

**KIPP SOCIAL PUBLIC SCHOOLS  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**INDEPENDENT AUDITORS' REPORT AND CONSOLIDATING  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

**School Success Team (SST)  
KLARE Holdings and Subsidiaries (KLARE)**

**CHARTER SCHOOLS:**

**KIPP Academy of Opportunity (KAO) - #530  
KIPP Los Angeles College Preparatory School (KLAP) - #531  
KIPP Raices Academy (KRA) - #1010  
KIPP Comienza Community Prep (KCCP) - #1196  
KIPP Empower Academy (KEA) - #1195  
KIPP Scholar Academy (KSA) - #1377  
KIPP Philosophers Academy (KPA) - #1378  
KIPP Sol Academy (KSOL) - #1379  
KIPP Iluminar Academy (KIA) - #1508  
KIPP Academy of Innovation (KAI) - #1586  
KIPP Vida Preparatory Academy (KVPA) - #1587  
KIPP Promesa Preparatory (KPP) - #1721  
KIPP Ignite Academy (KIG) - #1720  
KIPP Corazon Academy (KCA) - #1855  
KIPP Compton Community School (KCCS) - #1996  
KIPP Pueblo Unido (KPU) - #2041  
KIPP Adelante Preparatory Academy (KAPA) - #0550  
KIPP Generations Academy (KGA) - #2079  
KIPP Poder Public School (KPPS) - #2112  
KIPP Endeavor College Preparatory Charter (KECP) - #1094**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
KIPP SoCal Public Schools  
Los Angeles, California

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying consolidated financial statements of KIPP SoCal Public Schools (KIPP SoCal), a California nonprofit public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the KIPP SoCal as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of KIPP SoCal and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2023 KIPP SoCal adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

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

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

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

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***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 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 KIPP SoCal'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the KIPP SoCal'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.

**Other Matters**

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on KIPP SoCal’s consolidating financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The other accompanying supplementary schedules, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and, except for the portion marked “unaudited,” was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The Local Education Agency Organization Structure, which is marked “unaudited”, has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated December 11, 2023 on our consideration of KIPP SoCal’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 on KIPP SoCal’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KIPP SoCal’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Glendora, California  
December 11, 2023

**KIPP SOCAL PUBLIC SCHOOLS**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**

|   | KIPP SoCal<br>Public Schools | KLARE                 | Eliminations            | Consolidated<br>Total |
|---|------------------------------|-----------------------|-------------------------|-----------------------|
| <b>ASSETS</b>                           |                              |                       |                         |                       |
| <b>CURRENT ASSETS</b>                   |                              |                       |                         |                       |
| Cash and Cash Equivalents               | \$ 91,959,221                | \$ 12,987,180         | \$ -                    | \$ 104,946,401        |
| Investments                             | 21,239,285                   | 919,423               | -                       | 22,158,708            |
| Restricted Cash and Cash Equivalents    | -                            | 22,308,931            | -                       | 22,308,931            |
| Accounts Receivable - Federal And State | 23,119,299                   | -                     | -                       | 23,119,299            |
| Accounts Receivable - Other             | 869,293                      | 4,750                 | -                       | 874,043               |
| Intercompany Receivable                 | 30,474,641                   | 509,499               | (30,984,140)            | -                     |
| Prepaid Expenses and Other Assets       | 674,413                      | 8,294                 | (186,486)               | 496,221               |
| Total Current Assets                    | <u>168,336,152</u>           | <u>36,738,077</u>     | <u>(31,170,626)</u>     | <u>173,903,603</u>    |
| <b>LONG-TERM ASSETS</b>                 |                              |                       |                         |                       |
| Restricted Cash and Cash Equivalents    | -                            | 480,959               | -                       | 480,959               |
| Restricted Investments                  | -                            | 6,496,231             | -                       | 6,496,231             |
| Investments                             | 10,021,968                   | -                     | -                       | 10,021,968            |
| Net Contributions Receivable            | -                            | -                     | -                       | -                     |
| Deposits                                | 237,556                      | 322,180               | (80,500)                | 479,236               |
| Deferred Rent Asset                     | -                            | 4,330,428             | (4,330,428)             | -                     |
| Operating Right of Use Assets           | 237,549,898                  | 17,666,853            | (244,404,834)           | 10,811,917            |
| Financing Right of Use Assets, Net      | 1,730,709                    | -                     | -                       | 1,730,709             |
| Intercompany Notes Receivable           | 5,400,000                    | -                     | (5,400,000)             | -                     |
| Property, Plant, and Equipment, Net     | 3,874,659                    | 224,992,249           | -                       | 228,866,908           |
| Total Long-Term Assets                  | <u>258,814,790</u>           | <u>254,288,900</u>    | <u>(254,215,762)</u>    | <u>258,887,928</u>    |
| Total Assets                            | <u>\$ 427,150,942</u>        | <u>\$ 291,026,977</u> | <u>\$ (285,386,388)</u> | <u>\$ 432,791,531</u> |
| <b>LIABILITIES AND NET ASSETS</b>       |                              |                       |                         |                       |
| <b>CURRENT LIABILITIES</b>              |                              |                       |                         |                       |
| Accounts Payable - Federal and State    | \$ 4,165,856                 | \$ -                  | \$ -                    | \$ 4,165,856          |
| Accounts Payable - Other                | 7,248,232                    | 713,648               | -                       | 7,961,880             |
| Accrued Liabilities                     | 2,560,929                    | 4,137,483             | (80,500)                | 6,617,912             |
| Unearned Revenue                        | 32,225,868                   | 3,879,321             | (3,879,321)             | 32,225,868            |
| Operating Lease Liabilities             | 6,070,872                    | 559,832               | (4,970,025)             | 1,660,679             |
| Financing Lease Liabilities             | 473,306                      | -                     | -                       | 473,306               |
| Notes Payable, Current Portion          | -                            | 126,481               | -                       | 126,481               |
| Bonds Payable, Current Portion          | -                            | 2,695,000             | -                       | 2,695,000             |
| Intercompany Payable                    | 509,499                      | 30,474,641            | (30,984,140)            | -                     |
| Total Current Liabilities               | <u>53,254,562</u>            | <u>42,586,406</u>     | <u>(39,913,986)</u>     | <u>55,926,982</u>     |
| <b>LONG-TERM LIABILITIES</b>            |                              |                       |                         |                       |
| Intercompany Notes Payable              | -                            | 5,400,000             | (5,400,000)             | -                     |
| Deferred Rent Liability                 | -                            | 188,332               | (188,332)               | -                     |
| Operating Lease Liabilities             | 231,940,944                  | 19,235,614            | (239,884,070)           | 11,292,488            |
| Financing Lease Liabilities             | 1,279,554                    | -                     | -                       | 1,279,554             |
| Grant Fund Reserve Payable              | -                            | 516,000               | -                       | 516,000               |
| Notes Payable, Net of Current Portion   | -                            | 28,906,934            | -                       | 28,906,934            |
| Bonds Payable, Net Current Portion      | -                            | 178,226,954           | -                       | 178,226,954           |
| Total Long-Term Liabilities             | <u>233,220,498</u>           | <u>232,473,834</u>    | <u>(245,472,402)</u>    | <u>220,221,930</u>    |
| Total Liabilities                       | <u>286,475,060</u>           | <u>275,060,240</u>    | <u>(285,386,388)</u>    | <u>276,148,912</u>    |
| <b>NET ASSETS</b>                       |                              |                       |                         |                       |
| Without Donor Restriction               | 137,803,679                  | 15,966,737            | -                       | 153,770,416           |
| With Donor Restriction                  | 2,872,203                    | -                     | -                       | 2,872,203             |
| Total Net Assets                        | <u>140,675,882</u>           | <u>15,966,737</u>     | <u>-</u>                | <u>156,642,619</u>    |
| Total Liabilities and Net Assets        | <u>\$ 427,150,942</u>        | <u>\$ 291,026,977</u> | <u>\$ (285,386,388)</u> | <u>\$ 432,791,531</u> |

See accompanying Notes to Consolidating Financial Statements.

**KIPP SOCAL PUBLIC SCHOOLS  
CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

|  | KIPP SoCal<br>Public Schools | KLARE                | Eliminations        | Consolidated<br>Total |
|--|------------------------------|----------------------|---------------------|-----------------------|
| <b>REVENUES, WITHOUT DONOR RESTRICTION</b>   |                              |                      |                     |                       |
| State Revenue:   |                              |                      |                     |                       |
| Local Funding Formula Sources  | \$ 118,328,716               | \$ -                 | \$ -                | \$ 118,328,716        |
| Other State Revenue  | 51,876,387                   | -                    | -                   | 51,876,387            |
| Federal Revenue:   |                              |                      |                     |                       |
| Grants and Entitlements  | 20,828,322                   | -                    | -                   | 20,828,322            |
| Local Revenue:   |                              |                      |                     |                       |
| Contributions  | 19,821,932                   | 175,000              | -                   | 19,996,932            |
| Other Revenue  | 741,875                      | 15,441,126           | (15,338,706)        | 844,295               |
| Interest and Investment Income   | 2,769,368                    | 1,178,284            | (54,000)            | 3,893,652             |
| Total Revenues, Without Donor Restriction  | <u>214,366,600</u>           | <u>16,794,410</u>    | <u>(15,392,706)</u> | <u>215,768,304</u>    |
| Net Assets Released from Restriction   | 504,000                      | -                    | -                   | 504,000               |
| Total Revenues, Without Donor Restriction<br>and Net Assets Released from<br>Restriction | <u>214,870,600</u>           | <u>16,794,410</u>    | <u>(15,392,706)</u> | <u>216,272,304</u>    |
| <b>EXPENSES</b>  |                              |                      |                     |                       |
| Program Services Expense:  |                              |                      |                     |                       |
| Educational Programs   | 169,107,329                  | 20,551,140           | (15,392,706)        | 174,265,763           |
| Support Services Expense:  |                              |                      |                     |                       |
| Management and General   | 24,665,147                   | 280,835              | -                   | 24,945,982            |
| Fundraising and Development  | 1,673,616                    | -                    | -                   | 1,673,616             |
| Total Expenses   | <u>195,446,092</u>           | <u>20,831,975</u>    | <u>(15,392,706)</u> | <u>200,885,361</u>    |
| <b>OTHER CHANGES IN NET ASSETS</b>   |                              |                      |                     |                       |
| Capital Contribution   | <u>(5,000,000)</u>           | <u>5,000,000</u>     | <u>-</u>            | <u>-</u>              |
| Other Changes in Net Assets  | <u>(5,000,000)</u>           | <u>5,000,000</u>     | <u>-</u>            | <u>-</u>              |
| <b>CHANGE IN NET ASSETS WITHOUT DONOR<br/>RESTRICTION</b>                                |                              |                      |                     |                       |
|  | 14,424,508                   | 962,435              | -                   | 15,386,943            |
| <b>NET ASSETS WITH DONOR RESTRICTION</b>   |                              |                      |                     |                       |
| Investment Return  | 181,833                      | -                    | -                   | 181,833               |
| Net Assets Released from Restriction   | <u>(504,000)</u>             | <u>-</u>             | <u>-</u>            | <u>(504,000)</u>      |
| <b>CHANGE IN NET ASSETS WITH DONOR<br/>RESTRICTION</b>                                   |                              |                      |                     |                       |
|  | <u>(322,167)</u>             | <u>-</u>             | <u>-</u>            | <u>(322,167)</u>      |
| <b>CHANGE IN NET ASSETS</b>  |                              |                      |                     |                       |
|  | 14,102,341                   | 962,435              | -                   | 15,064,776            |
| Net Assets, Beginning of Year  | <u>126,573,541</u>           | <u>15,004,302</u>    | <u>-</u>            | <u>141,577,843</u>    |
| <b>NET ASSETS, END OF YEAR</b>   | <u>\$ 140,675,882</u>        | <u>\$ 15,966,737</u> | <u>\$ -</u>         | <u>\$ 156,642,619</u> |

See accompanying Notes to Consolidating Financial Statements.



**KIPP SOCAL PUBLIC SCHOOLS  
CONSOLIDATING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

|   | KIPP SoCal<br>Public Schools | KLARE             | Eliminations  | Consolidated<br>Total |
|---|------------------------------|-------------------|---------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                              |                   |               |                       |
| Change in Net Assets  | \$ 14,102,341                | \$ 962,435        | \$ -          | \$ 15,064,776         |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Provided by Operating<br>Activities: |                              |                   |               |                       |
| Depreciation  | 1,189,525                    | 6,483,856         | -             | 7,673,381             |
| Loss on Disposal of<br>Property, Plant, and Equipment   | -                            | 3,930,596         | -             | 3,930,596             |
| Unrealized (Gains) and Losses   | (692,429)                    | -                 | -             | (692,429)             |
| Bond Premium and Issue Cost Amortization  | -                            | (668,207)         | -             | (668,207)             |
| Notes Payable Cost of Issuance Amortization   | -                            | 65,789            | -             | 65,789                |
| Amortization of Financing Right of Use Asset  | 446,680                      | -                 | -             | 446,680               |
| (Increase) and Decrease in Operating<br>Assets:   |                              |                   |               |                       |
| Accounts Receivable - Federal and State   | 18,369,212                   | -                 | -             | 18,369,212            |
| Accounts Receivable - Other   | (58,863)                     | 11,369            | -             | (47,494)              |
| Contributions Receivable  | 504,000                      | -                 | -             | 504,000               |
| Intercompany Receivable   | (3,453,879)                  | (337,981)         | 3,791,860     | -                     |
| Prepaid Expenses  | 1,639,193                    | 57,746            | 186,486       | 1,883,425             |
| Deposits  | 21,183                       | 146,982           | -             | 168,165               |
| Deferred Rent Asset   | 515,090                      | (143,908)         | (371,182)     | -                     |
| Operating Right of Use Assets   | (237,549,898)                | (17,666,853)      | 244,404,834   | (10,811,917)          |
| Increase and (Decrease) in Operating<br>Liabilities:  |                              |                   |               |                       |
| Accounts Payable - Federal and State  | 2,917,753                    | -                 | -             | 2,917,753             |
| Accounts Payable - Other  | 1,120,221                    | (732,583)         | -             | 387,638               |
| Accrued Liabilities   | (145,384)                    | (54,075)          | -             | (199,459)             |
| Unearned Revenue  | 20,272,283                   | 1,809,710         | 262,774       | 22,344,767            |
| Deferred Rent Liability   | (4,441,161)                  | (2,382,081)       | 371,182       | (6,452,060)           |
| Operating Lease Liabilities   | 238,011,817                  | 19,795,447        | (244,854,095) | 12,953,169            |
| Intercompany Payable  | 337,981                      | 3,453,878         | (3,791,859)   | -                     |
| Net Cash Provided by Operating Activities   | <u>53,105,665</u>            | <u>14,732,120</u> | <u>-</u>      | <u>67,837,785</u>     |

See accompanying Notes to Consolidating Financial Statements.

**KIPP SoCAL PUBLIC SCHOOLS**  
**CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

|  | KIPP SoCal<br>Public Schools | KLARE                | Eliminations | Consolidated<br>Total |
|--|------------------------------|----------------------|--------------|-----------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                              |                      |              |                       |
| Purchase of investments  | \$ (111,769,993)             | \$ (7,415,654)       | \$ -         | \$ (119,185,647)      |
| Sale of investments  | 104,816,451                  | -                    | -            | 104,816,451           |
| Purchases of Property, Plant, and<br>Equipment                       | (1,071,596)                  | (25,720,311)         | -            | (26,791,907)          |
| Net Cash Used by Investing Activities                                | (8,025,138)                  | (33,135,965)         | -            | (41,161,103)          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                          |                              |                      |              |                       |
| Payments on Finance Leases   | (424,528)                    | -                    | -            | (424,528)             |
| Payments on Notes Payable and Bonds Payable                          | (151,149)                    | (8,987,416)          | -            | (9,138,565)           |
| Net Cash Used by Financing Activities                                | (575,677)                    | (8,987,416)          | -            | (9,563,093)           |
| <b>NET CHANGE IN CASH, CASH EQUIVALENTS,<br/>AND RESTRICTED CASH</b> | 44,504,850                   | (27,391,261)         | -            | 17,113,589            |
| Cash, Cash Equivalents, and Restricted<br>Cash - Beginning of Year   | 47,454,371                   | 63,168,331           | -            | 110,622,702           |
| <b>CASH, CASH EQUIVALENTS, AND RESTRICTED<br/>CASH - END OF YEAR</b> | <u>\$ 91,959,221</u>         | <u>\$ 35,777,070</u> | <u>\$ -</u>  | <u>\$ 127,736,291</u> |
| <b>SUPPLEMENTAL DISCLOSURES OF<br/>CASH FLOW INFORMATION</b>         |                              |                      |              |                       |
| Equipment Received in Exchange for Finance Lease                     | <u>\$ 2,177,389</u>          | <u>\$ -</u>          | <u>\$ -</u>  | <u>\$ 2,177,389</u>   |
| Cash Paid for Interest, Net of Capitalized Interest                  | <u>\$ 17,892</u>             | <u>\$ 5,341,463</u>  | <u>\$ -</u>  | <u>\$ 5,359,355</u>   |
| Capitalized Interest   | <u>\$ -</u>                  | <u>\$ 785,961</u>    | <u>\$ -</u>  | <u>\$ 785,961</u>     |
| <b>RECONCILIATION TO STATEMENT OF<br/>FINANCIAL POSITION</b>         |                              |                      |              |                       |
| Cash and Cash Equivalents  | \$ 91,959,221                | \$ 12,987,180        | \$ -         | \$ 104,946,401        |
| Restricted Cash and Cash Equivalents, Current                        | -                            | 22,308,931           | -            | 22,308,931            |
| Restricted Cash and Cash Equivalents, Long-Term                      | -                            | 480,959              | -            | 480,959               |
| Total Cash and Cash Equivalents                                      | <u>\$ 91,959,221</u>         | <u>\$ 35,777,070</u> | <u>\$ -</u>  | <u>\$ 127,736,291</u> |

See accompanying Notes to Consolidating Financial Statements.

**KIPP SOCAL PUBLIC SCHOOLS  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2023**

|                                    | KIPP SoCal Public Schools |                        |              | KLARE          |                  |                        | Eliminations  | Total Expenses |
|------------------------------------|---------------------------|------------------------|--------------|----------------|------------------|------------------------|---------------|----------------|
|                                    | Program Services          | Management and General | Fundraising  | Total Expenses | Program Services | Management and General |               |                |
| Salaries and Wages                 | \$ 74,315,029             | \$ 12,231,778          | \$ 738,699   | \$ 87,285,506  | \$ -             | \$ -                   | \$ -          | \$ 87,285,506  |
| Pension Expense                    | 2,420,551                 | 436,482                | 27,511       | 2,884,544      | -                | -                      | -             | 2,884,544      |
| Other Employee Benefits            | 9,136,317                 | 2,336,460              | 165,983      | 11,638,760     | -                | -                      | -             | 11,638,760     |
| Payroll Taxes                      | 5,435,393                 | 974,762                | 61,291       | 6,471,446      | -                | -                      | -             | 6,471,446      |
| Management Fees                    | -                         | 1,183,658              | -            | 1,183,658      | -                | -                      | -             | 1,183,658      |
| Legal Expenses                     | -                         | 230,196                | -            | 230,196        | -                | 67,943                 | 67,943        | 298,139        |
| Accounting Expenses                | -                         | 138,707                | -            | 138,707        | -                | 29,402                 | 29,402        | 168,109        |
| Other Fees for Services            | 18,511,026                | 3,004,810              | -            | 21,515,836     | -                | 179,986                | 179,986       | 21,695,822     |
| Advertising and Promotion          | 766,318                   | 564,763                | 353,438      | 1,684,519      | -                | -                      | -             | 1,684,519      |
| Office Expenses                    | 2,138,684                 | 519,096                | -            | 2,657,780      | -                | 169                    | 169           | 2,657,949      |
| Information Technology             | 2,216,626                 | 497,220                | 33,988       | 2,747,834      | -                | -                      | -             | 2,747,834      |
| Occupancy Expenses                 | 29,780,692                | 1,739,557              | 13,711       | 31,533,960     | 1,345,635        | -                      | 1,345,635     | (15,338,706)   |
| Travel Expenses                    | 543,198                   | -                      | -            | 543,198        | -                | -                      | -             | 543,198        |
| Conferences and Meetings           | 1,197,367                 | -                      | -            | 1,197,367      | -                | -                      | -             | 1,197,367      |
| Interest Expense                   | 79,519                    | -                      | -            | 79,519         | 8,246,075        | -                      | 8,246,075     | (54,000)       |
| Amortization on Financing Leases   | 446,680                   | -                      | -            | 446,680        | -                | -                      | -             | 446,680        |
| Depreciation                       | 1,106,194                 | 83,331                 | -            | 1,189,525      | 6,483,856        | -                      | 6,483,856     | -              |
| Insurance Expense                  | 661,437                   | 41,115                 | 468          | 703,020        | -                | -                      | -             | 703,020        |
| Instructional Materials & Services | 10,165,665                | -                      | -            | 10,165,665     | -                | -                      | -             | 10,165,665     |
| Student Meals                      | 7,038,680                 | -                      | -            | 7,038,680      | -                | -                      | -             | 7,038,680      |
| Other Expenses                     | 3,147,953                 | 683,212                | 278,527      | 4,109,692      | 4,475,574        | 3,335                  | 4,478,909     | -              |
| Subtotal                           | 169,107,329               | 24,665,147             | 1,673,616    | 195,446,092    | 20,551,140       | 280,835                | 20,831,975    | (15,392,706)   |
| Eliminations                       | (15,338,706)              | -                      | -            | (15,338,706)   | (54,000)         | -                      | (54,000)      | 15,392,706     |
| Total Functional Expenses          | \$ 153,768,623            | \$ 24,665,147          | \$ 1,673,616 | \$ 180,107,386 | \$ 20,497,140    | \$ 280,835             | \$ 20,777,975 | \$ -           |

See accompanying Notes to Consolidating Financial Statements.

**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

KIPP SoCal Public Schools (KIPP SoCal), formerly KIPP LA Schools, was organized in July 2008 as a nonprofit corporation under the laws of the state of California for the purpose of operating public charter schools. KIPP SoCal currently manages 20 charter schools: KIPP Academy of Opportunity, KIPP Los Angeles College Preparatory, KIPP Raíces Academy, KIPP Comienza Community Prep, KIPP Empower Academy, KIPP Scholar Academy, KIPP Philosophers Academy, KIPP Sol Academy, KIPP Iluminar Academy, KIPP Academy of Innovation, KIPP Vida Preparatory Academy, KIPP Promesa Preparatory, KIPP Ignite Academy, KIPP Corazon Academy, KIPP Compton Community School, KIPP Pueblo Unido, KIPP Adelante Preparatory Academy, KIPP Generations Academy, KIPP Poder Public School and KIPP Endeavor College Preparatory Charter. Of the charter schools listed above, 19 charter schools have charters approved by the state of California Department of Education through the Los Angeles Unified School District, the Compton Unified School District, and the San Diego Unified School District. KIPP Poder Public School has been approved by the California Department of Education through the Los Angeles County Office of Education. KIPP SoCal is a participant in the “Knowledge is Power Program” (KIPP). KIPP SoCal charter schools are economically dependent on state and federal funding.

