

# **KIPP WEST PHILADELPHIA CHARTER SCHOOL**

**FINANCIAL STATEMENTS IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS AND  
UNIFORM GUIDANCE  
JUNE 30, 2024  
(WITH SUMMARIZED FINANCIAL INFORMATION  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023)**

# KIPP WEST PHILADELPHIA CHARTER SCHOOL

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June 30, 2024

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**Unmodified Opinion on Financial Statements Accompanied by Required Supplementary  
Information and Supplementary Information – Governmental Entity**

Independent Auditor's Report

To the Board of Trustees of  
KIPP West Philadelphia Charter School:

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

***Opinion***

We have audited the financial statements of the governmental activities and the general fund of KIPP West Philadelphia Charter School (a Pennsylvania Charter School) (the School), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of KIPP West Philadelphia Charter School as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Information, in the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund shown on page 23, Schedules of Proportionate Shares of PSERS Net Pension Liability (NPL) and Contributions and Schedules of Proportionate Shares of PSERS Net OPEB Liability and Contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2024, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 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.

### **Report on Summarized Comparative Information**

We have previously audited KIPP West Philadelphia Charter School's fiscal year 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*AAFCPA's, Inc.*

Westborough, Massachusetts  
November 13, 2024

## **KIPP WEST PHILADELPHIA CHARTER SCHOOL**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024**

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The management of KIPP West Philadelphia Charter School (the School) offers readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the School's financial statements.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year include the following:

- Total revenues increased by \$3,984,959 from \$17,645,930 to \$21,630,889 due primarily to increases in the local education agencies, Federal sources and other local sources.
- At the close of the current fiscal year, the School reports ending net position of \$14,233. The net position balance represents an increase in net position of \$2,775,706 for the year ended June 30, 2024.
- At the close of the current fiscal year, the School reports an ended general fund balance of \$(272,707). The general fund balance increased by \$2,444,999 from the previous year-ended general fund balance as the result of the net change in fund balance for the year ended June 30, 2024.
- The School's cash balance at June 30, 2024, was \$1,998,969, representing an increase of \$353,066 from June 30, 2023.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements as presented comprise three components: Management's Discussion and Analysis (this section), the basic financial statements, and budgetary comparison.

##### **Governmental-Wide Financial Statements**

The governmental-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the School's assets and liabilities as well as separate sections of deferred outflows of resources and deferred inflows of resources. The difference is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event given rise to the change occurs, regardless of the timing of related cash flows.

The governmental-wide financial statements report on the function of the School that is principally supported by subsidies from school districts whose constituents attend the School.

## KIPP WEST PHILADELPHIA CHARTER SCHOOL

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

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### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

#### Fund Financial Statements

A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. The School, like governmental type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School has one governmental fund, the General Fund.

#### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the School, assets exceeded liabilities by \$14,233 as of June 30, 2024.

**KIPP West Philadelphia Charter School  
Statement of Net Position  
As of June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 2,434,002	\$ 4,673,200
Capital and noncurrent assets	<u>4,795,804</u>	<u>5,861,303</u>
Total assets	<u>\$ 7,229,806</u>	<u>\$ 10,534,503</u>
Current liabilities	\$ 3,649,491	\$ 7,943,062
Long-term liabilities	<u>3,566,082</u>	<u>4,360,914</u>
Total liabilities	<u>\$ 7,215,573</u>	<u>\$ 12,303,976</u>
Deferred inflows	<u>\$ -</u>	<u>\$ 992,000</u>
Net invested in capital assets	\$ 255,568	\$ 569,441
Unrestricted	<u>(241,335)</u>	<u>(3,330,914)</u>
Total net position	<u>\$ 14,233</u>	<u>\$ (2,761,473)</u>

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

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**GOVERNMENTAL-WIDE FINANCIAL ANALYSIS (Continued)**

The School's revenues are predominately from the School District of Philadelphia, based on the student enrollment.

**KIPP West Philadelphia Charter School  
Statement of Activities  
As of June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Revenues:</b>		
Local educational agencies	\$ 14,835,264	\$ 11,826,333
Other local sources	598,568	625,115
State grants and reimbursements	241,213	129,199
Federal sources	4,961,844	4,329,779
Decrease in deficit of pension	908,000	711,087
Decrease in deficit of OPEB	<u>86,000</u>	<u>24,417</u>
Total revenues	<u>21,630,889</u>	<u>17,645,930</u>
<b>Expenses:</b>		
Instruction	9,751,910	10,113,340
Student support services	244,906	111,056
Instructional staff support	63,090	130,446
Administration support	1,845,217	2,051,436
Pupil health	173,327	206,532
Transportation	22,623	3,683
Business services	3,574,614	3,581,755
Operations and maintenance	1,224,556	1,069,936
Student activities	172,951	275,192
Food services	339,573	382,979
Interest	153,548	168,937
Depreciation and amortization (unallocated)	<u>1,288,868</u>	<u>1,295,808</u>
Total expenses	<u>18,855,183</u>	<u>19,391,100</u>
Net increase (decrease) in net position	2,775,706	(1,745,170)
Net position - beginning	<u>(2,761,473)</u>	<u>(1,016,303)</u>
Net position - ending	<u>\$ 14,233</u>	<u>\$ (2,761,473)</u>

**GOVERNMENTAL FUND**

The focus of the School's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

The School's governmental fund, the General Fund, reported an ending fund balance of \$(272,707). For the year ended June 30, 2024, the School's general fund revenues of \$21,203,187 exceed expenditures of \$18,758,188 by \$2,444,999.



## **KIPP WEST PHILADELPHIA CHARTER SCHOOL**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

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### **GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS**

The School's final budget for the general fund anticipated that revenues would exceed expenditures by \$470,569. The actual results for the year reflected revenues exceeding expenditures by \$2,228,121. This variance reflects a revenue variance of \$1,369,874 due to greater than budgeted, state sources, local sources and Federal sources offset by less than local educational agency assistance. Expenditures were greater than budgeted by \$387,679 primarily due to greater salaries than expected offset by savings in other areas such as business services, student support services and student activities.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

As of June 30, 2024, the School's investment in capital assets for its governmental activities totaled \$4,795,804 (net of accumulated depreciation). This investment in capital assets includes building improvements, furniture and equipment, and right-to-use assets.

