
e All other expenses	528,898.	523,501.	5,397.	
25 **Total functional expenses.** Add lines 1 through 24e	20,795,512.	18,772,344.	2,023,168.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Public Disclosure Copy

Response 21g-1494

Response 24-1969

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	3,715,380.	1	3,469,309.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net	324,305.	3	514,625.
	4	Accounts receivable, net		4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	52,580.	9	46,153.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 2,510,947.			
	b	Less: accumulated depreciation — 10b: 2,017,664.	457,528.	10c	493,283.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	4,549,793.	16	4,523,370.
Liabilities	17	Accounts payable and accrued expenses	243,736.	17	530,292.
	18	Grants payable		18	
	19	Deferred revenue	587.	19	19,755.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	1,553,455.	25	1,307,370.
	26	**Total liabilities.** Add lines 17 through 25	1,797,778.	26	1,857,417.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☒ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	2,747,132.	27	2,635,502.
	28	Temporarily restricted net assets	4,883.	28	30,451.
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	2,752,015.	33	2,665,953.
	34	Total liabilities and net assets/fund balances	4,549,793.	34	4,523,370.

Public Disclosure Copy

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	20,709,450.
2	Total expenses (must equal Part IX, column (A), line 25)	2	20,795,512.
3	Revenue less expenses. Subtract line 2 from line 1	3	-86,062.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,752,015.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	2,665,953.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☒

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	X	

Public Disclosure Copy

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization	Employer identification number
KIPP ACADEMY CHARTER SCHOOL	11-3550982

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☒ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____

10 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.

a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**

b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**

c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations .....

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
Total						

Public Disclosure Copy

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ..... ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) ..... 14 %

15 Public support percentage from 2015 Schedule A, Part II, line 14 ..... 15 %

16a **33 1/3% support test - 2016.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ..... ▶ ☐

b **33 1/3% support test - 2015.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ..... ▶ ☐

17a **10% -facts-and-circumstances test - 2016.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

b **10% -facts-and-circumstances test - 2015.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ..... ▶ ☐

Public Disclosure Copy

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2016** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2015** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2016.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Public Disclosure Copy

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* ***Part VI*** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*	3a		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* ***Part VI*** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* ***Part VI*** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.*	4a		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* ***Part VI*** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in* ***Part VI,*** *including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* ***Part VI.***	6		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	7		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	8		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* ***Part VI.***	9a		
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* ***Part VI.***	9b		
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* ***Part VI.***	9c		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b below.*	10a		
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		

Public Disclosure Copy

Part IV **Supporting Organizations** *(continued)*

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		
b	A family member of a person described in (a) above?	11b		
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in* ***Part VI.***	11c		

Section B. Type I Supporting Organizations

			Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in* ***Part VI*** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	1		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* ***Part VI*** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.*	2		

Section C. Type II Supporting Organizations

			Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* ***Part VI*** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	1		

Section D. All Type III Supporting Organizations

			Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s).*	2		
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* ***Part VI*** *the role the organization's supported organizations played in this regard.*	3		

Section E. Type III Functionally Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the yea* ***(see instructions).***

a ☐ The organization satisfied the Activities Test. *Complete* ***line 2*** *below.*

b ☐ The organization is the parent of each of its supported organizations. *Complete* ***line 3*** *below.*

c ☐ The organization supported a governmental entity. *Describe in Part VI how you supported a government entity (see instructions).*

			Yes	No
2	Activities Test. ***Answer (a) and (b) below.***			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations. ***Answer (a) and (b) below.***			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in* ***Part VI.***	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in* ***Part VI*** *the role played by the organization in this regard.*	3b		

Public Disclosure Copy

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6, and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (explain in detail in **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount		Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2 Enter 85% of line 1	2	
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4 Enter greater of line 2 or line 3	4	
5 Income tax imposed in prior year	5	
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Public Disclosure Copy

Part V **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** *(continued)*

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in **Part VI**). See instructions	
7	**Total annual distributions.** Add lines 1 through 6	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**). See instructions	
9	Distributable amount for 2016 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1	Distributable amount for 2016 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2016 (reasonable cause required- explain in Part VI). See instructions			
3	Excess distributions carryover, if any, to 2016:			
a				
b				
c	From 2013			
d	From 2014			
e	From 2015			
f	**Total** of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2016 distributable amount			
i	Carryover from 2011 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2016 from Section D, line 7: $			
a	Applied to underdistributions of prior years			
b	Applied to 2016 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4			
5	Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions			
6	Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions			
7	**Excess distributions carryover to 2017.** Add lines 3j and 4c			
8	Breakdown of line 7:			
a				
b	Excess from 2013			
c	Excess from 2014			
d	Excess from 2015			
e	Excess from 2016			

Public Disclosure Copy

Response 21g-1503

Response 24-1978

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Public Disclosure Copy

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization
KIPP ACADEMY CHARTER SCHOOL

Employer identification number
11-3550982

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Preservation of a historically important land area
- ☐ Protection of natural habitat
- ☐ Preservation of a certified historic structure
- ☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Public Disclosure Copy

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		534,727.	158,328.	376,399.
d Equipment		1,878,198.	1,802,112.	76,086.
e Other		98,022.	57,224.	40,798.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶				493,283.

Public Disclosure Copy

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO RELATED PARTIES	1,307,370.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	1,307,370.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII [X]

Public Disclosure Copy

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	20,622,590.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains (losses) on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	0.
3	Subtract line **2e** from line **1**			3	20,622,590.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	86,860.		
c	Add lines **4a** and **4b**			4c	86,860.
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	20,709,450.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	20,708,652.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	0.
3	Subtract line **2e** from line **1**			3	20,708,652.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	86,860.		
c	Add lines **4a** and **4b**			4c	86,860.
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	20,795,512.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

THE SCHOOL IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE SERVICE CODE AND APPLICABLE INCOME TAX REGULATIONS OF THE STATE OF NEW YORK. NO PROVISION FOR INCOME TAXES HAS BEEN ESTABLISHED, AS THE SCHOOL HAS NO RELATED BUSINESS ACTIVITY.

