



**KIPP NYC PUBLIC CHARTER SCHOOLS**

**CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS  
JUNE 30, 2025 AND 2024**

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Contents  
June 30, 2025 and 2024

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## Independent Auditor's Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of KIPP NYC Public Charter Schools (a New York nonprofit corporation) (the School), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of KIPP NYC Public Charter Schools as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information shown on pages 18 through 32 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. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 October 29, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*AAFCPA, Inc.*

Westborough, Massachusetts  
October 29, 2025

**KIPP NYC PUBLIC CHARTER SCHOOLS**Consolidated Statements of Financial Position  
June 30, 2025 and 2024

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Current Assets:		
Cash and cash equivalents	\$ 32,106,090	\$ 26,795,838
Grants and contracts receivable	4,459,881	12,031,642
Prepaid expenses and other assets	7,403,303	6,917,003
Total current assets	43,969,274	45,744,483
Other Assets:		
Right-of-use lease assets - operating	33,115,452	37,831,760
Right-of-use lease assets - finance	257,630,698	264,938,626
Property and equipment, net	3,621,345	4,947,807
Total assets	<u>\$ 338,336,769</u>	<u>\$ 353,462,676</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Loan payable	\$ 100,000	\$ 100,000
Current portion of operating lease liabilities	5,790,767	5,672,439
Current portion of finance lease liabilities	10,630,701	10,630,701
Accounts payable and accrued expenses	3,722,058	6,437,364
Due to (from) KIPP NYC Enterprise	(2,417,424)	5,854,497
Total current liabilities	17,826,102	28,695,001
Other Liabilities:		
Operating lease liabilities, net of current portion	29,988,469	34,689,158
Finance lease liabilities, net of current portion	262,329,773	261,313,098
Total liabilities	<u>310,144,344</u>	<u>324,697,257</u>
Net Assets:		
Without donor restrictions	28,064,963	27,323,731
With donor restrictions	127,462	1,441,688
Total net assets	<u>28,192,425</u>	<u>28,765,419</u>
Total liabilities and net assets	<u>\$ 338,336,769</u>	<u>\$ 353,462,676</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Consolidated Statements of Activities and Changes in Net Assets  
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue:</b>						
Per-pupil tuition	\$ 162,399,643	\$ -	\$ 162,399,643	\$ 143,625,637	\$ -	\$ 143,625,637
Government grants and contracts	37,552,794	-	37,552,794	37,791,941	-	37,791,941
Grants and contributions	202,582	832,955	1,035,537	1,791,494	1,418,189	3,209,683
Interest and other	959,960	-	959,960	1,308,386	-	1,308,386
Donated goods and services	362,792	-	362,792	198,202	-	198,202
Net assets released from purpose restrictions	2,147,181	(2,147,181)	-	48,968	(48,968)	-
Total operating revenue	203,624,952	(1,314,226)	202,310,726	184,764,628	1,369,221	186,133,849
<b>Operating Expenses:</b>						
Program services	177,772,986	-	177,772,986	159,672,971	-	159,672,971
Supporting services	25,110,734	-	25,110,734	23,173,828	-	23,173,828
Total operating expenses	202,883,720	-	202,883,720	182,846,799	-	182,846,799
Changes in net assets from operations	741,232	(1,314,226)	(572,994)	1,917,829	1,369,221	3,287,050
<b>Other Revenue:</b>						
Forgiveness of due to KIPP NYC Enterprise	-	-	-	1,469,179	-	1,469,179
Total changes in net assets	741,232	(1,314,226)	(572,994)	3,387,008	1,369,221	4,756,229
<b>Net Assets:</b>						
Beginning of year	27,323,731	1,441,688	28,765,419	23,936,723	72,467	24,009,190
End of year	\$ 28,064,963	\$ 127,462	\$ 28,192,425	\$ 27,323,731	\$ 1,441,688	\$ 28,765,419

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

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Consolidated Statements of Cash Flows  
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities:</b>		
Receipts from per-pupil tuition and government grants and contracts	\$ 206,098,183	\$ 176,967,183
Receipts from other sources	3,421,512	3,157,540
Payments for personnel and related	(118,510,219)	(105,568,442)
Payments for supplies and services	(85,529,635)	(58,606,847)
Payments for interest	(1,000)	(21,345)
Net cash provided by operating activities	<u>5,478,841</u>	<u>15,928,089</u>
<b>Cash Flows from Investing Activities:</b>		
Acquisition of property and equipment	<u>(9,161)</u>	<u>(107,985)</u>
<b>Cash Flows from Financing Activities:</b>		
Principal payments on loan payable	-	(200,000)
Principal payments on finance lease liabilities	<u>(159,428)</u>	<u>(153,141)</u>
Net cash used in financing activities	<u>(159,428)</u>	<u>(353,141)</u>
<b>Net Change in Cash and Cash Equivalents</b>	5,310,252	15,466,963
<b>Cash and Cash Equivalents:</b>		
Beginning of year	<u>26,795,838</u>	<u>11,328,875</u>
End of year	<u>\$ 32,106,090</u>	<u>\$ 26,795,838</u>
<b>Reconciliation of Changes in Net Assets to Net Cash and Cash Equivalents</b>		
<b>Provided by Operating Activities:</b>		
Changes in net assets	\$ (572,994)	\$ 4,756,229
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	1,335,623	1,820,342
Bad debt	1,023,803	-
Non-cash lease expense	13,200,339	11,734,625
Forgiveness of due to KIPP NYC Enterprise	-	(1,469,179)
Changes in operating assets and liabilities:		
Grants and contracts receivable	6,547,958	(5,644,592)
Prepaid expenses and other assets	(486,300)	518,474
Change in operating lease liabilities	(4,582,361)	(4,379,252)
Accounts payable and accrued expenses	(2,715,306)	1,723,352
Due to/from KIPP NYC Enterprise	(8,271,921)	7,034,422
Deferred revenue	-	(166,332)
Net cash provided by operating activities	<u>\$ 5,478,841</u>	<u>\$ 15,928,089</u>
<b>Supplemental Disclosure of Non-Cash Transaction:</b>		
Right-of-use lease assets - finance exchanged for finance lease liabilities	<u>\$ -</u>	<u>\$ 270,578,421</u>

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

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Consolidated Statement of Functional Expenses