In addition to its schools, KIPP SoCal operates KIPP SoCal School Success Team (SST), which is designed to provide operational, financial, fundraising, advocacy, and facilities services to its charter schools, allowing School Leaders to focus their efforts on instructional leadership. Additionally, the SST leads region-wide sharing best practices, data analysis and academic support, as well as oversight and accountability to ensure all schools and the region meet all state, local, and federal regulatory requirements. These financial statements also include KLARE Holdings (KLARE), a wholly owned nonprofit corporation, which was formed to finance, develop, lease, and maintain certain school facilities for the exclusive support of KIPP SoCal.

**Net Assets Classes**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Net Assets Classes (Continued)**

KIPP SoCal's net assets consisted of the following at June 30:

|   |                       |
|---|-----------------------|
| Net Assets Without Donor Restrictions       |                       |
| Undesignated                                | <u>\$ 153,770,416</u> |
| Total Net Assets Without Donor Restrictions | <u>\$ 153,770,416</u> |
| Net Assets With Donor Restrictions          |                       |
| Subject to Specific Purpose:                |                       |
| Karsh Family Teacher Recognition Fund       | <u>\$ 2,872,203</u>   |
| Total Net Assets With Donor Restrictions    | <u>\$ 2,872,203</u>   |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30:

|                               |                   |
|-------------------------------|-------------------|
| Release of Restrictions:      |                   |
| Time Restrictions             | <u>\$ 504,000</u> |
| Total Release of Restrictions | <u>\$ 504,000</u> |

**Revenue Recognition**

Amounts received from the California Department of Education are conditional and recognized as revenue by KIPP SoCal based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

All retained endowment earnings associated with donor-restricted assets are classified as with donor restriction until appropriated for expenditure, even if those earnings are not restricted by the donor.

**Cash and Cash Equivalents**

KIPP SoCal defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Investments**

In accordance with FASB *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, KIPP SoCal reports its investments in marketable securities and other investments at fair value. In addition, ASC 820 affects how KIPP SoCal measures the fair value of investments in certain entities that do not have a quoted market price but calculate net assets value (NAV) per share or its equivalent. As a practical expedient, the guidance permits, but does not require, KIPP SoCal to measure the fair value of an investment in an investee within the scope of the amendments based on the investee's NAV per share or its equivalent. As a result of applying the practical expedient, the fair value of KIPP SoCal's investments with California Community Foundation (CCF) was determined based on the NAV. See Note 5 for the fair market value of KIPP SoCal's investments as of June 30, 2023.

KIPP SoCal's investment return for the year ended June 30 was as follows:

|                         |                     |
|-------------------------|---------------------|
| Unrealized Gains        | \$ 692,429          |
| Interest and Dividends  | 2,073,235           |
| Management Fees         | (63,497)            |
| Total Investment Return | <u>\$ 2,702,167</u> |

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure. Accordingly, actual results could differ from those estimates.

**Basis of Accounting**

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

**Functional Allocation of Expenses**

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supportive services benefited.

**Contributions**

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**KIPP SOCAL PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATING FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**Contributions Receivable**

Unconditional promises to give expected to be received in one year or less are recorded as contributions receivable at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded as contributions receivable at fair market value at the date of the promise.

**Conditional Grants**

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when KIPP SoCal has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as unearned revenues in the statement of financial position. As of June 30, 2023, KIPP SoCal has conditional grants of \$41,527,018 that have not been recognized as revenue in the statement of activities because conditions have not been met. As of June 30, 2023, KIPP SoCal has received conditional grants of \$32,225,868 that are recognized as unearned revenue in the consolidating statement of financial position because conditions have not yet been met.

**Property Taxes**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of KIPP SoCal is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

**Accounts Receivables**

Accounts receivable represent amounts due from organizations and the state and federal government based on contractual agreements or amounts billed but not received as of June 30, 2023. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

**Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost, if purchased or at estimated fair value, if donated. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets. KIPP SoCal capitalizes all expenditures for land, buildings, and equipment in excess of \$5,000. Depreciation expense for the year ended June 30, 2023 was \$7,673,381.

**KIPP SOCAL PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATING FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**Leases**

KIPP SoCal determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statement of financial position.

ROU assets represent KIPP SoCal's right to use an underlying asset for the lease term and lease liabilities represent KIPP SoCal's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that KIPP SoCal will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. KIPP SoCal has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, KIPP SoCal has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

KIPP SoCal has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**Consolidation**

The consolidating financial statements include the accounts of KIPP SoCal and its wholly owned subsidiary, KLARE Holdings, a California nonprofit public benefit corporation formed exclusively to support KIPP SoCal, and its single member limited liability company subsidiaries: KLA 2810 Whittier, LLC; 668 Atlantic, LLC; SOLA School 1, LLC; ChaMed, LLC; West51, LLC; Budnon, LLC; SOLA 2, LLC; SeLA, LLC; BH Soto, LLC; Curiosity RE, LLC; Gratitude RE, LLC; Optimism RE, LLC; Zest RE, LLC; Grit RE, LLC; KLARE 15, LLC; KLARE 16, LLC; KLARE 17, LLC; KLARE 18, LLC; KLARE 19, LLC; KLARE 20, LLC; KSD Facilities, LLC; KLARE 21, LLC, KLARE 22, LLC, KLARE 23, LLC; KLARE 24, LLC, KLARE 25, LLC and 1241-1263 South Soto LLC. All material intercompany transactions have been eliminated.

**Income Taxes**

KIPP SoCal is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes.



**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Income Taxes (Continued)**

KIPP SoCal has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. KIPP SoCal is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. KIPP SoCal files an exempt return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

**Adoption of New Accounting Standard - Leases**

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

KIPP SoCal adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the earliest comparative period presented. KIPP SoCal has elected to adopt the package of practical expedients available in the year of adoption.

**Subsequent Events**

All events subsequent to the statement of financial position date of June 30, 2023 through December 11, 2023, which is the date these financial statements were available to be issued, have been evaluated in accordance with accounting principles generally accepted in the United States of America.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures are comprised of the following as of June 30:

|  |                       |
|--|-----------------------|
| Cash and Cash Equivalents                          | \$ 104,946,401        |
| Investments  | 22,158,708            |
| Accounts Receivable - Federal And State            | 23,119,299            |
| Accounts Receivable - Other                        | 874,043               |
| Less: Net Assets With Donor Restrictions           | <u>(2,872,203)</u>    |
| Financial Assets Available for General Expenditure | <u>\$ 148,226,248</u> |

As part of KIPP SoCal's liquidity management plan, KIPP SoCal invests cash in excess of daily requirements in short term investments, and money market funds.

**KIPP SOCAL PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATING FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3 CONCENTRATION OF CREDIT RISK**

KIPP SoCal maintains its interest-bearing cash in bank deposit accounts at various institutions. KIPP SoCal occasionally has a need to maintain a cash balance with a single financial institution in excess of the \$250,000 insured by the Federal Deposit Insurance Corporation (FDIC). KIPP SoCal has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**NOTE 4 FAIR VALUE MEASUREMENTS**

KIPP SoCal has categorized its financial instruments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy:

*Level 1* – quoted prices in an active market for identical assets.

*Level 2* – quoted prices for similar assets and market-corroborated inputs.

*Level 3* – KIPP SoCal's own assumptions about market participation, including assumptions about risk, developed based on the best information available in the circumstances.

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The fair market value of KIPP SoCal's investments as of June 30 was as follows:

|  | Fair Value Measurement 2023 |               |
|--|-----------------------------|---------------|
|  | Total                       | Level 1       |
| U.S. Treasury Bills                                    | \$ 7,316,348                | \$ 7,316,348  |
| U.S. Treasury Notes                                    | 15,556,159                  | 15,556,159    |
| Corporate Bonds  | 5,505,530                   | 5,505,530     |
| Municipal Bonds  | 196,676                     | 196,676       |
| Federal Home Loan Banks                                | 4,229,494                   | 4,229,494     |
| Agency Bonds   | 1,616,652                   | 1,616,652     |
| Asset Backed Loan                                      | 1,383,844                   | 1,383,844     |
| Total Investments Carried at Fair Value (FV)           | 35,804,703                  | \$ 35,804,703 |
| Karsh Family Teacher Recognition Fund - Carried at NAV | 2,872,204                   |               |
| Total Investments                                      | \$ 38,676,907               |               |

**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 PROPERTY, PLANT, AND EQUIPMENT**

KIPP SoCal's property, plant, and equipment as June 30 consisted of the following:

|                                      | KIPP SoCal          |                       |                       |
|--------------------------------------|---------------------|-----------------------|-----------------------|
|                                      | Schools             | KLARE                 | Total                 |
| Construction in Progress             | \$ 417,798          | \$ 22,188,553         | \$ 22,606,351         |
| Land                                 | -                   | 64,792,676            | 64,792,676            |
| Buildings                            | 859,728             | 145,229,130           | 146,088,858           |
| Leasehold Improvements               | 3,667,862           | 19,403,599            | 23,071,461            |
| Furniture and Equipment              | 5,161,413           | 2,445,698             | 7,607,111             |
| Total Property, Plant, and Equipment | <u>10,106,801</u>   | <u>254,059,656</u>    | <u>264,166,457</u>    |
| Less: Accumulated Depreciation       | <u>(6,232,142)</u>  | <u>(29,067,407)</u>   | <u>(35,299,549)</u>   |
| Property, Plant, and Equipment, Net  | <u>\$ 3,874,659</u> | <u>\$ 224,992,249</u> | <u>\$ 228,866,908</u> |

**NOTE 6 LINE OF CREDIT**

KIPP SoCal has a line of credit with First Republic Bank for \$10,000,000 with an annual interest rate equal to the U.S. Prime Rate minus one half percent (0.5%). The line of credit expires October 20, 2023, and there was no balance outstanding as of June 30, 2023.

KLARE Holdings has a line of credit with PNC Bank, National Association, for \$50,000,000 with an annual interest rate equal to a spread of 1.094% on the benchmark rate. The line of credit can be used to fund the acquisition, construction, renovation, and/or furnishing and equipping of educational facilities for the benefit of KIPP SoCal Public Schools. The line of credit matures on July 1, 2026 and is secured by a pledge of certain gross revenues and deeds of trust held by subsidiaries of KLARE Holdings. There was no balance outstanding as of June 30, 2023.

**NOTE 7 NOTES PAYABLE**

KSD Facilities, LLC, which is controlled by KLARE, has a loan from Civic San Diego Economic Growth & Neighborhood Investment Fund Sub-CDE XI, LLC for acquisition and construction of school facilities, the loan contained four promissory notes. Note A1 in the amount of \$7,166,619 requires interest only payments until maturity of November 15, 2026. Note B1 in the amount of \$2,583,381 requires interest only payments until January 1, 2027. After this date, the loan requires interest and principal payments in line with a payment schedule contained in the promissory note through maturity of December 31, 2053. In September 2019, Note C1 was obtained in the amount of \$1,995,297 which requires interest only payments until maturity of November 15, 2026. Also, in September 2019, Note D1 was obtained in the amount of \$759,078 which requires interest only payments until January 1, 2027.

After this date, the loan requires interest and principal payments in line with a payment schedule contained in the promissory note through maturity of December 31, 2054. All four notes bear an interest rate of 4.217%.

**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 NOTES PAYABLE (CONTINUED)**

1241-1263 South Soto LLC, which is controlled by KLARE, entered into a loan agreement with Low Income Investment Fund for acquisition and construction of school facilities. 1241-1263 South Soto LLC received a loan in the amount of \$775,000. The loan bears an annual interest rate of 5.8%, collateralized by the property at 1241 Soto Street, 1226 South Boyle Ave, and 1228 South Boyle Ave, and future leases and rentals, with a maturity date in December 2024.

1241-1263 South Soto LLC also entered into a loan agreement with ExED Facilities XIX, LLC, for acquisition and construction of school facilities. 1241-1263 South Soto LLC received a loan in the amount of \$16,672,500 with two promissory notes. Note A in the amount of \$11,712,409 bears an annual interest rate of 4.60% on the unpaid principal. The entirety of the principal amount of Note A is due on the maturity date of December 20, 2024. Note B in the amount of \$4,960,091 bears an annual interest rate of 4.60% on the unpaid principal. Note B payments require accrued and unpaid interest only to be payable in monthly installments through November 30, 2024. During the period commencing on December 1, 2024 through December 20, 2047, accrued and unpaid interest and principal is payable in monthly installments, calculated based on two hundred seventy-six-month amortization schedule. The loan is collateralized by the property at 1241 Soto Street, 1226 South Boyle Ave, and 1228 South Boyle Ave, and future leases and rentals.

Future maturities of notes payable are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u>               |
|-----------------------------|-----------------------------|
| 2024                        | \$ 126,481                  |
| 2025                        | 11,851,097                  |
| 2026                        | 127,224                     |
| 2027                        | 9,315,037                   |
| 2028                        | 160,306                     |
| Thereafter                  | <u>7,800,443</u>            |
| Total Future Maturities     | 29,380,588                  |
| Unamortized Issue Costs     | <u>(347,173)</u>            |
| Total Notes Payable         | <u><u>\$ 29,033,415</u></u> |

**NOTE 8 BONDS PAYABLE**

**Series 2014 A&B**

In June 2014, KLARE obtained financing through the California School Finance Authority (CSFA). The amount loaned to KLARE was \$28,725,000 to be applied to the construction, rehabilitation, and acquisition of educational facilities. The bonds are considered unconditional general obligations of KLARE, secured by a pledge of certain gross revenues and deeds of trust on the SoLA School 1, LLC, ChaMed, LLC, and KLA 2810 Whittier, LLC properties.

The loan agreement requires KLARE to comply with various covenants, conditions, and restrictions, including maintaining certain financial ratios. The bonds bear interest rates ranging from 4.125% to 5.125% per year.

**KIPP SOCIAL PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATING FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 BONDS PAYABLE (CONTINUED)**

**Series 2015 A&B**

In September 2015, KLARE obtained financing through the CSFA. The amount loaned to KLARE was \$27,790,000 to be applied to the construction, rehabilitation, and acquisition of educational facilities. The bonds are considered unconditional general obligations of KLARE, secured by a pledge of certain gross revenues and deeds of trust on facilities owned by SOLA 2, LLC, Budnon, LLC, and 668 Atlantic, LLC. The loan agreement requires KLARE to comply with various covenants, conditions, and restrictions, including maintaining certain financial ratios. The bonds bear interest rates ranging from 3.25% to 5% per year.

**Series 2017 A**

In August 2017, KLARE obtained financing through the CSFA. The amount loaned to KLARE was \$40,750,000 to be applied to the construction, rehabilitation, and acquisition of educational facilities. The bonds are considered unconditional general obligations of KLARE, secured by a pledge of certain gross revenues and deeds of trust on facilities owned by BH Soto, LLC, Curiosity RE, LLC, and SeLA, LLC. The loan agreement requires KLARE to comply with various covenants, conditions, and restrictions, including maintaining certain financial ratios. The bonds bear interest rates ranging from 4% to 5% per year.

**Series 2019 A**

In June 2019, KLARE obtained financing through the CSFA. The amount loaned to KLARE was \$47,715,000 to be applied to the construction, rehabilitation, and acquisition of educational facilities. The bonds are considered unconditional general obligations of KLARE, secured by a pledge of certain gross revenues and deeds of trust on facilities owned by 668 Atlantic, LLC; Curiosity RE, LLC; BH Soto, LLC; Budnon, LLC; Gratitude RE, LLC; Grit RE, LLC; Zest RE, LLC; and SeLA, LLC. The loan agreement requires KLARE to comply with various covenants, conditions, and restrictions, including maintaining certain financial ratios. The bonds bear an interest rate of 5% per year.

**Series 2020 A**

In December 2020, KLARE obtained financing through the CSFA. The amount loaned to KLARE was \$33,410,000 to be applied to the construction, rehabilitation, and acquisition of educational facilities. The bonds are considered unconditional general obligations of KLARE, secured by a pledge of certain gross revenues and deeds of trust on facilities leased by KLARE 18, LLC and owned by KLARE 15, LLC and KLARE 17, LLC. The loan agreement requires KLARE to comply with various covenants, conditions, and restrictions, including maintaining certain financial ratios. The bonds bear an interest rates ranging from 4% to 5% per year.

**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 BONDS PAYABLE (CONTINUED)**

**All Bond Series Issues**

For the 2014, 2015, and 2017 bonds, KLARE is required to maintain in a bond reserve cash account an amount equal to the bond reserve requirement which is calculated as the least of (a) 10% of the proceeds from the bonds, (b) maximum annual debt service with respect to the bonds outstanding, (c) 125% of average annual debt service with respect to the bonds, or (d) the last bond year only, the total debt service with respect to the bonds outstanding. For the 2019 and 2020 bond, KLARE is required to maintain in a bond reserve cash account an amount equal to .50 times the maximum combined amount of principal and interest payable on the bond during the current or future bond year. The total reserve requirement as of June 30, 2023 is \$8,842,238.

Each June 25th and December 25th KLARE must deposit for credit to the bond revenue account an amount sufficient to pay principal and interest payable on the next ensuing payment date.

Bonds Payable are reported on the statement of financial position at a premium of \$16,174,455. The premium is being amortized over the life of the bonds. \$923,788 of amortization of the bond premium was recorded against interest expense for the year ended June 30, 2023.

In connection with the issuance of bonds as described above, KLARE incurred certain costs which are capitalized and amortized to interest expense over the term of the related debt or written-off to expense if the bonds are redeemed. These costs are netted against the associated debt on the statement of financial position. Amortization costs for the year ended June 30, 2023 and unamortized issue costs as of June 30, 2023 were \$190,378 and \$2,977,501, respectively.

A portion of the bonds are subject to early redemption at the option of KLARE on any date after July 1, 2024, together with accrued interest.

**Grant Fund Reserve Payable**

KLARE received \$516,000 from the CSFA Charter School Facilities Credit Enhancement Grant Program (the Program) to fund part of the primary debt service reserve for the Bonds Series 2014A&B. The Program funds must be returned to CSFA when they are no longer needed to support the bond reserve, upon full maturity of the Series 2014A&B bonds or defeasance of the bonds prior to maturity, or if a charter school ceases operation of the facility.

**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 BONDS PAYABLE (CONTINUED)**

Future maturities of bonds payable are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u>                |
|-----------------------------|------------------------------|
| 2024                        | \$ 2,695,000                 |
| 2025                        | 3,300,000                    |
| 2026                        | 3,450,000                    |
| 2027                        | 3,635,000                    |
| 2028                        | 3,810,000                    |
| Thereafter                  | <u>150,835,000</u>           |
| Total Future Maturities     | 167,725,000                  |
| Bond Premium                | 16,174,455                   |
| Unamortized Issue Costs     | <u>(2,977,501)</u>           |
| Total Bonds Payable         | <u><u>\$ 180,921,954</u></u> |

**NOTE 9 RESTRICTED CASH AND CASH EQUIVALENTS**

KIPP SoCal's restricted cash and cash equivalents as June 30 consisted of the following:

Restricted Accounts:

|   |                             |
|---|-----------------------------|
| Facility Projects                           | \$ 11,522,638               |
| Reserve                                     | 1,867,682                   |
| Interest                                    | 4,032,597                   |
| Repair and Replacement Reserve              | 1,998,563                   |
| Revenue Fund                                | 668,058                     |
| Sinking Account                             | 1,270,000                   |
| Principal Account                           | 1,425,000                   |
| CSFA Restricted Grant for Debt Service Fund | <u>5,352</u>                |
| Total Restricted Cash and Cash Equivalents  | <u><u>\$ 22,789,890</u></u> |

The assets in the bond reserve accounts for the 2014, 2015, 2017, 2019 and 2020 series bonds were moved from cash into US Treasury and Government Agency Notes, in order to maximize yield while also ensuring the preservation of capital. The weighted average maturity at the time of initial investment was 1.10 years. This resulted in the movement of approximately \$8,862,523 from restricted cash to restricted investments during FY2022-23.

**NOTE 10 EMPLOYEE RETIREMENT**

KIPP SoCal has a 401(k) defined contribution plan for those employees who meet the eligibility criteria set forth in the plan. KIPP SoCal matches employee contributions based upon criteria set forth in the plan up to 6% of compensation. Contributions to the plan for the year ended June 30, 2023 totaled \$1,822,894.

**KIPP SOCAL PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATING FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 EMPLOYEE RETIREMENT (CONTINUED)**

**STRS and PERS**

Qualified employees of KIPP SoCal are covered under multiemployer defined benefit pension plans maintained by agencies of the state of California. Certificated employees are members of the California State Teachers' Retirement System (STRS) and classified employees are members of the California Public Employees' Retirement System (PERS).

The risks of participating in these multiemployer defined benefit pension plan are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law and the Public Employees' Retirement Law, and (c) if KIPP SoCal chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. KIPP SoCal has no plans to withdraw from these multiemployer plans.

**State Teachers' Retirement System (STRS)**

**Plan Description**

KIPP SoCal contributes to the California State Teachers' Retirement System (STRS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by State Statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2022 total STRS plan net assets are \$300 billion, the total actuarial present value of accumulated plan benefits is \$434 billion, contributions from all employers totaled \$6.513 billion, and the plan is 74.4% funded. KIPP SoCal did not contribute more than 5% of the total contributions to the plan. Copies of the STRS annual financial reports may be obtained from STRS, 100 Waterfront Pl, West Sacramento, CA 95605, and [www.calstrs.com](http://www.calstrs.com).

**Funding Policy**

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.21% of their salary. KIPP SoCal is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2023 was 19.10% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.



**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 EMPLOYEE RETIREMENT (CONTINUED)**

**Public Employees' Retirement System (PERS)**

Plan Description

KIPP SoCal contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multi-employer public employee retirement system defined benefit pension plan administered by CalPERS. Plan information for PERS is not publicly available. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. According to the most recently available Actuarial Valuation Report for the year ended June 30, 2022, the School Employer Pool total plan assets are \$79.3 billion, the present value of accumulated plan benefits is \$113.7 billion, contributions from all employers totaled \$3.55 billion, and the plan is 69.8% funded. KIPP SoCal did not contribute more than 5% of the total contributions to the plan.

Copies of the CalPERS' annual financial reports may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814 and [www.calpers.ca.gov](http://www.calpers.ca.gov).

Funding Policy

Active plan members are required to contribute 7.0% of their salary. KIPP SoCal is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for year ended June 30, 2023 was 22.91%. The contribution requirements of the plan members are established and may be amended by state statute.

**Contribution to STRS and PERS**

| <u>Year Ended June 30.</u> | <u>STRS<br/>Required<br/>Contribution</u> | <u>STRS<br/>Percent<br/>Contributed</u> | <u>PERS<br/>Required<br/>Contribution</u> | <u>PERS<br/>Percent<br/>Contributed</u> |
|----------------------------|---|---|---|---|
| 2021                       | \$ 773,329                                | 100 %                                   | \$ 51,077                                 | 100 %                                   |
| 2022                       | \$ 826,360                                | 100 %                                   | \$ 57,967                                 | 100 %                                   |
| 2023                       | \$ 1,004,566                              | 100 %                                   | \$ 57,084                                 | 100 %                                   |

**NOTE 11 LEASES**

KIPP SoCal and KLARE have operating leases for KIPP SoCal sites and office space and financing leases for equipment.