THE SCHOOL FOLLOWS THE GUIDANCE IN THE INCOME TAX STANDARD REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS. THE GUIDANCE CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ENTITY'S FINANCIAL STATEMENTS. THE GUIDANCE FURTHER PRESCRIBES RECOGNITION AND MEASUREMENT OF TAX PROVISIONS TAKEN OR EXPECTED TO BE TAKEN ON A TAX RETURN THAT ARE CERTAIN TO BE REALIZED. THIS STANDARD HAS NO IMPACT ON THE SCHOOL'S FINANCIAL STATEMENTS.

Public Disclosure Copy

Part XIII Supplemental Information *(continued)*

PART XI, LINE 4B - OTHER ADJUSTMENTS:

DONATED GOODS	86,860.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

DONATED GOODS	86,860.

Public Disclosure Copy

SCHEDULE E (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule E (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

KIPP ACADEMY CHARTER SCHOOL

Employer identification number

11-3550982

Part I

			YES	NO
1	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	1	X	
2	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	2	X	
3	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. If you need more space, use Part II	3	X	
	IN PUBLICIZING ITS LOTTERY EACH YEAR FOR NEW STUDENTS, THE SCHOOL INCLUDES ITS NON-DISCRIMINATION POLICY, WHICH STATES: "THE SCHOOL SHALL NOT DISCRIMINATE AGAINST ANY STUDENT ON THE BASIS OF ETHNICITY, NATIONAL ORIGIN, GENDER OR DISABILITY."			
4	Does the organization maintain the following?			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	4a	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	4b	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	4c	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	4d	X	
	If you answered "No" to any of the above, please explain. If you need more space, use Part II.			
5	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	5a		X
b	Admissions policies?	5b		X
c	Employment of faculty or administrative staff?	5c		X
d	Scholarships or other financial assistance?	5d		X
e	Educational policies?	5e		X
f	Use of facilities?	5f		X
g	Athletic programs?	5g		X
h	Other extracurricular activities?	5h		X
	If you answered "Yes" to any of the above, please explain. If you need more space, use Part II.			
6a	Does the organization receive any financial aid or assistance from a governmental agency?	6a	X	
b	Has the organization's right to such aid ever been revoked or suspended?	6b		X
	If you answered "Yes" on either line 6a or line 6b, explain on Part II.			
7	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Part II	7	X	

Public Disclosure Copy

Part II **Supplemental Information.** Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also provide any other additional information.

LINE 6 - EXPLANATION OF GOVERNMENT FINANCIAL AID:

THE SCHOOL RECEIVES FEDERAL FUNDING FROM THE U.S. DEPARTMENT OF EDUCATION.

Public Disclosure Copy

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**

▶ **Attach to Form 990.**

▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

KIPP ACADEMY CHARTER SCHOOL

Employer identification number

11-3550982

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (such as, maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☒ Compensation survey or study		
	☒ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	**4a**		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	**5a**		X
b	Any related organization?	**5b**		X
	If "Yes" on line 5a or 5b, describe in Part III.			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	**6a**		X
b	Any related organization?	**6b**		X
	If "Yes" on line 6a or 6b, describe in Part III.			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III	**7**		X
8	Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	**8**		X
9	If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	**9**		

Public Disclosure Copy

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JAMES MANLY	(i)	50,885.	2,615.	126.	722.	4,256.	58,604.	0.
SUPERINTENDENT	(ii)	194,545.	9,885.	474.	2,793.	16,269.	223,966.	0.
(2) ALICIA JOHNSON	(i)	0.	0.	0.	0.	0.	0.	0.
CHIEF OPERATING OFFICER	(ii)	199,702.	12,200.	600.	9,000.	7,525.	229,027.	0.
(3) CHARIZMA WILLIAMS	(i)	0.	0.	0.	0.	0.	0.	0.
CHIEF FINANCIAL OFFICER	(ii)	204,185.	8,160.	400.	9,000.	7,525.	229,270.	0.
(4) FRANCIS CORCORAN	(i)	155,812.	16,560.	0.	17,356.	3,433.	193,161.	0.
PRINCIPAL	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) NATALIE WEBB	(i)	61,610.	2,614.	0.	3,072.	2,769.	70,065.	0.
PRINCIPAL	(ii)	114,792.	3,315.	0.	5,688.	5,126.	128,921.	0.
(6) ANOKHI SARAIYA	(i)	22,743.	0.	0.	950.	941.	24,634.	0.
MANAGING DIRECTOR, SCHOOLS	(ii)	140,311.	5,000.	600.	8,050.	6,585.	160,546.	0.
(7) BARBARA DEPESA	(i)	44,866.	391.	105.	4,669.	2,217.	52,248.	0.
ASSISTANT PRINCIPAL	(ii)	114,743.	1,109.	245.	11,965.	5,678.	133,740.	0.
(8) CARLOS CAPELLAN	(i)	39,316.	391.	0.	2,125.	3,883.	45,715.	0.
ASSISTANT PRINCIPAL	(ii)	100,286.	1,109.	0.	5,331.	9,944.	116,670.	0.
(9) ANNE WOODS	(i)	36,724.	261.	60.	4,152.	6,180.	47,377.	0.
DEAN/HISTORY TEACHER	(ii)	94,425.	739.	140.	10,628.	15,824.	121,756.	0.
(10) HUGH CHEN	(i)	36,453.	391.	75.	3,895.	4,233.	45,047.	0.
DIRECTOR OF COUNSELING	(ii)	93,713.	1,109.	175.	9,970.	10,839.	115,806.	0.
(11) TYRITIA GROVES	(i)	131,084.	0.	254.	10,405.	8,999.	150,742.	0.
PRINCIPAL	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Public Disclosure Copy

Response 21-1513

Response 24-1988

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Response 21g-1514

Response 24-1989

Public Disclosure Copy

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**
▶ **Information about Schedule M (Form 990) and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2016

Open To Public Inspection

Name of the organization

KIPP ACADEMY CHARTER SCHOOL

Employer identification number

11-3550982

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded				
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (BOOKS AND SOF)	X	1	86,860.	
26	Other ▶ (OTHER)	X	1	271.	
27	Other ▶ ( )				
28	Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?	31		X
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
b	If "Yes," describe in Part II.			
33	If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