For the Year Ended June 30, 2025

(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	2025			2024		
	Program Services		Total	Support Services	Total Expenses	Total Expenses
	Regular Education	Special Education		Management and General		
<b>Personnel and Related:</b>						
Employee wages	\$ 86,186,687	\$ 6,222,991	\$ 92,409,678	\$ -	\$ 92,409,678	\$ 81,318,373
Payroll taxes and employee benefits	22,068,822	1,625,825	23,694,647	-	23,694,647	22,481,204
Professional development	2,217,271	10,678	2,227,949	-	2,227,949	2,276,669
Total personnel and related	<u>110,472,780</u>	<u>7,859,494</u>	<u>118,332,274</u>	<u>-</u>	<u>118,332,274</u>	<u>106,076,246</u>
<b>Occupancy and Related:</b>						
Rent	31,044,300	-	31,044,300	-	31,044,300	26,775,651
Contracted services	1,370,340	-	1,370,340	-	1,370,340	1,170,967
Security and cleaning	1,172,875	-	1,172,875	-	1,172,875	1,914,757
Repairs and maintenance	955,475	-	955,475	-	955,475	575,222
Insurance	-	-	-	897,786	897,786	1,010,249
Depreciation	819,533	-	819,533	-	819,533	1,210,027
Utilities	524,196	-	524,196	-	524,196	544,709
Supplies and equipment	363,041	-	363,041	-	363,041	332,635
Total occupancy and related	<u>36,249,760</u>	<u>-</u>	<u>36,249,760</u>	<u>897,786</u>	<u>37,147,546</u>	<u>33,534,217</u>
<b>Other:</b>						
Management fee	-	-	-	23,592,274	23,592,274	21,476,193
Student supplies and materials	7,886,495	14,171	7,900,666	-	7,900,666	7,402,101
Technology	4,564,133	-	4,564,133	-	4,564,133	4,639,995
Contracted services	3,394,964	11,781	3,406,745	-	3,406,745	3,091,204
Office	2,075,128	203	2,075,331	-	2,075,331	2,679,728
Student services	1,770,023	-	1,770,023	-	1,770,023	1,692,452
Miscellaneous	804,565	1,753	806,318	473,940	1,280,258	636,027
Bad debt	1,023,803	-	1,023,803	-	1,023,803	-
Equipment and maintenance	524,815	-	524,815	-	524,815	348,604
Depreciation	516,090	-	516,090	-	516,090	610,315
Professional fees	246,657	2,042	248,699	146,734	395,433	490,770
Recruiting	342,329	11,000	353,329	-	353,329	147,602
Interest	1,000	-	1,000	-	1,000	21,345
Total other	<u>23,150,002</u>	<u>40,950</u>	<u>23,190,952</u>	<u>24,212,948</u>	<u>47,403,900</u>	<u>43,236,336</u>
Total expenses	<u>\$ 169,872,542</u>	<u>\$ 7,900,444</u>	<u>\$ 177,772,986</u>	<u>\$ 25,110,734</u>	<u>\$ 202,883,720</u>	<u>\$ 182,846,799</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

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

	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
<b>Personnel and Related:</b>					
Employee wages	\$ 75,337,483	\$ 5,980,890	\$ 81,318,373	\$ -	\$ 81,318,373
Payroll taxes and employee benefits	20,945,502	1,535,702	22,481,204	-	22,481,204
Professional development	2,275,418	1,251	2,276,669	-	2,276,669
Total personnel and related	<u>98,558,403</u>	<u>7,517,843</u>	<u>106,076,246</u>	<u>-</u>	<u>106,076,246</u>
<b>Occupancy and Related:</b>					
Rent	26,775,651	-	26,775,651	-	26,775,651
Contracted services	1,170,967	-	1,170,967	-	1,170,967
Security and cleaning	1,914,757	-	1,914,757	-	1,914,757
Repairs and maintenance	575,222	-	575,222	-	575,222
Insurance	-	-	-	1,010,249	1,010,249
Depreciation	1,210,027	-	1,210,027	-	1,210,027
Utilities	544,709	-	544,709	-	544,709
Supplies and equipment	332,635	-	332,635	-	332,635
Total occupancy and related	<u>32,523,968</u>	<u>-</u>	<u>32,523,968</u>	<u>1,010,249</u>	<u>33,534,217</u>
<b>Other:</b>					
Management fee	-	-	-	21,476,193	21,476,193
Student supplies and materials	7,397,378	4,723	7,402,101	-	7,402,101
Technology	4,639,995	-	4,639,995	-	4,639,995
Contracted services	3,056,722	34,482	3,091,204	-	3,091,204
Office	2,679,728	-	2,679,728	-	2,679,728
Student services	1,692,347	105	1,692,452	-	1,692,452
Miscellaneous	160,857	-	160,857	475,170	636,027
Equipment and maintenance	348,113	491	348,604	-	348,604
Depreciation	610,315	-	610,315	-	610,315
Professional fees	278,554	-	278,554	212,216	490,770
Recruiting	147,602	-	147,602	-	147,602
Interest	21,345	-	21,345	-	21,345
Total other	<u>21,032,956</u>	<u>39,801</u>	<u>21,072,757</u>	<u>22,163,579</u>	<u>43,236,336</u>
Total expenses	<u>\$ 152,115,327</u>	<u>\$ 7,557,644</u>	<u>\$ 159,672,971</u>	<u>\$ 23,173,828</u>	<u>\$ 182,846,799</u>

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

## KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements  
June 30, 2025 and 2024

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### 1. OPERATIONS AND NONPROFIT STATUS

KIPP NYC Public Charter Schools (the School) is an education corporation consisting of the consolidation of the former KIPP NYC Washington Heights Academy Charter School (Washington Heights), KIPP STAR College Prep Charter School (STAR), KIPP Infinity Charter School (Infinity), KIPP Always Mentally Prepared Academy Charter School (AMP), KIPP Freedom Charter School (Freedom), KIPP Bronx Charter School II (KIPP Bronx II), KIPP Bronx Charter School III (KIPP Bronx III), and KIPP Beyond Charter School (KIPP Beyond). In fiscal years 2025 and 2024, the School served students in grades kindergarten through twelve. The schools have aligned the charter renewal timings to all be on the same timeline to increase operational efficiency. All eight charters were renewed during fiscal year 2024 for a term of five years and run through July 2029.

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

The School served approximately 9,280 and 8,440 students in fiscal years 2025 and 2024, respectively.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Principles of Consolidation

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

#### Cash and Cash Equivalents

For the purposes of the consolidated statements of cash flows, management considers all highly liquid investments with an initial maturity of ninety days or less to be cash and cash equivalents. Cash and cash equivalents at June 30, 2025 and 2024, include an escrow account with a balance of \$300,000 established by the School in accordance with the terms of its charter agreement. The escrow account was adequately funded as of June 30, 2025 and 2024. This account must be held in a separate account and can only be used in the event the School closes.

#### Grants and Contracts Receivable and Allowance

Unconditional promises to give that are expected to be collected within one year are recorded at fair value at the date the promise is received and are included in grants and contracts receivable. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows net of an allowance for doubtful accounts. An allowance for doubtful grants and contracts receivable is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible. There was no allowance for doubtful grants and contracts receivable as of June 30, 2025 and 2024.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment and Depreciation**

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

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

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

The School accounts for the carrying value of its property and equipment in accordance with the requirements of ASC Topic, *Property, Plant, and Equipment*. As of June 30, 2025 and 2024, the School has not recognized any reduction in the carrying value of its property and equipment when considering this standard.

**Consolidated Statements of Activities and Changes in Net Assets**

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

**Leases**

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

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

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

## KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements  
June 30, 2025 and 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Net Assets Classification**

##### *Net Assets Without Donor Restrictions*

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

##### *Net Assets With Donor Restrictions*

The School receives contributions and grants that are designated by donors for specific time periods or purposes. These contributions are recorded as net assets with donor restrictions until they have been expended for their designated purposes or as time restrictions expired. Net assets with donor restrictions are restricted for purpose at June 30, 2025 and 2024.

#### **Revenue Recognition**

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

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

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

Interest and other income are recorded as earned.