**KIPP SOCAL PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATING FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 LEASES (CONTINUED)**

The following tables provide quantitative information concerning KIPP SoCal's leases for the year ended June 30, 2023:

|  | Unrelated<br>Operating | Related<br>Operating | Total                |
|--|------------------------|----------------------|----------------------|
| Finance lease cost:  |                        |                      |                      |
| Amortization of right-of-use assets  | \$ 446,680             | \$ -                 | \$ 446,680           |
| Interest on lease liabilities  | 50,506                 | -                    | 50,506               |
| Operating lease cost   | 2,160,499              | 14,275,847           | 16,436,346           |
| Variable lease expense   | -                      | 1,062,859            | 1,062,859            |
| Total Lease Expense  | <u>\$ 2,657,685</u>    | <u>\$ 15,338,706</u> | <u>\$ 17,996,391</u> |
| Cash Paid for Amounts Included in the<br>Measurement of Lease Liabilities:       |                        |                      |                      |
| Operating cash flows from finance leases   | 50,506                 | -                    | 50,506               |
| Operating cash flows from operating leases                                       | 2,260,265              | 13,290,206           | 15,550,471           |
| Financing cash flows from finance leases   | 424,528                | -                    | 424,528              |
| Right-of-Use Assets Obtained in Exchange for New<br>Financing Lease Liabilities: | 2,177,389              | -                    | 2,177,389            |
| Right-of-Use Assets Obtained in Exchange for New<br>Operating Lease Liabilities: | 12,542,358             | 250,835,720          | 263,378,078          |
| Weighted-Average Remaining Lease Term - Operating Leases                         | 15.6 years             | 25.0 years           | 24.5 years           |
| Weighted-Average Remaining Lease Term - Financing Leases                         | 3.7 years              | N/A                  | 3.7 years            |
| Weighted-Average Discount Rate - Operating Leases                                | 3.17%                  | 3.62%                | 3.60%                |
| Weighted-Average Discount Rate - Financing                                       | 2.86%                  | N/A                  | 2.86%                |

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

|                             | Unrelated<br>Operating | Related<br>Operating  | Total                 |
|-----------------------------|------------------------|-----------------------|-----------------------|
| <u>Year Ending June 30,</u> |                        |                       |                       |
| 2024                        | \$ 2,040,313           | \$ 13,672,501         | \$ 15,712,814         |
| 2025                        | 1,402,057              | 13,925,700            | 15,327,757            |
| 2026                        | 955,065                | 14,142,408            | 15,097,473            |
| 2027                        | 966,364                | 14,267,020            | 15,233,384            |
| 2028                        | 949,147                | 14,413,103            | 15,362,250            |
| Thereafter                  | 10,626,220             | 307,576,317           | 318,202,537           |
| Undiscounted cash flows     | 16,939,166             | 377,997,049           | 394,936,215           |
| (Less) imputed interest     | (3,985,999)            | (133,142,954)         | (137,128,953)         |
| Total present value         | <u>\$ 12,953,167</u>   | <u>\$ 244,854,095</u> | <u>\$ 257,807,262</u> |
|                             | <u>Financing</u>       |                       |                       |
| <u>Year Ending June 30,</u> |                        |                       |                       |
| 2024                        | \$ 516,036             |                       |                       |
| 2025                        | 516,036                |                       |                       |
| 2026                        | 501,138                |                       |                       |
| 2027                        | 269,100                |                       |                       |
| 2028                        | 41,405                 |                       |                       |
| Thereafter                  | -                      |                       |                       |
| Undiscounted cash flows     | 1,843,715              |                       |                       |
| (Less) imputed interest     | (90,855)               |                       |                       |
| Total present value         | <u>\$ 1,752,860</u>    |                       |                       |

**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 FUNCTIONALIZED EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function(s). Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries for administrative functions which were allocated based on estimates of time and effort. Benefits, pension expenses, payroll taxes, office expenses, and other expenses, were allocated based on salary distribution ratios between program, management and general, and fundraising.

**NOTE 13 CONTINGENCIES, RISKS AND UNCERTAINTIES**

KIPP SoCal has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

**SUPPLEMENTARY INFORMATION**

**KIPP SOCAL PUBLIC SCHOOLS  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE - UNAUDITED  
YEAR ENDED JUNE 30, 2023**

KIPP SoCal Public Schools is a California nonprofit public benefit corporation and operates 20 charter schools as follows:

Approved by the Los Angeles Unified School District:

KIPP Academy of Opportunity (charter number 530) established in 2002.  
KIPP Los Angeles College Prep (charter number 531) established in 2002.  
KIPP Raíces Academy (charter number 1010) established in 2008.  
KIPP Comienza Community Prep (charter number 1196) established in 2010.  
KIPP Empower Academy (charter number 1195) established in 2010.  
KIPP Scholar Academy (charter number 1377) established in 2012.  
KIPP Philosophers Academy (charter number 1378) established in 2012.  
KIPP Sol Academy (charter number 1379) established in 2013.  
KIPP Iluminar Academy (charter number 1508) established in 2013.  
KIPP Academy of Innovation (charter number 1586) established in 2014.  
KIPP Vida Preparatory Academy (charter number 1587) established in 2014.  
KIPP Promesa Preparatory (charter number 1721) established in 2015.  
KIPP Ignite Academy (charter number 1720) established in 2015.  
KIPP Corazon Academy (charter number 1855) established in 2017.  
KIPP Pueblo Unido (charter number 2041) established in 2019.  
KIPP Generations Academy (charter number 2079) established in 2020.  
KIPP Endeavor College Preparatory (charter number 1094) established in 2009.

Approved by the Los Angeles County Office of Education

KIPP Poder Public School (charter number 2112) established in 2020.

Approved by the Compton Unified School District:

KIPP Compton Community School (charter number 1996) established in 2018.

Approved by the San Diego Unified School District:

KIPP Adelante Preparatory Academy (charter number 0550) established in 2003.

**KIPP SOCAL PUBLIC SCHOOLS  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE – UNAUDITED (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

The Board of Directors and the Administrators as of June 30, 2023 were as follows:

**BOARD OF DIRECTORS**

| <u>Member</u>     | <u>Office</u> | <u>Term Expires (3 Year Term)</u> |
|-------------------|---------------|-----------------------------------|
| Luis Rodriguez    | Chair         | June 2025                         |
| Heather Lord      | Vice Chair    | June 2024                         |
| Randy Bishop      | Secretary     | June 2024                         |
| Jon Berg          | Member        | June 2025                         |
| Julie Miller      | Member        | June 2024                         |
| Norma Parraz      | Member        | June 2024                         |
| Randy Bishop      | Member        | June 2024                         |
| Mel Carlisle      | Member        | June 2026                         |
| Nancy Maldonado   | Member        | June 2024                         |
| Naeem Arastu      | Member        | June 2025                         |
| Philip Feder      | Member        | June 2024                         |
| E.J. Kavounas     | Member        | June 2026                         |
| Carlos Bermudez   | Member        | June 2024                         |
| Courtney Criswell | Member        | June 2023                         |

**ADMINISTRATORS**

|                  |                         |
|------------------|-------------------------|
| Angella Martinez | CEO                     |
| Kyle Salyer      | Chief Financial Officer |

**KIPP SOCAL PUBLIC SCHOOLS  
SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2023**

|                              | Instructional Minutes |        | Traditional<br>Calendar Days | Status        |
|------------------------------|-----------------------|--------|------------------------------|---------------|
|                              | Requirement           | Actual |                              |               |
| KIPP Academy of Opportunity  |                       |        |                              |               |
| Grade 5                      | 54,000                | 63,465 | 178                          | In compliance |
| Grade 6                      | 54,000                | 65,860 | 178                          | In compliance |
| Grade 7                      | 54,000                | 65,960 | 178                          | In compliance |
| Grade 8                      | 54,000                | 65,785 | 178                          | In compliance |
| KIPP LA Prep                 |                       |        |                              |               |
| Grade 5                      | 54,000                | 73,000 | 178                          | In compliance |
| Grade 6                      | 54,000                | 73,000 | 178                          | In compliance |
| Grade 7                      | 54,000                | 73,000 | 178                          | In compliance |
| Grade 8                      | 54,000                | 73,000 | 178                          | In compliance |
| KIPP Raíces Academy          |                       |        |                              |               |
| Kindergarten/TK              | 36,000                | 66,395 | 178                          | In compliance |
| Grade 1                      | 50,400                | 62,530 | 178                          | In compliance |
| Grade 2                      | 50,400                | 62,530 | 178                          | In compliance |
| Grade 3                      | 50,400                | 62,530 | 178                          | In compliance |
| Grade 4                      | 54,000                | 62,630 | 178                          | In compliance |
| KIPP Comienza Community Prep |                       |        |                              |               |
| Kindergarten/TK              | 36,000                | 65,335 | 178                          | In compliance |
| Grade 1                      | 50,400                | 64,315 | 178                          | In compliance |
| Grade 2                      | 50,400                | 64,315 | 178                          | In compliance |
| Grade 3                      | 50,400                | 64,315 | 178                          | In compliance |
| Grade 4                      | 54,000                | 64,475 | 178                          | In compliance |
| Grade 5                      | 54,000                | 64,600 | 178                          | In compliance |
| Grade 6                      | 54,000                | 64,600 | 178                          | In compliance |
| Grade 7                      | 54,000                | 64,517 | 178                          | In compliance |
| Grade 8                      | 54,000                | 64,517 | 178                          | In compliance |
| KIPP Empower Academy         |                       |        |                              |               |
| Kindergarten/TK              | 36,000                | 69,410 | 176                          | In compliance |
| Grade 1                      | 50,400                | 68,940 | 176                          | In compliance |
| Grade 2                      | 50,400                | 68,940 | 176                          | In compliance |
| Grade 3                      | 50,400                | 66,890 | 176                          | In compliance |
| Grade 4                      | 54,000                | 66,680 | 176                          | In compliance |
| KIPP Scholar Academy         |                       |        |                              |               |
| Grade 5                      | 54,000                | 69,285 | 176                          | In compliance |
| Grade 6                      | 54,000                | 69,285 | 176                          | In compliance |
| Grade 7                      | 54,000                | 69,285 | 176                          | In compliance |
| Grade 8                      | 54,000                | 69,285 | 176                          | In compliance |
| KIPP Philosophers Academy    |                       |        |                              |               |
| Grade 5                      | 54,000                | 66,565 | 178                          | In compliance |
| Grade 6                      | 54,000                | 66,565 | 178                          | In compliance |
| Grade 7                      | 54,000                | 66,565 | 178                          | In compliance |
| Grade 8                      | 54,000                | 66,565 | 178                          | In compliance |
| KIPP Poder Public            |                       |        |                              |               |
| Kindergarten/TK              | 36,000                | 65,915 | 177                          | In compliance |
| Grade 1                      | 50,400                | 60,040 | 177                          | In compliance |
| KIPP Sol Academy             |                       |        |                              |               |
| Grade 5                      | 54,000                | 66,722 | 178                          | In compliance |
| Grade 6                      | 54,000                | 66,722 | 178                          | In compliance |
| Grade 7                      | 54,000                | 66,675 | 178                          | In compliance |
| Grade 8                      | 54,000                | 66,675 | 178                          | In compliance |
| KIPP Iluminar Academy        |                       |        |                              |               |
| Kindergarten/TK              | 36,000                | 61,565 | 178                          | In compliance |
| Grade 1                      | 50,400                | 63,670 | 178                          | In compliance |
| Grade 2                      | 50,400                | 63,670 | 178                          | In compliance |
| Grade 3                      | 50,400                | 63,670 | 178                          | In compliance |
| Grade 4                      | 54,000                | 61,825 | 178                          | In compliance |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS  
SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2023**

|   | Instructional Minutes |        | Traditional<br>Calendar Days | Status        |
|---|-----------------------|--------|------------------------------|---------------|
|   | Requirement           | Actual |                              |               |
| KIPP Academy of Innovation                |                       |        |                              |               |
| Grade 5                                   | 54,000                | 64,248 | 178                          | In compliance |
| Grade 6                                   | 54,000                | 64,248 | 178                          | In compliance |
| Grade 7                                   | 54,000                | 64,395 | 178                          | In compliance |
| Grade 8                                   | 54,000                | 64,395 | 178                          | In compliance |
| KIPP Vida Preparatory Academy             |                       |        |                              |               |
| Kindergarten/TK                           | 36,000                | 68,215 | 178                          | In compliance |
| Grade 1                                   | 50,400                | 69,605 | 178                          | In compliance |
| Grade 2                                   | 50,400                | 69,605 | 178                          | In compliance |
| Grade 3                                   | 50,400                | 69,580 | 178                          | In compliance |
| Grade 4                                   | 54,000                | 69,580 | 178                          | In compliance |
| KIPP Ignite Academy                       |                       |        |                              |               |
| Kindergarten/TK                           | 36,000                | 70,805 | 178                          | In compliance |
| Grade 1                                   | 50,400                | 67,645 | 178                          | In compliance |
| Grade 2                                   | 50,400                | 65,880 | 178                          | In compliance |
| Grade 3                                   | 50,400                | 65,880 | 178                          | In compliance |
| Grade 4                                   | 54,000                | 65,580 | 178                          | In compliance |
| KIPP Promesa Preparatory                  |                       |        |                              |               |
| Kindergarten/TK                           | 36,000                | 64,470 | 178                          | In compliance |
| Grade 1                                   | 50,400                | 65,025 | 178                          | In compliance |
| Grade 2                                   | 50,400                | 65,025 | 178                          | In compliance |
| Grade 3                                   | 50,400                | 62,250 | 178                          | In compliance |
| Grade 4                                   | 54,000                | 65,025 | 178                          | In compliance |
| KIPP Corazon Academy                      |                       |        |                              |               |
| Kindergarten/TK                           | 36,000                | 68,665 | 178                          | In compliance |
| Grade 1                                   | 50,400                | 61,115 | 178                          | In compliance |
| Grade 2                                   | 50,400                | 61,115 | 178                          | In compliance |
| Grade 3                                   | 50,400                | 61,115 | 178                          | In compliance |
| Grade 4                                   | 54,000                | 61,115 | 178                          | In compliance |
| Grade 5                                   | 54,000                | 68,441 | 178                          | In compliance |
| Grade 6                                   | 54,000                | 68,597 | 178                          | In compliance |
| Grade 7                                   | 54,000                | 68,441 | 178                          | In compliance |
| Grade 8                                   | 54,000                | 68,441 | 178                          | In compliance |
| KIPP Compton Community School             |                       |        |                              |               |
| Kindergarten                              | 36,000                | 71,135 | 178                          | In compliance |
| Grade 1                                   | 50,400                | 66,750 | 178                          | In compliance |
| Grade 2                                   | 50,400                | 66,750 | 178                          | In compliance |
| Grade 3                                   | 50,400                | 66,750 | 178                          | In compliance |
| Grade 4                                   | 54,000                | 66,550 | 178                          | In compliance |
| KIPP Pueblo Unido                         |                       |        |                              |               |
| Kindergarten/TK                           | 36,000                | 66,085 | 178                          | In compliance |
| Grade 1                                   | 50,400                | 64,120 | 178                          | In compliance |
| Grade 2                                   | 50,400                | 63,065 | 178                          | In compliance |
| Grade 6                                   | 54,000                | 67,168 | 178                          | In compliance |
| Grade 7                                   | 54,000                | 67,168 | 178                          | In compliance |
| KIPP Adelante Preparatory Academy         |                       |        |                              |               |
| Grade 5                                   | 54,000                | 58,483 | 176                          | In compliance |
| Grade 6                                   | 54,000                | 58,748 | 176                          | In compliance |
| Grade 7                                   | 54,000                | 58,748 | 176                          | In compliance |
| Grade 8                                   | 54,000                | 58,748 | 176                          | In compliance |
| KIPP Endeavor College Preparatory Charter |                       |        |                              |               |
| Kindergarten/TK                           | 36,000                | 64,185 | 178                          | In compliance |
| Grade 1                                   | 50,400                | 62,356 | 178                          | In compliance |
| Grade 2                                   | 50,400                | 63,195 | 178                          | In compliance |
| Grade 3                                   | 50,400                | 63,491 | 178                          | In compliance |
| Grade 4                                   | 54,000                | 63,613 | 178                          | In compliance |
| Grade 5                                   | 54,000                | 68,547 | 178                          | In compliance |
| Grade 6                                   | 54,000                | 68,847 | 178                          | In compliance |
| Grade 7                                   | 54,000                | 68,447 | 178                          | In compliance |
| Grade 8                                   | 54,000                | 68,447 | 178                          | In compliance |
| KIPP Generations Academy                  |                       |        |                              |               |
| Grade 5                                   | 54,000                | 65,942 | 178                          | In compliance |
| Grade 6                                   | 54,000                | 65,942 | 178                          | In compliance |

See Independent Auditors' Report and accompanying Notes to Supplementary Information



**KIPP SOCAL PUBLIC SCHOOLS  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
YEAR ENDED JUNE 30, 2023**

|   | Second Period Report |        | Annual Report |        |
|---|----------------------|--------|---------------|--------|
|   | Classroom            | Total  | Classroom     | Total  |
| KIPP Academy of Opportunity               |                      |        |               |        |
| Grades 4 - 6                              | 223.95               | 223.95 | 220.89        | 220.89 |
| Grades 7 - 8                              | 194.00               | 194.00 | 191.60        | 191.60 |
| Total                                     | 417.95               | 417.95 | 412.49        | 412.49 |
| KIPP LA Prep                              |                      |        |               |        |
| Grades 4 - 6                              | 251.01               | 251.01 | 250.49        | 250.49 |
| Grades 7 - 8                              | 226.58               | 226.58 | 226.56        | 226.56 |
| Total                                     | 477.59               | 477.59 | 477.05        | 477.05 |
| KIPP Raíces Academy                       |                      |        |               |        |
| TK/K - 3                                  | 400.06               | 400.27 | 402.58        | 402.74 |
| Grades 4 - 6                              | 100.90               | 100.90 | 101.52        | 101.52 |
| Total                                     | 500.96               | 501.17 | 504.10        | 504.26 |
| KIPP Comienza Community Prep              |                      |        |               |        |
| TK/K - 3                                  | 408.97               | 409.14 | 408.76        | 408.89 |
| Grades 4 - 6                              | 344.93               | 344.93 | 344.06        | 344.07 |
| Grades 7 - 8                              | 219.07               | 219.07 | 218.44        | 218.44 |
| Total                                     | 972.97               | 973.14 | 971.26        | 971.40 |
| KIPP Empower Academy                      |                      |        |               |        |
| TK/K - 3                                  | 404.91               | 404.91 | 403.06        | 403.06 |
| Grades 4 - 6                              | 91.90                | 91.90  | 91.35         | 91.35  |
| Total                                     | 496.81               | 496.81 | 494.41        | 494.41 |
| KIPP Scholar Academy                      |                      |        |               |        |
| Grades 4 - 6                              | 157.72               | 157.72 | 156.59        | 156.59 |
| Grades 7 - 8                              | 165.15               | 165.15 | 164.71        | 164.71 |
| Total                                     | 322.87               | 322.87 | 321.30        | 321.30 |
| KIPP Philosophers Academy                 |                      |        |               |        |
| Grades 4 - 6                              | 159.37               | 159.37 | 158.30        | 158.30 |
| Grades 7 - 8                              | 154.41               | 154.41 | 152.77        | 152.77 |
| Total                                     | 313.78               | 313.78 | 311.07        | 311.07 |
| KIPP Sol Academy                          |                      |        |               |        |
| Grades 4 - 6                              | 230.66               | 230.66 | 229.80        | 229.80 |
| Grades 7 - 8                              | 216.22               | 216.22 | 215.92        | 215.92 |
| Total                                     | 446.88               | 446.88 | 445.72        | 445.72 |
| KIPP Endeavor College Preparatory Charter |                      |        |               |        |
| TK/K - 3                                  | 189.94               | 189.94 | 188.12        | 188.12 |
| Grades 4 - 6                              | 165.96               | 165.96 | 164.85        | 164.85 |
| Grades 7 - 8                              | 104.24               | 104.24 | 102.35        | 102.35 |
| Total                                     | 460.14               | 460.14 | 455.32        | 455.32 |
| KIPP Generations Academy                  |                      |        |               |        |
| Grades 4 - 6                              | 100.81               | 100.81 | 98.78         | 98.78  |
| Total                                     | 100.81               | 100.81 | 98.78         | 98.78  |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
YEAR ENDED JUNE 30, 2023**

|  | Second Period Report   |                        | Annual Report          |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | Classroom              | Total                  | Classroom              | Total                  |
| <b>KIPP Iluminar Academy</b>             |                        |                        |                        |                        |
| TK/K - 3                                 | 393.06                 | 393.06                 | 393.33                 | 393.33                 |
| Grades 4 - 6                             | 95.77                  | 95.77                  | 95.79                  | 95.79                  |
| Total                                    | <u>488.83</u>          | <u>488.83</u>          | <u>489.12</u>          | <u>489.12</u>          |
| <b>KIPP Vida Preparatory Academy</b>     |                        |                        |                        |                        |
| TK/K - 3                                 | 390.11                 | 390.11                 | 388.40                 | 388.40                 |
| Grades 4 - 6                             | 97.85                  | 97.85                  | 98.03                  | 98.03                  |
| Total                                    | <u>487.96</u>          | <u>487.96</u>          | <u>486.43</u>          | <u>486.43</u>          |
| <b>KIPP Academy of Innovation</b>        |                        |                        |                        |                        |
| Grades 4 - 6                             | 205.84                 | 205.84                 | 205.64                 | 205.64                 |
| Grades 7 - 8                             | 212.20                 | 212.20                 | 211.12                 | 211.12                 |
| Total                                    | <u>418.04</u>          | <u>418.04</u>          | <u>416.76</u>          | <u>416.76</u>          |
| <b>KIPP Corazon Academy</b>              |                        |                        |                        |                        |
| TK/K - 3                                 | 400.40                 | 400.40                 | 400.23                 | 400.23                 |
| Grades 4 - 6                             | 336.73                 | 336.73                 | 335.64                 | 335.64                 |
| Grades 7 - 8                             | 212.81                 | 212.81                 | 211.36                 | 211.36                 |
| Total                                    | <u>949.94</u>          | <u>949.94</u>          | <u>947.23</u>          | <u>947.23</u>          |
| <b>KIPP Ignite Academy</b>               |                        |                        |                        |                        |
| TK/K - 3                                 | 280.95                 | 280.95                 | 278.40                 | 278.40                 |
| Grades 4 - 6                             | 63.27                  | 63.27                  | 63.13                  | 63.13                  |
| Total                                    | <u>344.22</u>          | <u>344.22</u>          | <u>341.53</u>          | <u>341.53</u>          |
| <b>KIPP Promesa Preparatory</b>          |                        |                        |                        |                        |
| TK/K - 3                                 | 328.40                 | 328.40                 | 327.66                 | 327.66                 |
| Grades 4 - 6                             | 94.41                  | 94.41                  | 94.18                  | 94.18                  |
| Total                                    | <u>422.81</u>          | <u>422.81</u>          | <u>421.84</u>          | <u>421.84</u>          |
| <b>KIPP Compton Community School</b>     |                        |                        |                        |                        |
| TK/K - 3                                 | 381.62                 | 381.62                 | 377.38                 | 377.38                 |
| Grades 4 - 6                             | 86.87                  | 86.87                  | 86.34                  | 86.34                  |
| Total                                    | <u>468.49</u>          | <u>468.49</u>          | <u>463.72</u>          | <u>463.72</u>          |
| <b>KIPP Adelante Preparatory Academy</b> |                        |                        |                        |                        |
| Grades 4 - 6                             | 108.62                 | 108.62                 | 108.74                 | 108.74                 |
| Grades 7 - 8                             | 196.18                 | 196.18                 | 195.23                 | 195.23                 |
| Total                                    | <u>304.80</u>          | <u>304.80</u>          | <u>303.97</u>          | <u>303.97</u>          |
| <b>KIPP Poder Public</b>                 |                        |                        |                        |                        |
| TK/K - 3                                 | 136.76                 | 136.76                 | 137.28                 | 137.28                 |
| Total                                    | <u>136.76</u>          | <u>136.76</u>          | <u>137.28</u>          | <u>137.28</u>          |
| <b>KIPP Pueblo Unido</b>                 |                        |                        |                        |                        |
| TK/K - 3                                 | 232.95                 | 232.95                 | 231.02                 | 231.02                 |
| Grades 4 - 6                             | 7.42                   | 7.42                   | 7.02                   | 7.02                   |
| Grades 7 - 8                             | 48.50                  | 48.50                  | 47.21                  | 47.21                  |
| Total                                    | <u>288.87</u>          | <u>288.87</u>          | <u>285.25</u>          | <u>285.25</u>          |
| ADA Total                                | <u><u>8,821.48</u></u> | <u><u>8,821.86</u></u> | <u><u>8,784.63</u></u> | <u><u>8,784.93</u></u> |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS**  
**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

