

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEARS ENDED JUNE 30, 2021 AND 2020**



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## 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, 2021 and 2020, 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.

### ***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, 2021 and 2020, 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 supplementary 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 supplementary 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 supplementary 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 an opinion on the consolidated financial statements that collectively comprise the KIPP NYC Public Charter Schools' consolidated financial statements as a whole. 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021, 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 Schools' 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
November 1, 2021

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 7,007,553	\$ 11,538,948
Grants and Contracts Receivable	4,217,926	3,344,031
Due from Related Parties	1,753,681	1,022,834
Prepaid Expenses and Other Assets	9,126,426	87,326
Property and Equipment	<u>6,907,434</u>	<u>8,589,407</u>
Total Assets	<u><u>\$ 29,013,020</u></u>	<u><u>\$ 24,582,546</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 4,197,093	\$ 2,419,971
Note Payable	300,000	2,300,000
Refundable Advances	85,799	1,858
Capital Lease Obligation	<u>491,607</u>	<u>737,410</u>
Total Liabilities	5,074,499	5,459,239
<b>NET ASSETS</b>		
Without Donor Restrictions	23,566,019	19,049,526
With Donor Restrictions	<u>372,502</u>	<u>73,781</u>
Total Net Assets	<u><u>23,938,521</u></u>	<u><u>19,123,307</u></u>
Total Liabilities and Net Assets	<u><u>\$ 29,013,020</u></u>	<u><u>\$ 24,582,546</u></u>

See accompanying Notes to Consolidated Financial Statements.

**KIPP NYC PUBLIC CHARTER SCHOOLS  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
<b>OPERATING REVENUE</b>						
State and Local Per Pupil Operating Revenue	\$ 97,822,737	\$ -	\$ 97,822,737	\$ 90,196,220	\$ -	\$ 90,196,220
Government Grants and Contracts	9,990,937	462,299	10,453,236	6,869,873	30,000	6,899,873
Total Operating Revenue	107,813,674	462,299	108,275,973	97,066,093	30,000	97,096,093
<b>OPERATING EXPENSES</b>						
Program Services	91,198,368	-	91,198,368	81,758,144	-	81,758,144
Supporting Services	13,298,649	-	13,298,649	11,161,107	-	11,161,107
Total Operating Expenses	104,497,017	-	104,497,017	92,919,251	-	92,919,251
<b>SCHOOL OPERATING SURPLUS</b>	3,316,657	462,299	3,778,956	4,146,842	30,000	4,176,842
<b>OTHER REVENUE</b>						
Contributions and Other Grants	467,706	301,000	768,706	54,638	95,590	150,228
Interest and Other Income – Net	226,876	-	226,876	592,592	-	592,592
Donated Goods and Services	40,676	-	40,676	30,232	-	30,232
Total Other Revenue	735,258	301,000	1,036,258	677,462	95,590	773,052
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	464,578	(464,578)	-	262,794	(262,794)	-
<b>CHANGE IN NET ASSETS</b>	4,516,493	298,721	4,815,214	5,087,098	(137,204)	4,949,894
Net Assets – Beginning of Year	19,049,526	73,781	19,123,307	13,962,428	210,985	14,173,413
<b>NET ASSETS – END OF YEAR</b>	<u>\$ 23,566,019</u>	<u>\$ 372,502</u>	<u>\$ 23,938,521</u>	<u>\$ 19,049,526</u>	<u>\$ 73,781</u>	<u>\$ 19,123,307</u>

See accompanying Notes to Consolidated Financial Statements.



**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Employee Wages	\$ 51,773,979	\$ 6,171,765	\$ 57,945,744	\$ -	\$ 57,945,744
Payroll Taxes and Employee Benefits	13,143,043	1,591,030	14,734,073	-	14,734,073
Licensing and Management Fee	323,414	-	323,414	12,614,549	12,937,963
Litigation and Legal Services Fee	267,309	-	267,309	-	267,309
Accounting and Audit Services Fees	-	-	-	40,869	40,869
Other Professional Fees	512,589	91,588	604,177	-	604,177
Grants to Related Entities	948,281	-	948,281	-	948,281
Academic Programming	1,353,870	21,701	1,375,571	-	1,375,571
Field Lessons	8,437	-	8,437	-	8,437
Professional Development	849,611	2,694	852,305	-	852,305
Equipment and Maintenance	2,463,077	-	2,463,077	-	2,463,077
Student Transportation and Other Services	275	-	275	-	275
Supplies and Materials	3,406,613	-	3,406,613	-	3,406,613
Technology Equipment and Materials	2,647,623	-	2,647,623	-	2,647,623
Events	155,586	53	155,639	-	155,639
Printing and Publications	218,823	-	218,823	-	218,823
Occupancy	1,929,785	-	1,929,785	-	1,929,785
Telephone and Internet	886,525	-	886,525	-	886,525
Insurance	-	-	-	643,231	643,231
Memberships and Subscriptions	130,795	-	130,795	-	130,795
Postage and Shipping	53,099	-	53,099	-	53,099
Bank and Other Fees	27,763	-	27,763	-	27,763
Candidate Recruiting	33,342	-	33,342	-	33,342
Miscellaneous	35,661	-	35,661	-	35,661
Donated Goods and Services	40,676	-	40,676	-	40,676
Depreciation and Amortization	2,101,093	-	2,101,093	-	2,101,093
Uncollectible Receivables	7,806	-	7,806	-	7,806
Prior Period Adjustments	462	-	462	-	462
Total Functional Expenses	<u>\$ 83,319,537</u>	<u>\$ 7,878,831</u>	<u>\$ 91,198,368</u>	<u>\$ 13,298,649</u>	<u>\$ 104,497,017</u>

See accompanying Notes to Consolidated Financial Statements.

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Employee Wages	\$ 47,541,196	\$ 7,477,498	\$ 55,018,694	\$ -	\$ 55,018,694
Payroll Taxes and Employee Benefits	11,573,162	1,681,523	13,254,685	-	13,254,685
Licensing and Management Fee	323,601	-	323,601	10,461,419	10,785,020
Litigation and Legal Services Fee	290,416	-	290,416	-	290,416
Accounting and Audit Services Fees	-	-	-	38,747	38,747
Other Professional Fees	330,470	34,148	364,618	-	364,618
Consultant Fees	214,226	69,363	283,589	-	283,589
Academic Programming	947,409	6,685	954,094	-	954,094
Field Lessons	140,012	-	140,012	-	140,012
Professional Development	913,516	6,557	920,073	-	920,073
Equipment and Maintenance	1,153,526	-	1,153,526	-	1,153,526
Student Transportation and Other Services	78,992	-	78,992	-	78,992
Supplies and Materials	2,382,850	-	2,382,850	-	2,382,850
Technology Equipment and Materials	1,514,328	-	1,514,328	-	1,514,328
Events	198,901	-	198,901	-	198,901
Printing and Publications	109,023	-	109,023	-	109,023
Occupancy	1,830,897	-	1,830,897	-	1,830,897
Telephone and Internet	639,443	-	639,443	-	639,443
Insurance	-	-	-	660,941	660,941
Memberships and Subscriptions	83,471	-	83,471	-	83,471
Postage and Shipping	13,433	-	13,433	-	13,433
Bank and Other Fees	22,902	-	22,902	-	22,902
Candidate Recruiting	42,893	-	42,893	-	42,893
Miscellaneous	116,528	-	116,528	-	116,528
Donated Goods and Services	30,232	-	30,232	-	30,232
Depreciation and Amortization	1,987,943	-	1,987,943	-	1,987,943
Uncollectible Receivables	3,000	-	3,000	-	3,000
Total Functional Expenses	<u>\$ 72,482,370</u>	<u>\$ 9,275,774</u>	<u>\$ 81,758,144</u>	<u>\$ 11,161,107</u>	<u>\$ 92,919,251</u>

See accompanying Notes to Consolidated Financial Statements.