#### **Estimates**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value Measurements**

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

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

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

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

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

**Allocation of Expenses**

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

**Income Taxes**

The School accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the consolidated financial statements regarding a tax position taken or expected to be taken in a tax return. The School has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the consolidated financial statements at June 30, 2025 and 2024. The School's informational returns are subject to examination by the appropriate jurisdictions.

## KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements  
June 30, 2025 and 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Donated Goods and Services

The School receives donated goods and services. These amounts, which are based upon information provided by the donors who contributed these goods and services, are recorded at their estimated fair value determined on the date of contribution. Donated goods and services consist of food commodities for the years ended June 30, 2025 and 2024, and are reflected as donated goods and services in the accompanying consolidated statements of activities and changes in net assets and student supplies and materials in the accompanying consolidated statements of functional expenses. Donated goods and services were utilized by the School's program services and there were no donor-imposed restrictions associated with them.

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

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

#### Subsequent Events

Subsequent events have been evaluated through October 29, 2025, which is the date the consolidated financial statements were available to be issued. See Note 6 for an event that met the criteria for disclosure in the consolidated financial statements.

### 3. LIQUIDITY

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

As of June 30, 2025 and 2024, the following financial assets could be readily made available within one year of the consolidated statements of financial position date meet general expenditures:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 32,106,090	\$ 26,795,838
Grants and contracts receivable	<u>4,459,881</u>	<u>12,031,642</u>
	36,565,971	38,827,480
Less - cash escrow	(300,000)	(300,000)
Less - donor-imposed restrictions	<u>(127,462)</u>	<u>(1,441,688)</u>
Total	<u>\$ 36,138,509</u>	<u>\$ 37,085,792</u>

## KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements  
June 30, 2025 and 2024

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### 4. KIPP NYC ENTERPRISE

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

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

Due from KIPP NYC Enterprise is presented net of allowance for credit losses as of June 30, 2025. The Organization accounts for credit losses under ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Topic 326 uses an expected credit loss impairment mode for financial instruments. The School's expected credit allowance methodology for due from related parties is developed using historical experience, present economic conditions, and other relevant factors management considers relevant to estimate expected credit losses. Management performs ongoing evaluations of the School's existing and potential customer's creditworthiness.

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

### 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Furniture and fixtures	\$ 478,229	\$ 478,229
Technology and equipment	6,469,543	6,445,647
Leasehold improvements	12,186,227	12,186,227
Work-in-progress	-	14,735
	<u>19,133,999</u>	<u>19,124,838</u>
Less - accumulated depreciation	<u>15,512,654</u>	<u>14,177,031</u>
Property and equipment, net	<u>\$ 3,621,345</u>	<u>\$ 4,947,807</u>

Work-in-progress at June 30, 2024, consisted of various projects that were underway at year-end. These assets began depreciating when placed in service in fiscal year 2025. During fiscal years 2025 and 2024, the School placed \$14,735 and \$1,226,032, respectively, of work in progress in service.

Depreciation expense was \$1,335,623 and \$1,820,342 for the years ended June 30, 2025 and 2024, respectively, and is included in depreciation in the accompanying consolidated statements of functional expenses.

## KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements  
June 30, 2025 and 2024

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### 6. LOAN PAYABLE

The School has entered into a \$300,000 unsecured loan agreement with KIPP Foundation (see Note 11), bearing interest at 1% per annum and maturing on June 30, 2025. As of June 30, 2025 and 2024, the outstanding principal balance of this loan was \$100,000. Interest expense incurred for the years ended June 30, 2025 and 2024, was \$1,000 and \$2,000, respectively. The outstanding balance of this loan was paid off in July 2025.

### 7. CONTRIBUTIONS AND GRANTS - CONDITIONAL

The School receives grants and contributions that contain donor-imposed conditions that represent a barrier that must be overcome, as well as a right of return of assets or release from obligations. The School recognizes these grants and contributions when donor-imposed conditions are met. During fiscal year 2024, the School was awarded a conditional grant totaling \$1,920,000 that contained donor-imposed conditions on future funding payments. During fiscal year 2025, the School recognized the remaining \$478,232 and KNYI recognized \$97,768 for a total of \$576,000, which is included in grants and contributions in the accompanying consolidated statement of activities and changes in net assets. As of June 30, 2024, the School recognized \$1,344,000 of this grant, which was included in grants and contributions in the accompanying 2024 consolidated statement of activities and changes in net assets.

### 8. PENSION PLANS

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the IRC, which employees of the School can elect to contribute. Employees who choose this plan can contribute up to the level set by the Internal Revenue Service. The employer match is a discretionary contribution. The employer contributions to the plan totaled \$2,566,601 and \$2,359,489 for the years ended June 30, 2025 and 2024, respectively, and are included in payroll taxes and employee benefits in the accompanying consolidated statements of functional expenses.

The School also contributes to the Teachers Retirement System of the City of New York, a multiemployer defined benefit pension plan (the Plan), on behalf of eligible teachers. The Plan provides New York City educators with retirement, disability, and death benefit services. The School's participation in the Plan constitutes less than 1% of total plan contributions. The funded status of the Plan was 85.5% and 83.8% at June 30, 2022 and 2021, respectively, the date of the most recent actuarial calculation as indicated in the June 30, 2024 and 2023 Plan audits. The amount charged to operations for contributions to this Plan totaled \$609,933 and \$711,394 for the years ended June 30, 2025 and 2024, respectively, and are included in payroll taxes and employee benefits in the accompanying consolidated statements of functional expenses.

## KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements  
June 30, 2025 and 2024

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### 9. SCHOOL FACILITIES

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;
- 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; and
- P.S. 44, a New York City public school, located at 1825 Prospect Avenue, Bronx, New York.
- As of fiscal year 2024, the School no longer occupies space at M.S. 45, a New York City public school, located at 2502 Lorillard Place, Bronx, New York.

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

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

### 10. LEASES

#### Finance Leases

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

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

Total cash paid for amounts included in the measurement of the finance lease liabilities was \$10,630,702 and \$9,000,119 (principal of \$159,429 and \$153,141 with interest of \$10,471,273 and \$8,846,978) for the years ended June 30, 2025 and 2024, respectively.

#### Operating Leases

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

## KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements  
June 30, 2025 and 2024

### 10. LEASES (Continued)

#### Operating Leases (Continued)

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

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

The School has entered into an additional facility (Canal Facility Lease) and equipment lease (Canal Equipment Lease). Rent for the Canal Facility Lease and the Canal Equipment Lease has not commenced yet as the facility is under construction and the rent commencement date is the date of substantial completion. Management expects substantial completion for school year 2026-2027. The School has made a payment of \$5,453,000 in connection with the Canal Facility and Canal Equipment leases, which is included in prepaid expenses and other assets as of June 30, 2025 and 2024.