Public Disclosure Copy

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Public Disclosure Copy

Response 21g-1516

Response 24-1991

Name of the organization
KIPP ACADEMY CHARTER SCHOOL

Employer identification number
11-3550982

FORM 990, PART VI, SECTION A, LINE 3:

THE ORGANIZATION HAS A SERVICE AGREEMENT WITH KIPP NYC, LLC (A DISREGARDED ENTITY OF KIPP NEW YORK, INC), A RELATED ENTITY WHICH PROVIDES OPERATIONAL AND ADMINISTRATIVE SUPPORT TO THE SCHOOL. INCLUDED IN THESE SERVICES PROVIDED ARE HUMAN RESOURCES, TECHNOLOGY, DATA, OPERATIONS, FINANCE AND ACCOUNTING, RECUITING, FUNDRAISING, INSTRUCTIONAL TRAINING AND PROGRESS MONITORING.

FORM 990, PART VI, SECTION B, LINE 11B:

MANAGEMENT WILL PROVIDE THE FORM 990 TO THE BOARD OF TRUSTEES BEFORE IT IS SUBMITTED.

FORM 990, PART VI, SECTION B, LINE 12C:

AS PART OF OUR ANNUAL AUDIT PROCESS, WE REVIEW ALL TRANSACTIONS TO CONFIRM THE ABSENCE OF ANY POTENTIAL CONFLICTS OF INTEREST. WE ALSO REQUIRE TRUSTEES TO ANNUALLY COMPLETE DISCLOSURE FORMS DETAILING ANY TRANSACTIONS THAT MAY PRESENT POTENTIAL CONFLICTS OF INTEREST. THESE SIGNED DISCLOSURES ARE MAINTAINED BY THE ORGANIZATION AND ARE ALSO SUBMITTED TO THE DEPARTMENT OF EDUCATION OF NEW YORK STATE. IF A CONFLICT OR POTENTIAL CONFLICT IS IDENTIFIED, THE BOARD'S INDEPENDENT TRUSTEES REVIEW THE TRANSACTION IN QUESTION TO DETERMINE ITS PROPRIETY, ITS IMPACT ON THE ORGANIZATION AND THE AVAILABILITY OF, AND NEED FOR, ANY CORRECTIVE MEASURES.

FORM 990, PART VI, SECTION B, LINE 15:

THE ORGANIZATION'S AND RELATED ORGANIZATION'S DETERMINATION OF COMPENSATION FOR THE SUPERINTENDENT, COO, CFO, MANAGING DIRECTOR AND PRINCIPAL POSITIONS

Public Disclosure Copy

Name of the organization: KIPP ACADEMY CHARTER SCHOOL

Employer identification number: 11-3550982

ARE BASED ON COMPENSATION SURVEYS, RELATED MARKET RESEARCH, EVALUATION OF PERFORMANCE, AND EXPERIENCE. COMPENSATION FOR THE AFORMENTIONED POSITIONS ARE APPROVED BY THE BOARD OF THE RESPECTIVE ORGANIZATIONS. THE MOST RECENT REVIEW WAS COMPLETED IN 2016.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION MAKES ITS FORM 990 AVAILABLE TO THE PUBLIC UPON WRITTEN REQUEST. IT IS ALSO AVAILABLE AT WWW.GUIDESTAR.COM, A PUBLIC WEBSITE.

THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON WRITTEN REQUEST.

FORM 990, PART XII, LINE 2C:

THE ORGANIZATION HAS A COMMITTEE THAT ASSUMES RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT AUDITOR.

Public Disclosure Copy

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

KIPP ACADEMY CHARTER SCHOOL

Employer identification number

11-3550982

Part I **Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
KIPP NEW YORK, INC. - 20-3971209 470 7TH AVENUE, 10TH FLOOR NEW YORK, NY 10018	SUPPORT OF KIPP NYC SCHOOLS/PROGRAMS	NEW YORK	501(C)(3)	11B	N/A		X
KIPP NYC FACILITY HOLDINGS, INC. - 46-3090135, 470 7TH AVENUE, 10TH FLOOR, NEW YORK, NY 10018	DEVELOP, MANAGE AND LEASE PUBLIC SCHOOL FACILITIES	NEW YORK	501(C)(3)	11B	N/A		X

Public Disclosure Copy

Response 21g-1519

Response 24-1994

Part III **Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No

Public Disclosure Copy

Response 219-1520

Response 24-1995

Part V **Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c	X	
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o	Sharing of paid employees with related organization(s)	1o		X
p	Reimbursement paid to related organization(s) for expenses	1p	X	
q	Reimbursement paid by related organization(s) for expenses	1q	X	
r	Other transfer of cash or property to related organization(s)	1r		X
s	Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Public Disclosure Copy

Response 21g-1521

Response 24-1996

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Public Disclosure Copy

Response 21-1522

Response 24-1997

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Public Disclosure Copy

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ **Do not enter social security numbers on this form as it may be made public.**

▶ **Information about Form 990 and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning JUL 1, 2016 **and ending** JUN 30, 2017

B Check if applicable:
Address change
Name change
Initial return
Final return/ termin-ated
Amended return
Applica-tion pending

C Name of organization
KIPP NYC PUBLIC CHARTER SCHOOL
Doing business as

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite
21 JUMEL PLACE

City or town, state or province, country, and ZIP or foreign postal code
NEW YORK, NY 10032

F Name and address of principal officer: CHARIZMA WILLIAMS
SAME AS C ABOVE

D Employer identification number
30-0717988

E Telephone number [redacted]

G Gross receipts $ 67,750,332.