Major capital assets purchased during the year include machinery and equipment of \$6,491.

Additional information on the School's capital assets can be found in Note 4 of this report.

#### **Long-term Debt**

As of June 30, 2024, the School has long-term debt of \$2,077,710 for lease liability. See Note 5 of this report.

As of June 30, 2024, the School has long-term debt of \$1,488,372 for leasehold improvement financing. See Note 6 of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

In the 2024-25 school year, the School will continue to be fully enrolled from K to 8th grade with 854 students. A budgeted increase in regular education and special education per-pupil tuition rates and changes in enrollment is expected to increase tuition by 10% to approximately \$16,330,000.

### **FUTURE EVENTS THAT WILL FINANCIALLY IMPACT THE SCHOOL**

The School expects a modest decrease in per-pupil payment rate in 2024-25 based on current School District budget developments; however, the School is not able to assess the exact financial impact as the students demographics fluctuate throughout the year.

### **CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

The financial report is designed to provide interested parties a general overview of the School's finances. Questions regarding any of the information provided in this report should be addressed to the Chief Executive Officer, KIPP West Philadelphia Charter School, 5070 Parkside Avenue, Suite 3500D, Philadelphia, PA 19131.

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

Statement of Net Position

As of June 30, 2024

(With Summarized Financial Information as of June 30, 2023)

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,998,969	\$ 1,645,903
State subsidies receivable	178,911	378,417
Federal subsidies receivable	1,253	906,649
Due from related parties	136,549	1,631,108
Inventory	23,168	23,167
Prepaid items and deposits	95,152	87,956
Capital assets, net	2,165,571	2,750,621
Right-to-use lease assets, net	2,630,233	3,110,682
 Total assets	 <u>\$ 7,229,806</u>	 <u>\$ 10,534,503</u>
<b>Liabilities:</b>		
Accounts payable	\$ 1,789,722	\$ 2,634,210
Accrued benefits payable	393,905	384,115
Unearned revenue	419,426	5,283
Lease liability - due within one year	662,775	640,356
Lease liability - due beyond one year	2,077,710	2,559,162
Leasehold improvement financing obligation - due within one year	311,379	292,592
Leasehold improvement financing obligation - due beyond one year	1,488,372	1,799,752
Due to related parties	72,284	3,986,506
Net OPEB liability	-	2,000
 Total liabilities	 <u>7,215,573</u>	 <u>12,303,976</u>
<b>Deferred Inflows of Resources:</b>		
Deferred inflows from pension	-	908,000
Deferred inflows from OPEB	-	84,000
 Total deferred inflows of resources	 <u>-</u>	 <u>992,000</u>
 Total liabilities and deferred inflows of resources	 <u>7,215,573</u>	 <u>13,295,976</u>
<b>Net Position:</b>		
Net investment in capital assets	255,568	569,441
Unrestricted	(241,335)	(3,330,914)
 Total net position	 <u>14,233</u>	 <u>(2,761,473)</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 7,229,806</u>	 <u>\$ 10,534,503</u>

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

## Statement of Activities

For the Year Ended June 30, 2024

(With Summarized Financial Information for the Year Ended June 30, 2023)

Functions/Programs	Expenses	Program Revenues		Net Expense (Revenue) and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities	
				2024	2023
Governmental activities:					
Instruction and special education	\$ 9,751,910	\$ -	\$ 4,961,844	\$ (4,790,066)	\$ (5,783,561)
Student support services	244,906	-	-	(244,906)	(111,056)
Instructional staff support	63,090	-	-	(63,090)	(130,446)
Administration support	1,845,217	-	-	(1,845,217)	(2,051,436)
Pupil health	173,327	-	-	(173,327)	(206,532)
Transportation	22,623	-	-	(22,623)	(3,683)
Business services	3,574,614	-	-	(3,574,614)	(3,581,755)
Operations and maintenance	1,224,556	-	-	(1,224,556)	(1,069,936)
Student activities	172,951	-	-	(172,951)	(275,192)
Food services	339,573	-	-	(339,573)	(382,979)
Interest	153,548	-	-	(153,548)	(168,937)
Depreciation and amortization (unallocated)	1,288,868	-	-	(1,288,868)	(1,295,808)
Total	<u>\$ 18,855,183</u>	<u>\$ -</u>	<u>\$ 4,961,844</u>	<u>(13,893,339)</u>	<u>(15,061,321)</u>
General revenues:					
State grants and reimbursements				241,213	129,199
Local education agencies, not restricted to specific programs				14,835,264	11,826,333
Other local sources				598,568	625,115
Decrease in pension deficit				908,000	711,087
Decrease in OPEB deficit				86,000	24,417
Total general revenues				<u>16,669,045</u>	<u>13,316,151</u>
Change in net position				2,775,706	(1,745,170)
Net Position - beginning of year				<u>(2,761,473)</u>	<u>(1,016,303)</u>
Net Position - end of year				<u>\$ 14,233</u>	<u>\$ (2,761,473)</u>

The accompanying notes are an integral part of these statements.