**KIPP NYC PUBLIC CHARTER SCHOOLS  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Local, State, and Federal Sources	\$ 107,402,078	\$ 97,389,192
Receipts from Others	1,036,258	773,052
Payments to Suppliers and Vendors	(52,359,064)	(36,668,458)
Payments to Employees	<u>(57,945,744)</u>	<u>(55,018,694)</u>
Net Cash Provided (Used) by Operating Activities	(1,866,472)	6,475,092
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Capital Assets	<u>(419,120)</u>	<u>(1,784,198)</u>
Net Cash Used by Investing Activities	(419,120)	(1,784,198)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Note Payable	(2,000,000)	-
Repayments of Capital Lease Obligation	<u>(245,803)</u>	<u>(245,804)</u>
Net Cash Used by Financing Activities	<u>(2,245,803)</u>	<u>(245,804)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(4,531,395)	4,445,090
Cash and Cash Equivalents – Beginning of Year	<u>11,538,948</u>	<u>7,093,858</u>
<b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	<u><u>\$ 7,007,553</u></u>	<u><u>\$ 11,538,948</u></u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 4,815,214	\$ 4,949,894
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,101,093	1,987,943
Change in Assets and Liabilities:		
Grants and Contracts Receivable	(873,895)	293,099
Prepaid Expenses and Other Assets	(9,039,100)	138,636
Accounts Payable and Accrued Expenses	1,777,122	(2,382,301)
Due to/from Related Parties	(730,847)	1,579,183
Refundable Advances	<u>83,941</u>	<u>(91,362)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (1,866,472)</u></u>	<u><u>\$ 6,475,092</u></u>

See accompanying Notes to Consolidated Financial Statements.

**KIPP NYC PUBLIC CHARTER SCHOOLS  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**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), 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. 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, 2019.

In August 2018, the state of New York authorized the creation of KIPP NYC Public Charter Schools II to operate both KIPP Freedom Charter School II and III. KIPP Freedom Charter School II and KIPP Freedom Charter School III were officially authorized in January 2019, and subsequently underwent a name change in April 2019 to KIPP Bronx Charter School II (Bronx II) and KIPP Bronx Charter School III (Bronx III), respectively.

In July 2019, the state of New York authorized the merger of KIPP NYC Public Charter Schools and KIPP NYC Public Charter Schools II, with KIPP NYC Public Charter Schools II as the surviving education corporation under the amended name "KIPP NYC Public Charter Schools." The effective date of the merger is July 1, 2019.

At the June 2019 meeting of the Board of Regents of the State University of New York, an application was approved to issue a charter for KIPP Beyond Charter School, which will be operated under the KIPP NYC Public Charter School. In preparation of the charter, KIPP NYC Public Charter Schools created KIPP Beyond PCS, LLC, a wholly owned subsidiary, was formed in November 2019 and recorded start-up activities through June 30, 2020.

In fiscal years 2020 and 2021, the School operated for students in grades kindergarten through twelve.

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Nature of Operations (Continued)**

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. Accordingly, net assets and changes therein are classified as follows:

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed stipulations will be met either by actions of the School or by the passage of time. Net assets with donor restrictions contain donor-imposed restrictions that permit the school to use or expend the assets as specified.

*Net Assets Without Donor Restrictions* – Net assets not subject to donor-imposed stipulations.

Revenue is reported as an increase in net assets without donor restrictions, unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets are reported as net assets released from restrictions.

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Organization and its eight wholly owned subsidiaries, Washington Heights PCS, LLC, STAR Harlem PCS, LLC, Infinity PCS, LLC, AMP PCS, LLC, Freedom PCS, LLC, KIPP Bronx Charter School II, KIPP Bronx Charter School III and KIPP Beyond 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, 2021 and 2020, an allowance was not warranted.

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Prepaid Expenses and Other Assets**

Prepaid expenses and other assets include payments to other entities for services applicable to future accounting periods such as tenant contribution deposits, rental payments and insurance premiums. The cost of the prepaid expenses and other assets are recorded as expenditures/expenses when consumed rather than when purchased.

**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 the conditions are met.

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 conditions are met by the grant agreement.

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, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the consolidated statements of activities as net assets released from restrictions. A contribution is conditional if a right of return or right of release exists as well as a barrier. The conditional contribution is recognized once the conditions have been met.

**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.

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**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 consolidated statements of activities and in the consolidated statements of functional expenses. Allocation of expenses to program services and supporting services is completed by direct expenses related to each function.

**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.

**Uncertain Tax Positions**

The School recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more likely than not that the positions will be sustained upon examination by the taxing authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

As of June 30, 2021, the School had no uncertain tax positions that qualified for either recognition or disclosure in the consolidated financial statements. Additionally, the School had no interest or penalties related to income taxes.

**Subsequent Events**

In preparing these consolidated financial statements, the School has evaluated events and transactions for potential recognition or disclosure through November 1, 2021, the date the consolidated financial statements were available to be issued.

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 2 LIQUIDITY**

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

As of June 30, 2021 and 2020, the following financial assets could be readily made available within one year of the statement of financial position date meet general expenditures:

	2021	2020
Cash and Cash Equivalents	\$ 7,007,553	\$ 11,538,948
Grants and Contributions receivable, Net	4,217,926	3,344,031
Total	<u>\$ 11,225,479</u>	<u>\$ 14,882,979</u>

**NOTE 3 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 11 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. The School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 12% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of \$12,614,549 and \$10,461,419 for the years ended June 30, 2021 and 2020, respectively. The amount due to LLC for shared services as of June 30, 2021 and 2020 was \$577,149 and \$ 320,555, 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 was paid in full during the year ending June 30, 2021.

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 PUBLIC CHARTER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 3 RELATED PARTY TRANSACTIONS (CONTINUED)**

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, 2021 and 2020.

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

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, 2021 and 2020, the Schools were owed from the noted related parties a total of \$1,753,681 and \$1,002,834, respectively.

**NOTE 4 EQUIPMENT AND IMPROVEMENTS**

Equipment and improvements consists of the following at June 30:

	2021	2020
Furniture and Fixtures	\$ 631,321	\$ 631,321
Technology	7,049,886	6,803,513
Equipment	377,423	377,426
Leasehold Improvements	10,492,519	10,189,019
Construction in Progress	-	130,750
Total	<u>18,551,149</u>	<u>18,132,029</u>
Less: Accumulated Depreciation and Amortization	<u>(11,643,715)</u>	<u>(9,542,622)</u>
Total Property and Equipment	<u>\$ 6,907,434</u>	<u>\$ 8,589,407</u>

**NOTE 5 RESTRICTIONS ON NET ASSET BALANCES**

Net assets with donor restrictions were available for the following purposes at June 30:

	2021	2020
Athletic Programs	\$ 6,167	\$ 5,980
Arts and Music Programs	273	273
Academic Programs	366,062	67,528
Total	<u>\$ 372,502</u>	<u>\$ 73,781</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 6 RELEASES ON NET ASSET BALANCES**

Net assets with donor restrictions were released for the following purposes at June 30:

	2021	2020
Athletic Programs	\$ -	\$ 46,485
Arts and Music Programs	-	48,491
Academic Programs	417,544	160,893
Student Food	47,034	6,925
Total	<u>\$ 464,578</u>	<u>\$ 262,794</u>

**NOTE 7 PENSION EXPENSE**

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the IRC which employees of the School can elect to contribute. Employees, who choose this plan, can contribute up to the level set by the Internal Revenue Service. The Employer match is a discretionary contribution. The employer contributions to this Plan amounted \$1,774,744 and \$1,652,259 for the years ended June 30, 2021 and 2020, respectively.

