

**KIPP METRO ATLANTA
COLLABORATIVE, INC.**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

KIPP METRO ATLANTA COLLABORATIVE, INC.

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
KIPP Metro Atlanta Collaborative, Inc.
Atlanta, Georgia

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of **KIPP Metro Atlanta Collaborative, Inc.** (the "Organization") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of KIPP Metro Atlanta Collaborative, Inc., as of June 30, 2023, 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 Opinions

We conducted our audit in accordance with 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. 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 KIPP Metro Atlanta Collaborative, Inc. 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 opinions.

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 KIPP Metro Atlanta Collaborative, Inc.'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 opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 KIPP Metro Atlanta Collaborative Inc.'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 KIPP Metro Atlanta Collaborative Inc.'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, general fund - schedule of revenues, expenditures, and changes in fund balance - budget and actual, schedule of proportionate share of net pension liability Teachers Retirement System of Georgia, and schedule of contributions to Teachers Retirement System of Georgia on pages 4-8 and 30-32 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 opinions on the financial statements that collectively comprise KIPP Metro Atlanta Collaborative Inc.'s basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 27, 2023 on our consideration of KIPP Metro Atlanta Collaborative, Inc.'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 KIPP Metro Atlanta Collaborative, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering KIPP Metro Atlanta Collaborative, Inc.'s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
October 27, 2023

KIPP METRO ATLANTA COLLABORATIVE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of KIPP Metro Atlanta Collaborative, Inc.'s ("Organization") financial performance provides an overall review of the Organization's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the Organization's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the Organization's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- ✓ Total net position increased \$17,284,826 from fiscal year 2022. This total increase was due to governmental activities since the Organization has no business-type activities.
- ✓ QBE earnings accounted for \$91,309,329 or 67% percent of total revenues.
- ✓ The Organization had \$118,857,184 in expenses related to governmental activities.
- ✓ The General Fund had \$136,081,210 in revenues and \$109,555,638 in expenditures. The General Fund's fund balance increased from \$34,432,282 to \$60,957,854.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand KIPP Metro Atlanta Collaborative, Inc. as a financial whole, or as an entire operating entity.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole Organization; present both an aggregate view of the Organization's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of KIPP Metro Atlanta Collaborative, Inc., the General Fund and NMTC Entities are the most significant funds.

Reporting the Organization as a Whole

Statement of Net Position and Statement of Activities

The view of the Organization as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include *all assets and all liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Organization's net position and changes in net position. This change in net position is important because it tells the reader whether, for the Organization as a whole, the financial position of the Organization has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Organization's Full Time Equivalent (FTE) for students, facility conditions, required educational program and other factors.

In the Statement of Net Position and the Statement of Activities, the Organization has one distinct type of activity:

Governmental Activities - All of the Organization's programs and services are reported here including instruction, support services, and food services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reporting the Organization's General Fund

Fund Financial Statements

Fund financial reports provide detailed information about the Organization's major funds. The Organization uses the General Fund to account for a multitude of financial transactions.

Governmental Funds: All of the Organization's activities are reported in governmental funds, which focus on how money flows into and out of the General Fund and the balances left at year-end available for spending in future periods. The General Fund is reported using an accounting method called *modified accrual accounting*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Organization's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

The Organization as a Whole

The perspective of the Statement of Net Position is of the Organization as a whole. Table 1 provides a summary of the Organization's net position for fiscal year 2023 and 2022.

Table 1

Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 65,459,592	\$ 37,767,753
Capital assets	33,844,201	34,578,534
Total assets	99,303,793	72,346,287
Deferred outflows of resources	55,332,204	28,477,486
Liabilities		
Current liabilities	7,021,293	5,819,839
Noncurrent liabilities	107,649,896	35,591,848
Total liabilities	114,671,189	41,411,687
Deferred inflows of resources	508,950	37,241,054

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Organization as a Whole (Continued)

	Governmental Activities	
	2023	2022
Net position		
Total net position	39,455,858	22,171,032
Total net position, deferred inflows of resources, & liabilities	\$ 154,635,997	\$ 100,823,773

Table 2 shows the change in net position for fiscal year 2023 and 2022.

Table 2

Change in Net Position

	Governmental Activities	
	2023	2022
Revenues		
General revenues	\$ 944,098	\$ (334,619)
Operating grants and contributions	134,490,993	95,081,450
Charges for services	706,919	413,780
Total revenues	136,142,010	95,160,611
Expenses		
Instruction	45,910,593	35,942,835
Support services:		
Pupil services	6,296,313	3,680,688
Improvement of instructional services	4,459,293	3,097,982
General administration	4,098,910	3,094,010
School administration	18,712,308	16,691,469
Support services - business	10,355,686	7,141,032
Maintenance and operation of plant services	16,367,574	10,761,235
Student transportation services	1,994,162	1,712,647
Support – central	1,372,660	832,857
Other support services	2,165,460	1,661,620
School nutrition program	6,996,497	4,482,212
Other outlays	-	60,211
Debt service	127,728	147,411
Total expenses	118,857,184	89,306,209
Change in net position	17,284,826	5,854,402
Net position, beginning of year	22,171,032	16,316,630
Net position, end of year	\$ 39,455,858	\$ 22,171,032

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities had revenues of \$135,197,912 and expenses of \$118,857,184.

The Organization's Funds

The Organization's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues of \$136,142,010 and expenditures of \$109,651,625. The General Fund's fund balance increased by \$26,525,572 and the NMTC Entities fund balance decreased by \$35,187.

General Fund Budgeting Highlights

The Organization's budget is for the General Fund. During the course of the fiscal year 2023, the Organization did not have amendments to its General Fund budget. The budgeting systems are designed to tightly control cost yet provide flexibility.

