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State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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January 16, 2025

Charter School Board
KIPP Indianapolis, Inc.
Marion County, Indiana

We have reviewed the audit report of KIPP Indianapolis, Inc., which was opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of KIPP Indianapolis, Inc. as of June 30, 2024 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Greenwalt CPAs, Inc. prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report of KIPP Indianapolis, Inc., was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

KIPP INDIANAPOLIS, INC.
FINANCIAL STATEMENTS
Together with Independent Auditors' Report
JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
KIPP Indianapolis, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KIPP Indianapolis, Inc. (an Indiana public charter school, "the School"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits 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 of America (*Government Auditing Standards*), and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources* and *Guidelines for Audits for Charter Schools performed by Private Examiners* established by the Indiana State Board of Accounts. 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 the School 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 School's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditors' Responsibilities 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, *Government Auditing Standards*, and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources* and *Guidelines for Audits for Charter Schools performed by Private Examiners*, 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

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

Greenwald CPAs, Inc.

November 18, 2024

KIPP INDIANAPOLIS, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2024 AND 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash	\$ 7,193,209	\$ 5,689,765
Accounts receivable	54,625	57,762
Grants and contributions receivable	474,900	655,927
Prepaid expenses	102,601	82,524
<i>Total current assets</i>	<u>7,825,335</u>	<u>6,485,978</u>
CASH EQUIVALENTS RESTRICTED FOR BOND REDEMPTION AND REPLACEMENT RESERVE	<u>1,174,545</u>	<u>1,170,074</u>
PROPERTY AND EQUIPMENT		
Building and improvements	11,432,705	11,379,820
Leasehold improvements	1,505,538	1,307,788
Books and education materials	673,166	518,430
Furniture and equipment	2,073,688	1,845,955
Computer equipment	1,193,067	1,127,131
Accumulated depreciation and amortization	<u>(4,836,922)</u>	<u>(3,661,745)</u>
<i>Total property and equipment, net</i>	<u>12,041,242</u>	<u>12,517,379</u>
RIGHT-OF-USE ASSETS - OPERATING LEASES	<u>173,608</u>	<u>287,045</u>
<i>Total assets</i>	<u>\$ 21,214,730</u>	<u>\$ 20,460,476</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 261,112	\$ 698,729
Related party payable	77,778	77,105
Accrued personnel costs	1,192,619	1,106,726
Other accrued expenses	70,055	179,268
Conditional contributions and grants	148,734	426,500
Accrued bond interest	276,800	279,900
Current portion of operating lease liabilities	103,312	113,332
Current portion of bonds payable	160,000	155,000
Current portion of notes payable	<u>32,500</u>	<u>32,500</u>
<i>Total current liabilities</i>	<u>2,322,910</u>	<u>3,069,060</u>
LONG TERM LIABILITIES		
Bonds payable, net of unamortized bond premium and deferred bond issuance costs	11,140,476	11,299,684
Operating lease liabilities, net of current portion	70,699	174,010
Notes payable, net of current portion	<u>48,750</u>	<u>81,250</u>
<i>Total long term liabilities</i>	<u>11,259,925</u>	<u>11,554,944</u>
<i>Total liabilities</i>	<u>13,582,835</u>	<u>14,624,004</u>
COMMITMENTS (NOTE 6)		
NET ASSETS		
Without donor restrictions		
Undesignated	6,382,004	4,579,146
Board designated	<u>90,000</u>	<u>90,000</u>
<i>Total net assets without donor restrictions</i>	<u>6,472,004</u>	<u>4,669,146</u>
With donor restrictions	<u>1,159,891</u>	<u>1,167,326</u>
<i>Total net assets</i>	<u>7,631,895</u>	<u>5,836,472</u>
<i>Total liabilities and net assets</i>	<u>\$ 21,214,730</u>	<u>\$ 20,460,476</u>

KIPP INDIANAPOLIS, INC.
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2024 TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2023 TOTAL
REVENUE AND SUPPORT						
Private funding	\$ 1,544,974	\$ 548,761	\$ 2,093,735	\$ 820,489	\$ 243,960	\$ 1,064,449
State funding	15,489,243	2,528,577	18,017,820	12,665,514	3,092,339	15,757,853
Federal funding	7,705,036	-	7,705,036	7,369,319	-	7,369,319
In-kind contributions	5,485,371	-	5,485,371	4,533,308	-	4,533,308
Other income	476,690	-	476,690	288,976	-	288,976
<i>Total</i>	<u>30,701,314</u>	<u>3,077,338</u>	<u>33,778,652</u>	<u>25,677,606</u>	<u>3,336,299</u>	<u>29,013,905</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>3,084,773</u>	<u>(3,084,773)</u>	<u>-</u>	<u>3,631,870</u>	<u>(3,631,870)</u>	<u>-</u>
<i>Total revenue and support</i>	<u>33,786,087</u>	<u>(7,435)</u>	<u>33,778,652</u>	<u>29,309,476</u>	<u>(295,571)</u>	<u>29,013,905</u>
EXPENSES						
Instructional expenses						
Personnel costs	9,180,420	-	9,180,420	9,182,766	-	9,182,766
Professional services	1,437,882	-	1,437,882	1,056,324	-	1,056,324
Supplies and materials	605,241	-	605,241	804,167	-	804,167
Other	-	-	-	16,596	-	16,596
<i>Total instructional expenses</i>	<u>11,223,543</u>	<u>-</u>	<u>11,223,543</u>	<u>11,059,853</u>	<u>-</u>	<u>11,059,853</u>
Administration expenses						
Personnel costs	7,921,004	-	7,921,004	6,756,413	-	6,756,413
Professional services	930,027	-	930,027	1,026,743	-	1,026,743
Staff training	170,096	-	170,096	175,021	-	175,021
Community relations	156,099	-	156,099	137,428	-	137,428
Supplies and materials	224,444	-	224,444	235,887	-	235,887
Other	23,527	-	23,527	21,996	-	21,996
<i>Total administration expenses</i>	<u>9,425,197</u>	<u>-</u>	<u>9,425,197</u>	<u>8,353,488</u>	<u>-</u>	<u>8,353,488</u>
Other expenses						
Facilities	4,433,401	-	4,433,401	3,835,914	-	3,835,914
Technology	377,431	-	377,431	457,182	-	457,182
Interest	555,447	-	555,447	561,093	-	561,093
Depreciation and amortization	1,175,176	-	1,175,176	1,074,855	-	1,074,855
Student transportation and other	4,793,034	-	4,793,034	3,690,068	-	3,690,068
<i>Total other expenses</i>	<u>11,334,489</u>	<u>-</u>	<u>11,334,489</u>	<u>9,619,112</u>	<u>-</u>	<u>9,619,112</u>
<i>Total expenses</i>	<u>31,983,229</u>	<u>-</u>	<u>31,983,229</u>	<u>29,032,453</u>	<u>-</u>	<u>29,032,453</u>
CHANGE IN NET ASSETS	<u>1,802,858</u>	<u>(7,435)</u>	<u>1,795,423</u>	<u>277,023</u>	<u>(295,571)</u>	<u>(18,548)</u>
NET ASSETS, BEGINNING OF YEAR	<u>4,669,146</u>	<u>1,167,326</u>	<u>5,836,472</u>	<u>4,392,123</u>	<u>1,462,897</u>	<u>5,855,020</u>
NET ASSETS, END OF YEAR	<u>\$ 6,472,004</u>	<u>\$ 1,159,891</u>	<u>\$ 7,631,895</u>	<u>\$ 4,669,146</u>	<u>\$ 1,167,326</u>	<u>\$ 5,836,472</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from private funding	\$ 1,815,969	\$ 1,479,931
Cash received from state and federal funding	25,907,020	23,849,912
Cash received from other income sources	476,690	288,976
Cash paid to suppliers and employees	(24,811,089)	(22,315,530)
Interest paid	(559,338)	(561,884)
	<u>2,829,252</u>	<u>2,741,405</u>
<i>Net cash provided by operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,134,629)	(1,298,093)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(186,708)	(31,709)
NET CHANGE IN CASH	1,507,915	1,411,603
CASH AND RESTRICTED CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,859,839</u>	<u>5,448,236</u>
CASH AND RESTRICTED CASH EQUIVALENTS, END OF YEAR	8,367,754	6,859,839
RESTRICTED CASH EQUIVALENTS	<u>(1,174,545)</u>	<u>(1,170,074)</u>
TOTAL CASH IN CURRENT ASSETS	<u>\$ 7,193,209</u>	<u>\$ 5,689,765</u>
NON-CASH OPERATING ACTIVITIES		
In-kind services	<u>\$ 5,485,371</u>	<u>\$ 4,533,308</u>
Operating lease ROU assets obtained in exchange for new operating lease liabilities	<u>\$ 7,188</u>	<u>\$ 387,377</u>
NON-CASH INVESTING ACTIVITIES		
Purchases of property and equipment in accounts payable and other accrued expenses	<u>\$ 48,207</u>	<u>\$ 483,797</u>