H(a) Is this a group return for subordinates? Yes [X] No

H(b) Are all subordinates included? Yes No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c)(3) 501(c) ( ) ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ WWW.KIPPNYC.ORG

K Form of organization: [X] Corporation Trust Association Other ▶

L Year of formation: 2012 **M** State of legal domicile: NY

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: OPERATE AND MAINTAIN A PUBLIC SCHOOL CHARTERED BY THE NEW YORK STATE BOARD OF REGENTS

2 Check this box ▶ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	7
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	528
6	Total number of volunteers (estimate if necessary)	6	343
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	3,087,131.	5,176,601.
9	Program service revenue (Part VIII, line 2g)	25,947,354.	62,573,731.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	0.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	29,034,485.	67,750,332.

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	1,663.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	19,871,415.	47,707,620.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	8,205,342.	19,046,572.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	28,076,757.	66,755,855.
19	Revenue less expenses. Subtract line 18 from line 12	957,728.	994,477.

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	7,574,095.	15,923,401.
21	Total liabilities (Part X, line 26)	1,084,245.	2,856,895.
22	Net assets or fund balances. Subtract line 21 from line 20	6,489,850.	13,066,506.

Public Disclosure Copy

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ CHARIZMA WILLIAMS, CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
DAVE SEKERAK	DAVE SEKERAK	5/11/18		P01395497

[redacted]

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes No

Response 210-1524 Response 24-1999

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III X

1 Briefly describe the organization's mission:

KIPP NYC PUBLIC CHARTER SCHOOLS' MISSION IS TO TEACH STUDENTS TO DEVELOP THE ACADEMIC AND CHARACTER SKILLS NECESSARY FOR SUCCESS IN HIGH SCHOOL AND COLLEGE, TO BE SELF-SUFFICIENT IN THE COMPETITIVE WORLD BEYOND, AND TO BUILD A BETTER TOMORROW FOR THEMSELVES AND US

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ..... ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ..... ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 59,579,945. including grants of $ 1,663.) (Revenue $ 62,573,731.)

OPERATION OF THE CHARTER SCHOOL FOR APPROXIMATELY 3,700 STUDENTS ATTENDING KINDERGARTEN THROUGH GRADE 12.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 59,579,945.

Public Disclosure Copy

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13	X	
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X

Public Disclosure Copy

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25a*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Public Disclosure Copy

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	20		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	528		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a			X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," to line 3b, provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			X
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O.	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b			

Public Disclosure Copy

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI X

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	7		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6			X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NY

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☒ Another's website ☒ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶

CHARIZMA WILLIAMS, KIPP NEW YORK, INC. - [redacted]

470 7TH AVE., 10TH FLOOR, NEW YORK, NY 10018

Public Disclosure Copy

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ERICA DEWAN	2.00									
TRUSTEE		X						0.	0.	0.
(2) RAFAEL MAYER	2.00									
CHAIRMAN & TRUSTEE		X		X				0.	0.	0.
(3) CARRIE GENNUSO	2.00									
TRUSTEE (RESIGNED 6/30/16)		X						0.	0.	0.
(4) JANE MARTINEZ-DOWLING	2.00									
TRUSTEE	40.00	X						0.	175,177.	16,799.
(5) ANDREW S. PAUL	2.00									
TRUSTEE (RESIGNED 6/30/16)		X						0.	0.	0.
(6) DEBORAH DAUMAN	2.00									
TRUSTEE		X						0.	0.	0.
(7) BRAIN ZIED	2.00									
TREASURER & TRUSTEE		X		X				0.	0.	0.
(8) RICHARD TAFT	2.00									
TRUSTEE		X						0.	0.	0.
(9) GWENDOLYN BRUNSON	2.00									
TRUSTEE		X						0.	0.	0.
(10) ALICIA JOHNSON	1.00									
CHIEF OPERATING OFFICER	40.00			X				0.	212,502.	16,525.
(11) CHARIZMA WILLIAMS	1.00									
CHIEF FINANCIAL OFFICER	40.00			X				0.	212,745.	16,525.
(12) JAMES MANLY	16.00									
SUPERINTENDENT	24.00			X				204,904.	53,626.	24,040.
(13) DANNY SWERSKY	40.00									
PRINCIPAL					X			154,402.	0.	28,458.
(14) ANOKHI SARAIYA	35.00									
MD OF ELEMENTARY	5.00				X			145,911.	22,743.	16,526.
(15) NATALIE WEBB	10.00									
PRINCIPAL	30.00				X			118,107.	64,224.	16,655.
(16) STACY JOHNSON	40.00									
CO-PRINCIPAL					X			153,546.	0.	15,685.
(17) JOSEPH NEGRON	40.00									
CO-PRINCIPAL					X			189,048.	0.	45,672.

Public Disclosure Copy

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) ALLISON WILLIS PRINCIPAL & MD, SCHOOLS	40.00				X			175,350.	0.	30,274.
(19) BARBARA DEPESA ASSISTANT PRINCIPAL	32.00 8.00					X		116,097.	45,362.	24,529.
(20) CARLOS CAPELLAN ASSISTANT PRINCIPAL	32.00 8.00					X		101,395.	39,707.	21,283.
(21) REBECCA MCMURDIE PRINCIPAL	40.00					X		111,463.	0.	12,444.
(22) ANNE WOODS DEAN	32.00 8.00					X		95,304.	37,045.	36,784.
(23) HUGH CHEN DIRECTOR OF COUNSELING	32.00 8.00					X		94,997.	36,919.	28,937.
1b Sub-total ▶								1,660,524.	900,050.	351,136.
c Total from continuation sheets to Part VII, Section A ▶								0.	0.	0.
d Total (add lines 1b and 1c) ▶								1,660,524.	900,050.	351,136.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 48

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
KIPP NYC LLC 470 7TH AVE, 10TH FLOOR, NEW YORK, NY 10027	MANAGEMENT FEE	7,052,547.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 1

Public Disclosure Copy

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	4,592,329.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	584,272.			
	g Noncash contributions included in lines 1a-1f: $ 284,677.					
	h **Total.** Add lines 1a-1f ▶		5,176,601.			
Program Service Revenue		**Business Code**				
	2a STATE/LOCAL PER PUPIL	900099	61,906,955.	61,906,955.		
	b STUDENT ACTIVITIES	900099	666,776.	666,776.		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f ▶		62,573,731.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶					
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real / (ii) Personal				
	6a Gross rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) ▶					
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	**Business Code**				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶					
	12 **Total revenue.** See instructions. ▶		67,750,332.	62,573,731.	0.	0