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

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

	<u>2025</u>	<u>2024</u>
Operating lease costs:		
Operating lease costs (included in rent expense)	\$ 5,806,418	\$ 5,806,388
Add - variable lease cost (included in rent expense)	6,282,607	4,994,007
Finance lease costs:		
Amortization of lease asset (included in rent expense)	7,307,928	6,035,064
Interest on finance lease liabilities (included in rent expense)	<u>11,647,347</u>	<u>9,940,192</u>
Total lease expense	<u>\$ 31,044,300</u>	<u>\$ 26,775,651</u>

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

	<u>2025</u>	<u>2024</u>
<b>Weighted-Average Remaining Lease Term:</b>		
Operating leases	6.67 years	7.63 years
Finance leases	35.99 years	36.97 years
<b>Weighted-Average Discount Rate:</b>		
Operating leases	2.88%	2.88%
Finance leases	4.29%	4.29%

## KIPP NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements  
June 30, 2025 and 2024

### 10. LEASES (Continued)

The maturities of operating and finance lease liabilities by fiscal year as of June 30, 2025, are as follows:

<u>Year Ending June 30:</u>	<u>Operating</u>	<u>Finance</u>
2026	\$ 5,790,767	\$ 10,630,701
2027	5,866,859	12,298,208
2028	5,944,597	12,216,278
2029	5,079,317	12,521,684
2030	5,045,775	12,521,684
Thereafter	<u>11,746,557</u>	<u>503,934,978</u>
Total future undiscounted lease payments	39,473,872	564,123,533
Less - present value discount	<u>(3,694,636)</u>	<u>(291,163,059)</u>
	35,779,236	272,960,474
Less - current portion of lease liabilities	<u>(5,790,767)</u>	<u>(10,630,701)</u>
Lease liabilities, net	<u>\$ 29,988,469</u>	<u>\$ 262,329,773</u>

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

	<u>2025</u>	<u>2024</u>
Right-of-use lease assets - operating	\$ 46,882,227	\$ 46,882,227
Less - accumulated amortization	<u>(13,766,775)</u>	<u>(9,050,467)</u>
Right-of-use lease assets - operating, net	<u>\$ 33,115,452</u>	<u>\$ 37,831,760</u>
Operating lease liabilities:		
Current portion	\$ 5,790,767	\$ 5,672,439
Long-term portion	<u>29,988,469</u>	<u>34,689,158</u>
Total operating lease liabilities	<u>\$ 35,779,236</u>	<u>\$ 40,361,597</u>
Right-of-use lease assets - finance	\$ 271,215,951	\$ 271,215,951
Less - accumulated amortization	<u>(13,585,253)</u>	<u>(6,277,325)</u>
Right-of-use lease assets - finance, net	<u>\$ 257,630,698</u>	<u>\$ 264,938,626</u>
Finance lease liabilities:		
Current portion	\$ 10,630,701	\$ 10,630,701
Long-term portion	<u>262,329,773</u>	<u>261,313,098</u>
Total finance lease liabilities	<u>\$ 272,960,474</u>	<u>\$ 271,943,799</u>

### 11. TRADEMARK LICENSE AGREEMENT

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 NYC PUBLIC CHARTER SCHOOLS

Notes to Consolidated Financial Statements  
June 30, 2025 and 2024

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### 11. TRADEMARK LICENSE AGREEMENT (Continued)

The School has entered into a trademark license agreement with KIPP Foundation subject to a license fee of 1% per-pupil operating revenue not to exceed \$30,000 per elementary school, middle school, or high school. Schools that opened in year 2000 or earlier are not subject to this fee. The School incurred licensing fees amounting to \$473,940 and \$475,170 for the years ended June 30, 2025 and 2024, respectively, which are included in miscellaneous expense in the accompanying consolidated statements of functional expenses.

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

### 12. SHARED SERVICES AGREEMENT

The School is party to a fee agreement with KIPP NYC, LLC (LLC), a wholly-owned disregarded entity of KNYI (see Note 4), for the back-office functions. The management fee ranges from 10% to 12% of the revenue as defined in the services agreement. The School incurred a management fee to LLC in the amount of \$23,592,274 and \$21,476,193 for the years ended June 30, 2025 and 2024, respectively. The amount due to LLC for shared services as of June 30, 2025 and 2024, was \$816,537 and \$1,614,015, respectively, and is included in accounts payable and accrued expenses.

### 13. FUNDING AND CONCENTRATIONS

The School receives significant funding from the State of New York for its per-pupil tuition revenue and grant support. This funding is subject to audit by the appropriate governmental agency. In the opinion of management, the results of such audits, if any, will not have a material effect on the consolidated statements of financial position of the School as of June 30, 2025 and 2024, or on the consolidated changes in net assets for the years then ended.

The School received approximately 99% and 97% of its revenue from the State of New York for the years ended June 30, 2025 and 2024, respectively. Approximately 97% and 86% of grants and contracts receivable are due from the State of New York at June 30, 2025 and 2024, respectively.

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

### 14. CONTINGENCIES

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

### 15. RECLASSIFICATIONS

Certain amounts in the fiscal year 2024 consolidated financial statements have been reclassified to conform with the fiscal year 2025 presentation.

KIPP NYC PUBLIC CHARTER SCHOOLS

Statement of Financial Position by Entity  
June 30, 2025

Assets	KIPP Star College Prep	KIPP NYC Washington Heights Academy	KIPP AMP Academy	KIPP Infinity	KIPP Freedom	KIPP Bronx II	KIPP Bronx III	KIPP Beyond	KIPP PCS	Total
Current Assets:										
Cash and cash equivalents	\$ 1,473,288	\$ 5,661,048	\$ 4,868,106	\$ 2,316,586	\$ 1,196,182	\$ 4,331,358	\$ 3,681,735	\$ 3,365,207	\$ 5,212,580	\$ 32,106,090
Grants and contracts receivable	666,350	557,356	488,590	2,059,800	45,043	119,115	400,664	48,959	74,004	4,459,881
Prepaid expenses and other assets	1,043,495	1,556,008	1,207,479	111,926	1,050,879	483,678	1,740,403	23,081	186,354	7,403,303
Total current assets	3,183,133	7,774,412	6,564,175	4,488,312	2,292,104	4,934,151	5,822,802	3,437,247	5,472,938	43,969,274
Other Assets:										
Right-of-use lease assets - operating	-	-	-	-	-	-	-	2,882,735	30,232,717	33,115,452
Right-of-use lease assets - finance	-	-	-	-	-	-	-	-	257,630,698	257,630,698
Property and equipment, net	69,515	609,305	1,047,646	297,391	291,618	796,984	163,477	345,409	-	3,621,345
Total assets	<u>\$ 3,252,648</u>	<u>\$ 8,383,717</u>	<u>\$ 7,611,821</u>	<u>\$ 4,785,703</u>	<u>\$ 2,583,722</u>	<u>\$ 5,731,135</u>	<u>\$ 5,986,279</u>	<u>\$ 6,665,391</u>	<u>\$ 293,336,353</u>	<u>\$ 338,336,769</u>
<b>Liabilities and Net Assets</b>										
Current Liabilities:										
Loan payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Current portion of operating lease liabilities	-	-	-	-	-	-	-	926,588	4,864,179	5,790,767
Current portion of finance lease liabilities	-	-	-	-	-	-	-	-	10,630,701	10,630,701
Accounts payable and accrued expenses	308,545	286,726	269,932	698,945	308,610	548,769	973,841	271,649	55,041	3,722,058
Due to (from) KIPP NYC Enterprise	(2,510,619)	(10,893,781)	(8,518,809)	12,127,180	(339,741)	(4,560,909)	8,511,110	2,861,569	906,576	(2,417,424)
Total current liabilities	(2,202,074)	(10,607,055)	(8,248,877)	12,826,125	(31,131)	(4,012,140)	9,484,951	4,059,806	16,556,497	17,826,102
Other Liabilities:										
Operating lease liabilities, net of current portion	-	-	-	-	-	-	-	2,101,608	27,886,861	29,988,469
Finance lease liabilities, net of current portion	-	-	-	-	-	-	-	-	262,329,773	262,329,773
Total liabilities	<u>(2,202,074)</u>	<u>(10,607,055)</u>	<u>(8,248,877)</u>	<u>12,826,125</u>	<u>(31,131)</u>	<u>(4,012,140)</u>	<u>9,484,951</u>	<u>6,161,414</u>	<u>306,773,131</u>	<u>310,144,344</u>
Net Assets:										
Without donor restrictions	5,448,446	18,988,717	15,854,617	(8,085,967)	2,613,353	9,743,275	(3,564,677)	503,977	(13,436,778)	28,064,963
With donor restrictions	6,276	2,055	6,081	45,545	1,500	-	66,005	-	-	127,462
Total net assets	<u>5,454,722</u>	<u>18,990,772</u>	<u>15,860,698</u>	<u>(8,040,422)</u>	<u>2,614,853</u>	<u>9,743,275</u>	<u>(3,498,672)</u>	<u>503,977</u>	<u>(13,436,778)</u>	<u>28,192,425</u>
Total liabilities and net assets	<u>\$ 3,252,648</u>	<u>\$ 8,383,717</u>	<u>\$ 7,611,821</u>	<u>\$ 4,785,703</u>	<u>\$ 2,583,722</u>	<u>\$ 5,731,135</u>	<u>\$ 5,986,279</u>	<u>\$ 6,665,391</u>	<u>\$ 293,336,353</u>	<u>\$ 338,336,769</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Activities and Changes in Net Assets by Entity  
For the Year Ended June 30, 2025