|   | <u>KAO</u>          | <u>KLAP</u>         | <u>KRA</u>          | <u>KCCP</u>         | <u>KEA</u>          | <u>KSA</u>        | <u>KPA</u>        | <u>KSOL</u>         | <u>KIA</u>          |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| June 30, 2023 Annual Financial Report<br>Fund Balances (Net Assets)     | \$ 1,154,356        | \$ 7,251,513        | \$ 3,979,352        | \$ 7,578,262        | \$ 4,302,223        | \$ 883,752        | \$ 576,048        | \$ 6,386,204        | \$ 5,395,220        |
| Adjustments and Reclassifications:                                      |                     |                     |                     |                     |                     |                   |                   |                     |                     |
| Increasing (Decreasing) the Fund Balance<br>(Net Assets):               |                     |                     |                     |                     |                     |                   |                   |                     |                     |
| Cash and Cash Equivalents   | (19,323)            | (18,522)            | -                   | (28,949)            | 644                 | (113,523)         | (395)             | (1,276)             | 79                  |
| Accounts Receivable - Federal and State                                 | 148,426             | 188,851             | 22,933              | 244,621             | -                   | 154,801           | -                 | 28,858              | 22,695              |
| Accounts receivable - Other   | -                   | -                   | -                   | 3,000               | -                   | -                 | 9,600             | -                   | -                   |
| Prepaid Expenses  | -                   | (10,321)            | -                   | -                   | -                   | -                 | -                 | (14,850)            | -                   |
| Security Deposits   | -                   | -                   | -                   | -                   | -                   | -                 | -                 | (150)               | -                   |
| Right of Use Asset  | 66,404              | (382,262)           | 48,316              | 267,850             | 119,852             | 38,257            | 52,120            | 85,962              | 48,316              |
| Property, Plant, and Equipment, Net                                     | -                   | (45,370)            | 14,801              | 81,914              | 7,479               | (416)             | 14,620            | -                   | (1,371)             |
| Accounts Payable - Federal and State                                    | -                   | -                   | -                   | (40,410)            | (52,009)            | -                 | -                 | -                   | (52,385)            |
| Accounts Payable - other  | 79                  | (3,014)             | 251                 | 41,082              | 52,914              | (69)              | -                 | 960                 | 52,878              |
| Unearned Revenue  | -                   | -                   | (58,613)            | (121,230)           | (41,966)            | -                 | -                 | (8,173)             | (41,062)            |
| Intercompany Notes Payable  | -                   | -                   | -                   | -                   | -                   | -                 | -                 | -                   | -                   |
| Lease Liabilities   | (67,340)            | (116,126)           | (48,999)            | (270,608)           | (121,542)           | (38,798)          | (52,857)          | (86,992)            | (48,999)            |
| Net Adjustments and Reclassifications                                   | <u>128,246</u>      | <u>(386,764)</u>    | <u>(21,311)</u>     | <u>177,270</u>      | <u>(34,628)</u>     | <u>40,252</u>     | <u>23,088</u>     | <u>4,339</u>        | <u>(19,849)</u>     |
| June 30, 2023 Audited Financial Statement<br>Fund Balances (Net Assets) | <u>\$ 1,282,602</u> | <u>\$ 6,864,749</u> | <u>\$ 3,958,041</u> | <u>\$ 7,755,532</u> | <u>\$ 4,267,595</u> | <u>\$ 924,004</u> | <u>\$ 599,136</u> | <u>\$ 6,390,543</u> | <u>\$ 5,375,371</u> |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS**  
**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

|   | <u>KAI</u>          | <u>KVPA</u>         | <u>KPP</u>          | <u>KIG</u>        | <u>KCA</u>          | <u>KCCS</u>       | <u>KPU</u>        | <u>KAPA</u>         | <u>KGA</u>       | <u>KPPS</u>       | <u>KECP</u>         |
|---|---------------------|---------------------|---------------------|-------------------|---------------------|-------------------|-------------------|---------------------|------------------|-------------------|---------------------|
| June 30, 2023 Annual Financial Report<br>Fund Balances (Net Assets)     | \$ 2,707,608        | \$ 3,291,568        | \$ 3,130,150        | \$ 783,239        | \$ 3,566,657        | \$ 416,390        | \$ 281,935        | \$ 1,885,835        | \$ 84,054        | \$ 148,728        | \$ 4,469,185        |
| Adjustments and Reclassifications:                                      |                     |                     |                     |                   |                     |                   |                   |                     |                  |                   |                     |
| Increasing (Decreasing) the Fund Balance<br>(Net Assets):               |                     |                     |                     |                   |                     |                   |                   |                     |                  |                   |                     |
| Cash and Cash Equivalents   | -                   | 450                 | (19,182)            | (8,627)           | 64                  | 26,703            | (24,740)          | -                   | 19,000           | (975,473)         | (23,124)            |
| Accounts Receivable - Federal and State                                 | (2,264)             | -                   | 130,026             | 106,685           | 38,486              | 13,649            | 199,474           | 12,974              | -                | -                 | 158,664             |
| Accounts receivable - Other   | -                   | -                   | -                   | -                 | -                   | -                 | 104,283           | -                   | 36,793           | -                 | -                   |
| Prepaid Expenses  | -                   | (449)               | -                   | -                 | -                   | -                 | -                 | -                   | -                | -                 | -                   |
| Security Deposits   | -                   | -                   | -                   | -                 | -                   | -                 | -                 | -                   | -                | -                 | -                   |
| Right of Use Asset  | 57,099              | 70,740              | 66,404              | 86,823            | 200,705             | 60,162            | 127,870           | -                   | 26,952           | -                 | 83,216              |
| Property, Plant, and Equipment, Net                                     | -                   | -                   | 59,191              | -                 | 7,325               | -                 | (1,289)           | -                   | -                | (2,568)           | 40,332              |
| Accounts Payable - Federal and State                                    | -                   | (41,803)            | -                   | (38,375)          | (44,777)            | (74,418)          | -                 | -                   | 1,498            | -                 | -                   |
| Accounts Payable - other  | 71                  | 42,092              | 6,766               | 20,761            | 45,756              | 73,143            | (46,477)          | -                   | (60,116)         | 975,600           | 673                 |
| Unearned Revenue  | -                   | (42,743)            | (34,522)            | (96,120)          | (44,682)            | 7,292             | (5,595)           | -                   | -                | -                 | (52,642)            |
| Intercompany Notes Payable  | -                   | -                   | -                   | -                 | -                   | -                 | (68,951)          | -                   | -                | -                 | -                   |
| Lease Liabilities   | (57,908)            | (71,740)            | (67,340)            | (88,048)          | (203,015)           | (61,012)          | (129,562)         | -                   | (27,333)         | -                 | (84,393)            |
| Net Adjustments and Reclassifications                                   | <u>(3,002)</u>      | <u>(43,453)</u>     | <u>141,343</u>      | <u>(16,901)</u>   | <u>(138)</u>        | <u>45,519</u>     | <u>155,013</u>    | <u>12,974</u>       | <u>(3,206)</u>   | <u>(2,441)</u>    | <u>122,726</u>      |
| June 30, 2023 Audited Financial Statement<br>Fund Balances (Net Assets) | <u>\$ 2,704,606</u> | <u>\$ 3,248,115</u> | <u>\$ 3,271,493</u> | <u>\$ 766,338</u> | <u>\$ 3,566,519</u> | <u>\$ 461,909</u> | <u>\$ 436,948</u> | <u>\$ 1,898,809</u> | <u>\$ 80,848</u> | <u>\$ 146,287</u> | <u>\$ 4,591,911</u> |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

| Federal Grantor/Pass-Through Grantor/<br>Program or Cluster Title | Assistance<br>Listing<br>Number | Pass-Through<br>Entity Identifying<br>Number | KAO          | KLAP       | KRA          | KCCP         | KEA        | KSA          | KPA        | KGA        | KSOL       | KIA          | Subtotal      |
|---|---------------------------------|--|--------------|------------|--------------|--------------|------------|--------------|------------|------------|------------|--------------|---------------|
| <b>U.S. Department of Education</b>                               |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Pass-Through Programs From California                             |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Department of Education:  |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Every Child Succeeds Act:   |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Title I, Part A, Basic Grants Low-Income                          |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| and Neglected   | 84.010                          | 14329  | \$ 205,606   | \$ 217,954 | \$ 205,104   | \$ 447,112   | \$ 238,987 | \$ 171,599   | \$ 121,679 | \$ 34,611  | \$ 193,168 | \$ 217,362   | \$ 2,053,182  |
| ESSA School Improvement (CSI) Funding for LEAs                    | 84.010A                         | 15438  | -            | -          | -            | -            | -          | -            | -          | -          | -          | -            | -             |
| Title II, Part A, Improving Teacher Quality                       | 84.367                          | 15438  | 23,892       | 25,963     | 25,349       | 53,259       | 28,714     | 19,488       | 14,953     | 4,819      | 23,394     | 26,631       | 246,462       |
| Title IV, Part A, Student Support & Academic Enrichment           | 84.424                          | 15396  | 16,125       | 17,094     | 16,086       | 35,066       | 18,743     | 13,458       | 10,000     | -          | 15,150     | 17,047       | 158,769       |
| Title IV 21st Century Grant Community Learning Center             | 84.287                          | 14349  | -            | 99,197     | -            | 171,253      | -          | 171,253      | 112,915    | -          | -          | -            | 554,618       |
| Special Education Cluster:  |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| IDEA Basic Local Assistance Entitlement                           | 84.027                          | 13379  | 68,559       | 121,678    | 83,827       | 153,854      | 135,553    | 56,961       | 82,545     | 24,526     | 73,550     | 83,533       | 884,586       |
| ARP IDEA Basic Local  |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Assistance Entitlement, Part B, Section 611                       | 84.027                          | 13379  | 19,600       | -          | 22,933       | 42,731       | -          | 16,268       | -          | -          | 20,354     | 22,695       | 144,581       |
| Total Special Education Cluster                                   |                                 |  | 88,159       | 121,678    | 106,760      | 196,585      | 135,553    | 73,229       | 82,545     | 24,526     | 93,904     | 106,228      | 1,029,167     |
| Coronavirus Aid, Relief, and Economic                             |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Security Act (CARES Act):   |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Governor's Emergency Education Relief Fund (GEER)                 | 84.425C                         | 15619  | 10,599       | 3,118      | 14,643       | 6,422        | 3,681      | 9,555        | 5,547      | -          | 3,049      | 7,266        | 63,880        |
| Coronavirus Response and Relief Supplemental                      |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Appropriations (CRRSA Act):                                       |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Elementary and Secondary School Emergency Relief Fund             | 84.425D                         | 15618  | 46,181       | 13,586     | 63,799       | 27,982       | 16,036     | 41,634       | 24,167     | -          | 13,284     | 34,088       | 280,757       |
| American Rescue Plan Act (ARC Act):                               |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Elementary and Secondary School Emergency Relief Fund             | 84.425U                         | 15536  | 721,490      | 300,816    | 929,859      | 901,965      | 236,325    | 563,527      | 43,205     | -          | 279,982    | 492,005      | 4,469,174     |
| Subtotal: Pass-Through Programs                                   |                                 |  | 1,112,052    | 799,406    | 1,361,600    | 1,839,644    | 678,039    | 1,063,743    | 415,011    | 63,956     | 621,931    | 900,627      | 8,856,009     |
| Total U.S. Department of Education                                |                                 |  | 1,112,052    | 799,406    | 1,361,600    | 1,839,644    | 678,039    | 1,063,743    | 415,011    | 63,956     | 621,931    | 900,627      | 8,856,009     |
| <b>U.S. Department of Agriculture</b>                             |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Pass-Through Program From California                              |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Department of Education:  |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Child Nutrition Cluster:  |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Especially Needy Breakfast Program                                | 10.553                          | 13526  | 17,403       | 26,810     | 27,770       | 105,836      | 51,806     | 22,651       | 56,536     | 9,326      | 15,181     | 62,216       | 395,535       |
| National School Lunch Program                                     | 10.555                          | 13524  | 127,038      | 147,717    | 252,882      | 440,397      | 234,469    | 111,210      | 119,386    | 32,907     | 164,600    | 241,747      | 1,872,353     |
| Meal Supplements  | 10.555                          | 13396  | -            | -          | 49,362       | 91,872       | -          | -            | -          | -          | -          | 58,182       | 199,416       |
| Total Child Nutrition Cluster                                     |                                 |  | 144,441      | 174,527    | 330,014      | 638,105      | 286,275    | 133,861      | 175,922    | 42,233     | 179,781    | 362,145      | 2,467,304     |
| Total U.S. Department of Agriculture                              |                                 |  | 144,441      | 174,527    | 330,014      | 638,105      | 286,275    | 133,861      | 175,922    | 42,233     | 179,781    | 362,145      | 2,467,304     |
| <b>U.S. Department of Health and Human Services</b>               |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Pass-Through Program From California                              |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Department of Education:  |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Epidemiology and Laboratory Capacity for                          |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Infectious Diseases (ELC)   | 93.323                          | 21248  | -            | 2,478      | -            | -            | 2,805      | -            | -          | -          | 3,970      | -            | 9,253         |
| Total U.S. Department of Health and Human Services                |                                 |  | -            | 2,478      | -            | -            | 2,805      | -            | -          | -          | 3,970      | -            | 9,253         |
| Total Expenditures of Federal Awards                              |                                 |  | \$ 1,256,493 | \$ 976,411 | \$ 1,691,614 | \$ 2,477,749 | \$ 967,119 | \$ 1,197,604 | \$ 590,933 | \$ 106,189 | \$ 805,682 | \$ 1,262,772 | \$ 11,332,566 |
| <b>Reconciliation of Federal Expenditures and Revenues</b>        |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Funding Reductions in Excess of Expenditures                      |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| American Rescue Plan Act (ARC Act):                               |                                 |  |              |            |              |              |            |              |            |            |            |              |               |
| Elementary and Secondary School Emergency Relief Fund             | 84.425U                         | 15536  | -            | -          | -            | -            | -          | -            | -          | -          | -          | -            | -             |
| Total PY Funding Reductions in Excess of Expenditures             |                                 |  | -            | -          | -            | -            | -          | -            | -          | -          | -          | -            | -             |
| Total Revenues from Federal Awards                                |                                 |  | \$ 1,256,493 | \$ 976,411 | \$ 1,691,614 | \$ 2,477,749 | \$ 967,119 | \$ 1,197,604 | \$ 590,933 | \$ 106,189 | \$ 805,682 | \$ 1,262,772 | \$ 11,332,566 |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

| Federal Grantor/Pass-Through Grantor/<br>Program or Cluster Title                   | Assistance<br>Listing<br>Number | Pass-Through<br>Entity Identifying<br>Number | Subtotal             | KAI               | KVPA                | KPP               | KIG                 | KCA                 | KCCS              | KPU               | KAPA                | KPPS              | KECP                | Federal<br>Expenditures<br>Total |
|---|---------------------------------|--|----------------------|-------------------|---------------------|-------------------|---------------------|---------------------|-------------------|-------------------|---------------------|-------------------|---------------------|----------------------------------|
| <b>U.S. Department of Education</b>   |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Pass-Through Programs From California   |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Department of Education:  |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Every Child Succeeds Act:   |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Title I, Part A, Basic Grants Low-Income<br>and Neglected                           | 84.010                          | 14329  | \$ 2,053,182         | \$ 192,459        | \$ 254,916          | \$ 202,997        | \$ 175,024          | \$ 360,410          | \$ 158,021        | \$ 158,787        | \$ 147,547          | \$ 65,418         | \$ 243,802          | \$ 4,012,563                     |
| ESSA School Improvement (CSI) Funding for LEAs                                      | 84.010A                         | 15438  | -                    | -                 | -                   | -                 | 182,262             | -                   | -                 | -                 | -                   | -                 | -                   | 182,262                          |
| Title II, Part A, Improving Teacher Quality   | 84.367                          | 15438  | 246,462              | 24,098            | 28,296              | 23,578            | 22,055              | 48,415              | 21,107            | 20,577            | 18,406              | 9,287             | 27,292              | 489,573                          |
| Title IV, Part A, Student Support & Academic Enrichment                             | 84.282                          | 15396  | 158,769              | 15,094            | 19,992              | 15,921            | 13,261              | 27,883              | 11,063            | 11,085            | 10,671              | 10,000            | 19,121              | 312,860                          |
| Title IV 21st Century Grant Community Learning Center<br>Special Education Cluster: | 84.287                          | 14349  | 554,618              | 99,197            | -                   | -                 | -                   | -                   | -                 | -                 | -                   | -                 | -                   | 653,815                          |
| IDEA Basic Local Assistance Entitlement   | 84.027                          | 13379  | 884,586              | 110,764           | 135,697             | 75,606            | 95,458              | 152,532             | 67,384            | 81,907            | 52,410              | 16,442            | 123,132             | 1,795,918                        |
| ARP IDEA Basic Local<br>Assistance Entitlement, Part B, Section 611                 | 84.027                          | 13379  | 144,581              | -                 | -                   | 22,219            | -                   | 38,486              | 13,649            | -                 | 12,975              | -                 | -                   | 231,910                          |
| Total Special Education Cluster   |                                 |  | <u>1,029,167</u>     | <u>110,764</u>    | <u>135,697</u>      | <u>97,825</u>     | <u>95,458</u>       | <u>191,018</u>      | <u>81,033</u>     | <u>81,907</u>     | <u>65,385</u>       | <u>16,442</u>     | <u>123,132</u>      | <u>2,027,828</u>                 |
| Coronavirus Aid, Relief, and Economic<br>Security Act (CARES Act):                  |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Governor's Emergency Education Relief Fund (GEER)                                   | 84.425C                         | 15619  | 63,880               | 2,919             | 3,508               | 7,032             | 10,733              | 5,815               | 8,702             | 7,712             | 6,821               | -                 | 4,010               | 121,132                          |
| Coronavirus Response and Relief Supplemental<br>Appropriations (CRRSA Act):         |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Elementary and Secondary School Emergency Relief Fund                               | 84.425D                         | 15618  | 280,757              | 12,717            | 15,286              | 34,603            | 46,764              | 25,337              | 37,915            | 33,602            | 29,720              | -                 | 17,470              | 534,171                          |
| American Rescue Plan A:c (ARC Act):   |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Elementary and Secondary School Emergency Relief Fund                               | 84.425U                         | 15536  | 4,469,174            | 279,960           | 342,110             | 243,058           | 555,243             | 265,980             | 218,046           | -                 | 513,343             | -                 | 320,586             | 7,207,500                        |
| Subtotal: Pass-Through Programs   |                                 |  | <u>8,856,009</u>     | <u>737,208</u>    | <u>799,805</u>      | <u>625,014</u>    | <u>1,100,800</u>    | <u>924,858</u>      | <u>535,887</u>    | <u>313,670</u>    | <u>791,893</u>      | <u>101,147</u>    | <u>755,413</u>      | <u>15,541,704</u>                |
| Total U.S. Department of Education  |                                 |  | <u>8,856,009</u>     | <u>737,208</u>    | <u>799,805</u>      | <u>625,014</u>    | <u>1,100,800</u>    | <u>924,858</u>      | <u>535,887</u>    | <u>313,670</u>    | <u>791,893</u>      | <u>101,147</u>    | <u>755,413</u>      | <u>15,541,704</u>                |
| <b>U.S. Department of Agriculture</b>   |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Pass-Through Program From California  |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Department of Education:  |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Child Nutrition Cluster:  |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Especially Needy Breakfast Program  | 10.553                          | 13526  | 395,535              | 49,093            | 77,030              | 28,009            | 86,187              | 85,823              | 51,556            | 38,474            | 65,369              | 8,524             | 87,719              | 973,319                          |
| National School Lunch Program   | 10.555                          | 13524  | 1,872,353            | 187,190           | 230,602             | 212,247           | 208,028             | 315,983             | 199,595           | 157,108           | 107,404             | 71,344            | 254,328             | 3,816,182                        |
| Meal Supplements  | 10.555                          | 13396  | 199,416              | -                 | 54,821              | 46,383            | 40,772              | 58,683              | 52,447            | 32,334            | 39,805              | 15,447            | 46,932              | 587,040                          |
| Total Child Nutrition Cluster   |                                 |  | <u>2,467,304</u>     | <u>236,283</u>    | <u>362,453</u>      | <u>286,639</u>    | <u>334,987</u>      | <u>460,489</u>      | <u>303,598</u>    | <u>227,916</u>    | <u>212,578</u>      | <u>95,315</u>     | <u>388,979</u>      | <u>5,376,541</u>                 |
| Total U.S. Department of Agriculture  |                                 |  | <u>2,467,304</u>     | <u>236,283</u>    | <u>362,453</u>      | <u>286,639</u>    | <u>334,987</u>      | <u>460,489</u>      | <u>303,598</u>    | <u>227,916</u>    | <u>212,578</u>      | <u>95,315</u>     | <u>388,979</u>      | <u>5,376,541</u>                 |
| <b>U.S. Department of Health and Human Services</b>                                 |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Pass-Through Program From California  |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Department of Education:  |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Epidemiology and Laboratory Capacity for<br>Infectious Diseases (ELC)               |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
|   | 93.323                          | 21248  | 9,253                | 2,428             | -                   | -                 | -                   | -                   | -                 | -                 | -                   | 950               | 2,821               | 15,452                           |
| Total U.S. Department of Health and Human Services                                  |                                 |  | <u>9,253</u>         | <u>2,428</u>      | <u>-</u>            | <u>-</u>          | <u>-</u>            | <u>-</u>            | <u>-</u>          | <u>-</u>          | <u>-</u>            | <u>950</u>        | <u>2,821</u>        | <u>15,452</u>                    |
| Total Expenditures of Federal Awards  |                                 |  | <u>\$ 11,332,566</u> | <u>\$ 975,919</u> | <u>\$ 1,162,258</u> | <u>\$ 911,653</u> | <u>\$ 1,435,787</u> | <u>\$ 1,385,347</u> | <u>\$ 839,485</u> | <u>\$ 541,586</u> | <u>\$ 1,004,471</u> | <u>\$ 197,412</u> | <u>\$ 1,147,213</u> | <u>\$ 20,933,697</u>             |
| <b>Reconciliation of Federal Expenditures and Revenues</b>                          |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Funding Reductions  |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| American Rescue Plan A:c (ARC Act):   |                                 |  |                      |                   |                     |                   |                     |                     |                   |                   |                     |                   |                     |                                  |
| Elementary and Secondary School Emergency Relief Fund                               |                                 |  | -                    | -                 | -                   | -                 | -                   | -                   | -                 | (28,008)          | -                   | (77,367)          | -                   | (105,375)                        |
| Total PY Funding Reductions   |                                 |  | <u>-</u>             | <u>-</u>          | <u>-</u>            | <u>-</u>          | <u>-</u>            | <u>-</u>            | <u>-</u>          | <u>(28,008)</u>   | <u>-</u>            | <u>(77,367)</u>   | <u>-</u>            | <u>(105,375)</u>                 |
| Total Revenues from Federal Awards  |                                 |  | <u>\$ 11,332,566</u> | <u>\$ 975,919</u> | <u>\$ 1,162,258</u> | <u>\$ 911,653</u> | <u>\$ 1,435,787</u> | <u>\$ 1,385,347</u> | <u>\$ 839,485</u> | <u>\$ 513,578</u> | <u>\$ 1,004,471</u> | <u>\$ 120,045</u> | <u>\$ 1,147,213</u> | <u>\$ 20,828,322</u>             |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS**  
**STATEMENT OF FINANCIAL POSITION – KIPP SOCAL SCHOOLS BY CHARTER SCHOOL**  
**JUNE 30, 2023**

