

# I. SCHOOL INFORMATION AND COVER PAGE

Created Friday, June 21, 2013  
Updated Tuesday, July 30, 2013

## Page 1

### 1. SCHOOL NAME

(Select School name from dropdown menu; BEDS # appears first)

320700860820 KIPP ACADEMY CS

### 2. CHARTER AUTHORIZER

NYCDOE-Authorized Charter School

### 3. DISTRICT / CSD OF LOCATION

NYC CSD 7

### 4. SCHOOL INFORMATION

PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
250 East 156th Street, Room 418 Bronx, NY 10451	718-665-3555	718-585-7982	nsey@kippny.org

### 4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES   Contact Name	Frank Corcoran
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES   Title	KIPP Academy Middle School Principal
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES   Emergency Phone Number (###-###-####)	

### 5. SCHOOL WEB ADDRESS (URL)

<http://www.kippnyc.org/schools/middle-schools/kipp-academy-middle-school>

### 6. DATE OF INITIAL CHARTER

2000-03-01 00:00:00

### 7. DATE FIRST OPENED FOR INSTRUCTION

1995-08-01 00:00:00

8. TOTAL NUMBER OF STUDENTS ENROLLED IN 2012-13 (as reported on BEDS Day)

(as reported on BEDS Day)

843

9. GRADES SERVED IN SCHOOL YEAR 2012-13

Check all that apply

- K
- 1
- 2
- 3
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12

10. DOES THE SCHOOL CONTRACT WITH A CHARTER OR EDUCATIONAL MANAGEMENT ORGANIZATION?

Yes/No	Name of CMO/EMO
Yes	KIPP NYC, LLC

10a. Please provide the name and contact information for each of the following individuals who are management level personnel associated with the CMO.

	Name	Work Phone	Alternate Phone	Email Address	Contact this individual also in emergencies
CEO (e.g., network superintendent)	Josh Zoia	[REDACTED]		[REDACTED]	
CFO (e.g., network CFO)	Charizma Williams	[REDACTED]		[REDACTED]	
Compliance Contact	Alicia Johnson	[REDACTED]		[REDACTED]	
Complaint Contact	Natalie Webb	[REDACTED]		[REDACTED]	

## 11. FACILITIES

Will the School maintain or operate multiple sites?

Yes, 3 sites

## 12. SCHOOL SITES

Please list the sites where the school will operate in 2013-14.

	Physical Address	Phone Number	District/C SD	Grades Served at Site	School at Full Capacity at Site	Facilities Agreement
Site 1 (same as primary site)	250 East 156th Street, Room 418 Bronx, NY 10451	718-665-3555	CSD 7	5-8	Yes	DOE space
Site 2	201 E 144th St Bronx, NY 10451	212-991-2626	CSD 7	9-12	Yes	Own
Site 3	730 Concourse Village West, Tower D Bronx, NY 10451	718-943-3737	CSD 7	K-4	Yes	Rent/Lease

12a. Please provide the contact information for Site 1 (same as the primary site).

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Frank Corcoran	[REDACTED]		[REDACTED]
Operational Leader	Nick Sedey	[REDACTED]		[REDACTED]
Compliance Contact	Alicia Johnson	[REDACTED]		[REDACTED]
Complaint Contact	Natalie Webb	[REDACTED]		[REDACTED]

12b. Please provide the contact information for Site 2.

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Natalie Webb	[REDACTED]		[REDACTED]
Operational Leader	Stephanie Ip	[REDACTED]		[REDACTED]
Compliance Contact	Alicia Johnson	[REDACTED]		[REDACTED]
Complaint Contact	Natalie Webb	[REDACTED]		[REDACTED]

12c. Please provide the contact information for Site 3.

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Carolyn Petruzzio	[REDACTED]		[REDACTED]
Operational Leader	William Cardenas	[REDACTED]		[REDACTED]
Compliance Contact	Alicia Johnson	[REDACTED]		[REDACTED]
Complaint Contact	Natalie Webb	[REDACTED]		[REDACTED]

### 13. Are the School sites co-located?

Yes

#### 13a. Please list the terms of your current co-location.

	Date School will leave current co-location	Is school working with NYCDOE to expand into current space?	If so, list year expansion will occur.	Is school working with NYCDOE to move to separate space?	If so, list the proposed space and year planned for move	School at Full Capacity at Site
Site 1 (primary site)	No Plan to Leave	No		No		Yes
Site 2	No Plan to Leave	No		No		Yes
Site 3	No Plan to Leave	No		No		Yes

14. Were there any revisions to the school's charter during the 2012-2013 school year? (Please include both those that required authorizer approval and those that did not require authorizer approval).

No

16. Our signatures below attest that all of the information contained herein is truthful and accurate and that this charter school is in compliance with all aspects of its charter, and with all pertinent Federal, State, and local laws, regulations, and rules. We understand that if any information in any part of this report is found to have been deliberately misrepresented, that will constitute grounds for the revocation of our charter. Check **YES** if you agree and use the mouse on your PC or the stylus on your mobile device to sign your name).

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• Yes

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Signature, Head of Charter School

A handwritten signature in black ink that reads "Francis W. Cream". The signature is written in a cursive style with a large initial 'F' and a checkmark-like flourish at the end.

Signature, President of the Board of Trustees

Thank you.

# Signature Page for President of Board of Trustees

Created Thursday, July 25, 2013

Updated Thursday, August 01, 2013

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## Page 1

320700860820 KIPP ACADEMY CS

16. My signature below attest that all of the information contained herein is truthful and accurate and that this charter school is in compliance with all aspects of its charter, and with all pertinent Federal, State, and local laws, regulations, and rules. We understand that if any information in any part of this report is found to have been deliberately misrepresented, that will constitute grounds for the revocation of our charter. Check **YES** if you agree and use the mouse on your PC or the stylus on your mobile device to sign your name).