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**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

Balance Sheet

Governmental Funds

June 30, 2024

(With Summarized Financial Information as of June 30, 2023)

	<b>General Fund</b>	
	<b>2024</b>	<b>2023</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,998,969	\$ 1,645,903
State subsidies receivable	178,911	378,417
Federal subsidies receivable	1,253	906,649
Due from related parties	136,549	1,631,108
Inventory	23,168	23,167
Prepaid items and deposits	95,152	87,956
Total assets	<u>\$ 2,434,002</u>	<u>\$ 4,673,200</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>		
Liabilities:		
Accounts payable	\$ 1,789,722	\$ 2,634,210
Accrued benefits payable	393,905	384,115
Unearned revenue	419,426	5,283
Due to related parties	72,284	3,986,506
Total liabilities	<u>2,675,337</u>	<u>7,010,114</u>
Deferred inflows of resources:		
Unavailable revenues	<u>31,372</u>	<u>380,792</u>
Fund balances:		
Nonspendable:		
Inventory	23,168	23,167
Prepaid items and deposits	95,152	87,956
Unassigned	(391,027)	(2,828,829)
Total fund balances	<u>(272,707)</u>	<u>(2,717,706)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,434,002</u>	<u>\$ 4,673,200</u>

## KIPP WEST PHILADELPHIA CHARTER SCHOOL

Reconciliation of the Balance Sheet of the Governmental Fund  
to the Statement of Net Position  
For the Year Ended June 30, 2024

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**Total Fund Balance for Governmental Fund - General Fund** \$ (272,707)

Total net position reported for governmental activities in the  
statement of net position is different because:

Capital assets used in governmental funds are not financial resources and,  
therefore, are not reported in the funds. Those assets consist of:

Leasehold improvements and furniture and equipment	5,487,105	
Accumulated depreciation	<u>(3,321,534)</u>	
		2,165,571

Right-to-use lease assets used in governmental funds are not financial resources and,  
therefore, are not reported in the funds. Those assets consist of:

Right-to-use lease assets	4,643,585	
Accumulated amortization	<u>(2,013,352)</u>	
		2,630,233

Lease liability and leasehold improvement financing obligation that pertains to governmental  
funds is not due and payable in the current period and, therefore, is not reported as fund  
liabilities. All liabilities, both current and long-term, are reported in the statement of  
net position. The balances at year-end are:

Lease liability	(2,740,485)	
Leasehold improvement financing obligation	<u>(1,799,751)</u>	
		(4,540,236)

Certain Federal and state subsidies receivable will be collected in the future, but are  
not available to pay for current period's expenditures and, therefore, are not  
recognized as revenue in the funds:

Unavailable revenues		<u>31,372</u>
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**Change in Net Position of Governmental Activities** \$ 14,233

The accompanying notes are an integral part of these statements.

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

## Statement of Revenues, Expenditures and Changes in Fund Balances

## Governmental Funds

For the Year Ended June 30, 2024

(With Summarized Financial Information for the Year Ended June 30, 2023)

	<b>General Fund</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenues:</b>		
Local educational agency assistance	\$ 14,835,264	\$ 11,826,333
Federal sources	4,960,591	4,977,455
State sources	591,886	-
Other local sources	598,568	625,115
Total revenues	20,986,309	17,428,903
<b>Expenditures:</b>		
Instruction and special education	9,751,910	10,113,340
Student support services	244,906	111,056
Instructional staff support	63,090	130,446
Administration support	1,845,217	2,051,436
Pupil health	173,327	206,532
Transportation	22,623	3,683
Business services	3,574,614	3,581,755
Operations and maintenance	1,224,556	1,069,936
Student activities	172,951	275,192
Food services	339,573	382,979
Capital outlay	6,491	15,287
Lease liability expenditures	216,878	-
Debt service:		
Principal	968,504	898,020
Interest	153,548	168,937
Total expenditures	18,758,188	19,008,599
Surplus (deficiency) of revenues under expenditures	2,228,121	(1,579,696)
<b>Other Financing Sources:</b>		
Proceeds from lease liability	216,878	-
Net change in fund balances	2,444,999	(1,579,696)
<b>Fund Balance</b> - beginning of year	(2,717,706)	(1,138,010)
<b>Fund Balance</b> - end of year	\$ (272,707)	\$ (2,717,706)

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2024

<b>Net Change in Fund Balance - Total Government Fund</b>			<b>\$ 2,444,999</b>
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds reported capital outlays as expenditures. However, in the statement of activities, assets are capitalized and cost is allocated over their estimated useful lives and reported as depreciation. This is the amount by which depreciation exceed capital outlays in the current period.			
	Capital outlays	6,491	
	Deprecation expense	<u>(591,541)</u>	(585,050)
Governmental funds reported increases in right-to-use assets. However, in the statement of net position, these assets are capitalized and cost is allocated over their estimated useful lives and reported as amortization expense. Decrease in right-to-use lease assets by the current year amortization of the right-to-use assets, allocated over the term of the leases.			
	Additions to right-to-use lease assets	216,878	
	Amortization expense	<u>(697,327)</u>	(480,449)
Because some state and Federal subsidy revenue will not be collected for several months after fiscal year-end, they are not considered as available revenues in the funds. Unavailable state and Federal subsidy revenue changed by this amount during the year.			
	Change in unavailable revenue		(349,420)
Governmental funds report lease liability and long-term debt proceeds as other financing sources in the period the lease or debt is initially recognized, while repayment is reported as expenditures. In the statement of net position, however, the lease liability and debt increases liabilities and does not affect the statement of activities, and repayment of principal reduces the obligation. The effect of these differences in the treatment of the lease liability and leasehold improvement financing obligation are as follows:			
	Proceeds from lease liability	(216,878)	
	Repayment of leasehold improvement financing obligation	292,593	
	Payments on lease liability	<u>675,911</u>	751,626
Governmental funds report school pension and OPEB contributions as expenditures. However, in the statement of activities, the cost incurred for future pension and OPEB benefits is reported as pension and OPEB expense, as follows:			
	Gain on termination of pension		908,000
	Gain on termination of OPEB		<u>86,000</u>
<b>Change in Net Position of Governmental Activities</b>			<b><u>\$ 2,775,706</u></b>

## KIPP WEST PHILADELPHIA CHARTER SCHOOL

Notes to the Basic Financial Statements  
June 30, 2024

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### 1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

KIPP West Philadelphia Charter School (the School) is a charter school located in Philadelphia, Pennsylvania. On July 1, 2016, the School Reform Commission of the School District of Philadelphia granted a charter to the School to operate a public charter school. During the 2018-2019 school year, the School successfully completed its first charter renewal and was renewed for a five-year term ending June 30, 2029.

Following the completed charter renewal, the School sought a charter merger with KIPP West Philadelphia Preparatory School, with the resulting organization serving 860 students in grades kindergarten through grade eight. The merger was approved by the School District of Philadelphia on September 19, 2019, and was effective on July 1, 2020. During fiscal year 2024, the School served 852 students in grades kindergarten through grade eight.