|   | KAO                  | KLAP                 | KRA                  | KCCP                 | KEA                  | KSA                 | KPA                  | KSOL                 | KIA                  | KAI                  | KVPA                 | KPP                  | Subtotal              |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>ASSETS</b>                           |                      |                      |                      |                      |                      |                     |                      |                      |                      |                      |                      |                      |                       |
| <b>CURRENT ASSETS</b>                   |                      |                      |                      |                      |                      |                     |                      |                      |                      |                      |                      |                      |                       |
| Cash and Cash Equivalents               | \$ 1,944,391         | \$ 6,908,019         | \$ 5,557,530         | \$ 10,181,560        | \$ 4,124,809         | \$ 539,921          | \$ 718,916           | \$ 7,376,172         | \$ 7,072,566         | \$ 4,097,974         | \$ 5,452,610         | \$ 4,479,522         | \$ 58,453,990         |
| Investments                             | -                    | -                    | -                    | -                    | -                    | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Accounts Receivable - Federal and State | 1,311,318            | 1,170,468            | 1,487,452            | 2,794,707            | 1,273,545            | 1,086,289           | 878,913              | 964,235              | 1,209,795            | 814,341              | 1,087,956            | 1,051,154            | 15,130,173            |
| Accounts Receivable - Other             | 4,813                | 3,994                | 8,917                | 14,064               | 7,090                | 7,365               | 12,853               | 12,240               | 5,022                | 6,023                | 8,973                | 1,254                | 92,608                |
| Due from KLARE Holdings                 | -                    | -                    | -                    | -                    | -                    | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Due from KIPP SoCal Public Schools      | -                    | -                    | -                    | -                    | -                    | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Prepaid Expenses and Other Assets       | -                    | -                    | -                    | -                    | -                    | -                   | -                    | -                    | -                    | -                    | -                    | 136,987              | 136,987               |
| Total Current Assets                    | <u>3,260,522</u>     | <u>8,082,481</u>     | <u>7,053,899</u>     | <u>12,990,331</u>    | <u>5,405,444</u>     | <u>1,633,575</u>    | <u>1,610,682</u>     | <u>8,352,647</u>     | <u>8,287,383</u>     | <u>4,918,338</u>     | <u>6,549,539</u>     | <u>5,668,917</u>     | <u>73,813,758</u>     |
| <b>LONG-TERM ASSETS</b>                 |                      |                      |                      |                      |                      |                     |                      |                      |                      |                      |                      |                      |                       |
| Investments                             | -                    | -                    | -                    | -                    | -                    | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Deposits                                | 1,400                | 40,000               | -                    | 74,726               | -                    | 20,500              | -                    | (150)                | -                    | 4,330                | -                    | 10,000               | 150,806               |
| Intercompany Notes Receivable           | -                    | -                    | -                    | -                    | -                    | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Operating Right of Use Assets           | 15,130,380           | 8,929,916            | 14,992,972           | 16,518,662           | 17,567,681           | 323,660             | 12,905,914           | 12,458,198           | 14,640,164           | 13,414,357           | 15,201,807           | 16,873,838           | 158,957,549           |
| Financing Right of Use Assets, Net      | 66,404               | 114,880              | 48,316               | 267,850              | 119,852              | 38,257              | 52,120               | 85,962               | 48,316               | 57,099               | 70,740               | 66,404               | 1,036,200             |
| Property, Plant, and Equipment, Net     | 53,584               | 919,985              | 160,878              | 176,436              | 76,798               | 67,495              | 110,508              | 90,835               | 443,835              | 31,407               | 16,566               | 192,920              | 2,341,247             |
| Total Long-Term Assets                  | <u>15,251,768</u>    | <u>10,004,781</u>    | <u>15,202,166</u>    | <u>17,037,674</u>    | <u>17,764,331</u>    | <u>449,912</u>      | <u>13,068,542</u>    | <u>12,634,845</u>    | <u>15,132,315</u>    | <u>13,507,193</u>    | <u>15,289,113</u>    | <u>17,143,162</u>    | <u>162,485,802</u>    |
| Total Assets                            | <u>\$ 18,512,290</u> | <u>\$ 18,087,262</u> | <u>\$ 22,256,065</u> | <u>\$ 30,028,005</u> | <u>\$ 23,169,775</u> | <u>\$ 2,083,487</u> | <u>\$ 14,679,224</u> | <u>\$ 20,987,492</u> | <u>\$ 23,419,698</u> | <u>\$ 18,425,531</u> | <u>\$ 21,838,652</u> | <u>\$ 22,812,079</u> | <u>\$ 236,299,560</u> |
| <b>LIABILITIES AND NET ASSETS</b>       |                      |                      |                      |                      |                      |                     |                      |                      |                      |                      |                      |                      |                       |
| <b>CURRENT LIABILITIES</b>              |                      |                      |                      |                      |                      |                     |                      |                      |                      |                      |                      |                      |                       |
| Accounts Payable - Federal and State    | \$ 188,967           | \$ 163,001           | \$ 160,992           | \$ 352,835           | \$ 550,711           | \$ 205,982          | \$ 82,939            | \$ 141,740           | \$ 521,176           | \$ 139,893           | \$ 197,785           | \$ 141,352           | \$ 2,847,373          |
| Accounts Payable - Other                | 120,174              | 308,002              | 262,560              | 782,681              | 242,780              | 288,058             | 169,977              | 245,170              | 338,356              | 260,634              | 259,800              | 283,865              | 3,562,057             |
| Accrued Liabilities                     | 90,532               | 94,928               | 78,019               | 156,003              | 65,617               | 87,787              | 51,309               | 44,120               | 61,397               | 71,406               | 77,461               | 81,351               | 959,930               |
| Unearned Revenue                        | 1,294,421            | 1,707,601            | 2,113,673            | 3,884,865            | 2,664,693            | 181,490             | 86,277               | 1,485,021            | 2,275,201            | 1,549,807            | 2,621,350            | 2,869,049            | 22,733,448            |
| Operating Lease Liabilities             | 261,091              | 470,563              | 404,602              | 634,367              | 379,917              | 357,368             | 147,360              | 324,956              | 381,906              | 278,737              | 373,988              | 304,728              | 4,319,583             |
| Financing Lease Liabilities             | 17,536               | 25,863               | 16,727               | 60,360               | 31,797               | 13,245              | 17,956               | 23,902               | 16,727               | 19,748               | 22,272               | 17,536               | 283,669               |
| Due to KLARE Holdings                   | -                    | -                    | -                    | -                    | -                    | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Due to KIPP SoCal Public Schools        | -                    | -                    | -                    | -                    | -                    | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Total Current Liabilities               | <u>1,972,721</u>     | <u>2,769,958</u>     | <u>3,036,573</u>     | <u>5,871,111</u>     | <u>3,935,515</u>     | <u>1,133,930</u>    | <u>555,818</u>       | <u>2,264,909</u>     | <u>3,594,763</u>     | <u>2,320,225</u>     | <u>3,552,656</u>     | <u>3,697,881</u>     | <u>34,706,060</u>     |
| <b>LONG-TERM LIABILITIES</b>            |                      |                      |                      |                      |                      |                     |                      |                      |                      |                      |                      |                      |                       |
| Intercompany Notes Payable              | -                    | -                    | -                    | -                    | -                    | -                   | 500,000              | -                    | -                    | -                    | -                    | -                    | 500,000               |
| Operating Lease Liabilities             | 15,207,163           | 8,362,361            | 15,229,179           | 16,191,113           | 14,876,920           | -                   | 12,989,369           | 12,268,950           | 14,417,292           | 13,362,540           | 14,988,414           | 15,792,901           | 153,686,202           |
| Financing Lease Liabilities             | 49,804               | 90,194               | 32,272               | 210,249              | 89,745               | 25,553              | 34,901               | 63,090               | 32,272               | 38,160               | 49,467               | 49,804               | 765,511               |
| Total Long-Term Liabilities             | <u>15,256,967</u>    | <u>8,452,555</u>     | <u>15,261,451</u>    | <u>16,401,362</u>    | <u>14,966,665</u>    | <u>25,553</u>       | <u>13,524,270</u>    | <u>12,332,040</u>    | <u>14,449,564</u>    | <u>13,400,700</u>    | <u>15,037,881</u>    | <u>15,842,705</u>    | <u>154,951,713</u>    |
| Total Liabilities                       | <u>17,229,688</u>    | <u>11,222,513</u>    | <u>18,298,024</u>    | <u>22,272,473</u>    | <u>18,902,180</u>    | <u>1,159,483</u>    | <u>14,080,088</u>    | <u>14,596,949</u>    | <u>18,044,327</u>    | <u>15,720,925</u>    | <u>18,590,537</u>    | <u>19,540,586</u>    | <u>189,657,773</u>    |
| <b>NET ASSETS</b>                       |                      |                      |                      |                      |                      |                     |                      |                      |                      |                      |                      |                      |                       |
| Without Donor Restrictions              | 1,282,602            | 6,864,749            | 3,958,041            | 7,755,532            | 4,267,595            | 924,004             | 599,136              | 6,390,543            | 5,375,371            | 2,704,606            | 3,248,115            | 3,271,493            | 46,641,787            |
| With Donor Restrictions                 | -                    | -                    | -                    | -                    | -                    | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Total Net Assets                        | <u>1,282,602</u>     | <u>6,864,749</u>     | <u>3,958,041</u>     | <u>7,755,532</u>     | <u>4,267,595</u>     | <u>924,004</u>      | <u>599,136</u>       | <u>6,390,543</u>     | <u>5,375,371</u>     | <u>2,704,606</u>     | <u>3,248,115</u>     | <u>3,271,493</u>     | <u>46,641,787</u>     |
| Total Liabilities and Net Assets        | <u>\$ 18,512,290</u> | <u>\$ 18,087,262</u> | <u>\$ 22,256,065</u> | <u>\$ 30,028,005</u> | <u>\$ 23,169,775</u> | <u>\$ 2,083,487</u> | <u>\$ 14,679,224</u> | <u>\$ 20,987,492</u> | <u>\$ 23,419,698</u> | <u>\$ 18,425,531</u> | <u>\$ 21,838,652</u> | <u>\$ 22,812,079</u> | <u>\$ 236,299,560</u> |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS**  
**STATEMENT OF FINANCIAL POSITION – KIPP SOCAL SCHOOLS BY CHARTER SCHOOL (CONTINUED)**  
**JUNE 30, 2023**

|   | Subtotal       | KIG          | KCA           | KCCS          | KPU          | KAPA          | KGA        | KPPS       | KECP          | SST           | Eliminations   | KIPP SoCal     |
|---|----------------|--------------|---------------|---------------|--------------|---------------|------------|------------|---------------|---------------|----------------|----------------|
| <b>ASSETS</b>                           |                |              |               |               |              |               |            |            |               |               |                |                |
| <b>CURRENT ASSETS</b>                   |                |              |               |               |              |               |            |            |               |               |                |                |
| Cash and Cash Equivalents               | \$ 58,453,990  | \$ 2,188,400 | \$ 6,114,653  | \$ 1,047,810  | \$ 2,201,312 | \$ 2,065,616  | \$ 100,580 | \$ 472,474 | \$ 6,504,459  | \$ 12,809,927 | \$ -           | \$ 91,959,221  |
| Investments                             | -              | -            | -             | -             | -            | -             | -          | -          | -             | 21,239,285    | -              | 21,239,285     |
| Accounts Receivable - Federal and State | 15,130,173     | 872,169      | 2,247,553     | 2,128,474     | 443,479      | 608,420       | 100,581    | 324,845    | 1,263,605     | -             | -              | 23,119,299     |
| Accounts Receivable - Other             | 92,608         | 5,944        | 10,894        | 95,132        | 111,387      | 11,746        | 119,738    | 94,962     | 26,182        | 300,700       | -              | 869,293        |
| Due from Klare Holdings                 | -              | -            | -             | -             | -            | -             | -          | -          | -             | 30,474,641    | -              | 30,474,641     |
| Due from KIPP SoCal Public Schools      | -              | -            | -             | -             | -            | -             | -          | -          | -             | 334,221       | (334,221)      | -              |
| Prepaid Expenses and Other Assets       | 136,987        | -            | -             | -             | -            | -             | -          | -          | 35,647        | 501,779       | -              | 674,413        |
| Total Current Assets                    | 73,813,758     | 3,066,513    | 8,373,100     | 3,271,416     | 2,756,178    | 2,685,782     | 320,899    | 892,281    | 7,829,893     | 65,660,553    | (334,221)      | 168,336,152    |
| <b>LONG-TERM ASSETS</b>                 |                |              |               |               |              |               |            |            |               |               |                |                |
| Investments                             | -              | -            | -             | -             | -            | -             | -          | -          | -             | 10,021,968    | -              | 10,021,968     |
| Deposits                                | 150,806        | 44,573       | 7,800         | -             | 6,217        | 1,000         | 1,200      | -          | 13,000        | 12,960        | -              | 237,556        |
| Intercompany Notes Receivable           | -              | -            | -             | -             | -            | -             | -          | -          | -             | 8,550,000     | (3,150,000)    | 5,400,000      |
| Operating Right of Use Assets           | 158,957,549    | 828,450      | 32,769,939    | 19,441,068    | -            | 12,055,417    | -          | -          | 12,793,609    | 703,866       | -              | 237,549,898    |
| Financing Right of Use Assets, Net      | 1,036,200      | 86,823       | 200,705       | 60,162        | 127,870      | 66,404        | 26,952     | 42,377     | 83,216        | -             | -              | 1,730,709      |
| Property, Plant, and Equipment, Net     | 2,341,247      | -            | 64,319        | 254,223       | 29,299       | 126,083       | -          | 11,183     | 981,445       | 66,860        | -              | 3,874,659      |
| Total Long-Term Assets                  | 162,485,802    | 959,846      | 33,042,763    | 19,755,453    | 163,386      | 12,248,904    | 28,152     | 53,560     | 13,871,270    | 19,355,654    | (3,150,000)    | 258,814,790    |
| Total Assets                            | \$ 236,299,560 | \$ 4,026,359 | \$ 41,415,863 | \$ 23,026,869 | \$ 2,919,564 | \$ 14,934,686 | \$ 349,051 | \$ 945,841 | \$ 21,701,163 | \$ 85,016,207 | \$ (3,484,221) | \$ 427,150,942 |
| <b>LIABILITIES AND NET ASSETS</b>       |                |              |               |               |              |               |            |            |               |               |                |                |
| <b>CURRENT LIABILITIES</b>              |                |              |               |               |              |               |            |            |               |               |                |                |
| Accounts Payable - Federal and State    | \$ 2,847,373   | \$ 216,546   | \$ 340,861    | \$ 296,973    | \$ 120,287   | \$ 112,608    | \$ (1,498) | \$ 57,321  | \$ 175,385    | \$ -          | \$ -           | \$ 4,165,856   |
| Accounts Payable - Other                | 3,562,057      | 311,179      | 521,198       | 193,882       | 972,086      | 173,413       | 204,762    | 318,753    | 454,678       | 536,224       | -              | 7,248,232      |
| Accrued Liabilities                     | 959,930        | 57,908       | 132,447       | 20,089        | 74,430       | 57,185        | 37,606     | 39,490     | 181,459       | 1,000,385     | -              | 2,560,929      |
| Unearned Revenue                        | 22,733,448     | 1,651,607    | 3,386,061     | 651,192       | 211,251      | 942,493       | -          | 6,793      | 2,474,880     | 168,143       | -              | 32,225,868     |
| Operating Lease Liabilities             | 4,319,583      | 448,419      | 525,808       | 220,832       | -            | 259,174       | -          | -          | 170,693       | 126,363       | -              | 6,070,872      |
| Financing Lease Liabilities             | 283,669        | 24,225       | 48,913        | 18,926        | 32,772       | 17,536        | 7,118      | 13,367     | 26,780        | -             | -              | 473,306        |
| Due to KLARE Holdings                   | -              | -            | -             | -             | -            | -             | -          | -          | -             | 509,499       | -              | 509,499        |
| Due to KIPP SoCal Public Schools        | -              | -            | -             | -             | -            | -             | -          | 334,221    | -             | -             | (334,221)      | -              |
| Total Current Liabilities               | 34,706,060     | 2,709,884    | 4,955,288     | 1,401,894     | 1,410,826    | 1,562,409     | 247,988    | 769,945    | 3,483,875     | 2,340,614     | (334,221)      | 53,254,562     |
| <b>LONG-TERM LIABILITIES</b>            |                |              |               |               |              |               |            |            |               |               |                |                |
| Intercompany Notes Payable              | 500,000        | -            | -             | 1,675,000     | 975,000      | -             | -          | -          | -             | -             | (3,150,000)    | -              |
| Operating Lease Liabilities             | 153,686,202    | 486,314      | 32,739,953    | 19,445,980    | -            | 11,423,664    | -          | -          | 13,567,764    | 591,067       | -              | 231,940,944    |
| Financing Lease Liabilities             | 765,511        | 63,823       | 154,103       | 42,086        | 96,790       | 49,804        | 20,215     | 29,609     | 57,613        | -             | -              | 1,279,554      |
| Total Long-Term Liabilities             | 154,951,713    | 550,137      | 32,894,056    | 21,163,066    | 1,071,790    | 11,473,468    | 20,215     | 29,609     | 13,625,377    | 591,067       | (3,150,000)    | 233,220,498    |
| Total Liabilities                       | 189,657,773    | 3,260,021    | 37,849,344    | 22,564,960    | 2,482,616    | 13,035,877    | 268,203    | 799,554    | 17,109,252    | 2,931,681     | (3,484,221)    | 286,475,060    |
| <b>NET ASSETS</b>                       |                |              |               |               |              |               |            |            |               |               |                |                |
| Without Donor Restrictions              | 46,641,787     | 766,338      | 3,566,519     | 461,909       | 436,948      | 1,898,809     | 80,848     | 146,287    | 4,591,911     | 79,212,323    | -              | 137,803,679    |
| With Donor Restrictions                 | -              | -            | -             | -             | -            | -             | -          | -          | -             | 2,872,203     | -              | 2,872,203      |
| Total Net Assets                        | 46,641,787     | 766,338      | 3,566,519     | 461,909       | 436,948      | 1,898,809     | 80,848     | 146,287    | 4,591,911     | 82,084,526    | -              | 140,675,882    |
| Total Liabilities and Net Assets        | \$ 236,299,560 | \$ 4,026,359 | \$ 41,415,863 | \$ 23,026,869 | \$ 2,919,564 | \$ 14,934,686 | \$ 349,051 | \$ 945,841 | \$ 21,701,163 | \$ 85,016,207 | \$ (3,484,221) | \$ 427,150,942 |

See Independent Auditors' Report and accompanying Notes to Supplementary Information