Capital Assets

At the end of fiscal years 2023 and 2022, the Organization had invested in capital assets, all in governmental activities. Table 3 shows fiscal year 2023 and 2022.

Table 3
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	2023	2022
Buildings	\$ 10,504,584	\$ 10,504,584
Improvements	29,806,907	28,682,793
Furniture and equipment	6,616,923	6,058,485
Vehicles	8,500	8,500
Construction in progress	3,559,498	2,375,645
Land	1,583,300	1,583,300
	52,079,712	49,213,307
Accumulated depreciation	(18,235,511)	(14,634,773)
Net capital assets	\$ 33,844,201	\$ 34,578,534

Additional information on the Organization's capital assets can be found in Note 8 of the footnotes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Current Issues

The Organization's current operating Full Time Equivalent (FTE) is based on student enrollment and waiting lists. Despite continued challenges of being a growing charter school network, the Organization's management and Board are committed to continue to effectively and prudently manage the available resources to provide quality educational opportunities for all of the Organization's students.

Contacting the Organization's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Organization's finances and to show the Organization's accountability for the money it receives. If you have questions about this report or need additional information, contact the Treasurer at KIPP Metro Atlanta Collaborative, Inc., 1445 Maynard Road N.W. Atlanta, Georgia 30331.

KIPP METRO ATLANTA COLLABORATIVE, INC.
STATEMENT OF NET POSITION
JUNE 30, 2023

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Cash	\$ 48,558,921
Investments	2,932,222
Receivables:	
Accounts	9,044,295
Due from governmental revenue sources	4,586,964
Prepaid expenses	264,037
Deposit	73,153
Non-depreciable capital assets	5,142,798
Depreciable capital assets, net	<u>28,701,403</u>
Total assets	<u>99,303,793</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension related items	<u>55,332,204</u>
<u>LIABILITIES</u>	
Accounts payable	5,057,206
Other liabilities	1,964,087
Notes payable, due in more than one year	9,873,334
Net pension liability	<u>97,776,562</u>
Total liabilities	<u>114,671,189</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension related items	<u>508,950</u>
<u>NET POSITION</u>	
Net invested in capital assets	31,051,867
Restricted - expendable	3,186,058
Restricted - nonexpendable	2,582,222
Board designated	16,340,562
Unrestricted	<u>(13,704,851)</u>
Total net position	<u>39,455,858</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 154,635,997</u>

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

KIPP METRO ATLANTA COLLABORATIVE, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	
<u>FUNCTIONS/PROGRAMS</u>				
<u>Governmental activities:</u>				
Instruction	\$ 45,910,593	\$ -	\$ 52,005,303	\$ 6,094,710
Support services				
Pupil services	6,296,313	-	7,132,159	835,846
Improvement of instructional services	4,459,293	706,919	5,051,272	1,298,898
General administration	4,098,910	-	4,643,047	544,137
School administration	18,712,308	-	21,196,399	2,484,091
Support services - business	10,355,686	-	11,730,421	1,374,735
Maintenance and operation of plant services	16,367,574	-	18,540,397	2,172,823
Student transportation service	1,994,162	-	2,258,890	264,728
Support services - central	1,372,660	-	1,554,883	182,223
Other support services	2,165,460	-	2,452,928	287,468
School nutrition program	6,996,497	-	7,925,294	928,797
Other outlays	-	-	-	-
Debt service	127,728	-	-	(127,728)
	<u>\$ 118,857,184</u>	<u>\$ 706,919</u>	<u>\$ 134,490,993</u>	<u>16,340,728</u>
<u>GENERAL PURPOSE REVENUES</u>				
Investment gains unrestricted				944,098
Total general purpose				<u>944,098</u>
Changes in net position				17,284,826
Net position - beginning of year				<u>22,171,032</u>
Net position - end of year				<u>\$ 39,455,858</u>

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

KIPP METRO ATLANTA COLLABORATIVE, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>GENERAL FUND</u>	<u>NMTC ENTITIES</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>			
Cash	\$ 48,355,538	\$ 203,383	\$ 48,558,921
Investments	2,932,222	-	2,932,222
Receivables:			
Accounts	9,044,295	-	9,044,295
Due from governmental revenue sources	4,586,964	-	4,586,964
Due from NMTC Entities Fund	2,722,709	-	2,722,709
Prepaid items	264,037	-	264,037
Deposit	73,153	-	73,153
	<u>67,978,918</u>	<u>203,383</u>	<u>68,182,301</u>
Total assets	<u>\$ 67,978,918</u>	<u>\$ 203,383</u>	<u>\$ 68,182,301</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 5,057,206	\$ -	\$ 5,057,206
Other liabilities	1,963,858	229	1,964,087
Due to General Fund	-	2,722,709	2,722,709
	<u>7,021,064</u>	<u>2,722,938</u>	<u>9,744,002</u>
Total liabilities	<u>7,021,064</u>	<u>2,722,938</u>	<u>9,744,002</u>
<u>FUND BALANCES</u>			
Non-spendable endowment	2,582,222	-	2,582,222
Restricted for endowment	350,000	-	350,000
Restricted for time or purpose	2,836,058	-	2,836,058
Restricted for capital	-	-	-
Assigned for debt service	7,081,000	-	7,081,000
Committed for revenue stabilization	16,340,562	-	16,340,562
Committed for strategic projects	8,000,000	-	8,000,000
Unassigned	23,768,012	(2,519,555)	21,248,457
	<u>60,957,854</u>	<u>(2,519,555)</u>	<u>58,438,299</u>
Total fund balances	<u>60,957,854</u>	<u>(2,519,555)</u>	<u>58,438,299</u>
Total liabilities and fund balances	<u>\$ 67,978,918</u>	<u>\$ 203,383</u>	<u>\$ 68,182,301</u>

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

KIPP METRO ATLANTA COLLABORATIVE, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances - governmental funds (Exhibit "C") \$ 58,438,299

Amounts reported for governmental activities in the statement of net position
are different because:

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

Buildings	\$ 10,504,584	
Improvements	29,806,907	
Furniture and equipment	6,616,923	
Vehicles	8,500	
Construction in progress	3,559,498	
Land	1,583,300	
Accumulated depreciation	<u>(18,235,511)</u>	
Total capital assets		<u>33,844,201</u>

Long-term liabilities are not due and payable in the current period and,
therefore, are not reported as liabilities in the governmental funds.