The School is a charter school which has financial accountability and control over all activities related to the students' education. The School receives funding from local, state and Federal government resources and must comply with the requirements of these funding sources. The School, however, is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board (GASB) pronouncement. In addition, there are no component units as defined by GASB.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Presentation**

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards.

#### **Governmental-wide and Fund Financial Statements**

The governmental-wide financial statements (the statement of net position and the statement of activities) report on the School as a whole. The statement of activities demonstrates the degree to which the direct expenses of the School's functions are offset by program revenues.

The fund financial statements (governmental fund balance sheet and statement of governmental fund revenues, expenditures and changes in fund balance) report on the School's general fund.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

##### *Governmental-wide Financial Statements*

The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

##### *Fund Financial Statements*

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.



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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

*Fund Financial Statements (Continued)*

Grants and similar items are recognized as soon as all eligibility requirements imposed by providers have been met. For this purpose, the School considers revenues to be available if they are collected within the current period or within 120 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due. Compensated absences are recognized as expenditures only to the extent that they are normally expected to be paid from existing unrestricted fund net position. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under leases are reported as other financing sources. Under the terms of grant agreements, the School supports certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the School's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

The School reports the following major governmental fund:

*General Fund* – The General Fund is the operating fund of the School and accounts for all revenues and expenditures of the School.

*Method of Accounting*

The Accounting Standards require a statement of net position and a statement of activities. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, lease liabilities, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted - This component of net position consists of net position limited through external constraints imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The School had no restricted net position as of June 30, 2024.
- Unrestricted net position - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental funds report nonspendable portions of the fund balance related to inventory, prepaid items, long-term receivables, and corpus on any permanent fund. Restricted funds are constrained from outside parties (statue, grantors, bond agreements, etc.). Committed fund balances represent resources segregated from the unassigned fund balance. Committed fund balances are established and modified by a resolution approved by the Board of Trustees. Assigned fund balances are intended by the School to be used for specific purposes which are determined by Board approval. Unassigned fund balances are considered the remaining amounts.

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

*Method of Accounting (Continued)*

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance are available, it is the School's policy to use restricted first, then unrestricted fund balance. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the School's policy to use committed first, then assigned, and finally unassigned amounts.

**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual budget is adopted for the General Fund.

The Budgetary Comparison Schedule should present both the original and the final appropriated budgets for the reporting period. The School has a general fund budget. The original budget was filed and accepted by the Labor, Education and Community Services Comptroller's Office in July 2023. The budget is included as required supplementary information.

**Fair Value of Financial Instruments**

The School follows the accounting and disclosure standards pertaining to GASB No. 72, *Fair Value Measurement and Application*, for qualifying assets and liabilities. Fair value is defined as the price that the School would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants at the measurement date.

The School uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the School. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability. Unobservable inputs are inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability.

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

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the recorded amount 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 expenditures during the reporting period. Actual results could differ from those estimates.

**Concentration of Credit Risk**

The School maintains its cash balances in a Pennsylvania bank which is insured within the limits of the Federal Deposit Insurance Corporation (FDIC). Periodically, the School may maintain deposits in excess of the FDIC limit of \$250,000 with the financial institution. The School believes it is not exposed to any significant credit risk on cash and cash equivalents.

GASB Statement No. 40 requires that the School disclose whether its deposits are exposed to custodial risk (risk that in the event of failure of the counterparty, the School would not be able to recover the value of its deposit or investment).

**Cash and Cash Equivalents**

Cash and cash equivalents include petty cash, change funds, cash in banks, and all highly liquid investments with a maturity of three months or less.

**Federal and State Subsidies Receivable and Allowance for Doubtful Accounts**

Federal and state subsidies receivable primarily consist of amounts due from the Pennsylvania Department of Education (PDE) for Federal, state subsidy programs, and other receivables. Federal and state subsidies receivable are stated at the amount management expects to collect from outstanding balances. As of June 30, 2024, no allowance of doubtful accounts was deemed warranted.

**Capital Assets**

Capital assets, which include furniture and equipment, are reported in the governmental-wide financial statements. The School's capitalization policy is to capitalize additions in excess of \$5,000 with a useful life in excess of one year. All capital assets are capitalized at cost and updated for additions and retirements during the year. The School does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. The following estimated useful lives are used to compute depreciation:

<u>Description of Capital Cost</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	20 years or life of lease
Furniture and equipment	7 - 10 years

**Inventory**

Inventory consists principally of student uniforms and is recorded at cost.

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

**Leases**

The School is a lessee for buildings and various equipment. The School recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements based on the criteria dictated in GASB Statement No. 87, *Leases* (GASB 87).

At the commencement of a lease, the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position (see Note 5).

An intangible right-to-use asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to-use asset is amortized on a straight-line basis over the shorter of the life of the underlying asset or the lease term.

The School uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School is utilizing its estimated incremental borrowing rate (corresponding to length of lease) in place at the date of implementation (July 1, 2021) or commencement date of new leases, along with other risk factors to determine the discount interest rate for leases.

The lease terms include the noncancellable and renewal periods of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments through the end of the term, which includes any renewal periods.

The School has recognized payments for short-term leases with a term of twelve months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use assets in the accompanying statement of net position.

**Income Tax Status**

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no provision or liability for income taxes has been recorded in the accompanying financial statements.

**Uncertain Tax Positions**

The School accounts for uncertainty in income taxes in which tax positions initially need to be recognized in the financial statements when it is more-likely-than-not that the positions will be sustained upon examination by taxing authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

As of June 30, 2024, the School had no uncertain tax positions that qualified for either recognition or disclosure in the accompanying financial statements. Additionally, the School had no interest or penalties related to income taxes. The School files an information return in the U.S. Federal jurisdiction.

**Unearned Revenue**

Deferred revenue represents funds that have been received but not yet earned. Deferred revenue as of June 30, 2024, is expected to be earned in fiscal year 2025 and is reflected as unearned revenue in the accompanying statement of net position.