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- Yes
- 

Signature, Board President

A handwritten signature in black ink, consisting of a large, stylized 'D' and 'B' followed by a long, horizontal line that tapers to the right.

Thank you.

# Appendix A: Progress Toward Goals

Created Thursday, June 20, 2013

Updated Friday, November 01, 2013

## Page 1

Charter School Name: 320700860820 KIPP ACADEMY CS

### 1. NEW YORK STATE REPORT CARD

Provide a direct URL or web link to the most recent New York State School Report Card for the charter school (See <https://reportcards.nysed.gov/>).

(Charter schools completing year one will not yet have a School Report Card or link to one. Please type "URL is not available" in the space provided).

<https://reportcards.nysed.gov/files/2011-12/RC-2012-320700860820.pdf>

### 2. APPENDIX A: PROGRESS TOWARD CHARTER GOALS

#### 2a. ACADEMIC STUDENT PERFORMANCE GOALS

If the Progress Toward Charter Goals are based on student performance data that the school will not have access to by August 1, 2013 (e.g., the NYS Assessment results), please list goals and explain this in the "Progress Towards Attainment" column. This information can be updated for Appendix A when available but no later than November 1, 2013. Board of Regents-authorized charter schools that opened for instruction in the fall of 2012 or that were renewed in 2012-13 will be held to the same charter-specific academic goals. Board of Regents-authorized charter schools will also be held accountable to Student Performance Benchmark 1 of the Performance Framework.

#### 2012-13 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Academic Goal 1	Absolute Performance (1) Each year, 75 percent of K-3rd graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above grade level in English Language Arts as measured by Fountas and Pinnell running records. For Kindergarteners this equates in a level B by the end of the year, a level H for 1st grade students a level L for 2nd graders, and a level P for 3rd grade	Fountas and Pinell running records	In 2012-2013 88% of students in K-3rd grade who were enrolled for 2 BEDS days met their end of year reading goal.	Achieved

	students. The Fountas and Pinnell running records will assess students' vocabulary, comprehension and phonics skills in order to appropriately determine a reading level.			
Academic Goal 2	<p>Absolute Performance (2)</p> <p>Each year, 75% of K-3 graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above grade level by mastering at least 80 percent of the New York State Standards for Mathematics. Mastery is determined by beginning, middle and end of the year diagnostics for each grade level and interim assessments to determine mastery of each state standard. Mastery of a standard is defined by 70 percent or better on the math assessments which will be developed internally by teachers and adapted from the math curriculum.</p>	School developed diagnostics and interim assessments	20.2% of students that were enrolled for at least 2 BEDS days mastered 80% of math standards on the last math quarterly assessment. The definition of mastery was changed this year to 70% or better to reflect the increased rigor and different structure of the math quarterly assessments.	<p>Did Not Achieve</p> <p>We are committed to increasing the Math proficiency of all KIPP Academy students. To do so we have implemented the following changes in our Elementary School for the 2013-14 school year:</p> <ul style="list-style-type: none"> <li>- Engage NY math curriculum</li> <li>- Created a separate problem solving block, using the CGI methods in K-4 for a minimum of 15 min a day</li> <li>- Departmentalized Math in 3rd and 4th grades to allow teachers to take a deeper dive with students</li> <li>- Use of MAP test to measure interim progress towards goals</li> <li>- Additional professional development for staff and teachers</li> <li>- Continued implementation of the KIPP Framework for Excellent Teaching as a coaching and development tool</li> <li>- Continued implementation of shared data protocol to ensure that we use data more strategically and effectively</li> </ul>
Academic Goal 3	<p>Absolute Performance (3)</p> <p>Each year, 75 percent of Kindergarten through 3rd grade students will perform at or above grade level in reading, as determined by teacher created interim reading assessments.</p>	2012-2013 MAP Assessment (KIPP Academy did not administer standardized teacher created reading interim assessments)	59% of Kindergarten through 3rd grade students scored above the national norms on the Spring 2013 MAP reading assessment.	<p>Did Not Achieve</p> <p>We are committed to increasing the ELA proficiency of all KIPP Academy students. To do so we have implemented the following changes at our Elementary School for the 2013-14 school year:</p>

				<ul style="list-style-type: none"> <li>- Scholastic iREAD reading programs</li> <li>- Added Reading Master in grades K-2 to build a stronger foundation in reading</li> <li>- Using STEP assessment to gauge reading needs,</li> <li>- Created more groupings for guided reading and will be using the supports of Scholastic iRead for all students</li> <li>- Use of MAP test to measure interim progress towards goals</li> <li>- Additional professional development for staff and teachers</li> <li>- Continued implementation of the KIPP Framework for Excellent Teaching as a coaching and development tool</li> <li>- Continued implementation of shared data protocol to ensure that we use data more strategically and effectively</li> </ul>
Academic Goal 4	<p>Absolute Performance (4)</p> <p>Each year, 75 percent of Kindergarten through 3rd grade students will perform at or above grade level in mathematics, as determined by teacher created interim math assessments.</p>	School created interim mathematics assessments	39% of students scored at or above 80% on the last math quarterly assessment.	Did Not Achieve. See above for Elementary School Math Action Plan.
Academic Goal 5	<p>Absolute Performance (5)</p> <p>Each year, 75 percent of 3rd to 8th graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State ELA examination. (In 2012-2013, the school enrolled students in Kindergarten, 1st-3rd grades and grades 5-12.)</p>	NYS ELA exam	In 2012-2013 29.2% of 3rd and 5th-8th grade students who were enrolled on 2 consecutive BEDS days scored at or above proficiency on the ELA exam, falling short of the target.	<p>Did Not Achieve</p> <p>Similar to many schools across New York State, KIPP Like schools across NYS, with the shift to common core standards, Academy saw substantial decreases in the percentage of students scoring at or above proficiency on the ELA exams in 2012-13 compared to 2011-12. We are committed to ensuring that students leave our schools equipped to succeed in college.</p>