Long-term liabilities at fiscal year-end consist of:

Notes payable	<u>(9,873,334)</u>	
Total long-term liabilities		<u>(9,873,334)</u>

The amounts shown below related to the Organization's participation in a cost
sharing multiple employer pension plan and are not expected to be
liquidated with expendable available financial resources and,
therefore, are not reported in the funds:

Deferred outflows of resources - pension related items	55,332,204	
Deferred inflows of resources - pension related items	(508,950)	
Proportionate share of collective net pension liability	<u>(97,776,562)</u>	
Total		<u>(42,953,308)</u>

Net position of governmental activities (Exhibit "A") \$ 39,455,858

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

KIPP METRO ATLANTA COLLABORATIVE, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GENERAL FUND	NMTC ENTITIES	TOTAL GOVERNMENTAL FUNDS
REVENUES			
State aid	\$ 91,309,329	\$ -	\$ 91,309,329
Federal sources	21,737,177	-	21,737,177
Private sources	14,112,921	60,800	14,173,721
Other sources	706,918	-	706,918
Investment gain, net	944,098	-	944,098
Miscellaneous	7,270,767	-	7,270,767
Total revenues	136,081,210	60,800	136,142,010
EXPENDITURES			
Current			
Instruction	41,153,411	-	41,153,411
Support services:			
Pupil services	5,847,064	-	5,847,064
Improvement of instructional services	3,936,930	-	3,936,930
General administration	4,098,910	-	4,098,910
School administration	17,565,833	-	17,565,833
Support services - business	9,081,439	-	9,081,439
Maintenance and operation of plant services	12,459,961	-	12,459,961
Student transportation service	1,994,162	-	1,994,162
Support services - central	1,204,274	-	1,204,274
Other support services	2,165,460	-	2,165,460
School nutrition program	6,711,464	-	6,711,464
Other outlays	-	-	-
Debt service			
Principal	258,333	-	258,333
Interest	31,741	95,987	127,728
Capital outlay	3,046,656	-	3,046,656
Total expenditures	109,555,638	95,987	109,651,625
Surplus of revenues over expenditures	26,525,572	(35,187)	26,490,385
Fund balances - beginning of year	34,432,282	(2,484,368)	31,947,914
Fund balances - end of year	\$ 60,957,854	\$ (2,519,555)	\$ 58,438,299

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

KIPP METRO ATLANTA COLLABORATIVE, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds (Exhibit "E") \$ 26,490,385

Amounts reported for governmental activities in the statement of activities
are different because:

Capital outlays are reported as expenditures in governmental funds. However,
in the statement of activities, the cost of capital assets is allocated over
their estimated useful lives as depreciation expense. In the current period,
these amounts are:

Capital outlay	\$	3,046,656	
Depreciation expense		(3,780,989)	
			(734,333)

In the governmental funds, current year expenditures related to pensions are
comprised solely of amounts contributed to the plan for the current year.
However, in the statement of activities, expenses related to pensions include
amounts that do not require the use of current financial resources. This
amount represents the difference in the required accounting treatment of
pensions and related items.

(8,729,559)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of principal on long-term debt
consumes the current financial resources of governmental funds. This
amount is the net effect on the difference in the treatment of the long-
term debt and related items.

Principal retirement - notes payable		258,333	
			258,333

Change in net position of governmental activities (Exhibit "B") \$ 17,284,826

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF ORGANIZATION AND REPORTING ENTITY

REPORTING ENTITY

KIPP Metro Atlanta Collaborative, Inc. (the “Organization”) is a not-for-profit organization whose mission is to prepare students within the City of Atlanta, Georgia and Fulton County, Georgia for top quality high schools, colleges, and the competitive years beyond. The Organization is made up of:

1. KIPP Regional Support Team which provides academic and management services to the KIPP charter schools in the City of Atlanta, Georgia and Fulton County, Georgia as well as seeks and develops the funding sources to support the KIPP schools,
2. KIPP STRIVE Primary - a KIPP charter public elementary school,
3. KIPP WAYS Primary - a KIPP charter public elementary school,
4. KIPP Vision Primary - a KIPP charter public elementary school,
5. KIPP SOUL Primary - a KIPP charter public elementary school,
6. KIPP South Fulton Primary - a KIPP charter public elementary school,
7. KIPP Woodson Park Academy - a KIPP operated public elementary school,
8. KIPP STRIVE Academy - a KIPP charter public middle school,
9. KIPP WAYS Academy - a KIPP charter public middle school,
10. KIPP Vision Academy - a KIPP charter public middle school,
11. KIPP SOUL Academy - a KIPP charter public middle school,
12. KIPP South Fulton Academy - a KIPP charter public middle school,
13. KIPP Atlanta Collegiate - a KIPP charter public high school, and
14. KIPP Through College - provides scholarships, academic support, social services, and high school/college placement services for KIPP alumni.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements include the accounts of KIPP Metro Atlanta Collaborative, Inc. and the following entities over which KIPP Metro Atlanta Collaborative, Inc. maintains governance and financial control over their activities:

- KIPP STRIVE Leverage Lender, LLC (“KSLL”)
- KIPP Support Corporation, Inc. (“KSC”)

KSLL and KSC are included as blended component units of the Organization within the NMTC Entities fund. KSLL and KSC are fiscally dependent on the Organization, provide services exclusively to the Organization, are the operational responsibility of management of the Organization, and share substantively the same governing body.