**KIPP SOCAL PUBLIC SCHOOLS**  
**STATEMENT OF ACTIVITIES – KIPP SOCAL SCHOOLS BY CHARTER SCHOOL**  
**YEAR ENDED JUNE 30, 2023**

|  | KAO                 | KLAP                | KRA                 | KCCP                | KEA                 | KSA               | KPA               | KSOL                | KIA                 | KAI                 | KVPA                | Subtotal             |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| <b>REVENUE, WITHOUT DONOR RESTRICTION</b>  |                     |                     |                     |                     |                     |                   |                   |                     |                     |                     |                     |                      |
| State Revenue:   |                     |                     |                     |                     |                     |                   |                   |                     |                     |                     |                     |                      |
| Local Control Funding Formula Sources  | \$ 5,475,194        | \$ 6,230,605        | \$ 6,753,850        | \$ 13,137,452       | \$ 6,927,751        | \$ 4,231,834      | \$ 4,124,222      | \$ 5,752,516        | \$ 6,732,449        | \$ 5,440,615        | \$ 6,789,392        | \$ 71,595,880        |
| Other State Revenue  | 2,074,943           | 2,483,497           | 2,768,273           | 4,796,602           | 2,728,017           | 2,747,261         | 2,242,652         | 2,197,236           | 2,699,704           | 2,227,765           | 2,840,827           | 29,806,777           |
| Federal Revenue:   |                     |                     |                     |                     |                     |                   |                   |                     |                     |                     |                     |                      |
| Grants and Entitlements  | 1,256,493           | 976,411             | 1,691,614           | 2,477,749           | 967,119             | 1,197,604         | 590,933           | 805,682             | 1,262,772           | 975,919             | 1,162,258           | 13,364,554           |
| Local Revenue:   |                     |                     |                     |                     |                     |                   |                   |                     |                     |                     |                     |                      |
| Contributions  | 22,280              | 40,393              | 95,349              | 70,982              | 78,906              | 191,709           | 117,644           | 19,761              | 25,831              | 33,253              | 21,398              | 717,506              |
| Interest and Investment Income   | -                   | -                   | -                   | -                   | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Other Revenue  | 3,782               | 2,169               | 7,994               | 8,534               | 2,802               | 2,917             | 4,194             | 1,694               | 6,643               | 1,618               | 1,981               | 44,328               |
| Total Unrestricted Revenues  | <u>8,832,692</u>    | <u>9,733,075</u>    | <u>11,317,080</u>   | <u>20,491,319</u>   | <u>10,704,595</u>   | <u>8,371,325</u>  | <u>7,079,645</u>  | <u>8,776,889</u>    | <u>10,727,399</u>   | <u>8,679,170</u>    | <u>10,815,856</u>   | <u>115,529,045</u>   |
| <b>NET ASSETS RELEASED FROM RESTRICTION</b>  | -                   | -                   | -                   | -                   | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Total Revenues Without Donor Restrictions and Net Assets Released from Restriction | 8,832,692           | 9,733,075           | 11,317,080          | 20,491,319          | 10,704,595          | 8,371,325         | 7,079,645         | 8,776,889           | 10,727,399          | 8,679,170           | 10,815,856          | 115,529,045          |
| <b>EXPENSES</b>  |                     |                     |                     |                     |                     |                   |                   |                     |                     |                     |                     |                      |
| Program Services:  |                     |                     |                     |                     |                     |                   |                   |                     |                     |                     |                     |                      |
| Educational Programs   | 8,168,515           | 9,013,761           | 10,684,878          | 18,640,425          | 10,067,588          | 7,899,187         | 6,656,403         | 8,022,098           | 9,984,353           | 8,192,152           | 9,914,197           | 107,243,557          |
| Support Services:  |                     |                     |                     |                     |                     |                   |                   |                     |                     |                     |                     |                      |
| General and Administrative   | 432,967             | 470,643             | 569,519             | 955,198             | 611,909             | 421,080           | 362,395           | 437,554             | 562,519             | 396,893             | 642,505             | 5,863,182            |
| Fundraising  | 5,443               | 15,195              | 38,563              | 25,871              | 8,255               | 3,184             | 3,340             | 8,179               | 5,918               | 3,142               | 3,408               | 120,498              |
| Total Expenses   | <u>8,606,925</u>    | <u>9,499,599</u>    | <u>11,292,960</u>   | <u>19,621,494</u>   | <u>10,687,752</u>   | <u>8,323,451</u>  | <u>7,022,138</u>  | <u>8,467,831</u>    | <u>10,552,790</u>   | <u>8,592,187</u>    | <u>10,560,110</u>   | <u>113,227,237</u>   |
| <b>OTHER CHANGES IN NET ASSETS</b>   |                     |                     |                     |                     |                     |                   |                   |                     |                     |                     |                     |                      |
| Capital Contribution to KLARE  | -                   | -                   | -                   | -                   | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Other Changes in Net Assets  | -                   | -                   | -                   | -                   | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| <b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION</b>                              | 225,767             | 233,476             | 24,120              | 869,825             | 16,843              | 47,874            | 57,507            | 309,058             | 174,609             | 86,983              | 255,746             | 2,301,808            |
| <b>NET ASSETS WITH DONOR RESTRICTION</b>   |                     |                     |                     |                     |                     |                   |                   |                     |                     |                     |                     |                      |
| Investment Return  | -                   | -                   | -                   | -                   | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Net assets released from Restriction   | -                   | -                   | -                   | -                   | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| <b>CHANGE IN NET ASSETS WITH DONOR RESTRICTION</b>                                 | -                   | -                   | -                   | -                   | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| <b>CHANGE IN NET ASSETS</b>  | 225,767             | 233,476             | 24,120              | 869,825             | 16,843              | 47,874            | 57,507            | 309,058             | 174,609             | 86,983              | 255,746             | 2,301,808            |
| Net Assets - Beginning of Year   | 1,056,835           | 6,631,273           | 3,933,921           | 6,885,707           | 4,250,752           | 876,130           | 541,629           | 6,081,485           | 5,200,762           | 2,617,623           | 2,992,369           | 41,068,486           |
| <b>NET ASSETS - END OF YEAR</b>  | <u>\$ 1,282,602</u> | <u>\$ 6,864,749</u> | <u>\$ 3,958,041</u> | <u>\$ 7,755,532</u> | <u>\$ 4,267,595</u> | <u>\$ 924,004</u> | <u>\$ 599,136</u> | <u>\$ 6,390,543</u> | <u>\$ 5,375,371</u> | <u>\$ 2,704,606</u> | <u>\$ 3,248,115</u> | <u>\$ 43,370,294</u> |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS**  
**STATEMENT OF ACTIVITIES – KIPP SOCAL SCHOOLS BY CHARTER SCHOOL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

|  | Subtotal             | KPP                 | KIG               | KCA                 | KCCS              | KPU               | KAPA                | KGA              | KPPS              | KECP                | SST                  | Eliminations        | KIPP SoCal<br>Total   |
|--|----------------------|---------------------|-------------------|---------------------|-------------------|-------------------|---------------------|------------------|-------------------|---------------------|----------------------|---------------------|-----------------------|
| <b>REVENUE, WITHOUT DONOR RESTRICTION</b>  |                      |                     |                   |                     |                   |                   |                     |                  |                   |                     |                      |                     |                       |
| State Revenue:   |                      |                     |                   |                     |                   |                   |                     |                  |                   |                     |                      |                     |                       |
| Local Control Funding Formula Sources  | \$ 71,595,880        | \$ 5,812,800        | \$ 4,795,101      | \$ 12,713,139       | \$ 6,455,732      | \$ 4,032,554      | \$ 3,501,947        | \$ 1,222,721     | \$ 1,939,021      | \$ 6,259,821        | \$ -                 | \$ -                | \$ 118,328,716        |
| Other State Revenue  | 29,806,777           | 3,051,390           | 2,185,268         | 4,842,682           | 3,011,601         | 2,716,470         | 1,613,009           | 155,573          | 603,091           | 3,890,526           | -                    | -                   | 51,876,387            |
| Federal Revenue:   |                      |                     |                   |                     |                   |                   |                     |                  |                   |                     |                      |                     |                       |
| Grants and Entitlements  | 13,364,554           | 911,653             | 1,435,787         | 1,385,347           | 839,485           | 513,578           | 1,004,471           | 106,189          | 120,045           | 1,147,213           | -                    | -                   | 20,828,322            |
| Local Revenue:   |                      |                     |                   |                     |                   |                   |                     |                  |                   |                     |                      |                     |                       |
| Contributions  | 717,506              | 74,545              | 24,519            | 77,279              | 251,371           | 3,003,819         | 153,098             | 1,186,160        | 1,857,111         | 557,335             | 11,919,189           | -                   | 19,821,932            |
| Interest   | -                    | -                   | -                 | -                   | -                 | -                 | 15,257              | -                | 374               | -                   | 2,783,237            | (29,500)            | 2,769,368             |
| Other Revenue  | 44,328               | 4,023               | 1,665             | 9,438               | 5,193             | 1,984             | 44,925              | 808              | 548               | 4,375               | 28,739,580           | (28,114,992)        | 741,875               |
| Total Unrestricted Revenues  | <u>115,529,045</u>   | <u>9,854,411</u>    | <u>8,442,340</u>  | <u>19,027,885</u>   | <u>10,563,382</u> | <u>10,268,405</u> | <u>6,332,707</u>    | <u>2,671,451</u> | <u>4,520,190</u>  | <u>11,859,270</u>   | <u>43,442,006</u>    | <u>(28,144,492)</u> | <u>214,366,600</u>    |
| <b>NET ASSETS RELEASED FROM RESTRICTION</b>  | -                    | -                   | -                 | -                   | -                 | -                 | -                   | -                | -                 | -                   | 504,000              | -                   | 504,000               |
| Total Revenues Without Donor Restrictions and Net Assets Released from Restriction | 115,529,045          | 9,854,411           | 8,442,340         | 19,027,885          | 10,563,382        | 10,268,405        | 6,332,707           | 2,671,451        | 4,520,190         | 11,859,270          | 43,946,006           | (28,144,492)        | 214,870,600           |
| <b>EXPENSES</b>  |                      |                     |                   |                     |                   |                   |                     |                  |                   |                     |                      |                     |                       |
| Program Services:  |                      |                     |                   |                     |                   |                   |                     |                  |                   |                     |                      |                     |                       |
| Educational Programs   | 107,243,557          | 9,253,508           | 7,931,371         | 17,585,627          | 10,008,345        | 9,515,990         | 5,918,057           | 2,501,144        | 4,240,181         | 11,090,697          | 11,963,344           | (28,144,492)        | 169,107,329           |
| Support Services:  |                      |                     |                   |                     |                   |                   |                     |                  |                   |                     |                      |                     |                       |
| General and Administrative   | 5,863,182            | 504,643             | 494,483           | 1,050,629           | 593,753           | 628,030           | 363,582             | 162,146          | 248,663           | 497,146             | 14,258,890           | -                   | 24,665,147            |
| Fundraising  | 120,498              | 25,161              | 4,860             | 25,263              | 18,924            | 9,515             | 18,408              | 4,064            | 4,997             | 18,607              | 1,423,319            | -                   | 1,673,616             |
| Total Expenses   | <u>113,227,237</u>   | <u>9,783,312</u>    | <u>8,430,714</u>  | <u>18,661,519</u>   | <u>10,621,022</u> | <u>10,153,535</u> | <u>6,300,047</u>    | <u>2,667,354</u> | <u>4,493,841</u>  | <u>11,606,450</u>   | <u>27,645,553</u>    | <u>(28,144,492)</u> | <u>195,446,092</u>    |
| <b>OTHER CHANGES IN NET ASSETS</b>   |                      |                     |                   |                     |                   |                   |                     |                  |                   |                     |                      |                     |                       |
| Capital Contribution to KLARE  | -                    | -                   | -                 | -                   | -                 | -                 | -                   | -                | -                 | -                   | (5,000,000)          | -                   | (5,000,000)           |
| Other Changes in Net Assets  | -                    | -                   | -                 | -                   | -                 | -                 | -                   | -                | -                 | -                   | (5,000,000)          | -                   | (5,000,000)           |
| <b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION</b>                              | 2,301,808            | 71,099              | 11,626            | 366,366             | (57,640)          | 114,870           | 32,660              | 4,097            | 26,349            | 252,820             | 11,300,453           | -                   | 14,424,508            |
| <b>NET ASSETS</b>  |                      |                     |                   |                     |                   |                   |                     |                  |                   |                     |                      |                     |                       |
| Investment Return  | -                    | -                   | -                 | -                   | -                 | -                 | -                   | -                | -                 | -                   | 181,833              | -                   | 181,833               |
| Net assets released from Restriction   | -                    | -                   | -                 | -                   | -                 | -                 | -                   | -                | -                 | -                   | (504,000)            | -                   | (504,000)             |
| <b>CHANGE IN NET ASSETS WITH DONOR RESTRICTION</b>                                 | -                    | -                   | -                 | -                   | -                 | -                 | -                   | -                | -                 | -                   | (322,167)            | -                   | (322,167)             |
| <b>CHANGE IN NET ASSETS</b>  | 2,301,808            | 71,099              | 11,626            | 366,366             | (57,640)          | 114,870           | 32,660              | 4,097            | 26,349            | 252,820             | 10,978,286           | -                   | 14,102,341            |
| Net Assets - Beginning of Year   | 41,068,486           | 3,200,394           | 754,712           | 3,200,153           | 519,549           | 322,078           | 1,866,149           | 76,751           | 119,938           | 4,339,091           | 71,106,240           | -                   | 126,573,541           |
| <b>NET ASSETS - END OF YEAR</b>  | <u>\$ 43,370,294</u> | <u>\$ 3,271,493</u> | <u>\$ 766,338</u> | <u>\$ 3,566,519</u> | <u>\$ 461,909</u> | <u>\$ 436,948</u> | <u>\$ 1,898,809</u> | <u>\$ 80,848</u> | <u>\$ 146,287</u> | <u>\$ 4,591,911</u> | <u>\$ 82,084,526</u> | <u>\$ -</u>         | <u>\$ 140,675,882</u> |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS**  
**STATEMENT OF CASH FLOWS — KIPP SOCAL SCHOOLS BY CHARTER SCHOOL**  
**YEAR ENDED JUNE 30, 2023**

|  | KAO                 | KLAP                | KRA                 | KCCP                 | KEA                 | KSA               | KPA               | KSOL                | KIA                 | KAI                 | KVPA                | Subtotal             |
|--|---------------------|---------------------|---------------------|----------------------|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                     |                     |                     |                      |                     |                   |                   |                     |                     |                     |                     |                      |
| Change in Net Assets   | \$ 225,767          | \$ 233,476          | \$ 24,120           | \$ 869,825           | \$ 16,843           | \$ 47,874         | \$ 57,507         | \$ 309,058          | \$ 174,609          | \$ 86,983           | \$ 255,746          | \$ 2,301,808         |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: |                     |                     |                     |                      |                     |                   |                   |                     |                     |                     |                     |                      |
| Depreciation   | 9,164               | 137,689             | 60,086              | 211,757              | 73,555              | -                 | 74,496            | 52,457              | 87,877              | 46,139              | 6,329               | 759,549              |
| Unrealized (Gains) and Losses  | -                   | -                   | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Amortization of Financing Right of Use Asset (Increase) and Decrease in Operating Assets:          | 17,979              | 19,423              | 16,940              | 45,561               | 32,592              | 13,413            | 18,188            | 21,389              | 16,940              | 20,000              | 22,644              | 245,069              |
| Accounts Receivable - Federal and State  | 571,343             | 615,776             | 831,119             | 1,561,638            | 1,019,770           | 763,907           | 846,259           | 929,391             | 1,126,666           | 843,790             | 1,119,672           | 10,229,331           |
| Accounts Receivable - Other  | (5,317)             | (4,865)             | (6,232)             | (14,020)             | (4,486)             | (5,837)           | (10,575)          | (3,999)             | (4,431)             | (5,501)             | (6,130)             | (71,393)             |
| Contributions Receivable   | -                   | -                   | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Due from KLARE Holdings  | -                   | -                   | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Due from KIPP SoCal Public Schools   | -                   | -                   | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Prepaid Expenses   | -                   | -                   | -                   | 44,516               | -                   | 30,316            | -                 | 15,000              | -                   | -                   | -                   | 89,832               |
| Deposits   | -                   | -                   | -                   | -                    | -                   | -                 | -                 | 150                 | -                   | -                   | -                   | 150                  |
| Deferred Rent Asset  | -                   | 515,090             | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | 515,090              |
| Operating Right of Use Asset   | (15,130,380)        | (8,929,916)         | (14,992,972)        | (16,518,662)         | (17,567,681)        | (323,660)         | (12,905,914)      | (12,458,198)        | (14,640,164)        | (13,414,357)        | (15,201,807)        | (142,083,711)        |
| Increase and (Decrease) in Operating Liabilities:  |                     |                     |                     |                      |                     |                   |                   |                     |                     |                     |                     |                      |
| Accounts Payable - Federal and State   | 133,436             | 152,284             | 154,867             | 351,358              | 132,138             | 116,071           | 79,362            | 141,810             | 143,232             | 134,915             | 191,116             | 1,730,589            |
| Accounts Payable - Other   | (60,250)            | (87,665)            | 70,877              | 157,487              | 13,800              | 136,218           | 34,424            | 40,480              | (22,006)            | 52,773              | (244,810)           | 91,328               |
| Accrued Liabilities  | 5,361               | 22,153              | 7,259               | (23,787)             | 6,811               | (11,369)          | (3,828)           | (7,420)             | (5,893)             | 18,390              | (2,621)             | 5,056                |
| Unearned Revenue   | 890,429             | 1,193,212           | 1,127,947           | 2,541,747            | 1,788,692           | (195,933)         | (97,593)          | 1,057,166           | 1,409,496           | 1,141,469           | 1,733,779           | 12,590,411           |
| Deferred Rent Liability  | (526,621)           | -                   | (649,807)           | (338,276)            | (132,816)           | (57,025)          | (68,895)          | (115,140)           | (135,332)           | (181,579)           | (144,289)           | (2,349,780)          |
| Operating Lease Liabilities  | 15,468,254          | 8,832,924           | 15,633,781          | 16,825,480           | 15,256,837          | 357,368           | 13,136,729        | 12,593,906          | 14,799,198          | 13,641,277          | 15,362,402          | 141,908,156          |
| Due to KLARE Holdings  | -                   | -                   | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Due to KIPP SoCal Public Schools   | (698,567)           | -                   | -                   | -                    | (878,841)           | (655,529)         | (562,407)         | (765,564)           | (34,675)            | (761,694)           | (872,929)           | (5,230,206)          |
| Net Cash Provided (Used) by Operating Activities   | 900,598             | 2,699,581           | 2,277,985           | 5,714,624            | (242,786)           | 215,814           | 597,753           | 1,810,486           | 2,915,517           | 1,622,605           | 2,219,102           | 20,731,279           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                     |                     |                     |                      |                     |                   |                   |                     |                     |                     |                     |                      |
| Purchase of Investments  | -                   | -                   | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Sale of Investments  | -                   | -                   | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Repayment of Intercompany Notes Receivable   | -                   | -                   | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Purchases of Property, Plant, and Equipment  | -                   | (492,558)           | (138,965)           | (95,041)             | (15,892)            | (67,495)          | (17,200)          | -                   | (27,419)            | -                   | -                   | (854,570)            |
| Net Cash Provided (Used) by Investing Activities   | -                   | (492,558)           | (138,965)           | (95,041)             | (15,892)            | (67,495)          | (17,200)          | -                   | (27,419)            | -                   | -                   | (854,570)            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                     |                     |                     |                      |                     |                   |                   |                     |                     |                     |                     |                      |
| Payments on Intercompany Notes Payable   | (175,000)           | -                   | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | (175,000)            |
| Payments on Finance Leases   | (17,043)            | (18,246)            | (16,257)            | (42,802)             | (30,902)            | (12,872)          | (17,451)          | (20,358)            | (16,257)            | (19,190)            | (21,646)            | (233,024)            |
| Payments on Notes Payable  | -                   | -                   | -                   | -                    | -                   | -                 | -                 | -                   | -                   | -                   | -                   | -                    |
| Net Cash Provided (Used) by Financing Activities   | (192,043)           | (18,246)            | (16,257)            | (42,802)             | (30,902)            | (12,872)          | (17,451)          | (20,358)            | (16,257)            | (19,190)            | (21,646)            | (408,024)            |
| <b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>                                    | 708,555             | 2,188,777           | 2,122,763           | 5,576,781            | (289,580)           | 135,447           | 563,102           | 1,790,128           | 2,871,841           | 1,603,415           | 2,197,456           | 19,468,685           |
| Cash, Cash Equivalents and Restricted Cash - Beginning of Year                                     | 1,235,836           | 4,719,242           | 3,434,767           | 4,604,779            | 4,414,389           | 404,474           | 155,814           | 5,586,044           | 4,200,725           | 2,494,559           | 3,255,154           | 34,505,783           |
| <b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>                                    | <u>\$ 1,944,391</u> | <u>\$ 6,908,019</u> | <u>\$ 5,557,530</u> | <u>\$ 10,181,560</u> | <u>\$ 4,124,809</u> | <u>\$ 539,921</u> | <u>\$ 718,916</u> | <u>\$ 7,376,172</u> | <u>\$ 7,072,566</u> | <u>\$ 4,097,974</u> | <u>\$ 5,452,610</u> | <u>\$ 53,974,468</u> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>  |                     |                     |                     |                      |                     |                   |                   |                     |                     |                     |                     |                      |
| Equipment Received in Exchange for Finance Lease   | \$ 84,383           | \$ 134,303          | \$ 65,256           | \$ 313,411           | \$ 152,444          | \$ 51,670         | \$ 70,308         | \$ 107,351          | \$ 65,256           | \$ 77,099           | \$ 93,384           | \$ 1,214,865         |
| Cash Paid for Interest, Net of Capitalized Interest  | \$ 1,750            | \$ -                | \$ -                | \$ -                 | \$ -                | \$ -              | \$ 5,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ 6,750             |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS**  
**STATEMENT OF CASH FLOWS — KIPP SOCAL SCHOOLS BY CHARTER SCHOOL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