The School also contributes to the Teachers Retirement System of the City of New York, a multiemployer defined benefit pension plan (the Plan), on behalf of eligible teachers. The Plan provides New York City educators with retirement, disability, and death benefit services. The School's participation in the plan constitutes less than 1% of total plan contributions. The funded status of the Plan was 69.3% at June 30, 2018, the date of the most recent actuarial calculation as indicated in the June 30, 2020 plan audit. The amount charged to operations for contributions to this Plan amounted to \$672,485 and \$623,555 for the years ended June 30, 2021 and 2020, respectively.

**NOTE 8 CAPITAL LEASE OBLIGATIONS**

In September 2018, the School and KIPP Academy Charter School entered into a lease for computer equipment under a capital lease that expires in 2023. As of June 30, 2021 and 2020, the leased equipment are reflected at a cost of \$1,299,870 and related accumulated depreciation of \$808,263 and \$562,459, respectively. The lease requires annual payments of principal of \$245,804. The capital lease agreement states the total annual payments are equal to the cost value of the leased equipment and no interest is included in the payments.

Future minimum payments under the capital lease as of June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 245,804
2023	245,803
Total Capital Lease Payments	<u>\$ 491,607</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 9 LOAN AGREEMENTS**

On June 14, 2019, the Organization entered into a loan agreement for \$300,000 with KIPP Foundation, a related party. Interest accrues on the note at 1% per annum. As of June 30, 2021 and 2020, the outstanding principal balance of this note was \$300,000. Interest expense incurred for the year ended June 30, 2021 and 2020, was \$3,000, respectively. The loan matures and full payment is due in June 2025.

Minimum loan payments for each year subsequent to June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ -
2023	100,000
2024	100,000
2025	100,000
Total	<u>\$ 300,000</u>

**NOTE 10 SCHOOL FACILITY**

The School occupies several facilities at no cost. The School has an agreement with the New York City Department of Education for the following dedicated and shared space:

- ☐ P.S. 125, a New York City public school, located at 433 West 123rd Street, New York City, New York;
- ☐ P.S. 115, New York City public school, located at 586 West 177th Street, New York City, New York;
- ☐ I.S. 90, a New York City public school, located at 21 Jumel Place, New York City, New York;
- ☐ M.S. 390, a New York City public school, located at 1224 Park Place, Brooklyn, New York;
- ☐ M.S. 195, a New York City public school, located at 625 West 133rd Street, New York City, New York;
- ☐ X859, a New York City public school, located at 2246 Jerome Avenue, Bronx, New York;
- ☐ P.S. 44, a New York City public school, located at 1825 Prospect Avenue, Bronx, New York;
- ☐ M.S. 45, a New York City public school, located at 2502 Lorillard Place, Bronx, New York.

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

The School also occupies 338 East 146th St., Bronx, NY, a private facility that the School began leasing in July 2020 as a temporary home for KIPP Elements Primary School.

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 10 SCHOOL FACILITY (CONTINUED)**

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 consolidated statements of functional expenses.

**NOTE 11 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 \$323,414 and \$263,601 for the years ended June 30, 2021 and 2020, respectively.

**NOTE 12 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.

**Support Services**

**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 fundraising program including but not limited to annual mailings, donor meeting, and events. The fundraising expenses were incurred by KIPP NYC, LLC.

**KIPP NYC PUBLIC CHARTER SCHOOLS  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 13 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.

**NOTE 14 TENANT CONTRIBUTION**

As of July 13, 2020, the School entered into an agreement with KIPP NYC, Inc. and KIPP Properties, LLC in order to facilitate the purchase and construction of new schools for the students of KIPP NYC Public Charter School. The School paid KIPP Properties, LLC a tenant lease contribution in the amount of \$9,000,000 toward the constructions costs of the new Schools. As of June 30, 2021, the tenant contribution is included in prepaid expense and other assets in the statement of financial position.

On August 27, 2021 the Lease Anticipation, Tenant Contribution Agreement between KIPP NYC Inc., KIPP Properties, LLC and KIPP NYC Public Charter Schools in the amount of \$9,000,000 was canceled and repaid to KIPP NYC Public Charter Schools. The \$9,000,000 repayment was released from the Morgan Stanley KIPP NYC Inc. control account.

**NOTE 15 SUBSEQUENT EVENT – LEASE AGREEMENT**

On July 30, 2021, a lease agreement was entered into between Canal West 75, LLC (subsidiary of KIPP NYC Facilities II LLC) and KIPP NYC Public Charter Schools, pursuant to which KIPP NYC Public Charter Schools made a tenant contribution of \$5,453,000 toward the cost of development of its next high school site.

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**SCHEDULE OF FINANCIAL POSITION BY SCHOOL**  
**JUNE 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	KIPP Star College Prep	KIPP NYC Washington Heights Academy	KIPP AMP Academy	KIPP Infinity	KIPP Freedom	KIPP Bronx II	KIPP Bronx III	KIPP Beyond	KIPP PCS	Eliminations	Total
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ 601,763	\$ 1,152,235	\$ 567,894	\$ 1,139,902	\$ 1,074,346	\$ (169,050)	\$ 569,360	\$ (171,105)	\$ 2,242,208	\$ -	\$ 7,007,553
Grants and Contracts Receivable	4,282,564	6,190,524	3,046,554	3,240,957	890,159	1,178,890	1,505,207	-	183,071	(16,300,000)	4,217,926
Due from / (to) Related Parties	(2,292,034)	5,291,932	675,891	1,324,189	46,847	(465,659)	(847,985)	(17,695)	(1,961,805)	-	1,753,681
Prepaid Expenses and Other Assets	5,029	11,565	6,088	18,325	37,687	43,348	2,830	1,554	9,000,000	-	9,126,426
Property and Equipment	292,389	1,159,740	1,653,859	1,630,341	601,567	1,471,863	97,675	-	-	-	6,907,434
Total Assets	<u>\$ 2,889,711</u>	<u>\$ 13,805,996</u>	<u>\$ 5,950,286</u>	<u>\$ 7,353,714</u>	<u>\$ 2,650,606</u>	<u>\$ 2,059,392</u>	<u>\$ 1,327,087</u>	<u>\$ (187,246)</u>	<u>\$ 9,463,474</u>	<u>\$ (16,300,000)</u>	<u>\$ 29,013,020</u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>											
<b>LIABILITIES</b>											
Accounts Payable and Accrued Expenses	\$ 132,758	\$ 2,130,056	\$ 987,457	\$ 6,185,854	\$ 1,030,175	\$ 701,945	\$ 287,235	\$ 31,916	\$ 9,009,697	\$ (16,300,000)	\$ 4,197,093
Note Payable	-	-	-	-	-	-	-	-	300,000	-	300,000
Refundable Advances	-	22,315	-	36,507	9,464	-	17,513	-	-	-	85,799
Capital Lease Obligations	44,576	89,152	44,577	313,302	-	-	-	-	-	-	491,607
Total Liabilities	<u>177,334</u>	<u>2,241,523</u>	<u>1,032,034</u>	<u>6,535,663</u>	<u>1,039,639</u>	<u>701,945</u>	<u>304,748</u>	<u>31,916</u>	<u>9,309,697</u>	<u>(16,300,000)</u>	<u>5,074,499</u>
<b>NET ASSETS (DEFICIT)</b>											
Without Donor Restriction (Deficit)	2,705,828	11,556,584	4,912,171	768,568	1,609,467	1,357,447	1,022,339	(219,162)	(147,223)	-	23,566,019
With Donor Restriction	6,549	7,889	6,081	49,483	1,500	-	-	-	301,000	-	372,502
Total Net Assets (Deficit)	<u>2,712,377</u>	<u>11,564,473</u>	<u>4,918,252</u>	<u>818,051</u>	<u>1,610,967</u>	<u>1,357,447</u>	<u>1,022,339</u>	<u>(219,162)</u>	<u>153,777</u>	<u>-</u>	<u>23,938,521</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 2,889,711</u>	<u>\$ 13,805,996</u>	<u>\$ 5,950,286</u>	<u>\$ 7,353,714</u>	<u>\$ 2,650,606</u>	<u>\$ 2,059,392</u>	<u>\$ 1,327,087</u>	<u>\$ (187,246)</u>	<u>\$ 9,463,474</u>	<u>\$ (16,300,000)</u>	<u>\$ 29,013,020</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF ACTIVITIES BY SCHOOL  
YEAR ENDED JUNE 30, 2021  
(SEE INDEPENDENT AUDITORS' REPORT)**