All significant interorganization accounts and transactions have been eliminated.

The Organization’s basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements.

Government-Wide Statements:

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall Organization. Governmental activities generally are financed through intergovernmental revenue, and other non-exchange transactions.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Organization's governmental activities:

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the Organization related to the administration and support of the Organization's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

In the Statement of Net Position, equity is reported as net position and consists of amounts invested in capital assets, amounts restricted by outside parties for specific purposes and unrestricted amounts.

Fund Statements:

The fund financial statements provide information about the Organization's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Organization reports only two major governmental funds:

- General Fund is the Organization's primary operating fund. It accounts for all financial resources of the Organization.
- NMTC Entities. It accounts for blended component units KSL and KSC.

Basis of Accounting/Measurement Focus

The basis of accounting determines when transactions are reported on the financial statements. The Government-wide Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. On an accrual basis, revenues are recognized in the fiscal year in which they are earned. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Organization uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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. The Organization considers all revenues reported in the governmental funds to be available if they are collected within ninety days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting/Measurement Focus (Continued)

The Organization funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the Organization's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

The State of Georgia reimburses the Organization for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (August 1 – May 31) and paid over a twelve month period; for the Organization, this period is July 1 through June 30. In accordance with the requirements of the enabling legislation of the QBE program, Atlanta Public Schools and Fulton County Public Schools reimburse the Organization, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment.

Grant revenues, state Quality Basic Education (QBE) revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period if availability criteria is met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Cash, Cash Equivalents, and Investments

For financial statement purposes, the Organization considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

Investments include money market fund, equity mutual funds, and equity exchange traded funds.

Receivables

Receivables consist of amounts due from the various entities disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the government-wide financial statements, all purchased capital assets are valued at cost. Donated capital assets are recorded at estimated acquisition cost on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. The Organization does not capitalize collections or works of art. Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets ranging from five to thirty-nine years. The Organization capitalizes all expenditures for property and equipment in excess of \$1,000.

Deferred Inflows/Outflows of Resources

The Organization also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the Organization's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in the Organization's proportionate share of the net pension liability and the difference between the Organization's actual contributions towards the pension plan and the Organization's proportionate share of contributions are also reported as deferred outflows of resources or deferred inflows of resources and are amortized over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the Organization to the pension plan before year end but subsequent to the measurement date of the Organization's net pension liability are reported as deferred outflows of resources. These contributions will be recognized as a reduction of the net pension liability in the next fiscal year.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance - The Organization recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the Organization and is fiscally advantageous for both the Organization and the taxpayer. The policy adopted establishes guidance concerning the desired level of year end fund balance to be maintained by the Organization and the management of fund balance levels and is applicable only to the General Fund of the Organization.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Fund balance is a measurement of available financial resources defined as the difference between total assets and total liabilities in each fund.

The Governmental Accounting Standards Board (GASB) Statement 54 distinguishes fund balance classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

Nonspendable – Fund balance reported as “nonspendable” represents fund balance associated with inventory, prepaid items, long-term amounts of loans and notes receivable, property held for resale (however, if the use of the proceeds from the collection of receivables or sale of the property is restricted, committed, or assigned, then the receivables or property should be reported in those categories), and corpus of a permanent fund (legally/contractually required to be maintained).

Restricted – Fund balance reported as “restricted” represents amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources (such as bond resolutions and covenants and grant agreements).

Committed – Fund balance reported as “committed” includes amounts that can be used only for the specific purposes determined by a formal action of the Board. The Board as the highest level of decision making authority will have the sole authority to commit fund balance. Constraints can be removed or changed only by the Board. Actions to constrain resources should occur prior to the end of the Organization’s fiscal year, though the exact amount may be determined subsequently.

Assigned – Fund balance reported as “assigned” represents amounts intended to be used for specific purposes, but not meeting the criteria to be reported as committed or restricted fund balance. The intent is expressed either by the Board or a high level body (budget or finance committee) or individual authorized by the Board. If these funds should have a deficit fund balance, those deficits are required to be reported as unassigned fund balance. The Board will have the authority under this policy to assign funds for a particular purpose.

Unassigned – Fund balance reported as “unassigned” represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications. The Board will strive to maintain an unassigned fund balance in the General Fund of between 5% - 15% based upon annual budgeted expenditures. The balance may be drawn down in the event of an unexpected decrease in state funding.

If expenditures incurred exceed the amounts that have been restricted, committed, and assigned to a specific purpose and results in a negative residual amount for that specific purpose, amounts assigned to other purposes in that governmental fund are reduced to eliminate the deficit.

The Organization applies restricted resources first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted equity is available.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Advertising Costs

Development and marketing costs are expensed as incurred. Development and marketing costs for the year ended June 30, 2023 were \$157,745.

Income Taxes

The Organization formed as a non-profit corporation under the laws of the state of Georgia in March 2007 and is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Organization is not required to pay federal taxes on income, and contributions to the Organization qualify for charitable contributions deduction to the extent provided by Section 170 of the Internal Revenue Code.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management is not aware of any circumstances or transactions that would jeopardize its tax exempt status.

All tax exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the tax-exempt entity under the Internal Revenue Code and applicable state statutes. There currently are no audits of the Organization's returns in progress.

Economic Dependency

The Organization receives a substantial portion of its operating revenue from Atlanta Public Schools and Fulton County Schools in the form of QBE revenues. The Organization's total support and revenue from QBE revenues amounted to 66% of the Organization's total revenue for the year ended June 30, 2023.