RECONCILIATION OF CHANGE IN NET ASSETS TO
 NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>2024</u>	<u>2023</u>
CHANGE IN NET ASSETS	\$ 1,795,423	\$ (18,548)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization	1,175,176	1,074,855
<i>(Increase) decrease in operating assets</i>		
Accounts receivable	3,137	(335)
Grants and contributions receivable	181,027	723,075
Prepaid expenses	(20,077)	102,995
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	(485,824)	(198,089)
Related party payable	673	6,489
Accrued personnel costs	85,893	393,911
Other accrued expenses	374,584	241,273
Conditional contributions and grants	(277,766)	415,482
Operating lease liabilities, net	106	297
Accrued bond interest	(3,100)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,829,252</u>	<u>\$ 2,741,405</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

KIPP Indianapolis, Inc. (the "School") was incorporated March 21, 2003, under the laws of the State of Indiana and commenced operations in September 2004. The School is a network of tuition-free, open-enrollment, college preparatory, public charter schools. The School currently manages the KIPP Indy College Prep Middle School, KIPP Indy Unite Elementary School, and KIPP Indy Legacy High School. The School is dedicated to preparing students in the under-served communities of Indianapolis for success in college and life. A longer school day, academic and character development, a relentless focus on student outcomes and college completion - coupled with unparalleled professional development programs for teachers and school leaders - create "The KIPP Effect". The School's main sources of revenue are private funding and state and federal grants.

The academic program of the School is designed to challenge every student to achieve on or above grade level performance in all academic subjects. While students may enter the school below grade level in many areas, the school is prepared for the challenge of equipping students with the knowledge, skills, and habits necessary for success in an academically rigorous college preparatory high school.

The School provides an age-appropriate curriculum for reading, language arts, math, science, and social studies at each grade level. Grade levels kindergarten through twelfth grade are currently being served. All students are enrolled in physical education. Teachers also lead an advisory role, which consists of instruction in values, life skills, and study skills.

There are certain transactions that occur during the normal course of business between the three schools in the School's network. These transactions have been eliminated for reporting purposes.

BASIS OF ACCOUNTING AND USE OF ESTIMATES

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were cash equivalents of \$1,174,545 and \$1,170,074 at June 30, 2024 and 2023, respectively.

At June 30, 2024 and 2023, the School maintained cash in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) by approximately \$7.9 million and \$6.4 million, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ACCOUNTS, GRANTS, AND CONTRIBUTIONS RECEIVABLE

Accounts receivable as of June 30, 2024 and 2023 represent the uncollected portion of shared space and services with a local community center. See Note 7. Accounts receivable were \$54,625, \$57,762, and \$57,427 at June 30, 2024, 2023, and 2022, respectively.

Grants receivable represent the uncollected portion of funds from grants awarded to the School. Grants receivable are unsecured and are due from Indiana governmental entities and private funders. Grants receivable are stated at the amount determined by public statute or by the underlying private funding agreements. Generally, there is not significant risk of loss of these amounts due since they are statutorily determined and obligated. However, there is some risk that public funding from the State of Indiana could be reduced from amounts previously determined during periods of prolonged economic downturn.

Contributions and grants are recognized when the School receives an unconditional promise to give. Conditional promises to give are recognized when the condition is met.

Grants and contributions receivable are reported net of an allowance for doubtful accounts. The School reviews grants and contributions receivable and writes off any amount to be deemed uncollectible. All grants, contributions, and accounts receivable were due within one year at June 30, 2024 and 2023.

CONDITIONAL CONTRIBUTIONS AND GRANTS

A portion of the School's grants are cost reimbursable which are conditioned upon incurrence of allowable qualifying expenses. These grants are recognized as revenue when KIPP has incurred expenditures in compliance with specific contract or grant provisions. At June 30, 2024 and 2023, the School had cost-reimbursement grants of \$3,845,227 and \$5,669,193, respectively, that had not been recognized because qualifying expenditures have not yet been incurred.

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. The School received funds from a grant that require the School to meet certain metrics prior to the recognition of the revenue. These metrics were not completed as of the years ended June 30, 2024 and June 30, 2023 which led to balances of conditional contributions of \$148,734 and \$426,500, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or, if contributed, at the estimated fair value at the date of the gift. The School capitalizes additions of property and equipment in excess of \$1,000. Depreciation of property and equipment is computed using the straight-line method and is based upon the estimated useful lives of the assets ranging from 3 to 40 years. Expenditures for property and equipment and improvements which extend the originally estimated economic life of the assets are capitalized. Expenditures for maintenance and repairs are charged to expense when incurred. When an asset is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

NET ASSETS

The financial statements report amounts separately by class of net assets:

Without Donor Restrictions

These include revenue and expenses from the regular operations of the School, which are at the discretion of management and the Board of Directors.

Without Donor Restriction: Board Designated

KIPP operated three schools during the fiscal years 2024 and 2023 which received their authorization through the Office of Education Innovation (OEI). The OEI requires that each school establish an account held in escrow of \$30,000 no later than December of third year of operations. The escrow account is designated for any potential dissolution of the School.