We plan to continue our transition to a curriculum platform based on common core standards, coupled with regular interim assessments and data analysis. We have set ambitious goals to improve the proficiency of our students in ELA, and have implemented the following changes to our Middle School program for this year:

- Scholastic READ 180 reading intervention
- See action plans for Elementary School ELA above.
- Use of MAP test to measure interim progress towards goals
- Additional professional development for staff and teachers
- Continued implementation of the KIPP Framework for Excellent Teaching as a coaching and development tool
- Continued implementation of shared data protocol to ensure that we use data more strategically and effectively
- Expanded guided reading program in grades 5-6
- Intervention Programs in grades 5-6
- Greater independent reading accountability through Accelerated Reader and expanded DEAR time in grades 5-8

Academic Goal 6

Absolute Performance (6)  
 Each year, 75 percent of 3rd to 8th graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State Mathematics examination.  
 (In 2012-2013, the school enrolled students in

NYS Mathematics Exam

In 2012-2013 45.9% of 3rd and 5th-8th grade students who were enrolled on 2 consecutive BEDS days scored at or above proficiency on the Math exam, falling short of the target.

Did Not Achieve

Similar to many schools across New York State, KIPP Academy saw substantial decreases in the percentage of students scoring at or above proficiency on the Math exams in 2012-13 compared to 2011-12. We are committed to ensuring that students leave our

Kindergarten, 1st-3rd grades and grades 5-12.)

schools equipped to succeed in college.

We plan to continue our transition to a curriculum platform based on common core standards, coupled with regular interim assessments and data analysis. We have set ambitious goals to improve the proficiency of our students in Math, and have implemented the following changes to our Middle School program for this year:

- See action plans for Elementary School Math above.
- Use of MAP test to measure interim progress towards goals
- Additional professional development for staff and teachers
- Continued implementation of the KIPP Framework for Excellent Teaching as a coaching and development tool
- Continued implementation of shared data protocol to ensure that we use data more strategically and effectively

Academic Goal 7

Absolute Performance (7)  
Each year, 75 percent of 4th and 8th graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State Science examination.

(In 2012-2013, the school enrolled students in Kindergarten, 1st-3rd grades and grades 5-12.)

NYS Science Exam and Earth Science Regents Exam  
(A portion of 8th grade students were administered the ES Regents while the others were administered the 8th grade science)

84% of 8th grade students enrolled for at least 2 BEDS days scored proficient or above on either the NYS science test or the Earth Science Regents. KIPP Academy did not enroll 4th grade students.

Achieved

Academic Goal 8

Absolute Performance (8)  
Each year, 75 percent of 5th and 8th graders who have been enrolled at the

NYS Social Studies Exam

The Social Studies exam is no longer administered in New York State

N/A

school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State Social Studies examination. (In 2012-2013, the school enrolled students in Kindergarten, 1st-3rd grades and grades 5-12.)

## 2a1. Do have more academic goals to add?

Yes

### 2012-13 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Academic Goal 9	<p>Value-Added Performance/Progress (1)</p> <p>Each year, each grade-level cohort of the same students (i.e. students who are in the school for two years in a row) will reduce by one-half the gap between the percent at or above Level 3 on the previous year's State ELA exam (baseline) and 75 percent at or above Level 3 on the current year's State ELA exam.</p>	NYS ELA exam	With 65.1% of students in the identified cohort scoring at or above proficiency on the 2011-2012, the target score was set at 70.0%. On the 2012-2013 ELA exam 33.3% of the same cohort of students scored at or above proficiency. The target was not achieved.	Did Not Achieve. See Middle School ELA Action Plan Above
Academic Goal 10	<p>Value-Added Performance/Progress (2)</p> <p>Each year, each grade-level cohort of the same students (i.e. students who are in the school for two years in a row) will reduce by one-half the gap between the percent at or above Level 3 on the previous year's State mathematics exam (baseline) and 75 percent at or above Level 3 on the current year's State mathematics exam.</p>	NYS Mathematics Exam	With 81.7% of students in the identified cohort scoring at or above proficiency on the 2011-2012 Mathematics exam, the target was to increase the percent scoring at or above proficiency. On the 2012-2013 Mathematics exam 50.5% of the same students scored at or above proficiency. The target was not achieved.	Did Not Achieve. See Middle School Mathematics Action Plan Above.
Academic Goal 11	<p>Comparative Performance (1)</p> <p>Each year, the percent of students performing at or above Level 3 on the State ELA exam in each tested grade will, in the majority of grades, exceed the average performance of students tested in the same grades of the Community School District in which the school is located. This will be measured by an analysis of</p>	NYS ELA exam	In 2012-13 the school's performance surpassed that of students in CSD 7 in all 5 tested grades, thus achieving the target.	Achieved