Fair Value Measurements

GASB's *Fair Value Measurements* and disclosure guidance provides a framework for measuring fair value under generally accepted accounting principles. This standard applies to all financial instruments that are being measured and reported on a fair value basis.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Cash and cash equivalents - The carrying amount approximates fair value because of the short-term maturity of these instruments.

Investments - Investments are carried at fair value based on various valuation methodologies as described below under Levels 1, 2, and 3.

Grants receivable and accounts payable and accrued liabilities - The carrying amount approximates fair value because of the short-term maturity of these instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the assets or liabilities, including assumptions about risk or the risks inherent in the inputs to the valuation technique.

These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

For the year ended June 30, 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers. At June 30, 2023, the Organization's investments were in exchange traded funds. See Note 6.

If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Accounting

Donor-restricted endowment funds are subject to the restrictions of the gift instruments which require that the principal be invested in perpetuity. Unless explicitly stated in the gift instrument, accumulated realized and unrealized gains of the permanent endowment funds have been classified as quasi-endowment funds subject to appropriation and expenditure.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. 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.

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Organization adopts an annual budget for its General Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167 and in accordance with U.S. generally accepted accounting principles. After the Organization has tentatively adopted the budget, amendments or revisions are presented to the Board as needed. Although the tentatively adopted budget is not advertised in a newspaper, it is publicly available.

The following General Fund functions had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2023: debt service (\$290,074) and capital outlay (\$3,046,656).

These excess expenditures were funded with revenues received in excess of appropriation and available fund balance.

NOTE 4. RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God.

The Organization has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees and acts of God. The Organization has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the Organization's insurance coverage in any of the past three years.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5. DEPOSITS

Custodial credit risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Organization will not be able to recover deposits that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities.

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. The Organization maintains several bank accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, and several bank accounts which are collateralized by South State Bank. A policy of depositing all such funds in banks of significant financial strength is maintained. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

NOTE 6. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 350,000	\$ -	\$ -	\$ 350,000
Exchange traded funds:				
Exchange-traded notes	-	-	-	-
Large blend	1,893,445	-	-	1,893,445
Foreign large blend	688,777	-	-	688,777
Total investments at fair value	<u>\$ 2,932,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,932,222</u>

NOTE 7. SIGNIFICANT CONTINGENT LIABILITIES

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. The Organization believe that such disallowances, if any, will be immaterial to its overall financial position.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8. CAPITAL ASSETS

The following is a summary of changes in the capital assets during the fiscal year:

	Balances July 1, 2022	Increases	Decreases	Balances June 30, 2023
Governmental Activities				
Capital assets, non-depreciable				
Construction in progress	\$ 2,375,645	\$ 1,191,136	\$ (7,283)	\$ 3,559,498
Land	1,583,300	-	-	1,583,300
Total non-depreciable capital assets	<u>\$ 3,958,945</u>	<u>\$ 1,191,136</u>	<u>\$ (7,283)</u>	<u>\$ 5,142,798</u>
Capital assets, being depreciated				
Buildings	\$ 10,504,584	\$ -	\$ -	\$ 10,504,584
Improvements	28,682,793	1,116,831	7,283	29,806,907
Furniture and equipment	6,058,485	738,689	(180,251)	6,616,923
Vehicles	8,500	-	-	8,500
	<u>45,254,362</u>	<u>1,855,520</u>	<u>(172,968)</u>	<u>46,936,914</u>
Less accumulated depreciation	<u>(14,634,773)</u>	<u>(3,780,989)</u>	<u>180,251</u>	<u>(18,235,511)</u>
Total capital assets being depreciated	<u>\$ 30,619,589</u>	<u>\$ (1,925,469)</u>	<u>\$ 7,283</u>	<u>\$ 28,701,403</u>

Depreciation expense for the year ended June 30, 2023, by function, is as follows:

Maintenance and operation of plant services	\$ <u>3,780,989</u>
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NOTE 9. RELATED PARTY TRANSACTIONS

KIPP Regional Support Team, KIPP STRIVE Primary, KIPP WAYS Primary, KIPP VISION Primary, KIPP SOUL Primary, KIPP South Fulton Primary, KIPP Woodson Park Academy, KIPP STRIVE Academy, KIPP WAYS Academy, KIPP Vision Academy, KIPP SOUL Academy, KIPP South Fulton Academy, KIPP Atlanta Collegiate, KIPP Through College, KIPP STRIVE Leverage Lender, LLC, and KIPP Support Corporation, Inc. incur expenditures on behalf of each other. Due to/from inter-division and due to/from affiliates balances are eliminated for the financial statements.

At June 30, 2023, KIPP Metro Atlanta Collaborative, Inc. had \$53,314 due from KIPP Metro Atlanta Opportunity Fund for expenditures incurred.

NOTE 10. NOTES PAYABLE

Direct Borrowing

In March 2018, the Organization entered into an interest-only loan agreement with Charter School Growth Fund, a nonprofit venture capital fund, for program support. The balance at June 30, 2023 was \$0.

In November 2018, the Organization entered into an interest-only loan agreement with KIPP Foundation, a nonprofit public benefit corporation, for program support. Outstanding principal is due in equal installments on June 30, 2023 and 2024. The balance at June 30, 2023 was \$33,334. Interest accrues at 1% per year.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10. NOTES PAYABLE (Continued)

Direct Borrowing (Continued)

In August 2012 and August 2019, the Organization entered into New Markets Tax Credit transactions to assist with funding capital expenditures. The New Markets Tax Credit Program ("NMTC Program") was established by Congress in 2000 to attract investment capital to low-income communities by permitting investors to receive tax credit incentives in exchange for making equity investments in certified Community Development Entities ("CDE"). Under this program, certain commercial banks and other investors are able to subsidize eligible projects that meet the NMTC Program requirements.

2012 New Markets Tax Credit – Transaction unwound in August 2019 with no significant deviations from expectations. No amounts remained due at June 30, 2023.