At June 30, KIPP held the following amounts in escrow which have been presented as board designated net assets without donor restrictions in the statements of financial position:

	<u>2024</u>	<u>2023</u>
KIPP Indy College Prep Middle School	\$ 30,000	\$ 30,000
KIPP Indy Unite Elementary School	30,000	30,000
KIPP Indy Legacy High School	<u>30,000</u>	<u>30,000</u>
	<u>\$ 90,000</u>	<u>\$ 90,000</u>

With Donor Restrictions

These include donations and grant revenues with restrictions specified by the donors or grantors. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

KIPP INDIANAPOLIS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

NET ASSETS, CONTINUED

With Donor Restrictions, Continued

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

	<u>2024</u>	<u>2023</u>
Charter facility grant program	\$ 131,958	\$ -
School lunch program	922,085	1,084,435
Advocacy Fellowship	-	8,138
Textbook program	43,927	18,151
Mental health & wellness	-	20,000
Early Literacy	57,421	-
Other	4,500	5,489
Summer learning program	-	31,113
Total	<u>\$ 1,159,891</u>	<u>\$ 1,167,326</u>

ADVERTISING

Advertising expenses totaled \$156,099 and \$137,428 for fiscal years 2024 and 2023, respectively. The School's policy is to record advertising expenditures in the period in which they are incurred.

EXPENSE ALLOCATION

Expenses have been classified as program services, management and general, and fundraising based on the actual direct expenditures and cost allocation based on estimates of time and usage by personnel and programs.

KIPP INDIANAPOLIS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

EXPENSE ALLOCATION, CONTINUED

A summary of expenses by functional classification for the year ended June 30, 2024 is as follows:

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel costs	\$ 9,180,420	\$ 7,769,824	\$ 151,180	\$ 17,101,424
Professional services	1,437,882	930,027	-	2,367,909
Supplies and materials	605,241	224,444	-	829,685
Staff training	-	170,096	-	170,096
Community relations	-	156,099	-	156,099
Facilities	4,433,401	-	-	4,433,401
Technology	377,431	-	-	377,431
Interest	555,447	-	-	555,447
Depreciation and amortization	1,175,176	-	-	1,175,176
Student transportation and other	4,793,034	23,527	-	4,816,561
Total	<u>\$ 22,558,032</u>	<u>\$ 9,274,017</u>	<u>\$ 151,180</u>	<u>\$ 31,983,229</u>

A summary of expenses by functional classification for the year ended June 30, 2023 is as follows:

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel costs	\$ 9,182,766	\$ 6,756,413	\$ -	\$ 15,939,179
Professional services	1,056,324	1,026,743	-	2,083,067
Supplies and materials	820,763	257,883	-	1,078,646
Staff training	-	175,021	-	175,021
Community relations	-	137,428	-	137,428
Facilities	3,835,914	-	-	3,835,914
Technology	457,182	-	-	457,182
Interest	561,093	-	-	561,093
Depreciation and amortization	1,074,855	-	-	1,074,855
Student transportation and other	3,668,072	21,996	-	3,690,068
Total	<u>\$ 20,656,969</u>	<u>\$ 8,375,484</u>	<u>\$ -</u>	<u>\$ 29,032,453</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

INCOME TAXES

The School is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509 (a) of the Internal Revenue Code.

LEASES

Management determines if an arrangement is a lease at inception. The operating leases are included as right of use (ROU) assets, short-term lease liabilities, and long-term lease liabilities on the statements of financial position.

The ROU asset represents the School's right to use an underlying asset for the lease term and the lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The operating lease ROU assets also include any lease payments made and exclude lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The School has elected the available practical expedients to use a risk-free rate when discounting future lease payments to measure leases at present value on the statement of financial position when the implicit rate is unknown and to account for lease and non-lease components as a single lease component.

In addition, the School has elected to not apply the recognition requirements in the lease standard to short-term leases (a lease that at commencement date has a lease term of 12 months or less and does not contain a purchase option that the lessee is reasonably certain to exercise).

SUBSEQUENT EVENTS

Subsequent events have been considered through November 18, 2024, which was the date the financial statements were available to be issued. See Note 6.

2. AVAILABLE RESOURCES AND LIQUIDITY

The School regularly monitors liquidity required to meet its operations and other commitments. The School has various sources of liquid assets at its disposal. Per Office of Education Innovation (OEI) guidelines, the School is required to have 45 days cash on hand.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the School considers all expenditures related to ongoing activities as well as the supporting operations to be general expenditures.

KIPP INDIANAPOLIS, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024 AND 2023

2. AVAILABLE RESOURCES AND LIQUIDITY, CONTINUED

Financial assets available for general expenditure, within one year, consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end		
Cash	\$ 7,193,209	\$ 5,689,765
Accounts receivable	54,625	57,762
Grants and contributions receivable	<u>474,900</u>	<u>655,927</u>
Total financial assets	<u>7,722,734</u>	<u>6,403,454</u>
Cash designated by the Board for the OEI requirements	(90,000)	(90,000)
Net assets with donor restrictions	<u>(1,159,891)</u>	<u>(1,167,326)</u>
Total financial assets not available for use within one year	<u>(1,249,891)</u>	<u>(1,257,326)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,472,843</u>	<u>\$ 5,146,128</u>

3. IN-KIND CONTRIBUTIONS

Pursuant to the Not-for-Profit Organizations Revenue Recognition Accounting Standards for contributed services, contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

In-kind contributions consisted of the following during the years ended June 30:

		<u>2024</u>	<u>2023</u>
School-based health services	Valued at the current market rate of nursing services.	\$ 69,297	\$ 64,566
Building rent and other related services	Valued based on current market lease rates of similar properties.	3,199,080	2,933,510
Transportation services	Valued based on current market rate of transporting students via bus.	<u>2,216,994</u>	<u>1,535,232</u>
Total financial assets		<u>\$ 5,485,371</u>	<u>\$ 4,533,308</u>

All services received were utilized for programs. In-kind contributions have been reported separately in the statements of activities. They have been treated as non-cash activities for the purposes of the statements of cash flows.

3. IN-KIND CONTRIBUTIONS, CONTINUED

Volunteers provide services throughout the year that do not meet the recognition criteria for contributed services. These services include volunteering at events, picking up donations, and various clerical tasks. The effect of these services has not been reflected in the statements of activities.

4. RELATED PARTY PAYABLE

The School has an agreement with the KIPP Foundation for licensing, regional, and authorizer fees. The KIPP Foundation is the networking body to which the School belongs and from which the School receives support. At June 30, 2024 and 2023, the School had outstanding payables to the KIPP Foundation in the amount of \$77,778 and \$77,105, respectively. The School paid networking fees of \$173,136 and \$167,888 in fiscal years 2024 and 2023, respectively.