Public Disclosure Copy

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	1,663.	1,663.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	835,444.	835,444.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	37,625,252.	37,625,252.		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,978,004.	1,978,004.		
9 Other employee benefits	4,309,842.	4,309,842.		
10 Payroll taxes	2,959,078.	2,959,078.		
11 Fees for services (non-employees):				
a Management	7,175,910.		7,175,910.	
b Legal	82,631.	82,631.		
c Accounting	58,656.	58,656.		
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	1,761,244.	1,761,244.		
12 Advertising and promotion				
13 Office expenses				
14 Information technology	2,191,050.	2,191,050.		
15 Royalties				
16 Occupancy	530,442.	530,442.		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,207,997.	1,207,997.		
23 Insurance	598,584.	598,584.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a INSTRUCTIONAL MATERIALS	1,577,500.	1,577,500.		
b ACADAMIC PROGRAMMING	1,012,406.	1,012,406.		
c EQUIPMENT & MAINTENANCE	710,185.	710,185.		
d STAFF DEVELOPMENT	705,491.	705,491.		
e All other expenses	1,434,476.	1,434,476.		
25 **Total functional expenses.** Add lines 1 through 24e	66,755,855.	59,579,945.	7,175,910.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Public Disclosure Copy

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		4,752,580.	1	5,638,315.
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net		439,597.	3	2,743,383.
	4	Accounts receivable, net			4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		279,782.	9	762,464.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 10,412,171.			
	b	Less: accumulated depreciation	10b 4,592,932.	2,102,136.	10c	5,819,239.
	11	Investments - publicly traded securities			11	
	12	Investments - other securities. See Part IV, line 11			12	
	13	Investments - program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		0.	15	960,000.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		7,574,095.	16	15,923,401.
Liabilities	17	Accounts payable and accrued expenses		616,053.	17	2,636,309.
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		468,192.	25	220,586.
	26	**Total liabilities.** Add lines 17 through 25		1,084,245.	26	2,856,895.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☒ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		6,489,267.	27	12,929,750.
	28	Temporarily restricted net assets		583.	28	136,756.
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		6,489,850.	33	13,066,506.
	34	Total liabilities and net assets/fund balances		7,574,095.	34	15,923,401.

Public Disclosure Copy

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	67,750,332.
2	Total expenses (must equal Part IX, column (A), line 25)	2	66,755,855.
3	Revenue less expenses. Subtract line 2 from line 1	3	994,477.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	6,489,850.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	5,582,179.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	13,066,506.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII X

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	X	

Form 990 (2016)

Public Disclosure Copy

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization	Employer identification number
KIPP NYC PUBLIC CHARTER SCHOOL	30-0717988

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☒ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____

10 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.

a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**

b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**

c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations .....

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
Total						

Public Disclosure Copy

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2015 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2016.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test - 2015.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2016.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2015.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Public Disclosure Copy

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2016** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2015** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2016.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Public Disclosure Copy

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* ***Part VI*** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*	3a		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* ***Part VI*** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* ***Part VI*** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.*	4a		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* ***Part VI*** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in* ***Part VI,*** *including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* ***Part VI.***	6		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	7		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	8		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* ***Part VI.***	9a		
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* ***Part VI.***	9b		
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* ***Part VI.***	9c		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b below.*	10a		
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		

Public Disclosure Copy

Part IV **Supporting Organizations** *(continued)*

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		
b	A family member of a person described in (a) above?	11b		
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in* ***Part VI.***	11c		

Section B. Type I Supporting Organizations

			Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in* ***Part VI*** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	1		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* ***Part VI*** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.*	2		

Section C. Type II Supporting Organizations

			Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* ***Part VI*** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	1		

Section D. All Type III Supporting Organizations

			Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s).*	2		
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* ***Part VI*** *the role the organization's supported organizations played in this regard.*	3		

Section E. Type III Functionally Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the yea* ***(see instructions).***

a ☐ The organization satisfied the Activities Test. *Complete* ***line 2*** *below.*

b ☐ The organization is the parent of each of its supported organizations. *Complete* ***line 3*** *below.*

c ☐ The organization supported a governmental entity. *Describe in Part VI how you supported a government entity (see instructions).*

			Yes	No
2	Activities Test. ***Answer (a) and (b) below.***			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations. ***Answer (a) and (b) below.***			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in* ***Part VI.***	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in* ***Part VI*** *the role played by the organization in this regard.*	3b		

Public Disclosure Copy

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6, and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (explain in detail in **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount		Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2 Enter 85% of line 1	2	
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4 Enter greater of line 2 or line 3	4	
5 Income tax imposed in prior year	5	
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Public Disclosure Copy

Part V **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** *(continued)*

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in **Part VI**). See instructions	
7	**Total annual distributions.** Add lines 1 through 6	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**). See instructions	
9	Distributable amount for 2016 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1	Distributable amount for 2016 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2016 (reasonable cause required- explain in Part VI). See instructions			
3	Excess distributions carryover, if any, to 2016:			
a				
b				
c	From 2013			
d	From 2014			
e	From 2015			
f	**Total** of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2016 distributable amount			
i	Carryover from 2011 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2016 from Section D, line 7: $			
a	Applied to underdistributions of prior years			
b	Applied to 2016 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4			
5	Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions			
6	Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions			
7	**Excess distributions carryover to 2017.** Add lines 3j and 4c			
8	Breakdown of line 7:			
a				
b	Excess from 2013			
c	Excess from 2014			
d	Excess from 2015			
e	Excess from 2016			

Public Disclosure Copy

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Public Disclosure Copy

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization
KIPP NYC PUBLIC CHARTER SCHOOL

Employer identification number
30-0717988

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Preservation of a historically important land area
- ☐ Protection of natural habitat
- ☐ Preservation of a certified historic structure
- ☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Public Disclosure Copy

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		6,107,961.	1,475,430.	4,632,531.
d Equipment		4,157,984.	3,117,502.	1,040,482.
e Other		146,226.		146,226.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶				5,819,239.