2019 New Markets Tax Credit – Transaction was facilitated by issuance of a \$7,081,000 loan receivable which bears interest at 1.382% and matures March 31, 2040, and two notes payable totaling \$9,840,000. The notes payable bear interest at 1.00% and mature on December 31, 2044. The notes are secured by the Organization's real estate, equipment, inventory, and receivables. The balance at June 30, 2023 was \$9,840,000.

The following is a summary of long-term debt activity for the fiscal year ended June 30, 2023:

	<u>Balances</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u> <u>June 30, 2023</u>	<u>Due in</u> <u>One Year</u>
Governmental Activities					
Notes from direct borrowing	\$ 291,667	\$ -	\$ (258,333)	\$ 33,334	\$ 33,334
2019 new markets tax credit	9,840,000	-	-	9,840,000	-
Net pension liability	25,460,181	73,636,283	(1,319,902)	97,776,562	-
	<u>\$ 35,591,848</u>	<u>\$ 73,636,283</u>	<u>\$ (1,578,235)</u>	<u>\$ 107,649,896</u>	<u>\$ 33,334</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 11. COMMITMENTS

The Organization is inhabiting school space from Atlanta Public Schools for KIPP Vision Primary, KIPP Vision Academy, KIPP WAYS Primary, KIPP WAYS Academy, KIPP SOUL Primary, and KIPP Atlanta Collegiate. These lease agreements are zero-based with no monthly lease payment; however, the Organization must pay all operating expenses including facility and maintenance costs.

NOTE 12. RETIREMENT PLANS

General Information about the Teachers Retirement System

Plan description - All teachers of the Organization as defined in §47-3-60 of the Official Code of Georgia Annotated (O.C.G.A.) are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits provided - TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions - Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2023. The Organization's contractually required contribution rate for the year ended June 30, 2023, was 19.98% of annual school payroll. Contributions to TRS were \$9,577,329 for the year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Organization reported a liability of \$97,776,562 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2023, was determined using standard roll-forward techniques. The Organization's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2022. At June 30, 2022, the Organization's proportion was 0.3011%, which was an increase of 0.0132% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Organization recognized pension expense of \$18,304,084. At June 30, 2023, the Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 12. RETIREMENT PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,058,735	\$ 508,950
Changes of assumptions	14,718,491	-
Net difference between projected and actual earnings on pension plan investments	19,210,313	-
Changes in proportion and differences between Organization contributions and proportionate share of contributions	7,767,335	-
Organization's contributions subsequent to the measurement date	9,577,330	-
Total	\$ 55,332,204	\$ 508,950

The Organization's contributions subsequent to the measurement date of \$9,577,330 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2024	\$ 13,526,053
2025	10,233,700
2026	7,185,128
2027	14,301,038
Total	\$ 45,245,919

Actuarial Assumptions

The total pension liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00 – 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Postretirement benefit increases	1.50%, semi-annually

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 12. RETIREMENT PLANS (Continued)

Actuarial Assumptions (Continued)

Postretirement mortality rates were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retirement mortality table with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees with the MP-2019 Projection scale applied generationally. Ages were set forward one year and adjusted 106%, and the rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected rate of return*</u>
Fixed income	30.00%	0.20%
US large stocks	46.30%	9.40%
US small stocks	1.20%	13.40%
Int'l developed mkt stocks	12.30%	9.40%
Int'l emerging mkt stocks	5.20%	11.40%
Alternatives	5.00%	10.50%
Total	100.00%	

*Net of inflation

Discount Rate

The discount rate used to measure the total TRS pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate:

The following presents the Organization's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the Organization's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Current (6.90%)</u>	<u>1% Increase (7.90%)</u>
Organization's proportionate share of the net pension liability	\$ 48,989,393	\$ 32,471,933	\$ 18,983,242

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 12. RETIREMENT PLANS (Continued)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publicly available at www.trsga.com/publications.

Payables to the Pension Plan: At June 30, 2023, the Organization is reporting accrued expenditures of \$489,785, which are owed to the Plan.

NOTE 13. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 27, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

KIPP METRO ATLANTA COLLABORATIVE, INC.
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
State aid	\$ 69,303,860	\$ 69,303,860	\$ 91,309,329	\$ 22,005,469
Federal sources	16,498,536	16,498,536	21,737,177	5,238,641
Private sources	10,711,719	10,711,719	14,112,921	3,401,202
Other sources	536,551	536,551	706,918	170,367
Investment loss, net	716,571	716,571	944,098	227,527
Miscellaneous	5,518,518	5,518,518	7,270,767	1,752,249
	<u>103,285,755</u>	<u>103,285,755</u>	<u>136,081,210</u>	<u>32,795,455</u>
EXPENDITURES				
Current				
Instruction	40,338,895	40,338,895	41,153,411	(814,516)
Support services:				
Pupil services	5,731,338	5,731,338	5,847,064	(115,726)
Improvement of instructional services	3,859,010	3,859,010	3,936,930	(77,920)
General administration	4,017,784	4,017,784	4,098,910	(81,126)
School administration	17,218,167	17,218,167	17,565,833	(347,666)
Support services - business	8,901,698	8,901,698	9,081,439	(179,741)
Maintenance and operation of plant services	12,213,351	12,213,351	12,459,961	(246,610)
Student transportation service	1,954,693	1,954,693	1,994,162	(39,469)
Support services - central	1,180,439	1,180,439	1,204,274	(23,835)
Other support services	2,122,601	2,122,601	2,165,460	(42,859)
School nutrition program	6,578,629	6,578,629	6,711,464	(132,835)
Other outlays	-	-	-	-
Debt service				
Principal	-	-	258,333	(258,333)
Interest	-	-	31,741	(31,741)
Capital outlay	-	-	3,046,656	(3,046,656)
Total expenditures	<u>104,116,605</u>	<u>104,116,605</u>	<u>109,555,638</u>	<u>(5,439,033)</u>
Surplus of revenues over expenditures	(830,850)	(830,850)	26,525,572	(27,356,422)
Fund balances - beginning	<u>34,432,282</u>	<u>34,432,282</u>	<u>34,432,282</u>	<u>-</u>
Fund balances - ending	<u>\$ 33,601,432</u>	<u>\$ 33,601,432</u>	<u>\$ 60,957,854</u>	<u>\$ (27,356,422)</u>