	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>						
Per-pupil tuition	\$ 15,356,037	\$ -	\$ 15,356,037	\$ 16,679,643	\$ -	\$ 16,679,643
Government grants and contracts	1,132,942	-	1,132,942	1,006,694	-	1,006,694
Grants and contributions	4,947	-	4,947	5,463	-	5,463
Interest and other	58,407	-	58,407	48,972	-	48,972
Net assets released from purpose restrictions	510,623	(510,623)	-	12,200	(12,200)	-
Total operating revenue	17,062,956	(510,623)	16,552,333	17,752,972	(12,200)	17,740,772
<b>Operating Expenses:</b>						
Program services	14,915,882	-	14,915,882	15,015,960	-	15,015,960
Supporting services	2,088,595	-	2,088,595	2,211,754	-	2,211,754
Total operating expenses	17,004,477	-	17,004,477	17,227,714	-	17,227,714
Changes in net assets	58,479	(510,623)	(452,144)	525,258	(12,200)	513,058
<b>Net Assets:</b>						
Beginning of year	5,389,967	516,899	5,906,866	18,463,459	14,255	18,477,714
End of year	\$ 5,448,446	\$ 6,276	\$ 5,454,722	\$ 18,988,717	\$ 2,055	\$ 18,990,772

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Activities and Changes in Net Assets by Entity  
For the Year Ended June 30, 2025

	KIPP AMP Academy			KIPP Infinity		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue:</b>						
Per-pupil tuition	\$ 18,954,604	\$ -	\$ 18,954,604	\$ 17,811,035	\$ -	\$ 17,811,035
Government grants and contracts	1,066,594	-	1,066,594	8,473,525	-	8,473,525
Grants and contributions	5,463	-	5,463	11,463	-	11,463
Interest and other	34,912	-	34,912	243,005	-	243,005
Donated goods and services	-	-	-	362,792	-	362,792
Net assets released from purpose restrictions	292,137	(292,137)	-	10,000	(10,000)	-
Total operating revenue	20,353,710	(292,137)	20,061,573	26,911,820	(10,000)	26,901,820
<b>Operating Expenses:</b>						
Program services	14,986,437	-	14,986,437	22,416,672	-	22,416,672
Supporting services	2,521,116	-	2,521,116	3,223,226	-	3,223,226
Total operating expenses	17,507,553	-	17,507,553	25,639,898	-	25,639,898
Changes in net assets	2,846,157	(292,137)	2,554,020	1,271,922	(10,000)	1,261,922
<b>Net Assets:</b>						
Beginning of year	13,008,460	298,218	13,306,678	(9,357,889)	55,545	(9,302,344)
End of year	\$ 15,854,617	\$ 6,081	\$ 15,860,698	\$ (8,085,967)	\$ 45,545	\$ (8,040,422)

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Activities and Changes in Net Assets by Entity  
For the Year Ended June 30, 2025

	KIPP Freedom			KIPP Bronx II		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue:</b>						
Per-pupil tuition	\$ 12,102,260	\$ -	\$ 12,102,260	\$ 21,128,540	\$ -	\$ 21,128,540
Government grants and contracts	707,867	-	707,867	6,873,362	-	6,873,362
Grants and contributions	4,169	-	4,169	6,132	127,851	133,983
Interest and other	72,769	-	72,769	73,822	-	73,822
Net assets released from purpose restrictions	-	-	-	638,933	(638,933)	-
Total operating revenue	12,887,065	-	12,887,065	28,720,789	(511,082)	28,209,707
<b>Operating Expenses:</b>						
Program services	10,314,519	-	10,314,519	21,884,664	-	21,884,664
Supporting services	1,669,098	-	1,669,098	3,530,708	-	3,530,708
Total operating expenses	11,983,617	-	11,983,617	25,415,372	-	25,415,372
Changes in net assets	903,448	-	903,448	3,305,417	(511,082)	2,794,335
<b>Net Assets:</b>						
Beginning of year	1,709,905	1,500	1,711,405	6,437,858	511,082	6,948,940
End of year	\$ 2,613,353	\$ 1,500	\$ 2,614,853	\$ 9,743,275	\$ -	\$ 9,743,275

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Activities and Changes in Net Assets by Entity  
For the Year Ended June 30, 2025

	KIPP Bronx III			KIPP Beyond		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue:</b>						
Per-pupil tuition	\$ 48,842,572	\$ -	\$ 48,842,572	\$ 11,524,952	\$ -	\$ 11,524,952
Government grants and contracts	14,994,474	-	14,994,474	3,297,336	-	3,297,336
Grants and contributions	72,119	354,723	426,842	79,012	-	79,012
Interest and other	137,604	-	137,604	107,278	-	107,278
Net assets released from purpose restrictions	326,379	(326,379)	-	6,528	(6,528)	-
Total operating revenue	64,373,148	28,344	64,401,492	15,015,106	(6,528)	15,008,578
<b>Operating Expenses:</b>						
Program services	58,919,814	-	58,919,814	10,001,805	-	10,001,805
Supporting services	8,003,060	-	8,003,060	1,863,177	-	1,863,177
Total operating expenses	66,922,874	-	66,922,874	11,864,982	-	11,864,982
Changes in net assets	(2,549,726)	28,344	(2,521,382)	3,150,124	(6,528)	3,143,596
<b>Net Assets:</b>						
Beginning of year	(1,014,951)	37,661	(977,290)	(2,646,147)	6,528	(2,639,619)
End of year	\$ (3,564,677)	\$ 66,005	\$ (3,498,672)	\$ 503,977	\$ -	\$ 503,977