Schedule D (Form 990) 2016

Public Disclosure Copy

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM RELATED PARTIES	960,000.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	960,000.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO RELATED PARTIES	189,610.
(3) REFUNDABLE ADVANCES	30,976.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	220,586.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII [X]

Public Disclosure Copy

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	67,466,697.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains (losses) on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	0.
3	Subtract line 2e from line 1			3	67,466,697.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	283,635.		
c	Add lines 4a and 4b			4c	283,635.
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	67,750,332.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	66,472,220.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	0.
3	Subtract line 2e from line 1			3	66,472,220.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	283,635.		
c	Add lines 4a and 4b			4c	283,635.
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	66,755,855.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

THE SCHOOL IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE SERVICE CODE AND APPLICABLE INCOME TAX REGULATIONS OF THE STATE OF NEW YORK. NO PROVISION FOR INCOME TAXES HAS BEEN ESTABLISHED, AS THE SCHOOL HAS NO UNRELATED BUSINESS ACTIVITY.

THE SCHOOL FOLLOWS THE GUIDANCE IN THE INCOME TAX STANDARD REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS. THE GUIDANCE CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ENTITY'S FINANCIAL STATEMENTS. THE GUIDANCE FURTHER PRESCRIBES RECOGNITION AND MEASUREMENT OF TAX PROVISIONS TAKEN OR EXPECTED TO BE TAKEN ON A TAX RETURN THAT ARE NOT CERTAIN TO BE REALIZED. THIS STANDARD HAD NO IMPACT ON THE SCHOOL'S FINANCIAL STATEMENTS.

Public Disclosure Copy

Part XIII **Supplemental Information** *(continued)*

PART XI, LINE 4B - OTHER ADJUSTMENTS:

DONATED GOODS	283,635.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

DONATED GOODS	283,635.

Public Disclosure Copy

Response 21g-1548 Response 24-2023

SCHEDULE E (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule E (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

KIPP NYC PUBLIC CHARTER SCHOOL

Employer identification number

30-0717988

Part I

			YES	NO
1	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	1	X	
2	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	2	X	
3	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. If you need more space, use Part II	3	X	
	IN PUBLICIZING ITS LOTTERY EACH YEAR FOR NEW STUDENTS, THE SCHOOL INCLUDES ITS NON-DISCRIMINATION POLICY, WHICH STATES: "THE SCHOOL SHALL NOT DISCRIMINATE AGAINST ANY STUDENT ON THE BASIS OF ETHNICITY, NATIONAL ORIGIN, GENDER OR DISABILITY."			
4	Does the organization maintain the following?			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	4a	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	4b	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	4c	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	4d	X	
	If you answered "No" to any of the above, please explain. If you need more space, use Part II.			
5	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	5a		X
b	Admissions policies?	5b		X
c	Employment of faculty or administrative staff?	5c		X
d	Scholarships or other financial assistance?	5d		X
e	Educational policies?	5e		X
f	Use of facilities?	5f		X
g	Athletic programs?	5g		X
h	Other extracurricular activities?	5h		X
	If you answered "Yes" to any of the above, please explain. If you need more space, use Part II.			
6a	Does the organization receive any financial aid or assistance from a governmental agency?	6a	X	
b	Has the organization's right to such aid ever been revoked or suspended?	6b		X
	If you answered "Yes" on either line 6a or line 6b, explain on Part II.			
7	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Part II	7	X	

Public Disclosure Copy

Part II **Supplemental Information.** Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also provide any other additional information.

LINE 6 - EXPLANATION OF GOVERNMENT FINANCIAL AID:

THE SCHOOL RECEIVES FEDERAL FUNDING FROM THE U.S. DEPARTMENT OF EDUCATION.

Public Disclosure Copy

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**

▶ **Attach to Form 990.**

▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

KIPP NYC PUBLIC CHARTER SCHOOL

Employer identification number

30-0717988

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (such as, maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☒ Compensation survey or study		
	☒ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	**4a**		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	**5a**		X
b	Any related organization?	**5b**		X
	If "Yes" on line 5a or 5b, describe in Part III.			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	**6a**		X
b	Any related organization?	**6b**		X
	If "Yes" on line 6a or 6b, describe in Part III.			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III	**7**		X
8	Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	**8**		X
9	If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	**9**		

Public Disclosure Copy

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JANE MARTINEZ-DOWLING	(i)	0.	0.	0.	0.	0.	0.	0.
TRUSTEE	(ii)	169,252.	5,000.	925.	2,737.	14,062.	191,976.	0.
(2) ALICIA JOHNSON	(i)	0.	0.	0.	0.	0.	0.	0.
CHIEF OPERATING OFFICER	(ii)	199,702.	12,200.	600.	9,000.	7,525.	229,027.	0.
(3) CHARIZMA WILLIAMS	(i)	0.	0.	0.	0.	0.	0.	0.
CHIEF FINANCIAL OFFICER	(ii)	204,185.	8,160.	400.	9,000.	7,525.	229,270.	0.
(4) JAMES MANLY	(i)	194,545.	9,885.	474.	2,793.	16,269.	223,966.	0.
SUPERINTENDENT	(ii)	50,885.	2,615.	126.	722.	4,256.	58,604.	0.
(5) DANNY SWERSKY	(i)	142,086.	12,316.	0.	6,384.	22,074.	182,860.	0.
PRINCIPAL	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) ANOKHI SARAIYA	(i)	140,311.	5,000.	600.	8,050.	6,585.	160,546.	0.
MD OF ELEMENTARY	(ii)	22,743.	0.	0.	950.	941.	24,634.	0.
(7) NATALIE WEBB	(i)	114,792.	3,315.	0.	5,688.	5,126.	128,921.	0.
PRINCIPAL	(ii)	61,610.	2,614.	0.	3,072.	2,769.	70,065.	0.
(8) STACY JOHNSON	(i)	145,631.	7,915.	0.	8,160.	7,525.	169,231.	0.
CO-PRINCIPAL	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) JOSEPH NEGRON	(i)	180,048.	9,000.	0.	23,598.	22,074.	234,720.	0.
CO-PRINCIPAL	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) ALLISON WILLIS	(i)	170,350.	5,000.	0.	8,580.	21,694.	205,624.	0.
PRINCIPAL & MD, SCHOOLS	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) BARBARA DEPESA	(i)	114,743.	1,109.	245.	11,965.	5,678.	133,740.	0.
ASSISTANT PRINCIPAL	(ii)	44,866.	391.	105.	4,669.	2,217.	52,248.	0.
(12) CARLOS CAPELLAN	(i)	100,286.	1,109.	0.	5,331.	9,944.	116,670.	0.
ASSISTANT PRINCIPAL	(ii)	39,316.	391.	0.	2,125.	3,883.	45,715.	0.
(13) ANNE WOODS	(i)	94,425.	739.	140.	10,628.	15,824.	121,756.	0.
DEAN	(ii)	36,724.	261.	60.	4,152.	6,180.	47,377.	0.
(14) HUGH CHEN	(i)	93,713.	1,109.	175.	9,970.	10,839.	115,806.	0.
DIRECTOR OF COUNSELING	(ii)	36,453.	391.	75.	3,895.	4,233.	45,047.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							