|   | Subtotal      | KPP          | KIG        | KCA          | KCCS         | KPU        | KAPA         | KGA       | KPPS      | KECP         | SST           | Eliminations | KIPP SoCal<br>Total |
|---|---------------|--------------|------------|--------------|--------------|------------|--------------|-----------|-----------|--------------|---------------|--------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |               |              |            |              |              |            |              |           |           |              |               |              |                     |
| Change in Net Assets  | \$ 2,301,808  | \$ 71,099    | \$ 11,626  | \$ 366,366   | \$ (57,640)  | \$ 114,870 | \$ 32,660    | \$ 4,097  | \$ 26,349 | \$ 252,820   | \$ 10,978,286 | \$ -         | \$ 14,102,341       |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Provided (Used) by Operating Activities: |               |              |            |              |              |            |              |           |           |              |               |              |                     |
| Depreciation  | 759,549       | 91,184       | -          | 134,619      | 6,623        | 24,633     | 84,613       | -         | 3,612     | 65,874       | 18,818        | -            | 1,189,525           |
| Unrealized (Gains) and Losses   | -             | -            | -          | -            | -            | -          | -            | -         | -         | -            | (692,429)     | -            | (692,429)           |
| Amortization of Financing Right of Use Asset<br>(Increase) and Decrease in Operating Assets:          | 245,069       | 17,979       | 24,767     | 41,732       | 19,244       | 31,820     | 17,979       | 7,297     | 13,590    | 27,203       | -             | -            | 446,680             |
| Accounts Receivable - Federal and State   | 10,229,331    | 1,208,007    | 824,881    | 1,935,641    | 723,455      | 1,580,329  | 550,577      | (100,581) | 89,876    | 1,327,696    | -             | -            | 18,369,212          |
| Accounts Receivable - Other   | (71,393)      | (1,847)      | (2,968)    | (7,274)      | (94,974)     | 47,316     | (5,167)      | (119,738) | 107,427   | 232,108      | (142,353)     | -            | (58,863)            |
| Contributions Receivable  | -             | -            | -          | -            | -            | -          | -            | -         | -         | -            | 504,000       | -            | 504,000             |
| Due from KLARE Holdings   | -             | -            | -          | -            | -            | -          | -            | -         | -         | -            | (3,453,879)   | -            | (3,453,879)         |
| Due from KIPP SoCal Public Schools  | -             | -            | -          | -            | -            | -          | -            | -         | 287,353   | -            | 11,952,746    | (12,240,099) | -                   |
| Prepaid Expenses  | 89,832        | 810,611      | 38,414     | -            | -            | 15,609     | 1,072,513    | 1,200     | -         | (34,851)     | (354,135)     | -            | 1,639,193           |
| Deposits  | 150           | -            | -          | -            | -            | 33         | -            | -         | -         | -            | 21,000        | -            | 21,183              |
| Deferred Rent Asset   | 515,090       | -            | -          | -            | -            | -          | -            | -         | -         | -            | -             | -            | 515,090             |
| Operating Right of Use Asset  | (142,083,711) | (16,873,838) | (828,450)  | (32,769,939) | (19,441,068) | -          | (12,055,417) | -         | -         | (12,793,609) | (703,866)     | -            | (237,549,898)       |
| Increase and (Decrease) in Operating Liabilities:   |               |              |            |              |              |            |              |           |           |              |               |              |                     |
| Accounts Payable - Federal and State  | 1,730,589     | 141,350      | 101,896    | 335,390      | 187,585      | 116,250    | 110,085      | (1,498)   | 57,317    | 138,789      | -             | -            | 2,917,753           |
| Accounts Payable - Other  | 91,328        | 66,994       | 73,148     | 44,281       | 9,138        | 655,113    | 44,876       | 170,305   | 214,720   | (205,233)    | (44,449)      | -            | 1,120,221           |
| Accrued Liabilities   | 5,056         | 525          | (2,131)    | (601)        | (10,578)     | (178,986)  | 5,241        | 28,985    | 12,203    | 22,152       | (27,250)      | -            | (145,384)           |
| Unearned Revenue  | 12,590,411    | 2,057,001    | 1,025,787  | 2,177,990    | 121,277      | (161,352)  | 715,725      | -         | (3,855)   | 1,667,839    | 81,460        | -            | 20,272,283          |
| Deferred Rent Liability   | (2,349,780)   | (49,623)     | (146,727)  | (389,343)    | (142,409)    | (68,951)   | (522,067)    | -         | -         | (772,261)    | -             | -            | (4,441,161)         |
| Operating Lease Liabilities   | 141,908,156   | 16,097,629   | 934,733    | 33,265,761   | 19,666,812   | -          | 11,682,839   | -         | -         | 13,738,457   | 717,430       | -            | 238,011,817         |
| Due to KLARE Holdings   | -             | -            | -          | -            | -            | -          | -            | -         | -         | -            | 337,981       | -            | 337,981             |
| Due to KIPP SoCal Public Schools  | (5,230,206)   | (866,609)    | (693,561)  | (1,620,861)  | (715,138)    | (769,303)  | -            | -         | (962,668) | (1,094,400)  | (287,353)     | 12,240,099   | -                   |
| Net Cash Provided (Used) by Operating Activities  | 20,731,279    | 2,770,462    | 1,361,415  | 3,513,762    | 272,327      | 1,407,381  | 1,734,457    | (9,933)   | (154,076) | 2,572,584    | 18,906,007    | -            | 53,105,665          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |               |              |            |              |              |            |              |           |           |              |               |              |                     |
| Purchase of Investments   | -             | -            | -          | -            | -            | -          | -            | -         | -         | -            | (111,769,993) | -            | (111,769,993)       |
| Sale of Investments   | -             | -            | -          | -            | -            | -          | -            | -         | -         | -            | 104,816,451   | -            | 104,816,451         |
| Repayment of Intercompany Notes Receivable  | -             | -            | -          | -            | -            | -          | -            | -         | -         | -            | 775,000       | (775,000)    | -                   |
| Purchases of Property, Plant, and Equipment   | (854,570)     | (61,460)     | -          | (8,620)      | -            | (5,154)    | -            | -         | (10,273)  | (131,519)    | -             | -            | (1,071,596)         |
| Net Cash Provided (Used) by Investing Activities  | (854,570)     | (61,460)     | -          | (8,620)      | -            | (5,154)    | -            | -         | (10,273)  | (131,519)    | (6,178,542)   | (775,000)    | (8,025,138)         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |               |              |            |              |              |            |              |           |           |              |               |              |                     |
| Payments on Intercompany Notes Payable  | (175,000)     | -            | (600,000)  | -            | -            | -          | -            | -         | -         | -            | -             | 775,000      | -                   |
| Payments on Finance Leases  | (233,024)     | (17,043)     | (23,542)   | (39,421)     | (18,394)     | (30,128)   | (17,043)     | (6,916)   | (12,991)  | (26,026)     | -             | -            | (424,528)           |
| Payments on Notes Payable   | -             | -            | -          | -            | -            | -          | -            | -         | -         | (151,149)    | -             | -            | (151,149)           |
| Net Cash Provided (Used) by Financing Activities  | (408,024)     | (17,043)     | (623,542)  | (39,421)     | (18,394)     | (30,128)   | (17,043)     | (6,916)   | (12,991)  | (177,175)    | -             | 775,000      | (575,677)           |
| <b>NET CHANGE IN CASH, CASH<br/>EQUIVALENTS AND RESTRICTED CASH</b>                                   | 19,468,685    | 2,691,959    | 737,873    | 3,465,721    | 253,933      | 1,372,099  | 1,717,414    | (16,849)  | (177,340) | 2,263,890    | 12,727,465    | -            | 44,504,850          |
| Cash, Cash Equivalents and Restricted Cash - Beginning of Year  | 34,505,783    | 1,787,563    | 1,450,527  | 2,648,932    | 793,877      | 829,213    | 348,202      | 117,429   | 649,814   | 4,240,569    | 82,462        | -            | 47,454,371          |
| <b>CASH, CASH EQUIVALENTS AND RESTRICTED<br/>CASH - END OF YEAR</b>                                   | 53,974,468    | 4,479,522    | 2,188,400  | 6,114,653    | 1,047,810    | 2,201,312  | 2,065,616    | 100,580   | 472,474   | 6,504,459    | 12,809,927    | -            | 91,959,221          |
| <b>SUPPLEMENTAL DISCLOSURE OF<br/>CASH FLOW INFORMATION</b>   |               |              |            |              |              |            |              |           |           |              |               |              |                     |
| Equipment Received in Exchange for Finance Lease  | \$ 1,214,865  | \$ 84,383    | \$ 111,590 | \$ 242,437   | \$ 79,406    | \$ 159,690 | \$ 84,383    | \$ 34,249 | \$ 55,967 | \$ 110,419   | \$ -          | \$ -         | \$ 2,177,389        |
| Cash Paid for Interest, Net of Capitalized Interest   | \$ 6,750      | \$ -         | \$ 6,000   | \$ -         | \$ 16,750    | \$ -       | \$ -         | \$ -      | \$ -      | \$ 17,892    | \$ -          | \$ (29,500)  | \$ 17,892           |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS  
STATEMENT OF FINANCIAL POSITION — RELATED SCHOOLS  
YEAR ENDED JUNE 30, 2023**

|   | KLAP          | KEA           | KSOL          | KIA           | KPA           | KAO           | KPA           | KRA           | KCCP          | KCA           | KAI           | KCCS          | KPP           | KSA          | KIG          | Total          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|----------------|
| <b>ASSETS</b>                           |               |               |               |               |               |               |               |               |               |               |               |               |               |              |              |                |
| <b>CURRENT ASSETS</b>                   |               |               |               |               |               |               |               |               |               |               |               |               |               |              |              |                |
| Cash and Cash Equivalents               | \$ 6,908,019  | \$ 4,124,809  | \$ 7,376,172  | \$ 7,072,566  | \$ 718,916    | \$ 1,944,391  | \$ 5,452,610  | \$ 5,557,530  | \$ 7,018,156  | \$ 6,114,653  | \$ 4,097,974  | \$ 1,047,810  | \$ 4,479,522  | \$ 539,921   | \$ 2,188,400 | \$ 67,804,853  |
| Accounts Receivable - Federal and State | 1,170,468     | 1,273,545     | 964,235       | 1,209,795     | 878,913       | 1,311,318     | 1,087,956     | 1,487,452     | 2,794,707     | 2,247,553     | 814,341       | 2,128,474     | 1,051,154     | 1,086,289    | 872,169      | 20,378,369     |
| Accounts Receivable - Other             | 3,994         | 7,090         | 12,240        | 5,022         | 12,853        | 4,813         | 8,973         | 8,917         | 14,064        | 10,894        | 6,023         | 95,132        | 1,254         | 7,365        | 5,944        | 204,578        |
| Prepaid Expenses and Other Assets       | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | 136,987       | -            | -            | 136,987        |
| Total Current Assets                    | 8,082,481     | 5,405,444     | 8,352,647     | 8,287,383     | 1,610,682     | 3,260,522     | 6,549,539     | 7,053,899     | 12,990,331    | 8,373,100     | 4,918,338     | 3,271,416     | 5,668,917     | 1,633,575    | 3,066,513    | 88,524,787     |
| <b>LONG-TERM ASSETS</b>                 |               |               |               |               |               |               |               |               |               |               |               |               |               |              |              |                |
| Security Deposits and Other Assets      | 40,000        | -             | (150)         | -             | -             | 1,400         | -             | -             | 74,726        | 7,800         | 4,330         | -             | 10,000        | 20,500       | 44,573       | 203,179        |
| Operating Right of Use Assets           | 8,929,916     | 17,567,681    | 12,458,198    | 14,640,164    | 12,905,914    | 15,130,380    | 15,201,807    | 14,992,972    | 16,518,662    | 32,769,939    | 13,414,357    | 19,441,068    | 16,873,838    | 323,660      | 828,450      | 211,997,006    |
| Financing Right of Use Assets, Net      | 114,880       | 119,852       | 85,962        | 48,316        | 52,120        | 66,404        | 70,740        | 48,316        | 267,850       | 200,705       | 57,099        | 60,162        | 66,404        | 38,257       | 86,823       | 1,383,890      |
| Property, Plant, and Equipment, Net     | 919,985       | 76,798        | 90,835        | 443,835       | 110,508       | 53,584        | 16,566        | 160,878       | 176,436       | 64,319        | 31,407        | 254,223       | 192,920       | 67,495       | -            | 2,659,789      |
| Total Long-Term Assets                  | 10,004,781    | 17,764,331    | 12,634,845    | 15,132,315    | 13,068,542    | 15,251,768    | 15,289,113    | 15,202,166    | 17,037,674    | 33,042,763    | 13,507,193    | 19,755,453    | 17,143,162    | 449,912      | 959,846      | 216,243,864    |
| Total Assets                            | \$ 18,087,262 | \$ 23,169,775 | \$ 20,987,492 | \$ 23,419,698 | \$ 14,679,224 | \$ 18,512,290 | \$ 21,838,652 | \$ 22,256,065 | \$ 30,028,005 | \$ 41,415,863 | \$ 18,425,531 | \$ 23,026,869 | \$ 22,812,079 | \$ 2,083,487 | \$ 4,026,359 | \$ 304,768,651 |
| <b>LIABILITIES AND NET ASSETS</b>       |               |               |               |               |               |               |               |               |               |               |               |               |               |              |              |                |
| <b>CURRENT LIABILITIES</b>              |               |               |               |               |               |               |               |               |               |               |               |               |               |              |              |                |
| Accounts Payable - Federal and State    | \$ 163,001    | \$ 550,711    | \$ 141,740    | \$ 521,176    | \$ 82,939     | \$ 188,967    | \$ 197,785    | \$ 160,992    | \$ 352,835    | \$ 340,861    | \$ 139,893    | \$ 296,973    | \$ 141,352    | \$ 205,982   | \$ 216,546   | \$ 3,701,753   |
| Accounts Payable - Other                | 308,002       | 242,780       | 245,170       | 338,356       | 169,977       | 120,174       | 259,800       | 262,560       | 782,681       | 521,198       | 260,634       | 193,882       | 283,865       | 288,058      | 311,179      | 4,588,316      |
| Accrued Liabilities                     | 94,928        | 65,617        | 44,120        | 61,397        | 51,309        | 90,532        | 77,461        | 78,019        | 156,003       | 132,447       | 71,406        | 20,089        | 81,351        | 87,787       | 57,908       | 1,170,374      |
| Unearned Revenue                        | 1,707,601     | 2,664,693     | 1,485,021     | 2,275,201     | 86,277        | 1,294,421     | 2,621,350     | 2,113,673     | 3,884,865     | 3,386,061     | 1,549,807     | 651,192       | 2,869,049     | 181,490      | 1,651,607    | 28,422,308     |
| Operating Lease Liabilities             | 470,563       | 379,917       | 324,956       | 381,906       | 147,360       | 261,091       | 373,988       | 404,602       | 634,367       | 525,808       | 278,737       | 220,832       | 304,728       | 357,368      | 448,419      | 5,514,642      |
| Financing Lease Liabilities             | 25,863        | 31,797        | 23,902        | 16,727        | 17,956        | 17,536        | 22,272        | 16,727        | 60,360        | 48,913        | 19,748        | 18,926        | 17,536        | 13,245       | 24,225       | 375,733        |
| Total Current Liabilities               | 2,769,958     | 3,935,515     | 2,264,909     | 3,594,763     | 555,818       | 1,972,721     | 3,552,656     | 3,036,573     | 5,871,111     | 4,955,288     | 2,320,225     | 1,401,894     | 3,697,881     | 1,133,930    | 2,709,884    | 43,773,126     |
| <b>LONG-TERM LIABILITIES</b>            |               |               |               |               |               |               |               |               |               |               |               |               |               |              |              |                |
| Intercompany Notes Payable              | -             | -             | -             | -             | 500,000       | -             | -             | -             | -             | -             | -             | 1,675,000     | -             | -            | -            | 2,175,000      |
| Operating Lease Liabilities             | 8,362,361     | 14,876,920    | 12,268,950    | 14,417,292    | 12,989,369    | 15,207,163    | 14,988,414    | 15,229,179    | 16,191,113    | 32,739,953    | 13,362,540    | 19,445,980    | 15,792,901    | -            | 486,314      | 206,358,449    |
| Financing Lease Liabilities             | 90,194        | 89,745        | 63,090        | 32,272        | 34,901        | 49,804        | 49,467        | 32,272        | 210,249       | 154,103       | 38,160        | 42,086        | 49,804        | 25,553       | 63,823       | 1,025,523      |
| Total Long-Term Liabilities             | 8,452,555     | 14,966,665    | 12,332,040    | 14,449,564    | 13,524,270    | 15,256,967    | 15,037,881    | 15,261,451    | 16,401,362    | 32,894,056    | 13,400,700    | 21,163,066    | 15,842,705    | 25,553       | 550,137      | 209,558,972    |
| Total Liabilities                       | 11,222,513    | 18,902,180    | 14,596,949    | 18,044,327    | 14,080,088    | 17,229,688    | 18,590,537    | 18,298,024    | 22,272,473    | 37,849,344    | 15,720,925    | 22,564,960    | 19,540,586    | 1,159,483    | 3,260,021    | 253,332,098    |
| <b>NET ASSETS</b>                       |               |               |               |               |               |               |               |               |               |               |               |               |               |              |              |                |
| Without Donor Restriction               | 6,864,749     | 4,267,595     | 6,390,543     | 5,375,371     | 599,136       | 1,282,602     | 3,248,115     | 3,958,041     | 7,755,532     | 3,566,519     | 2,704,606     | 461,909       | 3,271,493     | 924,004      | 766,338      | 51,436,553     |
| Total Net Assets                        | 6,864,749     | 4,267,595     | 6,390,543     | 5,375,371     | 599,136       | 1,282,602     | 3,248,115     | 3,958,041     | 7,755,532     | 3,566,519     | 2,704,606     | 461,909       | 3,271,493     | 924,004      | 766,338      | 51,436,553     |
| Total Liabilities and Net Assets        | \$ 18,087,262 | \$ 23,169,775 | \$ 20,987,492 | \$ 23,419,698 | \$ 14,679,224 | \$ 18,512,290 | \$ 21,838,652 | \$ 22,256,065 | \$ 30,028,005 | \$ 41,415,863 | \$ 18,425,531 | \$ 23,026,869 | \$ 22,812,079 | \$ 2,083,487 | \$ 4,026,359 | \$ 304,768,651 |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES — RELATED SCHOOLS  
YEAR ENDED JUNE 30, 2023**

|   | KLAP                | KEA                 | KSOL                | KIA                 | KPA               | KAO                 | KVPA                | KRA                 | KCCP                | KCA                 | KAI                 | KCCS              | KPP                 | KSA               | KIG               | Total                |
|---|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|-------------------|-------------------|----------------------|
| <b>REVENUES, WITHOUT DONOR RESTRICTION</b>            |                     |                     |                     |                     |                   |                     |                     |                     |                     |                     |                     |                   |                     |                   |                   |                      |
| State Revenue:  |                     |                     |                     |                     |                   |                     |                     |                     |                     |                     |                     |                   |                     |                   |                   |                      |
| Local Control Funding Formula Sources                 | \$ 6,230,605        | \$ 6,927,751        | \$ 5,752,516        | \$ 6,732,449        | \$ 4,124,222      | \$ 5,475,194        | \$ 6,789,392        | \$ 6,753,850        | \$ 13,137,452       | \$ 12,713,139       | \$ 5,440,615        | \$ 6,455,732      | \$ 5,812,800        | \$ 4,231,834      | \$ 4,795,101      | \$ 101,372,652       |
| Other State Revenue                                   | 2,483,497           | 2,728,017           | 2,197,236           | 2,699,704           | 2,242,652         | 2,074,943           | 2,840,827           | 2,768,273           | 4,796,602           | 4,842,682           | 2,227,765           | 3,011,601         | 3,051,390           | 2,747,261         | 2,185,268         | 42,897,718           |
| Federal Revenue:                                      |                     |                     |                     |                     |                   |                     |                     |                     |                     |                     |                     |                   |                     |                   |                   |                      |
| Grants and Entitlements                               | 976,411             | 967,119             | 805,682             | 1,262,772           | 590,933           | 1,256,493           | 1,162,258           | 1,691,614           | 2,477,749           | 1,385,347           | 975,919             | 839,485           | 911,653             | 1,197,604         | 1,435,787         | 17,936,826           |
| Local Revenue:  |                     |                     |                     |                     |                   |                     |                     |                     |                     |                     |                     |                   |                     |                   |                   |                      |
| Contributions   | 40,393              | 78,906              | 19,761              | 25,831              | 117,644           | 22,280              | 21,398              | 95,349              | 70,982              | 77,279              | 33,253              | 251,371           | 74,545              | 191,709           | 24,519            | 1,145,220            |
| Other Revenue   | 2,169               | 2,802               | 1,694               | 6,643               | 4,194             | 3,782               | 1,981               | 7,994               | 8,534               | 9,438               | 1,618               | 5,193             | 4,023               | 2,917             | 1,665             | 64,647               |
| Total Revenues, Without Donor Restriction             | <u>9,733,075</u>    | <u>10,704,595</u>   | <u>8,776,889</u>    | <u>10,727,399</u>   | <u>7,079,645</u>  | <u>8,832,692</u>    | <u>10,815,856</u>   | <u>11,317,080</u>   | <u>20,491,319</u>   | <u>19,027,885</u>   | <u>8,679,170</u>    | <u>10,563,382</u> | <u>9,854,411</u>    | <u>8,371,325</u>  | <u>8,442,340</u>  | <u>163,417,063</u>   |
| <b>EXPENSES</b>                                       |                     |                     |                     |                     |                   |                     |                     |                     |                     |                     |                     |                   |                     |                   |                   |                      |
| Program Services:                                     |                     |                     |                     |                     |                   |                     |                     |                     |                     |                     |                     |                   |                     |                   |                   |                      |
| Educational Programs                                  | 9,013,761           | 10,067,588          | 8,022,098           | 9,984,353           | 6,656,403         | 8,168,515           | 9,914,197           | 10,684,878          | 18,640,425          | 17,585,627          | 8,192,152           | 10,008,345        | 9,253,508           | 7,899,187         | 7,931,371         | 152,022,408          |
| Support Services:                                     |                     |                     |                     |                     |                   |                     |                     |                     |                     |                     |                     |                   |                     |                   |                   |                      |
| General and Administrative                            | 470,643             | 611,909             | 437,554             | 562,519             | 362,395           | 432,967             | 642,505             | 569,519             | 955,198             | 1,050,629           | 396,893             | 593,753           | 504,643             | 421,080           | 494,483           | 8,506,690            |
| Fundraising   | 15,195              | 8,255               | 8,179               | 5,918               | 3,340             | 5,443               | 3,408               | 38,563              | 25,871              | 25,263              | 3,142               | 18,924            | 25,161              | 3,184             | 4,860             | 194,706              |
| Total Expenses  | <u>9,499,599</u>    | <u>10,687,752</u>   | <u>8,467,831</u>    | <u>10,552,790</u>   | <u>7,022,138</u>  | <u>8,606,925</u>    | <u>10,560,110</u>   | <u>11,292,960</u>   | <u>19,621,494</u>   | <u>18,661,519</u>   | <u>8,592,187</u>    | <u>10,621,022</u> | <u>9,783,312</u>    | <u>8,323,451</u>  | <u>8,430,714</u>  | <u>160,723,804</u>   |
| <b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION</b> | 233,476             | 16,843              | 309,058             | 174,609             | 57,507            | 225,767             | 255,746             | 24,120              | 869,825             | 366,366             | 86,983              | (57,640)          | 71,099              | 47,874            | 11,626            | 2,693,259            |
| Net Assets - Beginning of Year                        | <u>6,631,273</u>    | <u>4,250,752</u>    | <u>6,081,485</u>    | <u>5,200,762</u>    | <u>541,629</u>    | <u>1,056,835</u>    | <u>2,992,369</u>    | <u>3,933,921</u>    | <u>6,885,707</u>    | <u>3,200,153</u>    | <u>2,617,623</u>    | <u>519,549</u>    | <u>3,200,394</u>    | <u>876,130</u>    | <u>754,712</u>    | <u>48,743,294</u>    |
| <b>NET ASSETS - END OF YEAR</b>                       | <u>\$ 6,864,749</u> | <u>\$ 4,267,595</u> | <u>\$ 6,390,543</u> | <u>\$ 5,375,371</u> | <u>\$ 599,136</u> | <u>\$ 1,282,602</u> | <u>\$ 3,248,115</u> | <u>\$ 3,958,041</u> | <u>\$ 7,755,532</u> | <u>\$ 3,566,519</u> | <u>\$ 2,704,606</u> | <u>\$ 461,909</u> | <u>\$ 3,271,493</u> | <u>\$ 924,004</u> | <u>\$ 766,338</u> | <u>\$ 51,436,553</u> |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS  
STATEMENT OF CASH FLOWS — RELATED SCHOOLS  
YEAR ENDED JUNE 30, 2023**