	KIPP Star College Prep			KIPP NYC Washington Heights Academy		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUE</b>						
State and Local Per Pupil Operating Revenue	\$ 15,007,232	\$ -	\$ 15,007,232	16,304,613	\$ -	\$ 16,304,613
Government Grants and Contracts	1,340,755	53,602	1,394,357	1,334,140	54,844	1,388,984
Total Operating Revenue	16,347,987	53,602	16,401,589	17,638,753	54,844	17,693,597
<b>OPERATING EXPENSES</b>						
Program Services	14,084,108	-	14,084,108	13,792,089	-	13,792,089
Supporting Services	2,012,740	-	2,012,740	2,171,728	-	2,171,728
Total Operating Expenses	16,096,848	-	16,096,848	15,963,817	-	15,963,817
<b>SCHOOL OPERATING SURPLUS (DEFICIT)</b>	251,139	53,602	304,741	1,674,936	54,844	1,729,780
<b>OTHER REVENUE</b>						
Contributions and Other Grants	53,602	-	53,602	55,394	-	55,394
Interest and Other Income – Net	29,060	-	29,060	39,074	-	39,074
Donated Goods and Services	-	-	-	-	-	-
Total Other Revenue, Net	82,662	-	82,662	94,468	-	94,468
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	54,484	(54,484)	-	55,645	(55,645)	-
<b>CHANGE IN NET ASSETS</b>	388,285	(882)	387,403	1,825,049	(801)	1,824,248
Net Assets – Beginning of Year	2,317,543	7,431	2,324,974	9,731,535	8,690	9,740,225
<b>NET ASSETS – END OF YEAR</b>	<u>\$ 2,705,828</u>	<u>\$ 6,549</u>	<u>\$ 2,712,377</u>	<u>\$ 11,556,584</u>	<u>\$ 7,889</u>	<u>\$ 11,564,473</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**SCHEDULE OF ACTIVITIES BY SCHOOL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	KIPP AMP Academy			KIPP Infinity		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUE</b>						
State and Local Per Pupil Operating Revenue	\$ 14,774,824	\$ -	\$ 14,774,824	\$ 34,597,186	\$ -	\$ 34,597,186
Government Grants and Contracts	1,024,654	51,837	1,076,491	3,729,309	238,805	3,968,114
Total Operating Revenue	15,799,478	51,837	15,851,315	38,326,495	238,805	38,565,300
<b>OPERATING EXPENSES</b>						
Program Services	13,652,265	-	13,652,265	36,277,818	-	36,277,818
Supporting Services	1,952,669	-	1,952,669	4,613,355	-	4,613,355
Total Operating Expenses	15,604,934	-	15,604,934	40,891,173	-	40,891,173
<b>SCHOOL OPERATING SURPLUS (DEFICIT)</b>	194,544	51,837	246,381	(2,564,678)	238,805	(2,325,873)
<b>OTHER REVENUE</b>						
Contributions and Other Grants	51,837	-	51,837	2,243,662	-	2,243,662
Interest and Other Income – Net	74,436	-	74,436	67,945	-	67,945
Donated Goods and Services	-	-	-	40,676	-	40,676
Total Other Revenue, Net	126,273	-	126,273	2,352,283	-	2,352,283
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	52,406	(52,406)	-	238,832	(238,832)	-
<b>CHANGE IN NET ASSETS</b>	373,223	(569)	372,654	26,437	(27)	26,410
Net Assets – Beginning of Year	4,538,948	6,650	4,545,598	742,131	49,510	791,641
<b>NET ASSETS – END OF YEAR</b>	<u>\$ 4,912,171</u>	<u>\$ 6,081</u>	<u>\$ 4,918,252</u>	<u>\$ 768,568</u>	<u>\$ 49,483</u>	<u>\$ 818,051</u>