	performance compared to CSDs conducted by NYCDOE. (Relevant to schools serving grades 3-8.)			
Academic Goal 12	<p>Comparative Performance (2)</p> <p>Each year, the percent of students performing at or above Level 3 on the State Math exam in each tested grade will, in the majority of grades, exceed the average performance of students tested in the same grades of the Community School District in which the school is located. This will be measured by an analysis of performance compared to CSDs conducted by NYCDOE. (Relevant to school serving grades 3-8.)</p>	NYS Math Exam	In 2012-13 the school's performance surpassed that of students in CSD 7 in all 5 tested grades, thus achieving the target.	Achieved
Academic Goal 13	<p>Comparative Performance (3)</p> <p>Each year, the school will earn a score sufficient to place it in the 75th percentile of all schools on the citywide Progress Report.</p>	NYC DOE Progress Report	Not available at time of submission	Not Available
Academic Goal 14	<p>Comparative Performance (4)</p> <p>Each year, the percent of students in the high school accountability cohort passing an English Regents exam with a score of 65 or above by the end of their fourth year will exceed that of the students in the high school accountability cohort from a group of similar schools as determined by the NYCDOE Progress Report peer schools. (Relevant to school serving grades 9-12.)</p>	NYS Regents ELA exam	By the end of the 2012-13 school year 97% of students in the 2009 accountability cohort passed the Comprehensive English Regents examination compared to 93% of students in the 2008 cohorts at peer schools (2009 cohort comparison data not yet available).	Achieved
Academic Goal 15	<p>Comparative Performance (5)</p> <p>Each year, the percent of students in the high school accountability cohort passing a Math Regents exam with a score of 65 or above by the end of their fourth year will exceed that of the students in the high school accountability cohort from a group of similar schools as determined by the NYCDOE Progress Report peer schools. (Relevant to schools serving grades 9-12.)</p>	NYS Regents Math Exam	By the end of the 2012-13 school year 97% of students in the 2009 accountability cohort passed a Math Regents exam with at least a 65, compared to 92% of students in the 2008 cohorts at peer schools (2009 cohort comparison data not yet available).	Achieved
Academic Goal 16	<p>High School and Post-Secondary Success Goals (1)</p> <p>Each year, 80% of students enrolled in grades 9-12 will accumulate 10 or more credits towards graduation.</p>	HS Credit Accumulation	93% of students earned at least 10 credits during the 12-13 school year	Achieved

## 2a2. Do have more academic goals to add?

Yes

### 2012-13 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Academic Goal 17	<p>High School and Post-Secondary Success Goals (2)</p> <p>By the end of year 4 in the charter, 80 percent of the first cohort* will have scored at least 65 on the New York State Regents examinations in ELA. (Relevant for schools serving grades 9-12.)</p> <p>*cohort is defined as the group of students entering grade 9 on or before BEDS day in the same year at any school, regardless of when the student enters the charter school.</p>	NYS Regents ELA exam	By the end of the 2012-13 school year, 97% of students in the 2009 cohort, the school's first cohort, scored at least 65 on the NYS Comprehensive English examination.	Achieved
Academic Goal 18	<p>High School and Post-Secondary Success Goals (3)</p> <p>By the end of year 4 in the charter, 80 percent of the first cohort* will have scored at least 65 on a New York State Regents examination in Math. (Relevant for schools serving grades 9-12.)</p> <p>*cohort is defined as the group of students entering grade 9 on or before BEDS day in the same year at any school, regardless of when the student enters the charter school.</p>	NYS Regents Math exam	By the end of the 2012-13 school year, 97% of students in the 2009 cohort, the school's first cohort, scored at least 65 on a NYS Mathematics Regents examination.	Achieved
Academic Goal 19	<p>High School and Post-Secondary Success Goals (4)</p> <p>By the end of year 4, 80 percent of the initial cohort* will have scored at least 65 on the New York State Regents examinations in Science (Living Environment, Chemistry, or other). (Relevant for schools serving grades 9-12.)</p>	NYS Regents Science exams	By the end of the 2012-13 school year, 97% of students in the 2009 cohort, the school's first cohort, scored at least 65 on a NYS Science Regents examination	Achieved

\*cohort is defined as the group of students entering grade 9 on or before BEDS day in the same year at any school, regardless of when the student enters the charter school.

Academic Goal 20	High School and Post-Secondary Success Goals (5)  By the end of year 4, 80 percent of the initial cohort* will have scored at least 65 on the New York State Regents examinations in History (Global Studies or U.S. History). (Relevant for schools serving grades 9-12.)  *cohort is defined as the group of students entering grade 9 on or before BEDS day in the same year at any school, regardless of when the student enters the charter school.	NYS Regents History exams	By the end of the 2012-13 school year, 97% of students in the 2009 cohort, the school's first cohort, scored at least 65 on a NYS History Regents examination	Achieved
Academic Goal 21	High School and Post-Secondary Success Goals (6)  Each year, the average performance of students in the 10th grade will exceed the state average on the PSAT tests in Critical Reading and Mathematics. It is expected that the participation rate for this test will be 75% or greater.	PSAT	With 94% of 10th grade students tested, the average score on Critical Reading was 40.9 and Math was 43.2. The NY State Average for Sophomores in Fall 2012 was 41.5 in Critical Reading and 42.1 in Math. KIPP Academy outperformed the state average in Math, but fell short of exceeding the state in Critical Reading.	Did Not Achieve  We are working to improve the PSAT scores of our students relative to NY state averages
Academic Goal 22	High School and Post-Secondary Success Goals (7)  Each year, the average performance of students in the 12th grade will exceed the state average on the SAT or ACT tests in reading and mathematics. It is expected that the participation rate for this test will be 75% or greater.	SAT	With 100% of 12th grade students tested, the average score on Critical Reading was 475.7, and Math was 520.3. Seniors in NY State in 2012 (2013 data was not available at time of writing) scored on average 483 on Critical Reading and 500 on Math. KIPP Academy outperformed the state on Math but did not exceed the state average in Critical Reading.	Did Not Achieve  We are working to improve the SAT scores of our students relative to NY state averages
Academic Goal 23	College Preparation (1)  Each year, 90 percent of students in the Graduation Cohort will complete the school's college placement	KIPP college placement program completion	85% of the 2009 graduation cohort completed three courses in the college placement program.	Did Not Achieve  We are working towards increasing the number of students who complete the three courses in the College