5. BONDS AND NOTES PAYABLE

The School obtained loans from the State of Indiana through the Charter and Innovation School Advance Program totaling \$325,000 in February 2016. The loans mature in January 2026 and bear interest at 1.0% per annum. The total outstanding balance on the loans at June 30, 2024 and 2023 was \$81,250 and \$113,750 respectively.

In July 2020, the School refinanced its construction loans with the Indiana Finance Authority via Educational Facilities Multipurpose Revenue Bonds. The bonds include Series A and Series B bonds, totaling \$11,120,000 and \$360,000, respectively. The bonds payable bear interest at 4.0% through July 1, 2030 and 5.0% through July 1, 2055 with varying principal payments beginning in July 1, 2023. The bonds include a premium that will be amortized over the life of the bonds and also require the accumulation of a debt reserve fund. The bonds are collateralized by assets of the School.

The bonds require the establishment of a debt reserve fund that will assist with final payment of the bonds. The balance of the debt reserve fund was \$716,518 at June 30, 2024 and 2023. A bond escrow account was also established in conjunction with the bond agreement to secure against defeasance on the bonds. The bond escrow account had a balance of \$436,950 and \$435,006 at June 30, 2024 and 2023, respectively. A bond repair and replacement account was also established in conjunction with the bond agreement to pay for costs of improvements, additions, or repairs. The bond repair and replacement account had a balance of \$21,077 and \$18,550 at June 30, 2024 and 2023, respectively. These escrow accounts are reported as cash restricted for bond redemption and replacement reserve in the statements of financial position.

KIPP INDIANAPOLIS, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024 AND 2023

5. BONDS AND NOTES PAYABLE, CONTINUED

The future aggregate minimum principal payments on the notes and bond payables are as follows for the years ending June 30:

2025	\$ 192,500
2026	197,500
2027	191,250
2028	180,000
2029	185,000
Thereafter	<u>10,460,000</u>
Total	11,406,250
Add: unamortized bond premiums	487,340
Less: unamortized bond issuance costs	<u>(511,864)</u>
Total debt	<u>\$ 11,381,726</u>

The loan agreements contain certain covenants that limit the School's ability to incur indebtedness or guarantees, purchase or dispose of assets, or change the nature of the business. The agreements also contain financial maintenance covenants establishing a minimum debt service coverage ratio and days cash on hand requirement.

6. COMMITMENTS

Effective July 1, 2019, the School entered into three new agreements with The Board of School Commissioners of the City of Indianapolis for KIPP Indy Legacy High School, KIPP Indy College Prep Middle School, and KIPP Indy Unite Elementary School as Innovation Network Charter Schools through June 30, 2024. Under these agreements, the School is permitted use of the Indianapolis Public Schools (IPS) Building located at 1740 E 30th Street in Indianapolis. The agreements are not leases, as they provide no real estate interest in the building or land. In addition to use of facilities, the School also receives IPS transportation services paid separately based on ADM count. In exchange, the School has agreed to pay IPS \$6,249 per month. Any services or expenses covered by IPS above and beyond this minimum will be considered an in-kind contribution and expense and recorded as such in the statement of activities annually through the end of the agreements' terms. These agreements have been extended for another five year term beginning July 1, 2024. The School will continue to pay IPS \$6,249 per month in exchange for the use of facilities and transportation from IPS.

The School paid transportation services to IPS of \$746,844 and \$1,424,267 in fiscal years 2024 and 2023, respectively.

KIPP INDIANAPOLIS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

7. OPERATING LEASES

The School leases offices space and office equipment over periods ranging up to five years. Five leases have a renewal option which, if exercised, would extend an equipment leases up to two years. Management is reasonably certain that one of these options will be exercised and has included future payments related to that option in the calculations used to measure the lease liability in the statement of financial position. For all building property leased, the School pays its share of common area maintenance and operating costs, which are excluded from the minimum future obligations presented in the chart below.

The components of lease expense were as follows at June 30:

	<u>2024</u>	<u>2023</u>
Operating leases expense	\$ 120,938	\$ 109,733

Supplemental cash flows information:

	<u>2024</u>	<u>2023</u>
Cash flow from operating leases	\$ 120,618	\$ 107,363

Weighted average remaining lease term:

	<u>2024</u>	<u>2023</u>
Operating leases	1.81 years	2.66 years

Weighted average discount rate:

	<u>2024</u>	<u>2023</u>
Operating leases	3.16%	3.12%

Future minimum lease payments under all operating lease as of June 30, 2024 were for the fiscal years as follows:

2025	\$ 109,456
2026	74,148
2027	<u>2,139</u>
Total future minimum lease payments	185,743
Less present value discount	<u>(11,732)</u>
Total lease liabilities	174,011
Less: current liabilities	<u>(103,312)</u>
Long term lease liabilities	<u>\$ 70,699</u>

7. OPERATING LEASES, CONTINUED

In July 2019, the School opened KIPP Indy Legacy High School. The School shares a parking lot, athletic fields, and high school facilities with a local community center. The School receives common fees revenue for the use of these common spaces. The other income recognized related to shared costs was \$160,732 and \$57,762 for the years ended June 30, 2024 and 2023, respectively. Future consideration will be determined on an annual basis. In addition, the President of the local community center is a member of the School's Board of Directors.

8. RETIREMENT AND PENSION PLANS

The School's faculty and certain administrative employees are participants in a 403(b) defined contribution retirement plan (the Plan). All participants may contribute to the Plan. There was a 7% employer contribution to the Plan during fiscal years 2024 and 2023, for which the School contributed \$911,962 and \$813,902, respectively.

The School is a participating employer in the Teachers' Retirement Fund (TRF). The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan that is managed by the Indiana Public Retirement System (INPRS) Board. Contribution requirements of plan members are determined annually by the INPRS Board. The School contributed 6.0% of compensation for teaching faculty to TRF for fiscal years 2024 and 2023, respectively. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. Contribution requirements of plan members are determined annually by the INPRS Board. Retirement plan expense for TRF was \$37,869 and \$32,391 for fiscal years 2024 and 2023, respectively.

Should the School elect to withdraw from TRF, the School could be subject to a withdrawal fee. The School's contributions represent an insignificant percentage of the contributions received by TRF. As of June 30, 2023 (the latest year reported), TRF was 89.1% funded. A copy of the complete annual report for the year ended June 30, 2023 can be obtained at:

https://www.in.gov/inprs/files/INPRSAnnualReportBook_FY23.pdf

9. FEDERAL, STATE, AND LOCAL GRANT AWARDS

In accordance with guidelines established by the Indiana State Board of Accounts, this federal, state, and local grant information was included to aid in the verification of Indiana financial assistance on the Annual Financial Report (AFR).