## KIPP WEST PHILADELPHIA CHARTER SCHOOL

Notes to the Basic Financial Statements  
June 30, 2024

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

#### Pensions

Effective July 1, 2022, the School no longer has any employees participating in the pension program.

#### *Plan Description*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows resources to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS or the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

PSERS is a governmental cost-sharing multiemployer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. Additional information on PSERS and its publicly available financial report that can be obtained at [www.psers.state.pa.us](http://www.psers.state.pa.us).

#### *Other Postemployment Benefits*

For purposes of measuring the net Other Postemployment Benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PSERS or the "System") and additions to deductions from the System's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Subsequent Events

Subsequent events have been evaluated through November 13, 2024, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

### 3. DEPOSITS

The School's cash and cash equivalents are classified below to inform financial statement users about the extent to which the School's deposits are exposed to custodial credit risk. The School does not have a policy for custodial credit risk.

Operating cash accounts are held in the School's name by a banking institution. As of June 30, 2024, \$1,747,205 was exposed to custodial credit risk as follows:

Uninsured and collateralized amount	\$ 1,747,205
Plus - insured amount	250,000
Plus - deposits in transit	<u>1,764</u>
Total cash per school-wide financial statements	<u>\$ 1,998,969</u>

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

Notes to the Basic Financial Statements  
June 30, 2024

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**4. CAPITAL ASSETS AND RIGHT-TO-USE LEASE ASSETS**

Changes in capital assets are as follows for the fiscal year ended June 30, 2024:

	<b><u>Beginning Balance July 1, 2023</u></b>	<b><u>Net Additions</u></b>	<b><u>Ending Balance June 30, 2024</u></b>
Capital assets:			
Leasehold improvements	\$ 3,394,256	\$ -	\$ 3,394,256
Furniture and equipment	<u>2,086,358</u>	<u>6,491</u>	<u>2,092,849</u>
Total capital assets	<u>5,480,614</u>	<u>6,491</u>	<u>5,487,105</u>
Less - accumulated depreciation:			
Leasehold improvements	1,359,671	327,504	1,687,175
Furniture and equipment	<u>1,370,322</u>	<u>264,037</u>	<u>1,634,359</u>
Total accumulated depreciation	<u>2,729,993</u>	<u>591,541</u>	<u>3,321,534</u>
Total capital assets, net	<u>\$ 2,750,621</u>	<u>\$ (585,050)</u>	<u>\$ 2,165,571</u>

Depreciation for the year ended June 30, 2024, amounted to \$591,541 and was charged to an unallocated function in the accompanying statement of activities.

Changes in right-to-use lease assets are as follows for the fiscal year ended June 30, 2024:

	<b><u>Beginning Balance July 1, 2023</u></b>	<b><u>Net Additions</u></b>	<b><u>Ending Balance June 30, 2024</u></b>
Right-to-use lease assets:			
Building	\$ 4,170,148	\$ -	\$ 4,170,148
Equipment	<u>256,559</u>	<u>216,878</u>	<u>473,437</u>
Total right-to-use lease assets	<u>4,426,707</u>	<u>216,878</u>	<u>4,643,585</u>
Less - accumulated amortization:			
Building	1,177,454	588,727	1,766,181
Equipment	<u>138,571</u>	<u>108,600</u>	<u>247,171</u>
Total accumulated amortization	<u>1,316,025</u>	<u>697,327</u>	<u>2,013,352</u>
Total right-to-use lease assets, net	<u>\$ 3,110,682</u>	<u>\$ (480,449)</u>	<u>\$ 2,630,233</u>

Amortization expense for the year ended June 30, 2024, amounted to \$697,327 and was charged to an unallocated function in the accompanying statement of activities.

## KIPP WEST PHILADELPHIA CHARTER SCHOOL

Notes to the Basic Financial Statements  
June 30, 2024

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### 5. COMMITMENTS

The School entered into a building lease agreement with a landlord which originally expired in July 2023. The building lease agreement grants three options to extend the term of the lease for an additional five years each. The School exercised the first option to extend the lease during fiscal year 2023 through July 2028. Upon adoption of GASB 87, the School evaluated the likelihood of exercising the three extension options and included one option to extend in the calculations of the possibility of exercising the additional options was uncertain. The School was required to make monthly principal and interest payments of \$49,667 during fiscal year 2024. Interest expense on the lease was \$24,653 for the year ended June 30, 2024. The net present value of the lease liabilities was \$2,509,776 as of June 30, 2024, and was calculated using a discount rate of 0.89% (the School's estimated incremental borrowing rate as of the lease inception).

The School leases copiers under lease agreements which were entered into at various dates in fiscal year 2022 through fiscal year 2024. The School was required to make monthly principal and interest payments of \$9,915 during fiscal year 2024. Interest expense on the leases was \$8,598 for the year ended June 30, 2024. The net present value of the lease liabilities was \$230,709 as of June 30, 2024, and was calculated using a discount rate ranging from 0.89% to 4.46% (the School's estimated incremental borrowing rate as of the various lease inception dates).

Future minimum payments under these agreements and future amortization are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Amortization</u>
2025	\$ 662,775	\$ 26,804	\$ 665,526
2026	662,296	19,421	645,475
2027	668,732	11,947	632,953
2028	688,078	4,277	632,103
2029	<u>58,604</u>	<u>3</u>	<u>54,176</u>
Total	<u>\$ 2,740,485</u>	<u>\$ 62,452</u>	<u>\$ 2,630,233</u>

In addition, the School leases space within the John P. Turner Middle School, 5900 Baltimore Avenue, in Philadelphia, Pennsylvania under a licensing agreement with the School District of Philadelphia (the District). Under the terms of this agreement, the School will be provided all utility, janitorial, building engineering, and security services by the School District. The School's short-term rent expense related to this agreement was \$358,026 for the year ended June 30, 2024, which is included in operations and maintenance in the accompanying statement of activities. In March 2024, the School and the District agreed to extend the agreement for the period from July 1, 2024 to June 30, 2025, for an annual cost of \$418,762.