**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**SCHEDULE OF ACTIVITIES BY SCHOOL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	KIPP Freedom			KIPP Bronx II		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUE</b>						
State and Local Per Pupil Operating Revenue	\$ 8,109,307	\$ -	\$ 8,109,307	\$ 4,354,854	\$ -	\$ 4,354,854
Government Grants and Contracts	1,722,247	30,527	1,752,774	255,682	16,342	272,024
Total Operating Revenue	9,831,554	30,527	9,862,081	4,610,536	16,342	4,626,878
<b>OPERATING EXPENSES</b>						
Program Services	8,691,362	-	8,691,362	5,173,676	-	5,173,676
Supporting Services	1,228,361	-	1,228,361	577,565	-	577,565
Total Operating Expenses	9,919,723	-	9,919,723	5,751,241	-	5,751,241
<b>SCHOOL OPERATING SURPLUS (DEFICIT)</b>	(88,169)	30,527	(57,642)	(1,140,705)	16,342	(1,124,363)
<b>OTHER REVENUE</b>						
Contributions and Other Grants	630,527	-	630,527	2,216,342	-	2,216,342
Interest and Other Income – Net	13,540	0.00	13,540	(876)	-	(876)
Donated Goods and Services	-	-	-	-	-	-
Total Other Revenue, Net	644,067	-	644,067	2,215,466	-	2,215,466
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	30,527	(30,527)	-	16,342	(16,342)	-
<b>CHANGE IN NET ASSETS</b>	586,425	-	586,425	1,091,103	-	1,091,103
Net Assets – Beginning of Year	1,023,042	1,500	1,024,542	266,344	-	266,344
<b>NET ASSETS – END OF YEAR</b>	<u>\$ 1,609,467</u>	<u>\$ 1,500</u>	<u>\$ 1,610,967</u>	<u>\$ 1,357,447</u>	<u>\$ -</u>	<u>\$ 1,357,447</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**SCHEDULE OF ACTIVITIES BY SCHOOL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	KIPP Bronx III			KIPP Beyond		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUE</b>						
State and Local Per Pupil Operating Revenue	\$ 4,674,721	\$ -	\$ 4,674,721	\$ -	\$ -	\$ -
Government Grants and Contracts	584,150	16,342	600,492	-	-	-
Total Operating Revenue	5,258,871	16,342	5,275,213	-	-	-
<b>OPERATING EXPENSES</b>						
Program Services	4,152,365	-	4,152,365	104,623	-	104,623
Supporting Services	657,144	-	657,144	7,677	-	7,677
Total Operating Expenses	4,809,509	-	4,809,509	112,300	-	112,300
<b>SCHOOL OPERATING SURPLUS (DEFICIT)</b>	449,362	16,342	465,704	(112,300)	-	(112,300)
<b>OTHER REVENUE</b>						
Contributions and Other Grants	16,342	-	16,342	-	-	-
Interest and Other Income – Net	3,448	-	3,448	-	-	-
Donated Goods and Services	-	-	-	-	-	-
Total Other Revenue, Net	19,790	-	19,790	-	-	-
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	16,342	(16,342)	-	-	-	-
<b>CHANGE IN NET ASSETS</b>	485,494	-	485,494	(112,300)	-	(112,300)
Net Assets – Beginning of Year	536,845	-	536,845	(106,862)	-	(106,862)
<b>NET ASSETS – END OF YEAR</b>	<u>\$ 1,022,339</u>	<u>\$ -</u>	<u>\$ 1,022,339</u>	<u>\$ (219,162)</u>	<u>\$ -</u>	<u>\$ (219,162)</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**  
**SCHEDULE OF ACTIVITIES BY SCHOOL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	KIPP PCS				
	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
<b>OPERATING REVENUE</b>					
State and Local Per Pupil Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ 97,822,737
Government Grants and Contracts	-	-	-	-	10,453,236
Total Operating Revenue	-	-	-	-	108,275,973
<b>OPERATING EXPENSES</b>					
Program Services	70,062	-	70,062	(4,800,000)	91,198,368
Supporting Services	77,410	-	77,410	-	13,298,649
Total Operating Expenses	147,472	-	147,472	(4,800,000)	104,497,017
<b>SCHOOL OPERATING SURPLUS (DEFICIT)</b>	(147,472)	-	(147,472)	4,800,000	3,778,956
<b>OTHER REVENUE</b>					
Contributions and Other Grants	-	301,000	301,000	(4,800,000)	768,706
Interest and Other Income – Net	249	-	249	-	226,876
Donated Goods and Services	-	-	-	-	40,676
Total Other Revenue, Net	249	301,000	301,249	(4,800,000)	1,036,258
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	-	-	-	-	-
<b>CHANGE IN NET ASSETS</b>	(147,223)	301,000	153,777	-	4,815,214
Net Assets – Beginning of Year	-	-	-	-	19,123,307
<b>NET ASSETS – END OF YEAR</b>	<u>\$ (147,223)</u>	<u>\$ 301,000</u>	<u>\$ 153,777</u>	<u>\$ -</u>	<u>\$ 23,938,521</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FUNCTIONAL EXPENSES  
KIPP STAR COLLEGE PREP CHARTER SCHOOL  
YEAR ENDED JUNE 30, 2021  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Employee Wages	\$ 7,293,114	\$ 1,226,902	\$ 8,520,016	\$ -	\$ 8,520,016
Payroll Taxes and Employee Benefits	1,675,996	353,069	2,029,065	-	2,029,065
Licensing and Management Fee	60,000	-	60,000	1,932,583	1,992,583
Litigation and Legal Services Fee	19,116	-	19,116	-	19,116
Accounting and Audit Services Fees	-	-	-	5,833	5,833
Other Professional Services	73,900	-	73,900	-	73,900
Grants to Related Entities	1,500,000	-	1,500,000	-	1,500,000
Academic Programming	206,262	16,249	222,511	-	222,511
Field Lessons	1,943	-	1,943	-	1,943
Professional Development	140,866	-	140,866	-	140,866
Equipment and Maintenance	185,396	-	185,396	-	185,396
Supplies and Materials	418,210	-	418,210	-	418,210
Technology Equipment and Materials	372,904	-	372,904	-	372,904
Printing and Publications	38,942	-	38,942	-	38,942
Occupancy	67,028	-	67,028	-	67,028
Telephone and Internet	174,051	-	174,051	-	174,051
Insurance	-	-	-	74,324	74,324
Memberships and Subscriptions	20,705	-	20,705	-	20,705
Postage and Shipping	6,389	-	6,389	-	6,389
Bank and Other Fees	1,100	-	1,100	-	1,100
Depreciation and Amortization	231,966	-	231,966	-	231,966
Total Functional Expenses	<u>\$ 12,487,888</u>	<u>\$ 1,596,220</u>	<u>\$ 14,084,108</u>	<u>\$ 2,012,740</u>	<u>\$ 16,096,848</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FUNCTIONAL EXPENSES  
KIPP NYC WASHINGTON HEIGHTS ACADEMY CHARTER SCHOOL  
YEAR ENDED JUNE 30, 2021  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Employee Wages	\$ 7,534,112	\$ 1,339,069	\$ 8,873,181	\$ -	\$ 8,873,181
Payroll Taxes and Employee Benefits	1,862,968	346,377	2,209,345	-	2,209,345
Licensing and Management Fee	60,000	-	60,000	2,088,600	2,148,600
Litigation and Legal Services Fee	19,585	-	19,585	-	19,585
Accounting and Audit Services Fees	-	-	-	5,968	5,968
Other Professional Services	50,753	-	50,753	-	50,753
Grants to Related Entities	1,100,000	-	1,100,000	-	1,100,000
Academic Programming	148,246	2,867	151,113	-	151,113
Professional Development	106,355	-	106,355	-	106,355
Equipment and Maintenance	145,209	-	145,209	-	145,209
Supplies and Materials	254,798	-	254,798	-	254,798
Technology Equipment and Materials	357,857	-	357,857	-	357,857
Printing and Publications	28,148	-	28,148	-	28,148
Occupancy	78,866	-	78,866	-	78,866
Telephone and Internet	95,110	-	95,110	-	95,110
Insurance	-	-	-	77,160	77,160
Memberships and Subscriptions	19,781	-	19,781	-	19,781
Postage and Shipping	631	-	631	-	631
Bank and Other Fees	4,652	-	4,652	-	4,652
Candidate Recruiting	1,779	-	1,779	-	1,779
Depreciation and Amortization	234,463	-	234,463	-	234,463
Prior Period Adjustments	462	-	462	-	462
Total Functional Expenses	<u>\$ 12,103,776</u>	<u>\$ 1,688,313</u>	<u>\$ 13,792,089</u>	<u>\$ 2,171,728</u>	<u>\$ 15,963,817</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FUNCTIONAL EXPENSES  
KIPP AMP ACADEMY CHARTER SCHOOL  
YEAR ENDED JUNE 30, 2021  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Support Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	\$ 7,139,176	\$ 592,612	\$ 7,731,788	\$ -	\$ 7,731,788
Payroll Taxes and Employee Benefits	1,851,491	120,883	1,972,374	-	1,972,374
Licensing and Management Fee	60,000	-	60,000	1,873,447	1,933,447
Litigation and Legal Services Fee	23,956	-	23,956	-	23,956
Accounting and Audit Services Fees	-	-	-	5,638	5,638
Other Professional Services	85,528	-	85,528	-	85,528
Grants to Related Entities	2,200,000	-	2,200,000	-	2,200,000
Academic Programming	128,189	55	128,244	-	128,244
Field Lessons	500	-	500	-	500
Professional Development	140,614	-	140,614	-	140,614
Equipment and Maintenance	88,433	-	88,433	-	88,433
Student Transportation and Other Services	206	-	206	-	206
Supplies and Materials	290,509	-	290,509	-	290,509
Technology Equipment and Materials	307,857	-	307,857	-	307,857
Events	36,196	-	36,196	-	36,196
Printing and Publications	44,300	-	44,300	-	44,300
Occupancy	64,904	-	64,904	-	64,904
Telephone and Internet	134,292	-	134,292	-	134,292
Insurance	-	-	-	73,584	73,584
Memberships and Subscriptions	19,352	-	19,352	-	19,352
Postage and Shipping	1,242	-	1,242	-	1,242
Bank and Other Fees	4,652	-	4,652	-	4,652
Candidate Recruiting	11,631	-	11,631	-	11,631
Miscellaneous	3,737	-	3,737	-	3,737
Depreciation and Amortization	301,950	-	301,950	-	301,950
Total Functional Expenses	<u>\$ 12,938,715</u>	<u>\$ 713,550</u>	<u>\$ 13,652,265</u>	<u>\$ 1,952,669</u>	<u>\$ 15,604,934</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FUNCTIONAL EXPENSES  
KIPP INFINITY ACADEMY CHARTER SCHOOL  
YEAR ENDED JUNE 30, 2021  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Support Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	\$ 20,377,663	\$ 2,401,508	\$ 22,779,171	\$ -	\$ 22,779,171
Payroll Taxes and Employee Benefits	5,723,178	631,784	6,354,962	-	6,354,962
Licensing and Management Fee	83,414	-	83,414	4,351,917	4,435,331
Litigation and Legal Services Fee	42,539	-	42,539	-	42,539
Accounting and Audit Services Fees	-	-	-	16,550	16,550
Other Professional Services	212,398	76,342	288,740	-	288,740
Academic Programming	502,540	2,530	505,070	-	505,070
Field Lessons	203	-	203	-	203
Professional Development	294,679	2,694	297,373	-	297,373
Equipment and Maintenance	513,514	-	513,514	-	513,514
Student Transportation and Other Services	69	-	69	-	69
Supplies and Materials	1,987,323	-	1,987,323	-	1,987,323
Technology Equipment and Materials	813,595	-	813,595	-	813,595
Events	119,390	53	119,443	-	119,443
Printing and Publications	53,653	-	53,653	-	53,653
Occupancy	1,327,154	-	1,327,154	-	1,327,154
Telephone and Internet	271,179	-	271,179	-	271,179
Insurance	-	-	-	244,888	244,888
Memberships and Subscriptions	45,922	-	45,922	-	45,922
Postage and Shipping	29,338	-	29,338	-	29,338
Bank and Other Fees	8,284	-	8,284	-	8,284
Candidate Recruiting	4,244	-	4,244	-	4,244
Miscellaneous	27,508	-	27,508	-	27,508
Use of Donated Materials and Services	40,676	-	40,676	-	40,676
Depreciation and Amortization	676,639	-	676,639	-	676,639
Uncollectible Receivables	7,805	-	7,805	-	7,805
Total Functional Expenses	<u>\$ 33,162,907</u>	<u>\$ 3,114,911</u>	<u>\$ 36,277,818</u>	<u>\$ 4,613,355</u>	<u>\$ 40,891,173</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FUNCTIONAL EXPENSES  
KIPP FREEDOM CHARTER SCHOOL  
YEAR ENDED JUNE 30, 2021  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
Employee Wages	\$ 4,238,994	\$ 255,037	\$ 4,494,031	\$ -	\$ 4,494,031
Payroll Taxes and Employee Benefits	898,392	58,331	956,723	-	956,723
Licensing and Management Fee	30,000	-	30,000	1,178,859	1,208,859
Litigation and Legal Services Fee	38,046	-	38,046	-	38,046
Accounting and Audit Services Fees	-	-	-	3,322	3,322
Other Professional Services	58,061	-	58,061	-	58,061
Grants to Related Entities	948,281	-	948,281	-	948,281
Academic Programming	174,401	-	174,401	-	174,401
Professional Development	65,119	-	65,119	-	65,119
Equipment and Maintenance	618,629	-	618,629	-	618,629
Supplies and Materials	193,932	-	193,932	-	193,932
Technology Equipment and Materials	379,231	-	379,231	-	379,231
Printing and Publications	14,466	-	14,466	-	14,466
Occupancy	255,584	-	255,584	-	255,584
Telephone and Internet	88,541	-	88,541	-	88,541
Insurance	-	-	-	46,180	46,180
Memberships and Subscriptions	12,727	-	12,727	-	12,727
Postage and Shipping	5,000	-	5,000	-	5,000
Bank and Other Fees	4,652	-	4,652	-	4,652
Candidate Recruiting	1,705	-	1,705	-	1,705
Miscellaneous	2,125	-	2,125	-	2,125
Depreciation and Amortization	350,108	-	350,108	-	350,108
Total Functional Expenses	<u>\$ 8,377,994</u>	<u>\$ 313,368</u>	<u>\$ 8,691,362</u>	<u>\$ 1,228,361</u>	<u>\$ 9,919,723</u>