Program Name	Grantor Name	Assistance Listing Number	Revenue	Expense	Funding Type
National School Lunch Program	Indiana Department of Education	10.555	\$ 1,311,578	\$ 1,146,936	Federal grant passed through state or local government
Title I, Part A, Grants to Local Educational Agencies	Indiana Department of Education	84.010A	1,795,591	1,795,591	Federal grant passed through state or local government

KIPP INDIANAPOLIS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

9. FEDERAL, STATE, AND LOCAL GRANT AWARDS, CONTINUED

Special Education Cluster (IDEA, Part B), Grants to States	Indiana Department of Education	84.027A	154,073	154,073	Federal grant passed through state or local government
Special Education Cluster (IDEA, Part B), Grants to States	Indiana Department of Education	84.027X	147,528	147,528	Federal grant passed through state or local government
Special Education Cluster (IDEA, Part B), Grants to States	Indiana Department of Education	84.173X	19,148	19,148	Federal grant passed through state or local government
Education for Homeless Children and Youth – McKinney Vento	Indiana Department of Education	84.196A	7,418	7,419	Federal grant passed through state or local government
Charter Schools Facility Incentive Grant – Keys to Quality	Indiana Department of Education	84.282D	219,991	219,991	Federal grant passed through state or local government
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) – Title II	Indiana Department of Education	84.367	130,246	130,246	Federal grant passed through state or local government
Title IV, Part A, Student Support and Academic Enrichment Program	Indiana Department of Education	84.424A	65,622	65,622	Federal grant passed through state or local government
Stronger Connections Grant (SCG) Program Title IV Part A	Indiana Department of Education	84.424F	151,000	151,000	Federal grant passed through state or local government
Education Stabilization Fund - Governor's Emergency Education Relief Fund (CRRSA)	Indiana Department of Education	84.425D	44,272	44,272	Federal grant passed through state or local government

KIPP INDIANAPOLIS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

9. FEDERAL, STATE, AND LOCAL GRANT AWARDS, CONTINUED

Education Stabilization Fund - American Rescue Plan - Elementary and Secondary Emergency Relief Fund	Indiana Department of Education	84.425U	3,516,769	3,516,768	Federal grant passed through state or local government
American Rescue Plan Elementary and Secondary School Emergency Relief - Homeless Children and Youth Fund II	Indiana Department of Education	84.425W	14,215	14,216	Federal grant passed through state or local government
Substance Abuse and Mental Health Services - Project AWARE III	Indiana Department of Education	93.243	127,585	127,585	Federal grant passed through state or local government
Basic Tuition Support	Indiana Department of Education	N/A	12,885,520	12,885,520	State or local government
Charter Innovation Grant	Indiana Department of Education	N/A	2,069,200	2,069,200	State or local government
Charter Facility Grant	Indiana Department of Education	N/A	980,503	980,503	State or local government
Medicaid Reimbursement	Indiana Department of Education	N/A	30,986	30,986	State or local government
State Special Education	Indiana Department of Education	N/A	726,174	726,174	State or local government
Textbook Reimbursement	Indiana Department of Education	N/A	233,841	233,841	State or local government
State Technology Grant	Indiana Department of Education	N/A	2,425	2,425	State or local government
Teacher Appreciation Grant	Indiana Department of Education	N/A	55,304	55,304	State or local government
Secured Schools Safety Grant	Indiana Department of Education	N/A	108,465	108,465	State or local government

9. FEDERAL, STATE, AND LOCAL GRANT AWARDS, CONTINUED

Non-English Speaking	Indiana Department of Education	N/A	96,398	96,398	State or local government
Summer School	Indiana Department of Education	N/A	96,052	96,052	State or local government
IPS Referendum	Indiana Department of Education	N/A	672,250	672,250	State or local government
State Honors Grant	Indiana Department of Education	N/A	31,500	31,500	State or local government
Formative Assessment	Indiana Department of Education	N/A	20,748	20,748	State or local government
Early Intervention Grant	Indiana Department of Education	N/A	8,454	8,454	State or local government
		Total	\$ 25,722,856	\$ 25,558,215	

10. RISKS AND UNCERTAINTIES

Operating Funds from the Indiana Department of Education amounted to 53.3% and 54.3% of the School's total revenue and support during fiscal years 2024 and 2023, respectively. A state funding formula is used to determine the amount of revenue a charter school receives. The formula is based on the number of students enrolled in the school during the year. Federal funding, including Title I, Title II, breakfast and lunch reimbursement programs, and other miscellaneous federal programs, was 22.8% and 25.4% of the School's total revenue and support during the fiscal years 2024 and 2023, respectively.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

11. IPS BUILDING COMMITMENT

In April 2024, IPS and the School entered into an agreement related to renovations and maintenance for the property the School currently uses at the 1740 E 30th Street in Indianapolis location. IPS has agreed to address certain deferred maintenance items estimated to cost approximately \$18.5 million by no later than June 30, 2029. Additionally, if the two parties agree on an expansion plan by March 31, 2025, IPS will contribute \$10 million toward the completion of the expansion.

After the completion of the deferred maintenance items and substantial completion of the building expansion, IPS will transfer the building and all attached structures to the School at no additional cost to the School. Additionally, the School will not take on any debt that is currently attached to the property.

12. RECLASSIFICATIONS

Certain accounts in the fiscal year 2023 financial statements have been reclassified for comparative purposes to conform with the presentation in the fiscal year 2024 financial statements. There was no impact on net assets due to the reclassification in fiscal year 2023.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
KIPP Indianapolis, Inc.:

We have audited the financial statements of KIPP Indianapolis, Inc. (the School) as of and for the years ended June 30, 2024 and 2023, and our report thereon dated November 18, 2024, which expressed an unmodified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Exhibits I-IV as of and for the years ended June 30, 2024 and 2023, are presented for purposes of additional analysis, rather than to present the financial position and results of operations by division, and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, 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) is presented for purposes of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Greenwalt CPAs, Inc.

November 18, 2024

KIPP INDIANAPOLIS, INC.
 STATEMENTS OF FINANCIAL POSITION OF KIPP INDY UNITE ELEMENTARY, KIPP
 INDY COLLEGE PREP MIDDLE, KIPP INDY LEGACY HIGH SCHOOL, AND ADMINISTRATION
 JUNE 30, 2024