### 6. LEASEHOLD IMPROVEMENTS FINANCING OBLIGATIONS

In August 2018, September 2019 and November 2020, the School entered into financing agreements in the amounts of \$1,000,000, \$1,500,000 and \$568,727, respectively, with Philadelphia Business and Technology Center. The agreements require monthly payments of combined principal and interest amounting to \$11,565, \$16,880 and \$5,963, respectively, which include interest rates at 6.91%, 6.30% and 4.75%, respectively. These agreements will mature in August 2028, September 2029, and November 2030, respectively.

The leasehold improvements financing obligations balance was \$1,799,751 as of June 30, 2024. Interest expense on these leasehold improvements financing obligations incurred for the year ended June 30, 2024, was \$120,297.

## KIPP WEST PHILADELPHIA CHARTER SCHOOL

Notes to the Basic Financial Statements  
June 30, 2024

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### 6. LEASEHOLD IMPROVEMENTS FINANCING OBLIGATIONS (Continued)

If the School defaults on the leasehold improvements financing obligations, the Philadelphia Business and Technology Center has the right to apply the security deposit for purpose of curing the default or for reimbursing the landlord for any damages or costs occasioned by the default.

Minimum future principal payments under the leasehold improvement financing obligations are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 311,379	\$ 101,511	\$ 412,890
2026	331,389	81,500	412,889
2027	352,704	60,185	412,889
2028	375,410	37,480	412,890
2029	280,910	16,334	297,244
2030 - 2031	<u>147,959</u>	<u>4,050</u>	<u>152,009</u>
Total	<u>\$ 1,799,751</u>	<u>\$ 301,060</u>	<u>\$ 2,100,811</u>

### 7. LOCAL EDUCATIONAL AGENCIES REVENUE

Charter schools are funded by the local public school district in which each student resides. The rate per student is determined annually and is based on the budgeted total expenditure per average daily membership of the prior school year for each school district. All of the students for the School reside in Philadelphia. For the year ended June 30, 2024, the rate for the School District of Philadelphia (PSD) was \$11,569 per year for regular education students and \$36,431 for special education students. The annual rate paid monthly by the PSD is prorated if a student enters or leaves during the year. Total revenue from PSD was \$14,835,264 for Local Educational Agency Assistance and \$184,418 of Federal funds passed-through PSD for the year ended June 30, 2024.

### 8. GOVERNMENT GRANTS AND REIMBURSEMENT PROGRAMS

The School participates in numerous state reimbursement and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs and reimbursement programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants and reimbursement programs, refunds of any money received may be required and collectability of any related receivable at June 30, 2024, may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

### 9. FUNDING AND CONCENTRATIONS

The School receives significant funding from the PDE and PSD and various Federal agencies passed-through the PDE for its tuition and grant revenue, respectively. This funding is subject to audit by the appropriate governmental agency. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of the School as of June 30, 2024, or on the changes in its net position for the year then ended. The School received approximately 24% and 73% of its operating revenue from the PDE and PSD, respectively, for the year ended June 30, 2024. In addition, substantially all of the School's receivables are due from the PDE as of June 30, 2024.



## KIPP WEST PHILADELPHIA CHARTER SCHOOL

Notes to the Basic Financial Statements  
June 30, 2024

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### 10. RETIREMENT PLAN

The School is part of a defined contribution plan under Section 403(b) of the IRC, which employees of the School can elect to contribute. Employees can contribute up to 5% of their qualified compensation, with the School matching up to 5% of their qualified compensation. For the year ended June 30, 2024, the School had contributed \$342,945 to the Section 403(b) plan.

Employees are immediately vested in their own contributions and earnings on those contributions. Employees become vested in the School's contributions and earnings on School contributions after one year of service. Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to pay a portion of the plan's administrative expenses.

The School had a liability to the plan totaling \$47,320 as of June 30, 2024, which is included in accrued benefits payable.

### 11. PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2024, there was no reported liability for the School's proportionate share of net pension liability as the School no longer has any employees participating in the plan.

The School recognized a gain on the termination of the pension plan in fiscal year 2024 of \$908,000 resulting from the decrease in the deferred outflows from pension, which is reflected as decrease in pension deficit in the accompanying statement of activities.

### 12. OTHER POSTEMPLOYMENT BENEFITS, BENEFIT EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OTHER POSTEMPLOYMENT BENEFITS

At June 30, 2024, the School reported no liability for its proportionate share of the net OPEB liability as the School no longer has any employees participating in the plan.

The School recognized a gain on the termination of the OPEB Plan in fiscal year 2024 of \$6,000 resulting from the decrease in the net OPEB liability on deferred outflows from OPEB, which is reflected as decrease in OPEB deficit in the accompanying statement of activities.

### 13. RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School carries commercial insurance for such risks. There has been no significant reduction in insurance coverage from the previous year in any of the School's policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three years.

### 14. RELATED PARTY TRANSACTIONS

The School, KIPP Philadelphia Charter School (KPCS), KIPP Dubois Charter School (KDCS), KIPP North Philadelphia Charter School (KNPCS), KIPP Philadelphia Octavius Catto Charter School (KPOC), and KIPP Administrative Services Corporation (KASC) are considered related parties as a result of common members of the Board and the management of the schools. The School has an arrangement with KASC where KASC provided management, professional, and facility services rendered to the School. The School pays a fee equal to 12% of public local and state funds, as defined in the agreement to KASC.

## KIPP WEST PHILADELPHIA CHARTER SCHOOL

Notes to the Basic Financial Statements  
June 30, 2024

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### 14. RELATED PARTY TRANSACTIONS (Continued)

During fiscal year 2024, the School incurred \$1,780,232 of expenses for these services. In addition, during the year ended June 30, 2024, the School incurred an additional \$360,000 for additional support needed in fiscal year 2024, as agreed by the School and KASC. These expenses are included in business services in the accompanying statement of activities

From time-to-time, the School and other related entities pay for shared costs which are reimbursed. As of June 30, 2024, the School has a receivable from related parties in the amount of \$136,549 and a payable to related parties in the amount of \$72,284.