	program that will consist of passing 3 of the following courses in grades nine through 12, respectively: Speech and Composition; Math and Verbal Reasoning; College Readiness; and Senior Research Institute College Counseling. (The program changed from 4 to 3 courses)			Completion Program within four years of beginning high school
Academic Goal 24	College Preparation (2) Each year, 70 percent of students in the Graduation Cohort will successfully pass a high school AP exam.	AP exams	45% of the 2009 graduation cohort (class of 2013) passed at least 1 AP exam (pass equates to a score of 3 or greater)	Did Not Achieve We are working to increase the number of students successfully passing AP examinations within four years of beginning high school
Academic Goal 25	College Participation and Attendance (1) Each year, 85 percent of students in the Graduation Cohort will gain admission into a two and/or four year college.	College Admission	94% of students in the graduation cohort were accepted to either a 2 or 4 year college.	Achieved
Academic Goal 26	College Participation and Attendance (2) Each year, 70 percent of students in the Graduation Cohort will enroll in a two and/or four year college.	College Enrollment	85% of students in the graduation cohort matriculated to a 2 or 4 year college by Oct 2013	Achieved
Academic Goal 27	Graduation Rates (1 and 2) 1. Each year, 80 percent of students in the high school Graduation Cohort will graduate after the completion of their fourth year in the cohort. 2. Each year, 95 percent of students in the high school Graduation Cohort will graduate after the completion of their fifth year in the cohort.	1. High School Graduation 2. High School Graduation	1. 88% of the 2009 graduation cohort graduated high school in 2013 (their 4th year in the cohort) 2. NA. The first cohort has just completed their 4th year.	1. Achieved 2. NA. The first cohort has just completed their 4th year.
Academic Goal 28	AYP Status (1) Each year, the school will be deemed "In Good Standing" on the NYS Report Card.	NCLB status	Data not available at time of reporting	Data not available at time of reporting
Academic Goal 29	Student Engagement (1) Each year, the school will have an average daily student attendance rate of at least 95	Daily Attendance	In 2012-13 the average daily attendance rate was 96.1%.	Achieved

percent.

Academic  
Goal 30

Student Engagement (2)

Re-Enrollment

97% of students enrolled on  
the last day of school returned  
in September of 2013  
(students graduating from 12th  
grade are not included).

Achieved

Each year, 95 percent of all  
students enrolled on the last  
day of the school year will  
return the following  
September.

2b. ORGANIZATIONAL GOALS

2012-13 Progress Toward Attainment of Organizational Goals

	Organizational Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Org Goal 1	Adherence to Contract Terms (1) Each year, the school will comply with all applicable laws, rules, regulations and contract terms including, but not limited to, the New York Charter Schools Act, the New York Freedom of Information Law, the New York Open Meetings Law, the federal Individuals with Disabilities Education Act, and federal Family Educational Rights and Privacy Act.	Compliance	The school complied with all relevant rules, regulations and contract terms.	Achieved
Org Goal 2	Adherence to Contract Terms (2) Each year, over 90% of the staff will complete the KIPP Healthy Schools Survey and average scores will be at least 3.75 out of 5.	Healthy Schools Survey	87% of the staff completed the survey and average scores were 3.93 out of 5	While the average score goal was achieved, we are working to increase the staff participation rate on the Healthy Schools and Regions Surveys.
Org Goal 3	Adherence to Contract Terms (3) Each year, leadership will engage in strategic goal setting aligned to the organization's mission, beliefs, and long-term priorities. The school will accomplish 100% of its annual strategic goals.	Strategic Goal Setting	Each of the schools engaged in academic goal setting this year.	Achieved
Org Goal 4	Enrollment Stability Each year, student enrollment will be within 15% of full enrollment as defined in the school's contract. This will be measured each year by an analysis of student enrollment figures in ATS.	Enrollment	With 843 students enrolled in 2012-2013, adequate enrollment was maintained.	Achieved
Org Goal 5	1. Parent Satisfaction: Each year, parents will express satisfaction with the school's program, based on the NYCDOE Learning Environment Survey in which the school will receive scores of 7.5 or higher in each of the four survey domains: Academic	NYC DOE Learning Environment Survey	1. Parent Satisfaction: With a 62% response rate, the school scored above 7.5 on all four of the survey domains: Academic Expectations: 9.0 Communication: 9.0 Engagement: 8.6 Safety & Respect: 8.8	1. Parent Satisfaction: Achieved 2. Staff Satisfaction: Achieved 3. Student Satisfaction: Achieved

Expectations, Communication, Engagement, and Safety and Respect. The school will only have met this goal if 50% or more parents participate in the survey.

2. Staff Satisfaction: Each year, teachers will express satisfaction with school leadership and professional development opportunities as determined by the teacher section of the NYCDOE Learning Environment Survey in which the school will receive scores of 7.5 or higher in each of the four survey domains: Academic Expectations, Communication, Engagement, and Safety and Respect. The school will only have met this goal if 50% or more teachers participate in the survey.

3. Student Satisfaction: For schools serving grades 5 and higher, each year, students will express satisfaction with the school as determined by the teacher section of the NYCDOE Learning Environment Survey in which the school will receive scores of 7.5 or higher in each of the four survey domains: Academic Expectations, Communication, Engagement, and Safety and Respect. The school will only have met this goal if 50% or more of students enrolled participate in the survey.