Exhibit I

	UNITE ELEMENTARY	COLLEGE PREP MIDDLE	LEGACY HIGH	ADMINISTRATION	TOTAL
ASSETS					
CURRENT ASSETS					
Cash	\$ 3,774,692	\$ 3,382,118	\$ 10,304	\$ 26,095	\$ 7,193,209
Accounts receivable	-	-	-	54,625	54,625
Grants and contributions receivable	150,006	221,264	68,630	35,000	474,900
Prepaid expenses	39,381	17,659	30,969	14,592	102,601
<i>Total current assets</i>	<u>3,964,079</u>	<u>3,621,041</u>	<u>109,903</u>	<u>130,312</u>	<u>7,825,335</u>
CASH EQUIVALENTS RESTRICTED FOR BOND REDEMPTION AND REPLACEMENT RESERVE	-	-	1,174,545	-	1,174,545
PROPERTY AND EQUIPMENT					
Building and improvements	-	-	11,432,705	-	11,432,705
Leasehold improvements	978,800	400,581	-	126,157	1,505,538
Books and education materials	526,854	99,574	38,701	8,037	673,166
Furniture and equipment	729,145	341,853	799,984	202,706	2,073,688
Computer equipment	452,670	426,061	260,798	53,538	1,193,067
Accumulated depreciation and amortization	(1,510,442)	(757,576)	(2,290,169)	(278,735)	(4,836,922)
<i>Total property and equipment, net</i>	<u>1,177,027</u>	<u>510,493</u>	<u>10,242,019</u>	<u>111,703</u>	<u>12,041,242</u>
RIGHT-OF-USE ASSETS - OPERATING LEASES	<u>23,175</u>	<u>12,769</u>	<u>13,574</u>	<u>124,090</u>	<u>173,608</u>
<i>Total assets</i>	<u>\$ 5,164,281</u>	<u>\$ 4,144,303</u>	<u>\$ 11,540,041</u>	<u>\$ 366,105</u>	<u>\$ 21,214,730</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 94,451	\$ 35,272	\$ 36,104	\$ 95,285	\$ 261,112
Related party payable	30,000	24,515	23,263	-	77,778
Accrued personnel costs	429,866	210,780	153,874	398,099	1,192,619
Other accrued expenses	18,247	10,847	31,379	9,582	70,055
Conditional contributions and grants	-	-	-	148,734	148,734
Accrued bond interest	-	-	276,800	-	276,800
Current portion of operating lease liabilities	19,330	10,591	11,259	62,132	103,312
Current portion of bonds payable	-	-	160,000	-	160,000
Current portion of notes payable	12,500	20,000	-	-	32,500
<i>Total current liabilities</i>	<u>604,394</u>	<u>312,005</u>	<u>692,679</u>	<u>713,832</u>	<u>2,322,910</u>
LONG TERM LIABILITIES					
Bonds payable, net of unamortized bond premium and deferred bond issuance costs	-	-	11,140,476	-	11,140,476
Operating lease liabilities, net of current portion	4,084	2,250	2,392	61,973	70,699
Notes payable, net of current portion	18,750	30,000	-	-	48,750
<i>Total long term liabilities</i>	<u>22,834</u>	<u>32,250</u>	<u>11,142,868</u>	<u>61,973</u>	<u>11,259,925</u>
<i>Total liabilities</i>	<u>627,228</u>	<u>344,255</u>	<u>11,835,547</u>	<u>775,805</u>	<u>13,582,835</u>
NET ASSETS					
Without donor restrictions					
Undesignated	3,834,285	3,371,543	(409,624)	(414,200)	6,382,004
Board designated	30,000	30,000	30,000	-	90,000
<i>Total net assets without donor restrictions</i>	<u>3,864,285</u>	<u>3,401,543</u>	<u>(379,624)</u>	<u>(414,200)</u>	<u>6,472,004</u>
With donor restrictions					
	<u>672,768</u>	<u>398,505</u>	<u>84,118</u>	<u>4,500</u>	<u>1,159,891</u>
<i>Total net assets</i>	<u>4,537,053</u>	<u>3,800,048</u>	<u>(295,506)</u>	<u>(409,700)</u>	<u>7,631,895</u>
<i>Total liabilities and net assets</i>	<u>\$ 5,164,281</u>	<u>\$ 4,144,303</u>	<u>\$ 11,540,041</u>	<u>\$ 366,105</u>	<u>\$ 21,214,730</u>

KIPP INDIANAPOLIS, INC.
 STATEMENTS OF ACTIVITIES OF KIPP INDY UNITE ELEMENTARY, KIPP
 INDY COLLEGE PREP MIDDLE, KIPP INDY LEGACY HIGH SCHOOL, AND ADMINISTRATION
 FOR THE YEAR ENDED JUNE 30, 2024

Exhibit II

	UNITE ELEMENTARY	COLLEGE PREP MIDDLE	LEGACY HIGH	ADMINISTRATION	INTERSCHOOL ELIMINATIONS	TOTAL
REVENUE AND SUPPORT						
Private funding	\$ 749,028	\$ 229,785	\$ 56,863	\$ 1,058,059	\$ -	\$ 2,093,735
State funding	8,802,720	4,653,341	4,561,759	-	-	18,017,820
Federal funding	3,584,873	2,672,586	1,447,577	-	-	7,705,036
In-kind contributions	2,373,187	2,355,862	756,322	-	-	5,485,371
Other Income	116,789	25,311	22,608	2,496,015	(2,184,033)	476,690
<i>Total revenue and support</i>	<u>15,626,597</u>	<u>9,936,885</u>	<u>6,845,129</u>	<u>3,554,074</u>	<u>(2,184,033)</u>	<u>33,778,652</u>
EXPENSES						
Instructional expenses						
Personnel costs	4,930,439	2,244,815	2,005,166	-	-	9,180,420
Professional services	694,382	419,959	318,290	5,251	-	1,437,882
Supplies and materials	301,688	130,928	164,801	7,824	-	605,241
<i>Total instructional expenses</i>	<u>5,926,509</u>	<u>2,795,702</u>	<u>2,488,257</u>	<u>13,075</u>	<u>-</u>	<u>11,223,543</u>
Administration expenses						
Personnel costs	2,240,239	1,367,792	1,105,754	3,207,219	-	7,921,004
Professional services	1,642,267	804,885	611,091	55,817	(2,184,033)	930,027
Staff training	45,915	6,360	13,906	103,915	-	170,096
Community relations	10,069	13,661	11,725	120,644	-	156,099
Supplies and materials	85,164	52,686	48,014	38,580	-	224,444
Other	4,876	2,676	3,135	12,840	-	23,527
<i>Total administration expenses</i>	<u>4,028,530</u>	<u>2,248,060</u>	<u>1,793,625</u>	<u>3,539,015</u>	<u>(2,184,033)</u>	<u>9,425,197</u>
Other expenses						
Facilities	1,999,995	1,793,077	490,078	150,251	-	4,433,401
Technology	168,512	81,659	84,993	42,267	-	377,431
Interest	406	650	554,391	-	-	555,447
Depreciation and amortization	406,454	176,661	501,157	90,904	-	1,175,176
Student transportation and other	1,951,832	1,347,641	1,403,210	90,351	-	4,793,034
<i>Total other expenses</i>	<u>4,527,199</u>	<u>3,399,688</u>	<u>3,033,829</u>	<u>373,773</u>	<u>-</u>	<u>11,334,489</u>
<i>Total expenses</i>	<u>14,482,238</u>	<u>8,443,450</u>	<u>7,315,711</u>	<u>3,925,863</u>	<u>(2,184,033)</u>	<u>31,983,229</u>
CHANGE IN NET ASSETS	1,144,359	1,493,435	(470,582)	(371,789)	-	1,795,423
TRANSFER OF NET ASSETS	(296,918)	(1,083,209)	1,198,464	181,663	-	-
NET ASSETS, BEGINNING OF YEAR	3,689,612	3,389,822	(1,023,388)	(219,574)	-	5,836,472
NET ASSETS, END OF YEAR	<u>\$ 4,537,053</u>	<u>\$ 3,800,048</u>	<u>\$ (295,506)</u>	<u>\$ (409,700)</u>	<u>\$ -</u>	<u>\$ 7,631,895</u>