<u>Related Entities</u>	<u>Due from Related Party</u>	<u>Due to Related Party</u>
KPCS	\$ 136,540	\$ -
KDCS	9	-
KASC	-	72,284
Total	<u>\$ 136,549</u>	<u>\$ 72,284</u>

### 15. CONTINGENCIES

The School is sometimes subject to litigation or the threat of litigation in the ordinary course of its business. In accordance with accounting principles generally accepted in the United States of America, the School recognizes such contingencies in the financial statements when it is both probable that a material liability has been incurred and the amount can be reasonably estimated.

### 16. LICENSE AGREEMENTS

The School maintains a trademark licensing agreement with KIPP Foundation (KIPP) that is renewed annually. The School must abide by certain educational guidelines as set forth in the agreement. Under the licensing agreement, the School has the right to use various trademarks owned by KIPP.

In accordance with their licensing agreement, the School is to pay KIPP a fee of 1% of the per-pupil tuition per year, not to exceed \$30,000.

The School can elect to terminate this agreement. However, if the School elects to terminate the agreement, they are required to reimburse KIPP up to \$300,000, which are intended to offset costs KIPP incurred in the training of staff and assistance in operating the School.

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund (Unaudited)  
For the Fiscal Year Ended June 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable (Unfavorable)</b>
<b>Revenues:</b>				
Local educational agency assistance	\$ 13,919,512	\$ 14,843,075	\$ 14,835,264	\$ (7,811)
Federal sources	5,760,515	4,123,510	4,960,591	837,081
Other local sources	395,840	395,840	598,568	202,728
State sources	254,010	254,010	591,886	337,876
<b>Total revenues</b>	<b>20,329,877</b>	<b>19,616,435</b>	<b>20,986,309</b>	<b>1,369,874</b>
<b>Expenditures:</b>				
Instruction and special education	6,906,021	6,664,278	9,751,910	(3,087,632)
Student support services	1,966,318	1,876,514	244,906	1,631,608
Instructional staff support	25,300	25,300	63,090	(37,790)
Administration support	1,966,318	1,876,514	1,845,217	31,297
Pupil health	208,605	208,605	173,327	35,278
Transportation	-	-	22,623	(22,623)
Business services	5,322,494	5,603,812	3,574,614	2,029,198
Operations and maintenance	1,683,947	1,812,024	1,224,556	587,468
Student activities	682,410	682,410	172,951	509,459
Food services	396,410	396,410	339,573	56,837
Capital outlay	-	-	6,491	(6,491)
Lease liability expenditures	-	-	216,878	(216,878)
Debt service:				
Principal	-	-	968,504	(968,504)
Interest	-	-	153,548	(153,548)
<b>Total expenditures</b>	<b>19,157,823</b>	<b>19,145,867</b>	<b>18,758,188</b>	<b>387,679</b>
Excess of revenues under expenditures	1,172,054	470,568	2,228,121	1,757,553
<b>Other Financing Sources:</b>				
Proceeds from lease liability	-	-	216,878	216,878
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>216,878</b>	<b>216,878</b>
<b>Net change in fund balance</b>	<b>\$ 1,172,054</b>	<b>\$ 470,568</b>	<b>\$ 2,444,999</b>	<b>\$ 1,974,431</b>

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

Schedules of Proportionate Share of PSERS Net Pension Liability (NPL) and Contributions (Unaudited)  
Year Ended June 30, 2024

**Schedule of Proportionate Share of PSERS Net Pension Liability (NPL)**  
**PSERS Measurement Date (Unaudited)**  
**(in thousands)**

Measurement Date	PSERS Net Pension Liability		School's Covered Payroll	School's Proportionate Share of NPL as a Percentage of Covered Payroll	PSERS Fiduciary Net Position as a Percentage of Total Pension Liability
	School's Proportionate Share	School's Proportionate Share			
June 30, 2014	0.0130%	\$ 5,146	\$ 1,656	311%	57.2%
June 30, 2015	0.0110%	\$ 5,112	\$ 1,516	337%	54.4%
June 30, 2016	0.0083%	\$ 4,113	\$ 1,080	381%	50.1%
June 30, 2017	0.0063%	\$ 3,111	\$ 845	368%	51.8%
June 30, 2018	0.0063%	\$ 3,024	\$ 852	355%	54.0%
June 30, 2019	0.0039%	\$ 1,825	\$ 543	366%	55.7%
June 30, 2020	0.0033%	\$ 1,625	\$ 553	294%	54.3%
June 30, 2021	0.0004%	\$ 164	\$ 70	236%	63.7%
June 30, 2022	0.0000%	\$ -	\$ -	0%	61.3%
June 30, 2023	0.0000%	\$ -	\$ -	0%	61.8%

**PSERS Schedule of Contributions (Unaudited)**  
**(in thousands)**

Fiscal Year	Contractually Required Contributions	Contributions Recognized by PSERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2014/15	\$ 230	\$ 230	\$ -	\$ 1,516	15.2%
2015/16	\$ 271	\$ 271	\$ -	\$ 1,080	25.1%
2016/17	\$ 246	\$ 246	\$ -	\$ 845	29.1%
2017/18	\$ 336	\$ 336	\$ -	\$ 852	39.4%
2018/19	\$ 157	\$ 157	\$ -	\$ 543	28.9%
2019/20	\$ 185	\$ 185	\$ -	\$ 553	33.5%
2020/21	\$ 24	\$ 24	\$ -	\$ 70	34.5%
2021/22	\$ -	\$ -	\$ -	\$ -	0.0%
2022/23	\$ 2	\$ 2	\$ -	\$ -	0.0%
2023/24	\$ -	\$ -	\$ -	\$ -	0.0%

Note - 10 years are required, additional years will be added as they become available.

**Notes to Required Supplemental Information**

(1) Methods and Assumptions used in Calculations of Actuarially Determined Proportionate Share of PSERS Net Pension Liability and Contributions.

Actuarial Cost Method - Entry Age Normal - Level % of Pay.

Investment Return - The investment rate of return was 7.00%, includes inflation of 2.50%

Salary Increases - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS's experience and projected using a modified version of the MP-2020 Improvement Scale.