**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FUNCTIONAL EXPENSES  
KIPP BRONX CHARTER SCHOOL II  
YEAR ENDED JUNE 30, 2021  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Support Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	\$ 2,610,874	\$ 165,507	\$ 2,776,381	\$ -	\$ 2,776,381
Payroll Taxes and Employee Benefits	566,089	38,831	604,920	-	604,920
Licensing and Management Fee	30,000	-	30,000	551,678	581,678
Litigation and Legal Services Fee	19,133	-	19,133	-	19,133
Accounting and Audit Services Fees	-	-	-	1,779	1,779
Other Professional Services	18,404	15,246	33,650	-	33,650
Academic Programming	63,918	-	63,918	-	63,918
Professional Development	41,298	-	41,298	-	41,298
Equipment and Maintenance	761,737	-	761,737	-	761,737
Supplies and Materials	155,808	-	155,808	-	155,808
Technology Equipment and Materials	192,522	-	192,522	-	192,522
Printing and Publications	37,295	-	37,295	-	37,295
Occupancy	77,818	-	77,818	-	77,818
Telephone and Internet	65,886	-	65,886	-	65,886
Insurance	-	-	-	24,108	24,108
Memberships and Subscriptions	5,868	-	5,868	-	5,868
Postage and Shipping	4,541	-	4,541	-	4,541
Bank and Other Fees	2,326	-	2,326	-	2,326
Candidate Recruiting	9,377	-	9,377	-	9,377
Miscellaneous	2,059	-	2,059	-	2,059
Depreciation and Amortization	289,139	-	289,139	-	289,139
Total Functional Expenses	<u>\$ 4,954,092</u>	<u>\$ 219,584</u>	<u>\$ 5,173,676</u>	<u>\$ 577,565</u>	<u>\$ 5,751,241</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FUNCTIONAL EXPENSES  
KIPP BRONX CHARTER SCHOOL III  
YEAR ENDED JUNE 30, 2021  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Support Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	\$ 2,525,334	\$ 190,330	\$ 2,715,664	\$ -	\$ 2,715,664
Payroll Taxes and Employee Benefits	587,093	41,755	628,848	-	628,848
Licensing and Management Fee	-	-	-	629,788	629,788
Litigation and Legal Services Fee	30,919	-	30,919	-	30,919
Accounting and Audit Services Fees	-	-	-	1,779	1,779
Other Professional Services	13,545	-	13,545	-	13,545
Academic Programming	130,314	-	130,314	-	130,314
Field Lessons	5,791	-	5,791	-	5,791
Professional Development	44,931	-	44,931	-	44,931
Equipment and Maintenance	150,159	-	150,159	-	150,159
Supplies and Materials	75,304	-	75,304	-	75,304
Technology Equipment and Materials	219,999	-	219,999	-	219,999
Printing and Publications	1,508	-	1,508	-	1,508
Occupancy	45,681	-	45,681	-	45,681
Telephone and Internet	57,466	-	57,466	-	57,466
Insurance	-	-	-	25,577	25,577
Memberships and Subscriptions	6,374	-	6,374	-	6,374
Postage and Shipping	4,665	-	4,665	-	4,665
Bank and Other Fees	2,097	-	2,097	-	2,097
Candidate Recruiting	2,272	-	2,272	-	2,272
Depreciation and Amortization	16,828	-	16,828	-	16,828
Total Functional Expenses	<u>\$ 3,920,280</u>	<u>\$ 232,085</u>	<u>\$ 4,152,365</u>	<u>\$ 657,144</u>	<u>\$ 4,809,509</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FUNCTIONAL EXPENSES  
KIPP BEYOND CHARTER SCHOOL  
YEAR ENDED JUNE 30, 2021  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Support Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	\$ 15,383	\$ 800	\$ 16,183	\$ -	\$ 16,183
Licensing and Management Fee	-	-	-	7,677	7,677
Litigation and Legal Services Fee	67,894	-	67,894	-	67,894
Technology Equipment and Materials	3,658	-	3,658	-	3,658
Printing and Publications	511	-	511	-	511
Occupancy	12,750	-	12,750	-	12,750
Postage and Shipping	1,293	-	1,293	-	1,293
Candidate Recruiting	2,334	-	2,334	-	2,334
Total Functional Expenses	<u>\$ 103,823</u>	<u>\$ 800</u>	<u>\$ 104,623</u>	<u>\$ 7,677</u>	<u>\$ 112,300</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FUNCTIONAL EXPENSES  
KIPP NEW YORK PUBLIC CHARTER SCHOOL  
YEAR ENDED JUNE 30, 2021  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Program Services			Support Services	
	Regular Education	Special Education	Total	Management and General	Total Expenses
Employee Wages	\$ 39,329	\$ -	\$ 39,329	\$ -	\$ 39,329
Payroll Taxes and Employee Benefits	(22,164)	-	(22,164)	-	(22,164)
Litigation and Legal Services Fee	6,121	-	6,121	-	6,121
Professional Development	15,749	-	15,749	-	15,749
Supplies and Materials	30,729	-	30,729	-	30,729
Insurance	-	-	-	77,410	77,410
Memberships and Subscriptions	66	-	66	-	66
Miscellaneous	232	-	232	-	232
Total Functional Expenses	<u>\$ 70,062</u>	<u>\$ -</u>	<u>\$ 70,062</u>	<u>\$ 77,410</u>	<u>\$ 147,472</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Grant/ Contract Period	Grant Amount	Accrued or (Deferred) Revenue at 7/1/20	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued or (Deferred) Revenue at 6/30/21
<b>U.S. Department of Education:</b>								
Pass-through New York Department of Education:								
Title I Grant - Improving Academic Achievement (AMP)	84.010A	0021-204294	9/1/19-8/31/20	\$ 315,421	\$ -	\$ 52,070	\$ 52,070	\$ -
Title I Grant - Improving Academic Achievement (AMP)	84.010A	0021-204294	9/1/20-8/31/21	316,011	-	156,936	259,701	102,765
Title I Grant - Improving Academic Achievement (FRE)	84.010A	0021-205445	9/1/19-8/31/20	137,505	-	22,738	22,738	-
Title I Grant - Improving Academic Achievement (FRE)	84.010A	0021-215445	9/1/20-8/31/21	254,823	-	79,511	210,214	130,703
Title I Grant - Improving Academic Achievement (BRX2)	84.010A	0021-205515	9/1/19-8/31/20	107,343	-	17,807	17,807	-
Title I Grant - Improving Academic Achievement (BRX2)	84.010A	0204-215515	9/1/20-8/31/21	141,311	-	61,333	116,926	55,593
Title I Grant - Improving Academic Achievement (BRX3)	84.010A	0021-205520	9/1/19-8/31/20	115,494	-	19,166	19,166	-
Title I Grant - Improving Academic Achievement (BRX3)	84.010A	0021-21-5520	9/1/20-8/31/21	156,264	-	66,034	130,388	64,354
Title I Grant - Improving Academic Achievement (INF)	84.010A	0021-204296	9/1/19-8/31/20	544,920	-	91,555	92,030	475
Title I Grant - Improving Academic Achievement (INF)	84.010A	0021-214296	9/1/20-8/31/21	581,617	-	439,178	491,666	52,488
Title I Grant - Improving Academic Achievement (WH)	84.010A	0021-204160	9/1/19-8/31/20	433,714	-	73,334	73,333	(1)
Title I Grant - Improving Academic Achievement (WH)	84.010A	0021-214160	9/1/20-8/31/21	390,343	-	289,726	324,846	35,120
Title I Grant - Improving Academic Achievement (STR)	84.010A	0021-204282	9/1/19-8/31/20	391,196	-	64,700	64,700	-
Title I Grant - Improving Academic Achievement (STR)	84.010A	0021-214282	9/1/20-8/31/21	363,668	-	204,905	300,090	95,185
Total Title I Grant - Improving Academic Achievement				4,249,630	-	1,638,993	2,175,675	536,682
Title II Grant - Teaching, Principal Training, Recruitment (AMP)	84.367A	0147-204294	9/1/19-8/31/20	30,666	(27,530)	5,111	5,111	(27,530)
Title II Grant - Teaching, Principal Training, Recruitment (AMP)	84.367A	0147-214294	9/1/20-8/31/21	33,994	(20,211)	19,172	48,276	8,893
Title II Grant - Teaching, Principal Training, Recruitment (FRE)	84.367A	0147-205445	9/1/19-8/31/20	20,843	-	3,474	3,474	-
Title II Grant - Teaching, Principal Training, Recruitment (FRE)	84.367A	0147-215445	9/1/20-8/31/21	38,177	-	12,393	27,863	15,470
Title II Grant- Teaching, Principal Training, Recruitment (BRX2)	84.367A	0147-205515	9/1/19-8/31/20	14,809	-	2,468	2,648	180
Title II Grant- Teaching, Principal Training, Recruitment (BRX2)	84.367A	0147-215515	9/1/20-8/31/21	21,319	-	8,241	16,088	7,847
Title II Grant- Teaching, Principal Training, Recruitment (BRX3)	84.367A	0147-205520	9/1/19-8/31/20	15,814	-	2,636	2,636	-
Title II Grant- Teaching, Principal Training, Recruitment (BRX3)	84.367A	0147-21-5520	9/1/20-8/31/21	23,395	-	9,774	17,947	8,173
Title II Grant - Teaching, Principal Training, Recruitment (INF)	84.367A	0147-204296	9/1/19-8/31/20	72,970	(22,624)	12,162	12,162	(22,624)
Title II Grant - Teaching, Principal Training, Recruitment (INF)	84.367A	0147-214296	9/1/20-8/31/21	77,442	(19,026)	54,860	81,413	7,527
Title II Grant - Teaching, Principal Training, Recruitment (WH)	84.367A	0147-204160	9/1/19-8/31/20	25,772	(18,968)	4,295	4,295	(18,968)
Title II Grant - Teaching, Principal Training, Recruitment (WH)	84.367A	0147-214160	9/1/20-8/31/21	27,621	(16,426)	20,986	39,423	2,011
Title II Grant - Teaching, Principal Training, Recruitment (STR)	84.367A	0147-204282	9/1/19-8/31/20	26,819	(19,105)	4,470	4,470	(19,105)
Title II Grant - Teaching, Principal Training, Recruitment (STR)	84.367A	0147-214282	9/1/20-8/31/21	31,884	(15,710)	18,951	42,188	7,527
Total Title II Grant - Teaching, Principal Training, Recruitment				461,525	(159,600)	178,993	307,994	(30,599)