Notes to the schedule of revenues, expenditures and changes in fund balances budget and actual

The accompanying statement of revenues, expenditures and changes in fund balances budget and actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

KIPP METRO ATLANTA COLLABORATIVE, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

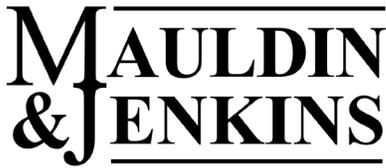
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Organization's proportion of the net pension liability	0.3011%	0.2879%	0.2537%	0.2336%	0.2184%	0.2002%	0.1788%
Organization's proportionate share of the net pension liability	\$ 97,776,562	\$ 25,460,181	\$ 61,458,977	\$ 50,225,801	\$ 40,531,180	\$ 37,199,052	\$ 36,889,053
Organization's covered payroll	\$ 40,495,164	\$ 37,731,249	\$ 32,666,225	\$ 28,478,968	\$ 25,863,500	\$ 22,977,461	\$ 19,827,049
Organization's proportionate share of the net pension liability as a percentage of its covered payroll	241.45%	67.48%	188.14%	176.36%	156.71%	161.89%	186.05%
Plan fiduciary net position as a percentage of the total pension liability	72.85%	92.03%	77.01%	78.56%	80.27%	79.33%	76.06%

Note: Schedule is intended to show information for the last 10 fiscal years.
Additional years will be displayed as they become available.

KIPP METRO ATLANTA COLLABORATIVE, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 9,577,329	\$ 8,022,092	\$ 7,191,576	\$ 6,905,640	\$ 5,952,105	\$ 4,347,654	\$ 3,278,884	\$ 2,829,321
Contributions in relation to the contractually required contribution	<u>9,577,329</u>	<u>8,022,092</u>	<u>7,191,576</u>	<u>6,905,640</u>	<u>5,952,105</u>	<u>4,347,654</u>	<u>3,278,884</u>	<u>2,829,321</u>
Contribution deficiency (excess)	<u>\$ -</u>							
School's covered payroll	\$ 47,934,580	\$ 40,495,164	\$ 37,731,249	\$ 32,666,225	\$ 28,478,968	\$ 25,863,500	\$ 22,977,461	\$ 19,827,049
Contributions as a percentage of covered payroll	19.98%	19.81%	19.06%	21.14%	20.90%	16.81%	14.27%	14.27%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.



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**INDEPENDENT AUDITOR'S 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***

**To the Board of Directors
KIPP Metro Atlanta Collaborative, Inc.
Atlanta, Georgia**

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 major fund of KIPP Metro Atlanta Collaborative, Inc. (a nonprofit organization) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated October 31, 2022.

Report on Internal Control over Financial Reporting

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

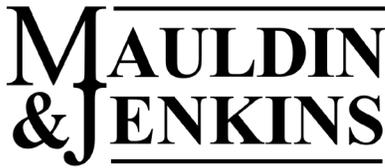
As part of obtaining reasonable assurance about whether KIPP Metro Atlanta Collaborative, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could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

Purpose of This Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
October 27, 2023



CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
KIPP Metro Atlanta Collaborative, Inc.
Atlanta, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited KIPP Metro Atlanta Collaborative, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of KIPP Metro Atlanta Collaborative, Inc.'s major federal programs for the year ended June 30, 2023. KIPP Metro Atlanta Collaborative, Inc.'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, KIPP Metro Atlanta Collaborative, Inc. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to KIPP Metro Atlanta Collaborative, Inc.'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 above occurred, whether due to fraud or error, and express an opinion on KIPP Metro Atlanta Collaborative, Inc.'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about KIPP Metro Atlanta Collaborative, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding KIPP Metro Atlanta Collaborative, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of KIPP Metro Atlanta Collaborative, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of KIPP Metro Atlanta Collaborative, Inc.'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 above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
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KIPP METRO ATLANTA COLLABORATIVE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Federal AI #	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
Passthrough: Georgia Department of Education			
Child Nutrition Cluster			
National School Lunch Program			
KIPP South Fulton Academy	10.555	N/A	\$ 231,201
KIPP WAYS	10.555	N/A	437,587
KIPP STRIVE	10.555	N/A	355,799
Woodson Park Academy	10.555	N/A	943,784
KIPP Vision Academy	10.555	N/A	412,773
KIPP Atlanta Collegiate	10.555	N/A	602,611
KIPP STRIVE Primary	10.555	N/A	615,876
KIPP Vision Primary	10.555	N/A	514,626
KIPP WAYS Primary	10.555	N/A	527,427
KIPP Soul Primary	10.555	N/A	444,189
KIPP Soul Academy	10.555	N/A	322,466
Sub-total			5,408,339
U.S. Department of Education			
Passthrough: Atlanta Public Schools			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies			
KIPP WAYS	84.010	N/A	187,782
KIPP STRIVE Academy	84.010	N/A	147,649
Woodson Park Academy	84.010	N/A	850,642
KIPP Vision Academy	84.010	N/A	235,799
KIPP Regional Support	84.010	N/A	28,397
KIPP Atlanta Collegiate	84.010	N/A	362,331
KIPP STRIVE Primary	84.010	N/A	343,497
KIPP Vision Primary	84.010	N/A	279,570
KIPP WAYS Primary	84.010	N/A	323,938
KIPP WAYS Primary	84.010	N/A	150,127
KIPP Soul Primary	84.010	N/A	160,986
KIPP Soul Academy	84.010	N/A	4,800
South Fulton Academy	84.010A	N/A	278,983
KIPP WAYS Academy	84.010A	N/A	302,329
KIPP Strive Academy	84.010A	N/A	274,238
KIPP Woodson Park Academy	84.010A	N/A	493,641
KIPP Forward	84.010A	N/A	3,806
KIPP Regional Support	84.010A	N/A	1,353,824
KIPP Vision Academy	84.010A	N/A	233,609
KIPP Atlanta Collegiate	84.010A	N/A	433,852
KIPP Strive Primary	84.010A	N/A	247,932
KIPP Vision Primary	84.010A	N/A	188,589
KIPP WAYS Primary	84.010A	N/A	173,075
KIPP Soul Primary	84.010A	N/A	203,969
KIPP Soul Academy	84.010A	N/A	236,189
Sub-total			7,479,554
U.S. Department of Education			
Passthrough: Atlanta Public Schools			
CSP-COVID			
KIPP WAYS Academy	84.282	N/A	14,311
KIPP STRIVE Academy	84.282	N/A	23,084
KIPP VISION Academy	84.282	N/A	25,023
KIPP Atlanta Collegiate	84.282	N/A	23,957
KIPP STRIVE Primary	84.282	N/A	34,801
KIPP VISION Primary	84.282	N/A	22,824
KIPP WAYS Primary	84.282	N/A	25,847
Sub-total			169,847
U.S. Department of Education			
Passthrough: KIPP Foundation			
SEED, CSP, Charter School Implementation			
KIPP WAYS Academy	84.423A	N/A	3
KIPP Regional Support	84.423A	N/A	99,313
KIPP VISION Primary	84.423A	N/A	638
KIPP Soul Primary	84.423A	N/A	13
KIPP Soul Academy	84.423A	N/A	16,978
Sub-total			116,945
U.S. Department of Education			
Passthrough: Atlanta Public Schools			
CARES II			
KIPP WAYS Primary	84.24 D	N/A	1,530
Sub-total			1,530
U.S. Department of Education			
Passthrough: Georgia Department of Education			
Title IV, Part A - Student Support and Academic Enrichment			
KIPP WAYS Academy	84.424A	N/A	21,184
KIPP Strive Academy	84.424A	N/A	25,033
KIPP Woodson Park Academy	84.424A	N/A	24,238
KIPP Vision Academy	84.424A	N/A	50,997
KIPP Atlanta Collegiate	84.424A	N/A	18,495
KIPP Vision Primary	84.424A	N/A	37
KIPP Soul Academy	84.424A	N/A	57,000
Sub-total			196,984
U.S. Department of Education			
Passthrough: Georgia Department of Education			
Title II, Supporting Effective Instruction State Grants			
KIPP Strive Academy	84.367A	N/A	6,907
KIPP Woodson Park Academy	84.367A	N/A	5,200
KIPP Regional Support	84.367A	N/A	112,700
KIPP Strive Primary	84.367A	N/A	18,468
KIPP Soul Primary	84.367A	N/A	9,300
Sub-total			152,575
U.S. Department of Education			
Passthrough: Atlanta Public Schools			
Elementary and Secondary School Emergency Relief Fund			
KIPP WAYS Academy	84.425	N/A	18,445
KIPP Strive Academy	84.425	N/A	20,393
KIPP Woodson Park Academy	84.425	N/A	45,588
KIPP Regional Support	84.425	N/A	3,000
KIPP Vision Academy	84.425	N/A	600
KIPP Atlanta Collegiate	84.425	N/A	3,289
KIPP Vision Primary	84.425	N/A	7,244
KIPP WAYS Primary	84.425	N/A	7,400
KIPP Soul Primary	84.425	N/A	13,896
Sub-total			119,855
Federal Communications Commission			
Passthrough: Atlanta Public Schools			
Emergency Connectivity Fund (ECF)			
KIPP South Fulton Academy	32.009	N/A	35,127
Woodson Park Academy	32.009	N/A	121,302
KIPP Regional Support	32.009	N/A	153,412
KIPP Vision Academy	32.009	N/A	35,127
KIPP Atlanta Collegiate	32.009	N/A	36,611
KIPP STRIVE Primary	32.009	N/A	172,350
KIPP WAYS Primary	32.009	N/A	121,302
KIPP WAYS Primary	32.009	N/A	35,127
Sub-total			710,358
Total Expenditures of Federal Awards			\$ 14,355,987

See note to schedule of expenditures of federal awards.

KIPP METRO ATLANTA COLLABORATIVE, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

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

NOTE 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.

NOTE 3. INDIRECT COST RATE

KIPP Metro Atlanta Collaborative, Inc. has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

KIPP METRO ATLANTA COLLABORATIVE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified	
Yes	No

Internal control over financial reporting:

Material weaknesses identified?		X
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Significant deficiencies identified?		None reported
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Noncompliance material to the financial statements noted?		X
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Federal Awards:

Internal controls over major programs:

Material weaknesses identified?		X
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Significant deficiencies identified?		None reported
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Type of auditors' report issued on compliance for major programs	Unmodified	
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Yes		No	
Audit findings required to be reported in accordance with 2 CFR 200.516(a)			X

Identification of Major Programs:

Title 1 Grants to Local Educational Agencies	84.010		
	84.010A		

Dollar threshold used to distinguish between type A and type B programs	\$ 750,000		
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Yes		No	
Auditee qualified as low-risk auditee?			X

**KIPP METRO ATLANTA COLLABORATIVE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**KIPP METRO ATLANTA COLLABORATIVE, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None