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Activities and Changes in Net Assets by Entity  
For the Year Ended June 30, 2025

	<b>KIPP PCS</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Eliminations</b>	<b>Total</b>
<b>Operating Revenue:</b>				
Grants and contributions	\$ 13,814	\$ 350,381	\$ -	\$ 364,195
Interest and other	183,191	-	-	183,191
Rent	15,154,782	-	(15,154,782)	-
Net assets released from purpose restrictions	350,381	(350,381)	-	-
Total operating revenue	<u>15,702,168</u>	<u>-</u>	<u>(15,154,782)</u>	<u>547,386</u>
<b>Operating Expenses:</b>				
Program services	24,472,015	-	(15,154,782)	9,317,233
Supporting services	-	-	-	-
Total operating expenses	<u>24,472,015</u>	<u>-</u>	<u>(15,154,782)</u>	<u>9,317,233</u>
Total changes in net assets	(8,769,847)	-	-	(8,769,847)
<b>Net Assets:</b>				
Beginning of year	<u>(4,666,931)</u>	<u>-</u>	<u>-</u>	<u>(4,666,931)</u>
End of year	<u><u>\$ (13,436,778)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (13,436,778)</u></u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Functional Expenses by Entity  
For the Year Ended June 30, 2025

	<b>KIPP Star College Prep</b>				
	<b>Program Services</b>			<b>Support Services</b>	<b>Total Expenses</b>
	<b>Regular Education</b>	<b>Special Education</b>	<b>Total</b>	<b>Management and General</b>	
<b>Personnel and Related:</b>					
Employee wages	\$ 8,851,373	\$ 654,727	\$ 9,506,100	\$ -	\$ 9,506,100
Payroll taxes and employee benefits	2,392,187	216,752	2,608,939	-	2,608,939
Professional development	273,932	-	273,932	-	273,932
Total personnel and related	<u>11,517,492</u>	<u>871,479</u>	<u>12,388,971</u>	<u>-</u>	<u>12,388,971</u>
<b>Occupancy and Related:</b>					
Contracted services	145,120	-	145,120	-	145,120
Security and cleaning	6,267	-	6,267	-	6,267
Repairs and maintenance	169,960	-	169,960	-	169,960
Insurance	-	-	-	76,507	76,507
Depreciation	35,325	-	35,325	-	35,325
Supplies and equipment	25,075	-	25,075	-	25,075
Total occupancy and related	<u>381,747</u>	<u>-</u>	<u>381,747</u>	<u>76,507</u>	<u>458,254</u>
<b>Other:</b>					
Management fee	-	-	-	1,937,700	1,937,700
Student supplies and materials	518,407	-	518,407	-	518,407
Technology	625,450	-	625,450	-	625,450
Contracted services	285,931	-	285,931	-	285,931
Office	187,416	-	187,416	-	187,416
Student services	158,997	-	158,997	-	158,997
Miscellaneous	57,536	-	57,536	60,000	117,536
Bad debt	157,800	-	157,800	-	157,800
Equipment and maintenance	44,051	-	44,051	-	44,051
Depreciation	28,868	-	28,868	-	28,868
Professional fees	36,981	-	36,981	14,388	51,369
Recruiting	39,727	4,000	43,727	-	43,727
Total other	<u>2,141,164</u>	<u>4,000</u>	<u>2,145,164</u>	<u>2,012,088</u>	<u>4,157,252</u>
<b>Total expenses</b>	<u>\$ 14,040,403</u>	<u>\$ 875,479</u>	<u>\$ 14,915,882</u>	<u>\$ 2,088,595</u>	<u>\$ 17,004,477</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Functional Expenses by Entity  
For the Year Ended June 30, 2025

	<b>KIPP NYC Washington Heights Academy</b>				
	<b>Program Services</b>			<b>Support Services</b>	<b>Total Expenses</b>
	<b>Regular Education</b>	<b>Special Education</b>	<b>Total</b>	<b>Management and General</b>	
<b>Personnel and Related:</b>					
Employee wages	\$ 9,242,431	\$ 242,990	\$ 9,485,421	\$ -	\$ 9,485,421
Payroll taxes and employee benefits	2,336,278	65,609	2,401,887	-	2,401,887
Professional development	253,608	-	253,608	-	253,608
Total personnel and related	<u>11,832,317</u>	<u>308,599</u>	<u>12,140,916</u>	<u>-</u>	<u>12,140,916</u>
<b>Occupancy and Related:</b>					
Contracted services	62,291	-	62,291	-	62,291
Security and cleaning	24,162	-	24,162	-	24,162
Repairs and maintenance	66,180	-	66,180	-	66,180
Insurance	-	-	-	83,571	83,571
Depreciation	129,496	-	129,496	-	129,496
Supplies and equipment	27,884	-	27,884	-	27,884
Total occupancy and related	<u>310,013</u>	<u>-</u>	<u>310,013</u>	<u>83,571</u>	<u>393,584</u>
<b>Other:</b>					
Management fee	-	-	-	2,052,901	2,052,901
Student supplies and materials	526,878	-	526,878	-	526,878
Technology	681,804	-	681,804	-	681,804
Contracted services	353,382	-	353,382	-	353,382
Office	234,941	-	234,941	-	234,941
Student services	122,604	-	122,604	-	122,604
Miscellaneous	46,190	-	46,190	60,000	106,190
Bad debt	435,915	-	435,915	-	435,915
Equipment and maintenance	63,959	-	63,959	-	63,959
Depreciation	35,458	-	35,458	-	35,458
Professional fees	17,528	-	17,528	15,282	32,810
Recruiting	46,372	-	46,372	-	46,372
Total other	<u>2,565,031</u>	<u>-</u>	<u>2,565,031</u>	<u>2,128,183</u>	<u>4,693,214</u>
Total expenses	<u>\$ 14,707,361</u>	<u>\$ 308,599</u>	<u>\$ 15,015,960</u>	<u>\$ 2,211,754</u>	<u>\$ 17,227,714</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Functional Expenses by Entity  
For the Year Ended June 30, 2025

**KIPP AMP Academy**

	Program Services			Support Services	Total Expenses
	Regular Education	Special Education	Total	Management and General	
<b>Personnel and Related:</b>					
Employee wages	\$ 9,272,884	\$ 183,057	\$ 9,455,941	\$ -	\$ 9,455,941
Payroll taxes and employee benefits	2,419,626	37,381	2,457,007	-	2,457,007
Professional development	224,128	-	224,128	-	224,128
Total personnel and related	<u>11,916,638</u>	<u>220,438</u>	<u>12,137,076</u>	<u>-</u>	<u>12,137,076</u>
<b>Occupancy and Related:</b>					
Contracted services	33,742	-	33,742	-	33,742
Security and cleaning	7,629	-	7,629	-	7,629
Repairs and maintenance	116,806	-	116,806	-	116,806
Insurance	-	-	-	87,677	87,677
Depreciation	168,875	-	168,875	-	168,875
Supplies and equipment	61,107	-	61,107	-	61,107
Total occupancy and related	<u>388,159</u>	<u>-</u>	<u>388,159</u>	<u>87,677</u>	<u>475,836</u>
<b>Other:</b>					
Management fee	-	-	-	2,356,687	2,356,687
Student supplies and materials	439,673	-	439,673	-	439,673
Technology	569,285	-	569,285	-	569,285
Contracted services	350,824	-	350,824	-	350,824
Office	229,350	-	229,350	-	229,350
Student services	299,299	-	299,299	-	299,299
Miscellaneous	66,325	-	66,325	60,000	126,325
Bad debt	385,712	-	385,712	-	385,712
Equipment and maintenance	32,091	-	32,091	-	32,091
Depreciation	32,151	-	32,151	-	32,151
Professional fees	17,727	-	17,727	16,752	34,479
Recruiting	38,765	-	38,765	-	38,765
Total other	<u>2,461,202</u>	<u>-</u>	<u>2,461,202</u>	<u>2,433,439</u>	<u>4,894,641</u>
Total expenses	<u>\$ 14,765,999</u>	<u>\$ 220,438</u>	<u>\$ 14,986,437</u>	<u>\$ 2,521,116</u>	<u>\$ 17,507,553</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Functional Expenses by Entity  
For the Year Ended June 30, 2025