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

Schedules of Proportionate Share of PSERS Net OPEB Liability and Contributions (Unaudited)  
Year Ended June 30, 2024  
(in thousands)

**Schedule of Proportionate Share of PSERS Net OPEB Liability**  
**PSERS Measurement Date (Unaudited)**  
(in thousands)

Measurement Date	PSERS Net Pension Liability		School's Covered Payroll	School's Proportionate Share of Net OPEB Liability as a Percentage of Covered Payroll	PSERS Fiduciary Net Position as a Percentage of Total OPEB Liability
	School's Proportionate Share	School's Proportionate Share			
June 30, 2017	0.0063%	\$ 128	\$ 845	15%	5.73%
June 30, 2018	0.0063%	\$ 131	\$ 852	15%	5.56%
June 30, 2019	0.0039%	\$ 83	\$ 543	15%	5.56%
June 30, 2020	0.0033%	\$ 71	\$ 553	13%	5.69%
June 30, 2021	0.0004%	\$ 10	\$ 70	14%	5.30%
June 30, 2022	0.0001%	\$ 2	\$ 18	11%	6.86%
June 30, 2023	0.0000%	\$ -	\$ -	0%	7.22%

**PSERS OPEB Schedule of Contributions (Unaudited)**  
(in thousands)

Fiscal Year	Contractually Required Contributions	Contributions Recognized by PSERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2017/18	\$ 9	\$ 9	\$ -	\$ 852	1.06%
2018/19	\$ 4	\$ 4	\$ -	\$ 543	74.00%
2019/20	\$ 5	\$ 5	\$ -	\$ 553	90.00%
2020/21	\$ 1	\$ 1	\$ -	\$ 70	72.00%
2021/22	\$ -	\$ -	\$ -	\$ -	0.00%
2022/23	\$ -	\$ -	\$ -	\$ -	0.00%
2023/24	\$ -	\$ -	\$ -	\$ -	0.00%

Note - 10 years are required, additional years will be added as they become available.

**Notes to Required Supplemental Information**

(1) Changes in Actuarial Assumptions

The investment rate of return was changed from 2.18% to 4.09%

(2) Methods and Assumptions used in Calculations of Actuarially Determined Proportionate Share of PSERS Net Pension Liability and Contributions.

Actuarial Cost Method - Entry Age Normal - Level % of Pay.

Investment Return - 4.09% - S&P 20 Year Municipal Bond Rate.

Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

Premium Assistance reimbursement benefits capped at \$1,200 per year.

Assumed health care cost trends were applied to retirees with less than \$1,200 in premium assistance per year.

Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS's experience and projected using a modified version of the MP-2020 Improvement Scale.

Participation rate:

Eligible retirees will elect to partipate pre-age 65 at 50%.

Eligible retirees will elect to partipate post-age 65 at 70%.

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	<b>Assistance Listing (AL) Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Education:</b>			
Passed-Through Pennsylvania Department of Education:			
Title I Grants to Local Educational Agencies	84.010	013-23-1146-A 999-24-1146	<u>\$ 883,382</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	020-24-1146	<u>53,521</u>
Student Support and Academic Enrichment Program	84.424	144-23-1146-A 144-24-1146	<u>64,550</u>
COVID-19 - Education Stabilization Fund	84.425D	200-21-1146	130,685
COVID-19 - Education Stabilization Fund	84.425	200-21-1146 223-21-1146	<u>3,645,288</u>
Total AL No. 84.425			<u>3,775,973</u>
Total Passed-Through Pennsylvania Department of Education			4,777,426
Passed-Through Philadelphia School District: Special Education Cluster (IDEA):			
COVID-19 - Special Education Grants to States	84.027	5036	<u>184,418</u>
Total U.S. Department of Education			<u>4,961,844</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 4,961,844</u></u>

## KIPP WEST PHILADELPHIA CHARTER SCHOOL

Notes to the Schedule of Expenditures of Federal Awards  
June 30, 2024

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### 1. GENERAL INFORMATION

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

### 2. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the School and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

### 3. RELATIONSHIP TO FINANCIAL STATEMENTS

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

### 4. INDIRECT COST RATE

The School has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

Independent Auditor's Report

To the Board of Trustees of  
KIPP West Philadelphia Charter School:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of KIPP West Philadelphia Charter School (the School), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents and have issued our report thereon dated November 13, 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 opinion 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 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 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



### **Purpose of this Report**

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

*AAFCPA, Inc.*

Westborough, Massachusetts  
November 13, 2024

**Report on Compliance for Each Major Federal Program and Report on Internal Control  
Over Compliance Required by the Uniform Guidance**

Independent Auditor's Report

To the Board of Trustees of  
KIPP West Philadelphia Charter School:

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

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

We have audited KIPP West Philadelphia Charter School'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 auditor's 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 Auditor's 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.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to on the previous page 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 on the previous page 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.

### **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 Auditor's Responsibilities for the Audit of Compliance section 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.

**Report on Internal Control Over Compliance (Continued)**

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.

*AAFCPA, Inc.*

Westborough, Massachusetts  
November 13, 2024

**KIPP WEST PHILADELPHIA CHARTER SCHOOL**Schedule of Findings and Questioned Costs  
June 30, 2024

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**1. SUMMARY OF AUDITOR'S RESULTS****Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Is a "going concern" emphasis-of-matter paragraph included in the auditor's report? ☐ Yes ☒ No

Internal control over financial reporting:

- Material weakness(es) disclosed? ☐ Yes ☒ No
- Significant deficiency(ies) disclosed? ☐ Yes ☒ No

Noncompliance material to financial statements disclosed? ☐ Yes ☒ No**Federal Awards**

Internal control over each major Federal program:

- Material weakness(es) disclosed? ☐ Yes ☒ No
- Significant deficiency(ies) disclosed? ☐ Yes ☒ No

Type of auditor's report issued on compliance for each major Federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major Federal programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Title I Grants to Local Educational Agencies	84.010
COVID-19 - Education Stabilization Fund	84.425

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No**2. FINANCIAL STATEMENT FINDINGS**

None.

**3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.