Public Disclosure Copy

Response 21g-1552

Response 24-2027

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Public Disclosure Copy

Response 21g-1553

Response 24-2028

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**
▶ **Information about Schedule M (Form 990) and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2016

Open To Public Inspection

Name of the organization

KIPP NYC PUBLIC CHARTER SCHOOL

Employer identification number

30-0717988

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded				
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (SOFTWARE & BO)	X	1	283,635.	
26	Other ▶ (MERCHANDISE)	X	1	1,042.	
27	Other ▶ ( )				
28	Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?	31		X
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
b	If "Yes," describe in Part II.			
33	If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

Public Disclosure Copy

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Public Disclosure Copy

Response 21g-1555 Response 24-2030

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

KIPP NYC PUBLIC CHARTER SCHOOL

Employer identification number

30-0717988

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

ALL.

FORM 990, PART VI, SECTION A, LINE 3:

THE ORGANIZATION HAS A SERVICE AGREEMENT WITH KIPP NYC, LLC (A DISREGARDED ENTITY OF KIPP NEW YORK, INC), A RELATED ENTITY WHICH PROVIDES OPERATIONAL AND ADMINISTRATIVE SUPPORT TO THE SCHOOL. INCLUDED IN THESE SERVICES PROVIDED ARE HUMAN RESOURCES, TECHNOLOGY, DATA, OPERATIONS, FINANCE AND ACCOUNTING, RECUITING, FUNDRAISING, INSTRUCTIONAL TRAINING AND PROGRESS MONITORING.

FORM 990, PART VI, SECTION A, LINE 4:

AS OF JULY 1, 2016, KIPP INFINITY CHARTER SCHOOL AND KIPP AMP ACADEMY CHARTER SCHOOL MERGED THEIR FINANCIAL BOOKS AND RECORDS AND CEASED OPERATING AS SEPARATE ENTITIES. IN PREPARATION FOR THE JULY 2016 MERGER, KIPP NYC PUBLIC CHARTER SCHOOLS CREATED FOUR,WHOLLY OWNED SUBSIDIARY LLCS, WASHINGTON HEIGHTS PCS, LLC, STAR HARLEM PCS, LLC,INFINITY PCS, LLC, AND AMP PCS, LLC. THESE DISREGARDED ENTITIES WERE FORMED TO SEGREGATE ASSETS OF THE FOUR LEGACY CHARTER ENTITIES OF KIPP NYC PUBLIC CHARTER SCHOOLS (WASHINGTON HEIGHTS, STAR, AMP, AND INFINITY).

FORM 990, PART VI, SECTION B, LINE 11B:

MANAGEMENT WILL PROVIDE THE FORM 990 TO THE BOARD OF TRUSTEES BEFORE IT IS SUBMITTED.

FORM 990, PART VI, SECTION B, LINE 12C:

Public Disclosure Copy

Name of the organization: KIPP NYC PUBLIC CHARTER SCHOOL

Employer identification number: 30-0717988

AS PART OF OUR ANNUAL AUDIT PROCESS, WE REVIEW ALL TRANSACTIONS TO CONFIRM THE ABSENCE OF ANY POTENTIAL CONFLICTS OF INTEREST. WE ALSO REQUIRE TRUSTEES TO ANNUALLY COMPLETE DISCLOSURE FORMS DETAILING ANY TRANSACTIONS THAT MAY PRESENT POTENTIAL CONFLICTS OF INTEREST. THESE SIGNED DISCLOSURES ARE MAINTAINED BY THE ORGANIZATION AND ARE ALSO SUBMITTED TO THE DEPARTMENT OF EDUCATION OF NEW YORK STATE. IF A CONFLICT OR POTENTIAL CONFLICT IS IDENTIFIED, THE BOARD'S INDEPENDENT TRUSTEES REVIEW THE TRANSACTION IN QUESTION TO DETERMINE ITS PROPRIETY, ITS IMPACT ON THE ORGANIZATION AND THE AVAILABILITY OF, AND NEED FOR, ANY CORRECTIVE MEASURES.

FORM 990, PART VI, SECTION B, LINE 15:
THE ORGANIZATION'S AND RELATED ORGANIZATION'S DETERMINATION OF COMPENSATION FOR THE SUPERINTENDENT, COO, CFO, MANAGING DIRECTOR AND PRINCIPAL POSITIONS ARE BASED ON COMPENSATION SURVEYS, RELATED MARKET RESEARCH, EVALUATION OF PERFORMANCE, AND EXPERIENCE. COMPENSATION FOR THE AFORMENTIONED POSITIONS ARE APPROVED BY THE BOARD OF THE RESPECTIVE ORGANIZATIONS. THE MOST RECENT REVIEW WAS COMPLETED IN 2016.