	<b>KIPP Infinity</b>				
	<b>Program Services</b>			<b>Support Services</b>	<b>Total Expenses</b>
	<b>Regular Education</b>	<b>Special Education</b>	<b>Total</b>	<b>Management and General</b>	
<b>Personnel and Related:</b>					
Employee wages	\$ 11,345,106	\$ 936,993	\$ 12,282,099	\$ -	\$ 12,282,099
Payroll taxes and employee benefits	2,844,024	247,918	3,091,942	-	3,091,942
Professional development	282,445	9,847	292,292	-	292,292
Total personnel and related	<u>14,471,575</u>	<u>1,194,758</u>	<u>15,666,333</u>	<u>-</u>	<u>15,666,333</u>
<b>Occupancy and Related:</b>					
Contracted services	75,901	-	75,901	-	75,901
Security and cleaning	50,217	-	50,217	-	50,217
Repairs and maintenance	246,590	-	246,590	-	246,590
Insurance	-	-	-	186,454	186,454
Depreciation	97,095	-	97,095	-	97,095
Supplies and equipment	29,183	-	29,183	-	29,183
Total occupancy and related	<u>498,986</u>	<u>-</u>	<u>498,986</u>	<u>186,454</u>	<u>685,440</u>
<b>Other:</b>					
Management fee	-	-	-	2,913,591	2,913,591
Student supplies and materials	4,293,917	-	4,293,917	-	4,293,917
Technology	663,532	-	663,532	-	663,532
Contracted services	463,492	-	463,492	-	463,492
Office	237,012	-	237,012	-	237,012
Student services	168,978	-	168,978	-	168,978
Miscellaneous	73,394	-	73,394	94,242	167,636
Equipment and maintenance	180,587	-	180,587	-	180,587
Depreciation	98,857	-	98,857	-	98,857
Professional fees	22,719	-	22,719	28,939	51,658
Recruiting	46,865	2,000	48,865	-	48,865
Total other	<u>6,249,353</u>	<u>2,000</u>	<u>6,251,353</u>	<u>3,036,772</u>	<u>9,288,125</u>
Total expenses	<u>\$ 21,219,914</u>	<u>\$ 1,196,758</u>	<u>\$ 22,416,672</u>	<u>\$ 3,223,226</u>	<u>\$ 25,639,898</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Functional Expenses by Entity  
For the Year Ended June 30, 2025

	<b>KIPP Freedom</b>				
	<b>Program Services</b>			<b>Support Services</b>	<b>Total Expenses</b>
	<b>Regular Education</b>	<b>Special Education</b>	<b>Total</b>	<b>Management and General</b>	
<b>Personnel and Related:</b>					
Employee wages	\$ 6,340,326	\$ 339,853	\$ 6,680,179	\$ -	\$ 6,680,179
Payroll taxes and employee benefits	1,649,570	68,750	1,718,320	-	1,718,320
Professional development	144,382	-	144,382	-	144,382
Total personnel and related	<u>8,134,278</u>	<u>408,603</u>	<u>8,542,881</u>	<u>-</u>	<u>8,542,881</u>
<b>Occupancy and Related:</b>					
Contracted services	23,569	-	23,569	-	23,569
Security and cleaning	6,402	-	6,402	-	6,402
Repairs and maintenance	101,275	-	101,275	-	101,275
Insurance	-	-	-	52,479	52,479
Depreciation	216,186	-	216,186	-	216,186
Supplies and equipment	37,495	-	37,495	-	37,495
Total occupancy and related	<u>384,927</u>	<u>-</u>	<u>384,927</u>	<u>52,479</u>	<u>437,406</u>
<b>Other:</b>					
Management fee	-	-	-	1,545,560	1,545,560
Student supplies and materials	315,070	-	315,070	-	315,070
Technology	376,755	-	376,755	-	376,755
Contracted services	269,787	-	269,787	-	269,787
Office	171,160	-	171,160	-	171,160
Student services	136,974	-	136,974	-	136,974
Miscellaneous	18,053	-	18,053	60,000	78,053
Equipment and maintenance	22,517	-	22,517	-	22,517
Depreciation	37,309	-	37,309	-	37,309
Professional fees	14,029	-	14,029	11,059	25,088
Recruiting	25,057	-	25,057	-	25,057
Total other	<u>1,386,711</u>	<u>-</u>	<u>1,386,711</u>	<u>1,616,619</u>	<u>3,003,330</u>
<b>Total expenses</b>	<u>\$ 9,905,916</u>	<u>\$ 408,603</u>	<u>\$ 10,314,519</u>	<u>\$ 1,669,098</u>	<u>\$ 11,983,617</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Functional Expenses by Entity  
For the Year Ended June 30, 2025

	<b>KIPP Bronx II</b>				
	<b>Program Services</b>			<b>Support Services</b>	<b>Total Expenses</b>
	<b>Regular Education</b>	<b>Special Education</b>	<b>Total</b>	<b>Management and General</b>	
<b>Personnel and Related:</b>					
Employee wages	\$ 9,408,422	\$ 270,783	\$ 9,679,205	\$ -	\$ 9,679,205
Payroll taxes and employee benefits	2,166,672	79,888	2,246,560	-	2,246,560
Professional development	291,251	-	291,251	-	291,251
Total personnel and related	<u>11,866,345</u>	<u>350,671</u>	<u>12,217,016</u>	<u>-</u>	<u>12,217,016</u>
<b>Occupancy and Related:</b>					
Rent	6,982,746	-	6,982,746	-	6,982,746
Contracted services	276,592	-	276,592	-	276,592
Security and cleaning	10,817	-	10,817	-	10,817
Insurance	-	-	-	132,051	132,051
Depreciation	15,508	-	15,508	-	15,508
Supplies and equipment	3,670	-	3,670	-	3,670
Total occupancy and related	<u>7,289,333</u>	<u>-</u>	<u>7,289,333</u>	<u>132,051</u>	<u>7,421,384</u>
<b>Other:</b>					
Management fee	-	-	-	3,324,739	3,324,739
Student supplies and materials	463,912	-	463,912	-	463,912
Technology	421,550	-	421,550	-	421,550
Contracted services	666,212	-	666,212	-	666,212
Office	317,859	-	317,859	-	317,859
Student services	150,237	-	150,237	-	150,237
Miscellaneous	68,871	-	68,871	60,000	128,871
Bad debt	6,148	-	6,148	-	6,148
Equipment and maintenance	43,377	-	43,377	-	43,377
Depreciation	175,147	-	175,147	-	175,147
Professional fees	27,491	-	27,491	13,918	41,409
Recruiting	37,511	-	37,511	-	37,511
Total other	<u>2,378,315</u>	<u>-</u>	<u>2,378,315</u>	<u>3,398,657</u>	<u>5,776,972</u>
Total expenses	<u>\$ 21,533,993</u>	<u>\$ 350,671</u>	<u>\$ 21,884,664</u>	<u>\$ 3,530,708</u>	<u>\$ 25,415,372</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Functional Expenses by Entity  
For the Year Ended June 30, 2025