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Grant/ Contract Period	Grant Amount	Accrued or (Deferred) Revenue at 7/1/20	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued or (Deferred) Revenue at 6/30/21
<b>U.S. Department of Education (Continued)</b>								
Title IV Grant- SSAE Allocation (AMP)	84.424A	0204-204294	9/1/19-8/31/20	\$ 23,759	\$ -	\$ 3,960	\$ 3,960	\$ -
Title IV Grant- SSAE Allocation (AMP)	84.424A	0204-214294	9/1/20-8/31/21	24,197	-	14,115	20,164	6,049
Title IV Grant- SSAE Allocation (FRE)	84.424A	0204-205445	9/1/19-8/31/20	10,360	-	1,727	1,727	-
Title IV Grant- SSAE Allocation (FRE)	84.424A	0204-215445	9/1/20-8/31/21	10,551	-	6,155	8,793	2,638
Title IV Grant - SSAE Allocation(BRX2)	84.010A	0021-215515	9/1/20-8/31/21	10,000	-	5,833	8,333	2,500
Title IV Grant- Teaching, Principal Training, Recruitment (BRX3)	84.367A	0147-21-5520	9/1/20-8/31/21	10,000	-	5,833	8,333	2,500
Title IV Grant- SSAE Allocation (INF)	84.424A	0204-204296	9/1/19-8/31/20	39,426	-	6,571	6,571	-
Title IV Grant- SSAE Allocation (INF)	84.424A	0204-214296	9/1/20-8/31/21	41,702	-	31,276	34,752	3,476
Title IV Grant- SSAE Allocation (WH)	84.424A	0204-204160	9/1/19-8/31/20	35,843	-	5,974	5,974	-
Title IV Grant- SSAE Allocation (WH)	84.424A	0204-214160	9/1/20-8/31/21	33,280	-	24,960	27,733	2,773
Title IV Grant- SSAE Allocation (STR)	84.424A	0204-204282	9/1/19-8/31/20	32,236	-	5,388	5,388	-
Title IV Grant- SSAE Allocation (STR)	84.424A	0204-214282	9/1/20-8/31/21	30,014	-	21,536	25,012	3,476
Total Title IV Grant- SSAE Allocation				301,368	-	133,328	156,740	23,412
Cares Act - ESSER I (AMP)	84.425D	5890-214294	3/13/20-9/30/22	291,886	-	52,593	269,257	216,664
Cares Act - ESSER I (FRE)	84.425D	5890-215445	3/13/20-9/30/22	127,279	-	20,704	134,451	113,747
Cares Act - ESSER I (BRX2)	84.425D	5890-215515	3/13/20-9/30/22	99,360	-	17,049	83,764	66,715
Cares Act - ESSER I (BRX3)	84.425D	5890-215520	3/13/20-9/30/22	106,905	-	19,558	93,228	73,670
Cares Act - ESSER I (INF)	84.425D	5890-214296	3/13/20-9/30/22	503,054	-	364,714	457,498	92,784
Cares Act - ESSER I (WHA)	84.425D	5890-214160	3/13/20-9/30/22	401,459	-	72,921	394,775	321,854
Cares Act - ESSER I (STR)	84.425D	5890-214282	3/13/20-9/30/22	362,067	-	65,282	363,136	297,854
Total Cares Act - Elementary and Secondary School Emergency Relief Fund (ESSER I and II)				1,892,010	-	612,821	1,796,109	1,183,288
Total U.S. Department of Education				6,904,533	(159,600)	2,564,135	4,436,518	1,712,783
<b>U.S. Department of Agriculture:</b>								
Pass-through New York Department of Education:								
School Food Program- Breakfast (INF)	10.553	n/a	7/1/20-6/30/21	-	-	512,980	711,854	198,874
School Food Program- Lunch and Snack (INF)	10.555	n/a	7/1/20-6/30/21	-	-	950,083	1,306,080	355,997
Child Nutrition Cluster Total				-	-	1,463,063	2,017,934	554,871
Pass-through New York Department of Agriculture:								
School Food Program - Donated Commodities	10.555	n/a	7/1/19-6/30/20	-	-	-	-	-
Total U.S. Department of Agriculture				-	-	1,463,063	2,017,934	554,871
Total Expenditures of Federal Awards				\$ 6,904,533	\$ (159,600)	\$ 4,027,198	\$ 6,454,452	\$ 2,267,654