2. Staff Satisfaction: With 70% of teachers participating in the survey, the school scored above 7.5 in all 4 survey domains:  
 Academic Expectations: 8.2  
 Communication: 7.7  
 Engagement: 7.8  
 Safety & Respect: 8.5

3. Student Satisfaction: With a 94% response rate, the school scored above 7.5 in all 4 survey domains:  
 Academic Expectations: 8.6  
 Communication: 8.5  
 Engagement: 7.8  
 Safety & Respect: 8.3

## 2b.1 Do you have more organizational goals to add?

(No response)

## 2012-13 Progress Toward Attainment of Organizational Goals

Organizational Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
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## 2c. FINANCIAL GOALS

### 2012-13 Progress Toward Attainment of Financial Goals

Financial Goals	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
-----------------	-----------------------------------	--------------------------------------	--

Financial Goal 1	Financial Compliance Upon completion of the school's first year of operation and every year thereafter, the school will undergo an independent financial audit that will result in an unqualified opinion and no major findings.	Financial Audit	The annual audit resulted in an unqualified opinion with no major findings	Achieved
Financial Goal 2	Financial Viability Each year, the school will operate on a balanced budget and maintain a stable cash flow.	Budget	The school has maintained a balanced budget.	Achieved

# KIPP ACADEMY CHARTER SCHOOL

## Consolidated

Fiscal Year 2012 - 2013

Unaudited Actuals

	<u>Elementary</u>	<u>Middle</u>	<u>High</u> <sup>1</sup>	<u>TOTAL</u>
Total Enrollment	370	262	208	<b>840</b>
Total Expenditures	5,089,155	4,652,345	3,768,388	<b>13,509,889</b>
Average Expenditures Per Pupil	13,757	17,727	18,122	<b>16,077</b>
Total Administrative Expenditures	735,076	642,275	448,985	<b>1,826,337</b>
General Administration Salaries	181,138	221,412	129,155	<b>531,705</b>
General Administration Expenditures <sup>2</sup>	553,938	420,863	319,831	<b>1,294,632</b>
Average Administrative Expenditures Per Pupil	1,987	2,447	2,159	<b>2,173</b>

<sup>1</sup> Represents KIPP Academy's portion of KIPP NYC College Prep High School. Allocation is based on the number of KIPP Academy students relative to total high school enrollment.

<sup>2</sup> General Administration Expenditures represents CMO fees.

# Audited Financial Statement Checklist

Created Tuesday, October 29, 2013  
Updated Friday, November 01, 2013

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## Page 1

Charter School Name:

1. Please check each item that is included in the 2012-13 Audited Financial Statement submitted for your charter school.

	Yes	No	NA
Audited Financial Statements (including report on compliance and report on internal control over financial reporting)	True	False	False
Single Audit (if applicable)	True	False	False
CSP Agreed Upon Procedures (if applicable)	False	False	True
Management Letter	True	False	False
Report on Extracurricular Student Activity Accounts (if applicable)	False	False	True
Corrective Action Plans for any Findings	False	False	True

2. Please indicated if there is a finding(s) noted in any of the following sections of your charter school's 2012-13 Audited Financial Statement.

	Yes	No
Report on Compliance	False	True
Report on Internal Control over Financial Reporting	False	True
Single Audit	False	True
CSP Agreed Upon Procedures Report	False	True
Management Letter	False	True

Thank you Bradley .

**KIPP ACADEMY CHARTER SCHOOL**

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**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2013 AND 2012**

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**KIPP ACADEMY CHARTER SCHOOL  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
KIPP Academy Charter School  
Bronx, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of KIPP Academy Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIPP Academy Charter School as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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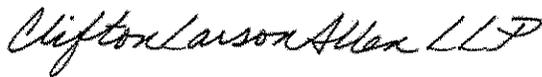
**Other Matters**

*Other Information – Schedule of Expenditures of Federal Awards*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2013 on our consideration of KIPP Academy Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 Academy Charter School's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania

October 28, 2013

**KIPP ACADEMY CHARTER SCHOOL  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2013 AND 2012**

	2013	2012
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,842,316	\$ 3,126,035
Grants and Contracts Receivable	178,232	165,338
Prepaid Expenses and Other Assets	126,480	21,319
Building Deposit	1,500,000	1,500,000
Equipment and Improvements	173,825	169,654
Total Assets	\$ 4,820,853	\$ 4,982,346
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 147,634	\$ 202,713
Refundable Advances	26,527	56,199
Due to Related Parties	92,236	325,038
Total Liabilities	266,397	583,950
<b>NET ASSETS</b>		
Unrestricted	4,537,306	4,295,560
Temporarily Restricted	17,150	102,836
Total Net Assets	4,554,456	4,398,396
Total Liabilities and Net Assets	\$ 4,820,853	\$ 4,982,346

See accompanying Notes to Financial Statements.

**KIPP ACADEMY CHARTER SCHOOL  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2013 AND 2012**

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>OPERATING REVENUE</b>						
State and Local Per Pupil Operating Revenue	\$ 12,425,762	\$ -	\$ 12,425,762	\$ 10,449,938	\$ -	\$ 10,449,938
Federal Government Grants and Contracts	603,236	-	603,236	449,751	-	449,751
Non-Federal Grants and Contracts	161,904	-	161,904	162,413	-	162,413
Total Operating Revenue	<u>13,190,902</u>	<u>-</u>	<u>13,190,902</u>	<u>11,062,102</u>	<u>-</u>	<u>11,062,102</u>
<b>OPERATING EXPENSES</b>						
Program Services	12,363,678	-	12,363,678	9,742,250	-	9,742,250
Supporting Services	1,325,693	-	1,325,693	1,160,268	-	1,160,268
Total Expenses	<u>13,689,371</u>	<u>-</u>	<u>13,689,371</u>	<u>10,902,518</u>	<u>-</u>	<u>10,902,518</u>
School Operating Surplus (Deficit)	(498,469)	-	(498,469)	159,584	-	159,584
Other Revenue:						
Contributions and Other Grants	118,840	244,905	363,745	262,533	154,047	416,580
Interest and Other Income	131,715	-	131,715	67,288	-	67,288
Donated Services	145,958	-	145,958	-	-	-
Special Event Income	13,111	-	13,111	-	-	-
Total Other Revenue	<u>409,624</u>	<u>244,905</u>	<u>654,529</u>	<u>329,821</u>	<u>154,047</u>	<u>483,868</u>
Net Assets Released from Restrictions	330,591	(330,591)	-	156,793	(156,793)	-
<b>CHANGE IN NET ASSETS</b>						
Net Assets - Beginning of Year	241,746	(85,686)	156,060	646,198	(2,746)	643,452
Net Assets - End of Year	<u>4,295,560</u>	<u>102,836</u>	<u>4,398,396</u>	<u>3,649,362</u>	<u>105,582</u>	<u>3,754,944</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 4,537,306</u>	<u>\$ 17,150</u>	<u>\$ 4,554,456</u>	<u>\$ 4,295,560</u>	<u>\$ 102,836</u>	<u>\$ 4,398,396</u>