KIPP INDIANAPOLIS, INC.
 STATEMENTS OF FINANCIAL POSITION OF KIPP INDY UNITE ELEMENTARY, KIPP
 INDY COLLEGE PREP MIDDLE, KIPP INDY LEGACY HIGH SCHOOL, AND ADMINISTRATION
 JUNE 30, 2023

Exhibit III

	UNITE ELEMENTARY	COLLEGE PREP MIDDLE	LEGACY HIGH	ADMINISTRATION	TOTAL
ASSETS					
CURRENT ASSETS					
Cash	\$ 3,049,040	\$ 3,189,152	\$ (839,121)	\$ 290,694	\$ 5,689,765
Accounts receivable	-	-	-	57,762	57,762
Grants and contributions receivable	369,564	117,907	101,766	66,690	655,927
Prepaid expenses	33,197	11,614	35,131	2,582	82,524
<i>Total current assets</i>	<u>3,451,801</u>	<u>3,318,673</u>	<u>(702,224)</u>	<u>417,728</u>	<u>6,485,978</u>
CASH EQUIVALENTS RESTRICTED FOR BOND REDEMPTION AND REPLACEMENT RESERVE	-	-	1,170,074	-	1,170,074
PROPERTY AND EQUIPMENT					
Building and improvements	-	-	11,379,820	-	11,379,820
Leasehold improvements	752,758	428,873	-	126,157	1,307,788
Books and education materials	405,729	67,031	37,633	8,037	518,430
Furniture and equipment	590,625	290,122	764,186	201,022	1,845,955
Computer equipment	423,273	407,088	249,249	47,521	1,127,131
Accumulated depreciation and amortization	(1,103,988)	(580,915)	(1,789,011)	(187,831)	(3,661,745)
<i>Total property and equipment, net</i>	<u>1,068,397</u>	<u>612,199</u>	<u>10,641,877</u>	<u>194,906</u>	<u>12,517,379</u>
RIGHT-OF-USE ASSETS - OPERATING LEASES	47,658	26,258	27,913	185,216	287,045
<i>Total assets</i>	<u>\$ 4,567,856</u>	<u>\$ 3,957,130</u>	<u>\$ 11,137,640</u>	<u>\$ 797,850</u>	<u>\$ 20,460,476</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 319,539	\$ 163,242	\$ 184,870	\$ 31,078	\$ 698,729
Related party payable	30,000	23,256	23,849	-	77,105
Accrued personnel costs	409,410	154,782	174,786	367,748	1,106,726
Other accrued expenses	27,755	129,698	14,949	6,866	179,268
Conditional contributions and grants	-	-	-	426,500	426,500
Accrued bond interest	-	-	279,900	-	279,900
Current portion of operating lease liabilities	24,436	13,463	14,312	61,121	113,332
Current portion of bonds payable	-	-	155,000	-	155,000
Current portion of notes payable	12,500	20,000	-	-	32,500
<i>Total current liabilities</i>	<u>823,640</u>	<u>504,441</u>	<u>847,666</u>	<u>893,313</u>	<u>3,069,060</u>
LONG TERM LIABILITIES					
Bonds payable, net of unamortized bond premium and deferred bond issuance costs	-	-	11,299,684	-	11,299,684
Operating lease liabilities, net of current portion	23,354	12,867	13,678	124,111	174,010
Notes payable, net of current portion	31,250	50,000	-	-	81,250
Total long term liabilities	<u>54,604</u>	<u>62,867</u>	<u>11,313,362</u>	<u>124,111</u>	<u>11,554,944</u>
<i>Total liabilities</i>	<u>878,244</u>	<u>567,308</u>	<u>12,161,028</u>	<u>1,017,424</u>	<u>14,624,004</u>
NET ASSETS					
Without donor restrictions					
Undesignated	2,995,496	2,944,068	(1,096,104)	(264,314)	4,579,146
Board designated	30,000	30,000	30,000	-	90,000
<i>Total net assets without donor restrictions</i>	<u>3,025,496</u>	<u>2,974,068</u>	<u>(1,066,104)</u>	<u>(264,314)</u>	<u>4,669,146</u>
With donor restrictions	664,116	415,754	42,716	44,740	1,167,326
<i>Total net assets</i>	<u>3,689,612</u>	<u>3,389,822</u>	<u>(1,023,388)</u>	<u>(219,574)</u>	<u>5,836,472</u>
<i>Total liabilities and net assets</i>	<u>\$ 4,567,856</u>	<u>\$ 3,957,130</u>	<u>\$ 11,137,640</u>	<u>\$ 797,850</u>	<u>\$ 20,460,476</u>

KIPP INDIANAPOLIS, INC.
 STATEMENTS OF ACTIVITIES OF KIPP INDY UNITE ELEMENTARY, KIPP
 INDY COLLEGE PREP MIDDLE, KIPP INDY LEGACY HIGH SCHOOL, AND ADMINISTRATION
 FOR THE YEAR ENDED JUNE 30, 2023

Exhibit IV

	UNITE ELEMENTARY	COLLEGE PREP MIDDLE	LEGACY HIGH	ADMINISTRATION	INTERSCHOOL ELIMINATIONS	TOTAL
REVENUE AND SUPPORT						
Private funding	\$ 110,253	\$ 6,899	\$ 58,131	\$ 889,166	\$ -	\$ 1,064,449
State funding	7,529,420	4,047,366	4,181,067	-	-	15,757,853
Federal funding	3,810,598	1,988,374	1,570,347	-	-	7,369,319
In-kind contributions	2,099,270	2,417,251	16,787	-	-	4,533,308
Other Income	28,660	6,942	14,881	2,334,877	(2,096,384)	288,976
<i>Total revenue and support</i>	<u>13,578,201</u>	<u>8,466,832</u>	<u>5,841,213</u>	<u>3,224,043</u>	<u>(2,096,384)</u>	<u>29,013,905</u>
EXPENSES						
Instructional expenses						
Personnel costs	4,912,113	2,238,151	2,023,994	8,508	-	9,182,766
Professional services	504,364	253,741	297,119	1,100	-	1,056,324
Supplies and materials	353,202	154,511	296,454	-	-	804,167
Other	8,298	3,983	4,315	-	-	16,596
<i>Total instructional expenses</i>	<u>5,777,977</u>	<u>2,650,386</u>	<u>2,621,882</u>	<u>9,608</u>	<u>-</u>	<u>11,059,853</u>
Administration expenses						
Personnel costs	1,785,593	783,981	1,212,562	2,974,277	-	6,756,413
Professional services	1,490,025	884,062	671,964	77,076	(2,096,384)	1,026,743
Staff training	72,316	14,227	12,469	76,009	-	175,021
Community relations	7,593	1,626	8,637	119,572	-	137,428
Supplies and materials	88,579	49,476	49,997	47,835	-	235,887
Other	3,191	1,915	2,313	14,577	-	21,996
<i>Total administration expenses</i>	<u>3,447,297</u>	<u>1,735,287</u>	<u>1,957,942</u>	<u>3,309,346</u>	<u>(2,096,384)</u>	<u>8,353,488</u>
Other expenses						
Facilities	1,646,678	1,630,100	451,932	107,204	-	3,835,914
Technology	190,556	99,215	112,748	54,663	-	457,182
Interest	531	(29)	560,591	-	-	561,093
Depreciation and amortization	326,409	172,278	488,627	87,541	-	1,074,855
Student transportation and other	1,675,673	1,331,261	606,639	76,495	-	3,690,068
<i>Total other expenses</i>	<u>3,839,847</u>	<u>3,232,825</u>	<u>2,220,537</u>	<u>325,903</u>	<u>-</u>	<u>9,619,112</u>
<i>Total expenses</i>	<u>13,065,121</u>	<u>7,618,498</u>	<u>6,800,361</u>	<u>3,644,857</u>	<u>(2,096,384)</u>	<u>29,032,453</u>
CHANGE IN NET ASSETS	513,080	848,334	(959,148)	(420,814)	-	(18,548)
TRANSFER OF NET ASSETS	97,084	3,311	(100,379)	(16)	-	-
NET ASSETS, BEGINNING OF YEAR	3,079,448	2,538,177	36,139	201,256	-	5,855,020
NET ASSETS, END OF YEAR	<u>\$ 3,689,612</u>	<u>\$ 3,389,822</u>	<u>\$ (1,023,388)</u>	<u>\$ (219,574)</u>	<u>\$ -</u>	<u>\$ 5,836,472</u>