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**KIPP NYC PUBLIC CHARTER SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

**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 consolidated statements 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.



**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, 2021, 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 November 1, 2021.

**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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
November 1, 2021



**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, 2021. 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, 2021.

### **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**

Plymouth Meeting, Pennsylvania  
November 1, 2021

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

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**Section I – Summary of Auditors’ Results**

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**Consolidated Financial Statements**

- |  |            |                                    |
|--|------------|------------------------------------|
| 1. Type of auditors’ report issued:  | Unmodified |                                    |
| 2. Internal control over financial reporting:  |            |                                    |
| <input type="checkbox"/> Material weakness(es) identified?   | _____ yes  | _____ <u>X</u> _____ no            |
| <input type="checkbox"/> Significant deficiency(ies) identified that are not considered to be material weakness(es)? | _____ yes  | _____ <u>X</u> _____ none reported |
| 3. Noncompliance material to financial statements noted?   | _____ yes  | _____ <u>X</u> _____ no            |

**Federal Awards**

- |  |            |                                    |
|--|------------|------------------------------------|
| 1. Internal control over major federal programs:   |            |                                    |
| Material weakness(es) identified?  | _____ yes  | _____ <u>X</u> _____ no            |
| <input type="checkbox"/> Significant deficiency(ies) identified that are not considered to be material weakness(es)? | _____ yes  | _____ <u>X</u> _____ 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  | _____ <u>X</u> _____ no            |

**Identification of Major Federal Programs**

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.425D	U.S. Department of Education – Elementary and Secondary School Emergency Relief Fund (ESSER I and ESSER II)
Dollar threshold used to distinguish between Type A or Type B programs was:	\$ <u>750,000</u>
Auditee qualified as low-risk auditee?	_____ <u>X</u> _____ yes      _____ no

**KIPP NYC PUBLIC CHARTER SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Consolidated Financial Statement Findings***

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

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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

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***Section IV – Prior Audit Findings***

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