Public Disclosure Copy

FORM 990, PART VI, SECTION C, LINE 19:
THE ORGANIZATION MAKES ITS FORM 990 AVAILABLE TO THE PUBLIC UPON WRITTEN REQUEST. IT IS ALSO AVAILABLE AT WWW.GUIDESTAR.COM, A PUBLIC WEBSITE.

THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON WRITTEN REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

TRANSFER OF NET ASSETS KIPP AMP ACADEMY	2,422,610.
TRANSFER OF NET ASSETS KIPP INFINITY	3,159,569.

Name of the organization: KIPP NYC PUBLIC CHARTER SCHOOL

Employer identification number: 30-0717988

TOTAL TO FORM 990, PART XI, LINE 9 5,582,179.

FORM 990, PART XII, LINE 2C:

THE ORGANIZAION HAS A COMMITTEE THAT ASSUMES RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS AND THE SELECTION OF THE AN INDEPENDENT AUDITOR.

Public Disclosure Copy

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

KIPP NYC PUBLIC CHARTER SCHOOL

Employer identification number

30-0717988

Part I **Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
AMP PCS, LLC - 81-0733405 1224 PARK PLACE BROOKLYN, NY 11213	CHARTER SCHOOL	NEW YORK	14,909,170.	3,084,745.	KIPP NYC PUBLIC CHARTER SCHOOL
INFINITY PCS, LLC - 81-0724664 625 W 133RD STREET NEW YORK, NY 10027	CHARTER SCHOOL	NEW YORK	21,419,978.	2,710,200.	KIPP NYC PUBLIC CHARTER SCHOOL
STAR HARLEM PCS, LLC - 81-0758965 433 W 123RD STREET NEW YORK, NY 10027	CHARTER SCHOOL	NEW YORK	15,072,620.	2,709,254.	KIPP NYC PUBLIC CHARTER SCHOOL
WASHINGTON HEIGHTS PCS, LLC - 81-0744057 21 JUMEL PLACE NEW YORK, NY 10032	CHARTER SCHOOL	NEW YORK	16,348,564.	7,419,202.	KIPP NYC PUBLIC CHARTER SCHOOL

Part II **Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
KIPP NEW YORK, INC. - 20-3971209 470 7TH AVE, 10TH FLOOR NEW YORK, NY 10018	SUPPORT OF KIPP NYC SCHOOLS/PROGRAMS	NEW YORK	501(C)(3)	LINE 12B, II	N/A		X
KIPP NYC FACILITY HOLDINGS, INC - 46-3090135 470 7TH AVE, 10TH FLOOR NEW YORK, NY 10018	DEVELOP, MANAGE AND LEASE PUBLIC SCHOOL ACTIVITIES	NEW YORK	501(C)(3)	LINE 11	N/A		X

Public Disclosure Copy

Response 219-1559

Response 24-2034

Part III **Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No

Public Disclosure Copy

Response 219-1560

Response 24-2035

Part V **Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c	X	
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e	X	
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o	Sharing of paid employees with related organization(s)	1o		X
p	Reimbursement paid to related organization(s) for expenses	1p	X	
q	Reimbursement paid by related organization(s) for expenses	1q	X	
r	Other transfer of cash or property to related organization(s)	1r		X
s	Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Public Disclosure Copy

Response 21g-1561

Response 24-2036

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Public Disclosure Copy

Response 210-1562

Response 24-2037

Part VII **Supplemental Information.**

Provide additional information for responses to questions on Schedule R. See instructions.

Public Disclosure Copy

22. Action Plan

The pre-opening plan for KIPP Beyond Charter School is outlined below. As described in the chart, several founding team members and regional staff will be responsible for execution of relevant tasks and milestones.

Task	Start Date	Completion Date	Responsibility
Identify founding school leader	Sep-18	Apr-19	Superintendent
Work with NYC DOE and secure facility in NYC DOE public school space	Feb-19	Mar-20	Chief of External Affairs
Train new school leader	Jun-19	Jun-20	KIPP Foundation and KIPP NYC staff
Recruit and hire Director of Operations	Oct-19	Jan-20	Senior Managing Director of People
Develop lottery applications and materials for entry grade applicants	Nov-19	Dec-19	Managing Director of Operations
Recruit founding teachers, counselors and staff	Dec-19	Jul-20	Senior Managing Director of People
Distribute and collect lottery applications through various student recruitment events	Dec-19	Apr-20	Managing Director of Operations
Hire school leadership team (including DOO)	Dec-19	Mar-20	Senior Managing Director of People
Hire all classrooms teachers	Dec-19	May-20	Senior Managing Director of People
Develop school purchasing lists for furniture, books, materials, uniforms and other items needed for the launch	Jan-20	Feb-20	Managing Director of Operations
Write and approve school budget (year 1)	Jan-20	Apr-20	Chief Financial Officer
Onboard Director of Operations	Mar-20	Apr-20	Managing Director of Operations
Review and approve paint, renovation and summer construction plan	Mar-20	Apr-20	Managing Director of Facilities
Enroll students	Apr-20	Aug-20	School Director of Operations
Home visits to all families who have accepted a seat at new school	Apr-20	Jun-20	Principal and School Director of Operations
Order all materials (furniture, uniforms, books)	May-20	Jul-20	School Director of Operations
Finalize scope and sequence for summer training of staff	May-20	Jun-20	Principal and Managing Director
Finalize all staff summer training	Jun-20	Jun-20	Principal and Managing Director
Ensure all founding staff from both schools are on payroll and that every employee is enrolled in our benefit program	Jul-20	Jul-20	Chief Financial Officer
School Set-up	Aug-20	Aug-20	Senior Managing Director of Technology and Facilities
Orientation for founding leaders	Jul-20	Jul-20	Principal
Orientation for founding teachers	Jul-20	Jul-20	Principal and Senior Managing Director of People
Attend regional summer training with rest of KIPP schools	Aug-20	Aug-20	Senior Managing Director of People
Family Preview days for all families	Aug-20	Aug-20	Principal
School starts	Aug-20	Aug-20	Principal

Response 22-1

23. Supplemental Narrative

(a) Supplemental Narrative

Request is not applicable.

23. Supplemental Narrative

(b) Supplemental Attachments

Request is not applicable.