See accompanying Notes to Financial Statements.

**KIPP ACADEMY CHARTER SCHOOL  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED JUNE 30, 2013 AND 2012**

	2013			2012		
	Program Services	Supporting Services	Total Expenses	Program Services	Supporting Services	Total Expenses
	School Operations	Management & General		School Operations	Management & General	
Salaries	\$ 7,999,103	\$ -	\$ 7,999,103	\$ 6,317,147	\$ -	\$ 6,317,147
Payroll Taxes and Employee Benefits	2,173,265	-	2,173,265	1,755,704	-	1,755,704
Technology	257,285	-	257,285	221,758	-	221,758
Field Lessons	241,937	-	241,937	258,036	-	258,036
Supplies	232,324	-	232,324	244,278	-	244,278
Staff Development	214,169	-	214,169	140,616	-	140,616
Professional Fees	201,756	22,168	223,924	77,866	30,483	108,349
Academic Programming	199,327	-	199,327	226,919	-	226,919
Donated Goods and Services	145,958	-	145,958	-	-	-
Telephone and Internet	136,075	-	136,075	93,649	-	93,649
Insurance	122,606	-	122,606	94,076	-	94,076
Equipment and Maintenance	89,176	-	89,176	168,632	-	168,632
Fees	68,868	1,303,525	1,372,393	-	1,128,709	1,128,709
Consultants	66,219	-	66,219	59,463	-	59,463
Building Permits	50,776	-	50,776	2,975	-	2,975
Depreciation and Amortization	45,210	-	45,210	30,560	-	30,560
Student Events	39,902	-	39,902	23,489	-	23,489
Student Transportation	38,579	-	38,579	26,962	-	26,962
Miscellaneous	36,436	-	36,436	120	1,076	1,196
Bad Debt Expense	4,707	-	4,707	-	-	-
<b>Total Program Services</b>	<b>\$ 12,363,678</b>	<b>\$ 1,325,693</b>	<b>\$ 13,689,371</b>	<b>\$ 9,742,250</b>	<b>\$ 1,160,268</b>	<b>\$ 10,902,518</b>

See accompanying Notes to Financial Statements.

**KIPP ACADEMY CHARTER SCHOOL  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 156,060	\$ 643,452
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	45,210	30,560
(Increase) Decrease in Assets:		
Grants and Contracts Receivable	(12,894)	28,689
Prepaid Expenses and Other Assets	(105,161)	30,201
Due From Related Parties	-	963,566
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(55,079)	(437,161)
Refundable Advances	(29,672)	21,319
Due To Related Parties	(232,802)	325,038
Net Cash Provided (Used) by Operating Activities	(234,338)	1,605,664
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Equipment and Improvements	(49,381)	(173,715)
Deposit for Building	-	(500,000)
Net Cash Used by Investing Activities	(49,381)	(673,715)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligation	-	(7,474)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(283,719)	924,475
Cash and Cash Equivalents - Beginning	3,126,035	2,201,560
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,842,316	\$ 3,126,035
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash Paid for Interest	\$ -	\$ 248

See accompanying Notes to Financial Statements.

**KIPP ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE 1           SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

KIPP Academy Charter School (the "School") is an education corporation that operates as a charter school in the borough of the Bronx, New York City. On May 4, 2000, the Board of Regents of the City of New York for and on behalf of the State Education Department granted the School a provisional charter valid for a term of five years from the effective date of September 1, 2000 and renewable upon expiration. The charter was renewed and is effective through May 16, 2015.

The School was converted from an existing New York City Department of Education school. The School's mission is to prepare students with the academic and character skills necessary to succeed in high school, college and the competitive world beyond.

In fiscal year 2012, the School operated classes for students in grades kindergarten through two and five through eleven. In fiscal year 2013, the school expanded its classes to include grades three and twelve.

The major source of revenue and support for the School is from state and local funding on a per pupil basis. The New York City Department of Food Services provides free and reduced-price lunches and the New York City Department of Transportation provides transportation vouchers directly to a majority of the School's students. Amounts with respect to these items are not included in these financial statements.

**Financial Statement Presentation**

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with established accounting standards for not for profit entities. The School is required to report information regarding its financial position and activities in according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School only has unrestricted and temporarily restricted net assets.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**KIPP ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

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

**Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits.

**Grants and Contract Receivables**

Grants and contract receivables primarily consist of amounts due from the New York Department of Education for federal and state subsidy programs and private grants. Grants and contract receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2013 an allowance of \$3,731 was established. As of June 30, 2012, no allowance for doubtful accounts was deemed warranted based on historical experience.