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
Passed through the Indiana Department of Education			
<u>Child Nutrition Cluster</u>			
National School Lunch Program	10.555	FY2023-2024C	\$ 304,622
		FY2023-2024L	172,783
		FY2023-2024U	<u>669,531</u>
<i>Total for Child Nutrition Cluster, National School Lunch Program, Indiana Department of Education, and U.S. Department of Agriculture</i>			<u>1,146,936</u>
U.S. DEPARTMENT OF EDUCATION			
Passed through the Indiana Department of Education			
Title I, Part A			
Title I Grants to Local Educational Agencies	84.010A	23-9410	671
		23-9410 SIG	28,423
		S010A220014	1,316,497
		7000-S010A230014	<u>450,000</u>
<i>Total for Title I, Part A</i>			<u>1,795,591</u>
<u>Special Education Cluster (IDEA)</u>			
Special Education - Grants to States (IDEA, Part B)	84.027A	22619-579-ARP	3,899
		23611-541-PN01	71,153
		23611-632-PN01	<u>79,021</u>
<i>Total Special Education Grants to States (IDEA, Part B)</i>			<u>154,073</u>
COVID - 19 Special Education - Grants to States (IDEA, Part B)	84.027X	22611-541-ARP	670
		22611-579-ARP	1,488
		23611-579-PN01	112,277
		23611-541-CEIS	12,556
		23611-579-CEIS	20,537
	84.173X	24611-541-CEIS	9,574
		24611-579-CEIS	<u>9,574</u>
<i>Total for COVID - 19 Special Education Grants to States (IDEA, Part B)</i>			<u>166,676</u>
<i>Total for Special Education Cluster (IDEA)</i>			<u>320,749</u>
Educating for Homeless Children and Youth	84.196A	7000S196A230015	<u>7,419</u>
<i>Total for Educating for Homeless Children and Youth</i>			<u>7,419</u>
Charter Schools	84.282D	S282D190002-23	<u>219,991</u>
<i>Total for Charter Schools</i>			<u>219,991</u>
Supporting Effective Instruction State Grant	84.367	S367A210013	<u>130,246</u>
<i>Total for Supporting Effective Instruction State Grant</i>			<u>130,246</u>
Title IV, Part A: Student Support and Academic Enrichment Program	84.424A	S424A200015	24,643
		SA24A210015	40,979
	84.424F	S424F220015	<u>151,000</u>
<i>Total for Title IV, Part A: Student Support and Academic Enrichment Program</i>			<u>216,622</u>

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION, CONTINUED			
Passed through the Indiana Department of Education, Continued			
Education Stabilization Fund			
COVID - 19 Elementary and Secondary School Emergency Relief Fund (CRRSA ESSER II)	84.425D	S425U210013	44,272
COVID - 19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER III)	84.425U	S425U200013	3,457,320
COVID - 19 American Rescue Plan Elementary and Secondary School Emergency Relief - Homeless Children and Youth (ESSER II)	84.425W	S425W210015	<u>14,216</u>
<i>Total for Education Stabilization Fund passed through the Indiana Department of Education</i>			<u>3,515,808</u>
Education Stabilization Fund Passthrough from Indianapolis Public Schools (IPS)			
COVID - 19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER III)	84.425U	S425U200013	<u>59,448</u>
<i>Total for Education Stabilization Fund</i>			<u>3,575,256</u>
<i>Total for U.S. Department of Education</i>			<u>6,265,874</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Indiana Department of Health and Human Services			
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance	93.243	FY22	<u>127,585</u>
<i>Total expenditures of federal awards</i>			<u>\$ 7,540,395</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

3. INDIRECT COST RATE

The School has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance except from federal awards by the U.S. Department of Education. The U.S. Department of Education requires a de minimis cost rate of 8-percent.



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
KIPP Indianapolis, Inc.:

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 of America (Government Auditing Standards), the financial statements of KIPP Indianapolis, Inc. (the "School"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's 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 statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Greenwald CPAs, Inc.

November 18, 2024



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
KIPP Indianapolis, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited KIPP Indianapolis, Inc.'s (the "School") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2024. The School'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, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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 the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to 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 School'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 the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards require the auditor to perform limited procedures on the School's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The School'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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a

timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Government Auditing Standards require the auditor to perform limited procedures on the School's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The School'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.

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.

Greenwald CPAs, Inc.

November 18, 2024

A. SUMMARY OF AUDIT RESULTS

Financial Statements

- | | | |
|---|------------|----------------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | 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

- | | | |
|---|---|--|
| 4. Internal control over major federal programs: | | |
| Material weakness(es) identified? | _____yes | ___X___no |
| Significant deficiency(ies) identified? | _____yes | ___X___none reported |
| 5. Type of auditors' report issued on compliance for major federal programs: | Unmodified | |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | _____yes | ___X___no |
| 7. Identification of major program: | <u>Assistance Listing Number</u>
84.010A | <u>Name of Federal Program or Cluster</u>
Title I, Part A, Grants to Local Educational Agencies |
| 8. Dollar threshold used to distinguish between Type A and B programs: | \$ | 750,000 |
| 9. Auditee qualified as low-risk auditee? | __X__yes | _____no |

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

KIPP INDIANAPOLIS, INC.
OTHER REPORT
FOR THE YEAR ENDED JUNE 30, 2024

The reports presented herein were prepared in addition to another report prepared for the School as listed below:

Supplemental Audit Report of KIPP Indianapolis, Inc.