|   | KLAP                | KEA                 | KSOL                | KIA                 | KPA               | KAQ                 | KVPA                | KRA                 | KCCP                 | KCA                 | KAI                 | KCCS                | KPP                 | KSA               | KIG                 | Total                |
|---|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |                     |                     |                     |                   |                     |                     |                     |                      |                     |                     |                     |                     |                   |                     |                      |
| Change in Net Assets  | \$ 233,476          | \$ 16,843           | \$ 309,058          | \$ 174,609          | \$ 57,507         | \$ 225,767          | \$ 255,746          | \$ 24,120           | \$ 869,825           | \$ 366,366          | \$ 86,963           | \$ (57,640)         | \$ 71,099           | \$ 47,874         | \$ 11,626           | \$ 2,693,259         |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: |                     |                     |                     |                     |                   |                     |                     |                     |                      |                     |                     |                     |                     |                   |                     |                      |
| Depreciation  | 137,889             | 73,555              | 52,457              | 87,877              | 74,496            | 9,164               | 6,329               | 60,086              | 211,757              | 134,619             | 46,139              | 6,623               | 91,184              | -                 | -                   | 991,975              |
| Amortization of Financing Right of Use Asset (Increase) and Decrease in Operating Assets:   | 19,423              | 32,592              | 21,389              | 16,940              | 18,188            | 17,979              | 22,644              | 16,940              | 45,561               | 41,732              | 20,000              | 19,244              | 17,979              | 13,413            | 24,767              | 348,791              |
| Accounts Receivable - Federal and State   | 615,776             | 1,019,770           | 929,391             | 1,126,666           | 846,259           | 571,343             | 1,119,672           | 831,119             | 1,561,638            | 1,935,641           | 843,790             | 723,455             | 1,208,007           | 763,907           | 824,881             | 14,921,315           |
| Accounts Receivable - Other   | (4,865)             | (4,486)             | (3,999)             | (4,431)             | (10,575)          | (5,317)             | (6,130)             | (6,232)             | (14,020)             | (7,274)             | (5,501)             | (94,974)            | (1,847)             | (5,837)           | (2,968)             | (178,456)            |
| Prepaid Expenses  | -                   | -                   | 15,000              | -                   | -                 | -                   | -                   | -                   | 44,516               | -                   | -                   | -                   | 810,611             | 30,316            | 38,414              | 938,857              |
| Security Deposit  | -                   | -                   | 150                 | -                   | -                 | -                   | -                   | -                   | -                    | -                   | -                   | -                   | -                   | -                 | -                   | 150                  |
| Deferred Rent Asset   | 515,090             | -                   | -                   | -                   | -                 | -                   | -                   | -                   | -                    | -                   | -                   | -                   | -                   | -                 | -                   | 515,090              |
| Operating Right of Use Assets Increase and (Decrease) in Operating Liabilities:             | (8,929,916)         | (17,567,681)        | (12,458,198)        | (14,640,164)        | (12,905,914)      | (15,130,380)        | (15,201,807)        | (14,992,972)        | (16,518,662)         | (32,769,939)        | (13,414,357)        | (19,441,068)        | (16,873,838)        | (323,660)         | (828,450)           | (211,997,006)        |
| Accounts Payable - Federal and State  | 152,284             | 132,138             | 141,810             | 143,232             | 79,362            | 133,436             | 191,116             | 154,867             | 351,358              | 335,390             | 134,915             | 187,585             | 141,350             | 116,071           | 101,896             | 2,496,810            |
| Accounts Payable - Other  | (87,665)            | 13,800              | 40,480              | (22,006)            | 34,424            | (60,250)            | (244,810)           | 70,877              | 157,487              | 44,281              | 52,773              | 9,138               | 66,994              | 136,218           | 73,148              | 284,889              |
| Accrued Liabilities   | 22,153              | 6,811               | (7,420)             | (5,893)             | (3,828)           | 5,361               | (2,621)             | 7,259               | (23,787)             | (601)               | 18,390              | (10,578)            | 525                 | (11,369)          | (2,131)             | (7,729)              |
| Unearned Revenue  | 1,193,212           | 1,788,692           | 1,057,166           | 1,409,496           | (97,593)          | 890,429             | 1,733,779           | 1,127,947           | 2,541,747            | 2,177,990           | 1,141,469           | 121,277             | 2,057,001           | (195,933)         | 1,025,787           | 17,972,466           |
| Deferred Rent Liability   | -                   | (132,816)           | (115,140)           | (135,332)           | (68,895)          | (526,621)           | (144,289)           | (649,807)           | (338,276)            | (389,343)           | (181,579)           | (49,623)            | (142,409)           | (57,025)          | (146,727)           | (3,077,832)          |
| Operating Lease Liabilities   | 8,832,924           | 15,256,837          | 12,593,906          | 14,799,198          | 13,136,729        | 15,468,254          | 15,362,402          | 15,633,781          | 16,825,480           | 33,265,761          | 13,641,277          | 19,666,812          | 16,097,629          | 357,368           | 934,733             | 211,873,091          |
| Due to KIPP SoCal Public Schools  | -                   | (678,841)           | (765,564)           | (34,675)            | (562,407)         | (698,567)           | (872,929)           | -                   | -                    | (1,620,661)         | (761,694)           | (715,138)           | (866,609)           | (655,529)         | (693,561)           | (9,126,375)          |
| Net Cash Provided by Operating Activities   | 2,699,581           | (242,786)           | 1,810,486           | 2,915,517           | 597,753           | 900,598             | 2,219,102           | 2,277,985           | 5,714,624            | 3,513,762           | 1,622,605           | 272,327             | 2,770,462           | 215,814           | 1,361,415           | 28,649,245           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                     |                     |                     |                   |                     |                     |                     |                      |                     |                     |                     |                     |                   |                     |                      |
| Purchases of Property, Plant, and Equipment   | (492,558)           | (15,892)            | -                   | (27,419)            | (17,200)          | -                   | -                   | (138,965)           | (95,041)             | (8,620)             | -                   | -                   | (61,460)            | (67,495)          | -                   | (924,650)            |
| Net Cash Used by Investing Activities   | (492,558)           | (15,892)            | -                   | (27,419)            | (17,200)          | -                   | -                   | (138,965)           | (95,041)             | (8,620)             | -                   | -                   | (61,460)            | (67,495)          | -                   | (924,650)            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                     |                     |                     |                     |                   |                     |                     |                     |                      |                     |                     |                     |                     |                   |                     |                      |
| Proceeds on Intercompany Notes Payable  | -                   | -                   | -                   | -                   | -                 | (175,000)           | -                   | -                   | -                    | -                   | -                   | -                   | -                   | -                 | (600,000)           | (775,000)            |
| Payments on Finance Leases  | (18,246)            | (30,902)            | (20,358)            | (16,257)            | (17,451)          | (17,043)            | (21,646)            | (16,257)            | (42,802)             | (39,421)            | (19,190)            | (18,394)            | (17,043)            | (12,872)          | (23,542)            | (331,424)            |
| Net Cash Used by Financing Activities   | (18,246)            | (30,902)            | (20,358)            | (16,257)            | (17,451)          | (192,043)           | (21,646)            | (16,257)            | (42,802)             | (39,421)            | (19,190)            | (18,394)            | (17,043)            | (12,872)          | (623,542)           | (1,106,424)          |
| <b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>                             | 2,188,777           | (289,580)           | 1,790,128           | 2,871,841           | 563,102           | 708,555             | 2,197,456           | 2,122,763           | 5,576,781            | 3,465,721           | 1,603,415           | 253,933             | 2,691,959           | 135,447           | 737,873             | 26,618,171           |
| Cash, Cash Equivalents and Restricted Cash - Beginning of Year                              | 4,719,242           | 4,414,389           | 5,586,044           | 4,200,725           | 155,814           | 1,235,836           | 3,255,154           | 3,434,767           | 4,604,779            | 2,648,932           | 2,494,559           | 793,877             | 1,787,563           | 404,474           | 1,450,527           | 41,186,682           |
| <b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>                             | <u>\$ 6,908,019</u> | <u>\$ 4,124,809</u> | <u>\$ 7,376,172</u> | <u>\$ 7,072,566</u> | <u>\$ 718,916</u> | <u>\$ 1,944,391</u> | <u>\$ 5,452,610</u> | <u>\$ 5,557,530</u> | <u>\$ 10,181,560</u> | <u>\$ 6,114,653</u> | <u>\$ 4,097,974</u> | <u>\$ 1,047,810</u> | <u>\$ 4,479,522</u> | <u>\$ 539,921</u> | <u>\$ 2,188,400</u> | <u>\$ 67,804,853</u> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                                     |                     |                     |                     |                     |                   |                     |                     |                     |                      |                     |                     |                     |                     |                   |                     |                      |
| Equipment Received in Exchange for Finance Lease  | \$ 134,303          | \$ 152,444          | \$ 107,351          | \$ 65,256           | \$ 70,308         | \$ 84,383           | \$ 93,384           | \$ 65,256           | \$ 313,411           | \$ 242,437          | \$ 77,099           | \$ 79,406           | \$ 84,383           | \$ 51,670         | \$ 111,590          | \$ 1,732,681         |
| Cash Paid for Interest  | \$ -                | \$ -                | \$ -                | \$ -                | \$ 5,000          | \$ 1,750            | \$ -                | \$ -                | \$ -                 | \$ -                | \$ -                | \$ 16,750           | \$ -                | \$ -              | \$ 6,000            | \$ 29,500            |

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**PURPOSE OF SCHEDULES**

**NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME**

This schedule presents information on the amount of instructional time offered by KIPP SoCal and whether KIPP SoCal complied with the provisions of California Education Code.

**NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE**

Average daily attendance is a measurement of the number of pupils attending classes of KIPP SoCal. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

**NOTE 2 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS**

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited consolidated financial statements.

**NOTE 3 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of KIPP SoCal under programs of the federal governmental for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of KIPP SoCal, it is not intended to and does not present the financial position, changes in net assets, or cash flows of KIPP SoCal.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. KIPP SoCal has elected to use a rate other than the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**NOTE 4 STATEMENTS OF FINANCIAL POSITION, ACTIVITIES, AND CASH FLOWS – KIPP SOCAL SCHOOLS BY CHARTER SCHOOL**

These statements report the financial position, activities, and cash flows for each of KIPP SoCal's charter schools as is required to be reported by the provisions of the California Education Code.



**KIPP SOCAL PUBLIC SCHOOLS  
NOTES TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**NOTE 5 STATEMENTS OF FINANCIAL POSITION, ACTIVITIES, AND CASH FLOWS – RELATED SCHOOLS**

These statements report the financial position, activities, and cash flows for KIPP LA Preparatory Academy, KIPP Empower Academy, KIPP Sol Academy, KIPP Illuminar Academy, KIPP Philosophers Academy, KIPP Academy of Opportunity, KIPP Vida Preparatory Academy, KIPP Raices Academy, KIPP Comienza Community Prep, KIPP Corazon Academy, KIPP Academy of Innovation, and KIPP Compton Community School, KIPP Promesa Prep, KIPP Scholar Academy, and KIPP Ignite Academy defined as “Related Schools” to the “Obligated Group” in the Master Indenture of Trust that applies to the Series 2014 A&B, 2015A&B, 2017A, 2019A, and 2020A bond issues and the Line of Credit issued by PNC Bank.

The Obligated Group consists of SoLA School 1, LLC; ChaMed, LLC; KLA 2810 Whittier, LLC; SoLA 2, LLC; Budnon, LLC; 668 Atlantic, LLC; BH Soto, LLC; Curiosity RE, LLC; SeLA, LLC; Zest RE, LLC; Grit RE, LLC; KLARE 18, LLC; KLARE 15, LLC; and KLARE 17, LLC. Each Related School has a lease with a member of the Obligated Group.



**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 SoCal Public Schools  
Los Angeles, California

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 SoCal Public Schools (KIPP SoCal), a nonprofit California public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 11, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered KIPP SoCal'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 KIPP SoCal's internal control. Accordingly, we do not express an opinion on the effectiveness of KIPP SoCal's internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether KIPP SoCal’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Glendora, California  
December 11, 2023



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

Board of Directors  
KIPP SoCal Public Schools  
Los Angeles, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited KIPP SoCal Public Schools' (KIPP SoCal), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of KIPP SoCal's major federal programs for the year ended June 30, 2023. KIPP SoCal's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, KIPP SoCal complied, in all material respects, with the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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



**CliftonLarsonAllen LLP**

Glendora, California  
December 11, 2023



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Directors  
KIPP SoCal Public Schools  
Los Angeles, California

### **Report on Compliance**

#### **Opinion on State Compliance**

We have audited KIPP SoCal Public Schools's (KIPP SoCal) compliance with the types of compliance requirements applicable to the KIPP SoCal described in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2023. KIPP SoCal's applicable State compliance requirements are identified in the table below.

In our opinion, KIPP SoCal complied, in all material respects, with the compliance requirements referred to above that are applicable to KIPP SoCal for the year ended June 30, 2023.

#### **Basis for Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our responsibilities under those standards and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

#### **Responsibilities of Management for Compliance**

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

**Auditors’ Responsibility for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the KIPP SoCal's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the KIPP SoCal's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the KIPP SoCal's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the KIPP SoCal's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, but not for the purpose of expressing an opinion on the effectiveness of the KIPP SoCal's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Compliance Requirements Tested**

In connection with the audit referred to above, we selected and tested transactions and records to determine the KIPP SoCal’s compliance with the laws and regulations applicable to the following items:

| <u>Description</u>  | <u>Procedures Performed</u> |
|---|-----------------------------|
| School Districts, County Offices of Education, and Charter Schools: |                             |
| California Clean Energy Jobs Act                                    | Not Applicable <sup>1</sup> |
| After/Before School Education and Safety Program                    | Yes                         |
| Proper Expenditure of Education Protection Account Funds            | Yes                         |
| Unduplicated Local Control Funding Formula Pupil Counts             | Yes                         |



|   |                             |
|---|-----------------------------|
| Local Control and Accountability Plan                       | Yes                         |
| Independent Study-Course Based                              | Not Applicable <sup>2</sup> |
| Immunizations   | Not Applicable <sup>3</sup> |
| Educator Effectiveness                                      | Yes                         |
| Expanded Learning Opportunities Grant (ELO-G)               | Yes                         |
| Career Technical Education Incentive Grant (CTEIG)          | Not Applicable <sup>4</sup> |
| Transitional Kindergarten                                   | Yes                         |
| Charter Schools:  |                             |
| Attendance  | Yes                         |
| Mode of Instruction   | Yes                         |
| Nonclassroom-Based Instruction/Independent Study            | Yes                         |
| Determination of Funding for Nonclassroom-Based Instruction | Not Applicable <sup>5</sup> |
| Annual Instructional Minutes – Classroom Based              | Yes                         |
| Charter School Facility Grant Program                       | Yes                         |

Not Applicable<sup>1</sup>: KIPP SoCal did not have any expenditures for California Clean Energy Jobs Act in the year under audit or a completed project between 12 and 15 months prior to any month in the audit year.

Not Applicable<sup>2</sup>: KIPP SoCal did not report ADA pursuant to Education Code section 51749.5.

Not Applicable<sup>3</sup>: KIPP SoCal did not have any charter school subject to audit of immunizations as listed in the California Department of Public Health (CDPH) website as listed in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Not Applicable<sup>4</sup>: KIPP SoCal did not receive a CTEIG allocation for the audit year.

Not Applicable<sup>5</sup>: KIPP SoCal did not report more than 20% of its ADA as generated through nonclassroom-based instruction (independent study).

**Other Matters**

The results of our audit procedures disclosed instances of noncompliance, which is required to be reported in accordance with *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on each state program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on KIPP SoCal's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. KIPP SoCal's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be significant deficiencies.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on KIPP SoCal's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. KIPP SoCal's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



**CliftonLarsonAllen LLP**

Glendora, California  
December 11, 2023

**KIPP SOCAL PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

**Identification of Major Federal Programs**

| <b>Assistance Listing Number(s)</b> | <b>Name of Federal Program or Cluster</b>                     |
|-------------------------------------|---|
| 84.010                              | Title I   |
| 84.027                              | Special Education Cluster                                     |
| 84.425C                             | Governor’s Emergency Education Relief (GEER) Fund             |
| 84.425D                             | Elementary and Secondary School Emergency Relief (ESSER) Fund |
| 84.425U                             | Elementary and Secondary School Emergency Relief (ESSER) Fund |

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

Auditee qualified as low-risk auditee?        x   yes      \_\_\_\_\_ no

**KIPP SOCAL PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

All audit findings must be identified as one or more of the following categories:

| <u>Five Digit Code</u> | <u>Finding Types</u>                                 |
|------------------------|--|
| 10000                  | Attendance   |
| 20000                  | Inventory of Equipment                               |
| 30000                  | Internal Control                                     |
| 40000                  | State Compliance                                     |
| 42000                  | Charter School Facilities Program                    |
| 43000                  | Apprenticeship: Related and Supplemental Instruction |
| 50000                  | Federal Compliance                                   |
| 60000                  | Miscellaneous  |
| 61000                  | Classroom Teacher Salaries                           |
| 62000                  | Local Control Accountability Plan                    |
| 70000                  | Instructional Materials                              |
| 71000                  | Teacher Misassignments                               |
| 72000                  | School Accountability Report Card                    |

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**Section II – 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 – Major Federal Program Findings**

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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**Section IV – State Compliance Findings**

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**2023-001**                      **Unduplicated Pupil Counts**    **40000**

**KIPP Endeavor College Preparatory Charter (KECP) - #1094**

**Criteria:** Education code section 42238.02 (b)(2) requires a charter school to submit its enrolled free and reduced-price meal eligibility, foster youth and English learner pupil-level records for enrolled pupils using the California Longitudinal Pupil Achievement Data System (CalPADS). The CalPADS 1.17 and 1.18 reports should accurately report the number of students eligible for free and reduced-price meals and those identified as “English Learners.”

**Condition:** During our testing of KIPP Endeavor College Preparatory Academy (KECP), we noted 1 error in which a student was inaccurately reported as eligible for free and reduced-price meals.

**Effect:** KECP is not in compliance with Education code section 42238.02 (b)(2).

**KIPP SOCAL PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

**2023-001**                      **Unduplicated Pupil Counts (Continued)**                      **40000**

**Questioned Costs:** \$3,662.

**Cause:** KIPP SoCal is managing Unduplicated Students income eligibility via Titan software which helps to automate data collection and eligibility determination. Titan was instrumental, since implementation, in terms of securing data accuracy, completeness, and timely processing. However, in FY2023 KIPP SoCal discovered an error with one of the student's eligibility determinations. The KIPP SoCal Operations Team along with the Titan Technology Team identified that the issue was caused due to a system glitch. The incident appeared to be a random occurrence. The Titan Team implemented corrective measures in the software to address this system glitch.

**Recommendation:** To avoid this type of occurrence, KIPP SoCal should implement an internal control procedure to avoid errors.

**Corrective Action:** To avoid this type of occurrence, KIPP SoCal implemented an internal control procedure by creating a model that manually recalculates eligibility for each student based on raw data. The Regional Operations Manager reviews the results of calculations against the results produced by Titan and certifies data accuracy. The calculations and review certification are shared with the Director of Data, who performs a final review before submission to CALPADs.

**2023-002**                      **Transitional Kindergarten**                      **40000**

- KIPP Iluminar Academy (KIA) - #1508**
- KIPP Comienza Community Prep (KCCP) - #1196**
- KIPP Compton (KCCS) - #1996**
- KIPP Corazon Academy (KCA) - #1855**
- KIPP Empower Academy (KEA) - #1195**
- KIPP Ignite (KIG) - #1720**
- KIPP Vida Preparatory Academy (KVPA) - #1587**

**Criteria:** Per California Education Code section 48000(g)(1), charter schools must maintain average transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite. Additionally, per Education Code section 48000(g)(2) schools must maintain an average of at least one adult for every 12 pupils.

**Condition:** During transitional kindergarten testing we noted KIA, KCCP, KCCS, KCA, KEA, KIG, and KVPA did not meet the transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite. In addition, these schools did not meet the adult to pupil ratio requirement of not more than one adult for every 12 pupils.

**KIPP SOCAL PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

**2023-002**

**Transitional Kindergarten (Continued)**

**40000**

**Effect:** KIA, KCCP, KCCS, KCA, KEA, KIG, and KVPA are not in compliance with California Education Code requirements, which resulted in the following penalties:

| Average Class Enrollment - Penalty Calculations |              |              |              |              |              |             |              |
|---|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
|   | KIA          | KCCP         | KCCS         | KCA          | KEA          | KIG         | KVPA         |
| TK ADA per P2                                   | 13.94        | 10.73        | 19.76        | 11.89        | 13.81        | 10.19       | 11.1         |
| Penalty Rate                                    | \$ 953.00    | \$ 953.00    | \$ 953.00    | \$ 953.00    | \$ 953.00    | \$ 953.00   | \$ 953.00    |
| Questioned Costs                                | \$ 13,284.82 | \$ 10,225.69 | \$ 18,831.28 | \$ 11,331.17 | \$ 13,160.93 | \$ 9,711.07 | \$ 10,578.30 |

  

| Adult to Pupil Ratio - Penalty Calculations                |                     |                     |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | KIA                 | KCCP                | KCCS                | KCA                 | KEA                 | KIG                 | KVPA                |
| Number of Additional Adults Needed to Meet the Requirement | 0.4                 | 0.4                 | 0.3                 | 0.4                 | 0.5                 | 0.4                 | 0.3                 |
| Twenty-four, reduced by the statewide avg. rate of absence | 21.9984             | 21.9984             | 21.9984             | 21.9984             | 21.9984             | 21.9984             | 21.9984             |
| TK Average Daily Attendance                                | \$ 2,813.00         | \$ 2,813.00         | \$ 2,813.00         | \$ 2,813.00         | \$ 2,813.00         | \$ 2,813.00         | \$ 2,813.00         |
| Add-On Rate  | \$ 24,752.60        | \$ 24,752.60        | \$ 18,564.45        | \$ 24,752.60        | \$ 30,940.75        | \$ 24,752.60        | \$ 18,564.45        |
| Questioned Costs   | \$ 24,752.60        | \$ 24,752.60        | \$ 18,564.45        | \$ 24,752.60        | \$ 30,940.75        | \$ 24,752.60        | \$ 18,564.45        |
| Total Questioned Costs:                                    | <u>\$ 38,037.42</u> | <u>\$ 34,978.29</u> | <u>\$ 37,395.73</u> | <u>\$ 36,083.77</u> | <u>\$ 44,101.68</u> | <u>\$ 34,463.67</u> | <u>\$ 29,142.75</u> |

**Cause:** Fiscal year 2023 was the first year of Transitional Kindergarten implementation and the state guidance surrounding the Transitional Kindergarten programs was unclear when KIPP SoCal elementary schools planned their instructional and classroom models for the 2022-23 school year. Consistent with their historical practices, these schools created TK/K combo classrooms that were enrolled with more than 24 students and were typically staffed with one qualified teacher and one qualified instructional aid. Generally, each classroom had fewer than 5 TK students enrolled and the schools have had a multi-year track record with this combined TK/K classroom size and structure.

**Questioned Costs:** See penalty calculations in the “effect” section above.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** To ensure compliance, KIPP SoCal should implement an internal control procedure to monitor TK/K enrollment.

**Corrective Action:** To ensure compliance with TK requirements, we have changed enrollment, staff recruitment, and in-hours staff development practices along with generally created space for at least one dedicated TK classroom at each school. We have also implemented a monthly process to check our TK classroom enrollment and student-teacher ratio. The updates will enable us to maintain the required classroom size and adult-to-pupil ratios. In addition, we have revised our internal controls for more frequent audits of teacher-to-student ratios and a classroom size requirement of twenty-four.

**KIPP SoCAL PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2023**

KIPP SoCal Schools respectfully submits the following summary schedule of prior audit findings for the year ended June 30 2022.

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no financial statement findings in the prior year.

**FINDINGS – FEDERAL AWARD PROGRAMS AUDITS**

There were no federal award program audit findings in the prior year.

**FINDINGS – STATE COMPLIANCE**

**2022-001**                      **Independent Study Program**    **40000**

- KIPP Academy of Opportunity (KAO) - #530**
- KIPP Empower Academy (KEA) - #1195**
- KIPP Scholar Academy (KSA) - #1377**
- KIPP Illuminar Academy (KIA) - #1508**
- KIPP Vida Preparatory Academy (KVPA) - #1587**
- KIPP Promesa Preparatory (KPP) - #1721**
- KIPP Ignite Academy (KIG) - #1720**
- KIPP Compton Community School (KCCS) - #1996**
- KIPP Pueblo Unido (KPU) - #2041**
- KIPP Poder Public School (KPPS) - #2112**
- KIPP Endeavor College Preparatory Charter (KECP) - #1094**

**Criteria:**                      Written agreements were obtained and contained all the elements required by Education Code section 51747(c)

**Condition:**                      We noted that of the 29 samples that were required to be tested, we noted exceptions in 14 of the independent study agreements for one or more of the following reasons:

- Written agreement exists for each pupil
- Every written agreement contained all the elements required by Education Code section 51747(c)
- Signatures of student, parent (unless student is 18 or over), and certificated employee no later than 30 days after the first day of independent study instruction or October 15, whichever comes later

**Cause:**                      The charter school implemented an independent study program pursuant to a requirement that schools offer independent study for the 2021–22 school year only (EC Section 51745). This requirement expired on June 30, 2022.

**KIPP SOCAL PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

|                        |  |              |
|------------------------|--|--------------|
| <b>2022-001</b>        | <b><u>Independent Study Program</u> (Continued)</b>                                    | <b>40000</b> |
| <b>Recommendation:</b> | We recommend that the charter schools develop procedures to ensure program compliance. |              |
| <b>Status:</b>         | Implemented.   |              |





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