	<b>KIPP Bronx III</b>				
	<b>Program Services</b>			<b>Support Services</b>	<b>Total Expenses</b>
	<b>Regular Education</b>	<b>Special Education</b>	<b>Total</b>	<b>Management and General</b>	
<b>Personnel and Related:</b>					
Employee wages	\$ 27,464,499	\$ 3,306,698	\$ 30,771,197	\$ -	\$ 30,771,197
Payroll taxes and employee benefits	7,252,326	821,024	8,073,350	-	8,073,350
Professional development	644,294	719	645,013	-	645,013
Total personnel and related	<u>35,361,119</u>	<u>4,128,441</u>	<u>39,489,560</u>	<u>-</u>	<u>39,489,560</u>
<b>Occupancy and Related:</b>					
Rent	13,035,672	-	13,035,672	-	13,035,672
Contracted services	519,734	-	519,734	-	519,734
Security and cleaning	717,610	-	717,610	-	717,610
Repairs and maintenance	166,402	-	166,402	-	166,402
Insurance	-	-	-	238,640	238,640
Depreciation	9,262	-	9,262	-	9,262
Utilities	475,176	-	475,176	-	475,176
Supplies and equipment	114,157	-	114,157	-	114,157
Total occupancy and related	<u>15,038,013</u>	<u>-</u>	<u>15,038,013</u>	<u>238,640</u>	<u>15,276,653</u>
<b>Other:</b>					
Management fee	-	-	-	7,683,411	7,683,411
Student supplies and materials	1,072,240	12,087	1,084,327	-	1,084,327
Technology	866,352	-	866,352	-	866,352
Contracted services	833,381	11,781	845,162	-	845,162
Office	566,026	173	566,199	-	566,199
Student services	566,800	-	566,800	-	566,800
Miscellaneous	89,270	1,627	90,897	53,598	144,495
Bad debt	38,228	-	38,228	-	38,228
Equipment and maintenance	114,475	-	114,475	-	114,475
Depreciation	88,397	-	88,397	-	88,397
Professional fees	38,801	-	38,801	27,411	66,212
Recruiting	88,603	4,000	92,603	-	92,603
Total other	<u>4,362,573</u>	<u>29,668</u>	<u>4,392,241</u>	<u>7,764,420</u>	<u>12,156,661</u>
Total expenses	<u>\$ 54,761,705</u>	<u>\$ 4,158,109</u>	<u>\$ 58,919,814</u>	<u>\$ 8,003,060</u>	<u>\$ 66,922,874</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Functional Expenses by Entity  
For the Year Ended June 30, 2025

	<b>KIPP Beyond</b>				<b>Total Expenses</b>
	<b>Program Services</b>			<b>Support Services</b>	
	<b>Regular Education</b>	<b>Special Education</b>	<b>Total</b>	<b>Management and General</b>	
<b>Personnel and Related:</b>					
Employee wages	\$ 3,961,446	\$ 279,890	\$ 4,241,336	\$ -	\$ 4,241,336
Payroll taxes and employee benefits	984,561	88,503	1,073,064	-	1,073,064
Professional development	103,231	112	103,343	-	103,343
Total personnel and related	<u>5,049,238</u>	<u>368,505</u>	<u>5,417,743</u>	<u>-</u>	<u>5,417,743</u>
<b>Occupancy and Related:</b>					
Rent	2,398,025	-	2,398,025	-	2,398,025
Contracted services	233,391	-	233,391	-	233,391
Security and cleaning	349,771	-	349,771	-	349,771
Repairs and maintenance	88,262	-	88,262	-	88,262
Insurance	-	-	-	40,407	40,407
Depreciation	147,786	-	147,786	-	147,786
Utilities	49,020	-	49,020	-	49,020
Supplies and equipment	64,470	-	64,470	-	64,470
Total occupancy and related	<u>3,330,725</u>	<u>-</u>	<u>3,330,725</u>	<u>40,407</u>	<u>3,371,132</u>
<b>Other:</b>					
Management fee	-	-	-	1,777,685	1,777,685
Student supplies and materials	256,398	2,084	258,482	-	258,482
Technology	359,405	-	359,405	-	359,405
Contracted services	171,955	-	171,955	-	171,955
Office	113,726	30	113,756	-	113,756
Student services	166,134	-	166,134	-	166,134
Miscellaneous	45,966	126	46,092	26,100	72,192
Equipment and maintenance	23,758	-	23,758	-	23,758
Depreciation	19,903	-	19,903	-	19,903
Professional fees	71,381	2,042	73,423	18,985	92,408
Recruiting	19,429	1,000	20,429	-	20,429
Total other	<u>1,248,055</u>	<u>5,282</u>	<u>1,253,337</u>	<u>1,822,770</u>	<u>3,076,107</u>
Total expenses	<u>\$ 9,628,018</u>	<u>\$ 373,787</u>	<u>\$ 10,001,805</u>	<u>\$ 1,863,177</u>	<u>\$ 11,864,982</u>

**KIPP NYC PUBLIC CHARTER SCHOOLS**

Statement of Functional Expenses by Entity  
For the Year Ended June 30, 2025

**KIPP PCS**

	Program Services			Support Services	Eliminations	Total Expenses
	Regular Education	Special Education	Total	Management and General		
<b>Personnel and Related:</b>						
Employee wages	\$ 300,200	\$ 8,000	\$ 308,200	\$ -	\$ -	\$ 308,200
Payroll taxes and employee benefits	23,578	-	23,578	-	-	23,578
Total personnel and related	<u>323,778</u>	<u>8,000</u>	<u>331,778</u>	<u>-</u>	<u>-</u>	<u>331,778</u>
<b>Occupancy and Related:</b>						
Rent	<u>23,782,639</u>	<u>-</u>	<u>23,782,639</u>	<u>-</u>	<u>(15,154,782)</u>	<u>8,627,857</u>
<b>Other:</b>						
Office	17,638	-	17,638	-	-	17,638
Miscellaneous	338,960	-	338,960	-	-	338,960
Interest	1,000	-	1,000	-	-	1,000
Total other	<u>357,598</u>	<u>-</u>	<u>357,598</u>	<u>-</u>	<u>-</u>	<u>357,598</u>
Total expenses	<u>\$ 24,464,015</u>	<u>\$ 8,000</u>	<u>\$ 24,472,015</u>	<u>\$ -</u>	<u>\$ (15,154,782)</u>	<u>\$ 9,317,233</u>

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of KIPP NYC Public Charter Schools (the School), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 29, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*AAFCPA, Inc.*

Westborough, Massachusetts  
October 29, 2025