**Governmental Funding**

Revenue from the state and local governments resulting from the School's charter status is based on the number of students enrolled. The revenue is recorded when services are performed in accordance with the charter agreement. Federal and state funds are recognized by the School when expenditures are incurred and billable.

Revenue from other government grants to which the School is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

Federal and state funds received prior to the services provided or the related expenditures being incurred are deferred and recorded as refundable advances.

**Contributions**

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Donated Goods and Services**

Donated goods and services are recorded at their fair value when such services are rendered or goods are donated. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) required specialized skills and are performed by people with those skills and would otherwise be purchased by the School and (c) are measurable.

A number of volunteers have made a contribution of their time to the School. These in-kind contributions have not been reflected in the financial statements since they do not meet the criteria for recognition under accounting standards for contributions.

**KIPP ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

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

**Equipment, Improvements, Depreciation and Amortization**

Equipment is recorded at cost. The School capitalizes purchases of equipment in excess of \$2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment acquired with certain government contract funds are recorded as expenses when the grantor retains title.

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Equipment assets acquired under capital leases are recorded in equipment with corresponding obligations carried in liabilities. The amount capitalized is the lower of the present value of the minimum lease payments or the fair value of the leased asset. Amortization on assets leased under capital leases is recorded on a straight-line basis over the estimated useful life of the asset or the term of the lease, depending on the criteria used to capitalize the lease. Improvements to the facility are amortized over the useful life as there is no set lease term for the school building.

**Expense Allocation**

The costs of providing services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and support services benefited.

**Concentration of Credit Risk**

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

**Income Taxes**

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The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and applicable income tax regulations of the State of New York. No provision for income taxes has been established, as the School has no unrelated business activity.

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The School follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. This standard had no impact on the School's financial statements. The School's tax returns for the years 2010, 2011, and 2012 are open for federal and state tax examinations.

**Reclassification**

Certain accounts in the prior year information have been reclassified to conform to the presentation in the current year financial statements.

**Subsequent Events**

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 28, 2013, the date the financial statements were available to be issued.

**KIPP ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE 2 RELATED PARTY TRANSACTIONS**

The Knowledge is Power Program Foundation ("KIPP Foundation") is a national, nonprofit organization that trains school leaders to open and run academically rigorous public schools. The School is a member of KIPP Foundation's KIPP Network of Schools and, as such, is eligible for a range of benefits and fee-based services. KIPP Foundation charges a license fee to all of the KIPP Charter Schools. See Note 8 for additional information about the license fee agreement.

KIPP NYC, LLC ("LLC") is the sole member of KIPP New York, Inc. ("KNYI"). The School received grants from KNYI in the amounts of \$0 and \$467,103 for the years ended June 30, 2013 and 2012, respectively. Amounts due to and from related parties represent short-term timing differences of expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

LLC is considered a related party due to the usage of the LLC shared services team who handles the back-office functions for the School. In July 2009, the School entered into a shared services fee agreement with LLC for the back-office functions. The management fee is 10% of the revenue as defined in the shared services agreement. The School incurred a management fee to LLC in the amount of \$1,303,525 and \$1,089,475 for the years ended June 30, 2013 and 2012, respectively.

KTC NYC, LLC ("KTC") is the sole member of KIPP New York, Inc. ("KNYI"). Amounts due to and from related parties represent short-term timing differences of grants received and expenses incurred on behalf of the School that have not been paid or received as of the financial statement date.

KTC is considered a related party due to the services they provide to the KIPP New York charter schools and school alumni to prepare them for college. The services KTC provides are college advisory, counseling and placement, transition programs, collage scholars and career preparation.

The School, KIPP AMP Academy Charter School, KIPP Infinity Charter School, KIPP Star College Prep Charter School and KIPP Washington Heights Charter School share some common membership on their Board of Directors.

**NOTE 3 EQUIPMENT AND IMPROVEMENTS**

Equipment and Improvements consist of the following:

	2013	2012
Furniture and Fixtures	\$ 38,725	\$ 38,725
Technology	1,321,939	1,319,500
Leasehold Improvements	117,433	70,490
Equipment	241,863	241,864
Total	1,719,960	1,670,579
Less: Accumulated Depreciation and Amortization	(1,546,135)	(1,500,925)
Total Equipment and Improvements	<u>\$ 173,825</u>	<u>\$ 169,654</u>

**KIPP ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE 4            RESTRICTIONS ON NET ASSET BALANCES**

Temporarily restricted net assets at June 30, 2013 and 2012 were available for the following purposes:

	2013	2012
<u>Purpose Restrictions:</u>		
Athletic Programs	\$        2,998	\$        2,836
Arts & Music Programs	11,228	-
Academic Programs	2,924	-
 <u>Time Restrictions:</u>		
William E. Simon Foundation	-	100,000
Total Temporarily Restricted Net Assets	\$        17,150	\$        102,836

**NOTE 5            PENSION PLAN**

The School contributes to the Teachers Retirement System of the City of New York, a multiemployer defined benefit pension plan (the "Plan"), on behalf of the teachers. The Plan provides New York City educators with retirement, disability, and death benefit services. The School's participation in the plan constitutes less than 1% of total plan contributions. The funded status of the Plan was 58.9% at June 30, 2010, the date of the most recent actuarial calculation as indicated in the June 30, 2012 plan audit. The amount charged to operations for contributions to this Plan amounted to \$594,367 and \$572,928 for the years ended June 30, 2013 and 2012, respectively.

The School is part of the KIPP NYC 403(b) Retirement Plan, a multiemployer defined contribution plan, under Section 403(b) of the Internal Revenue Code which employees of the School can elect to contribute. Employees, whom option for this plan, can contribute up to the level set by the IRS. The Employer match is a discretionary contribution. The employer contributions to this Plan amounted \$38,343 and \$10,175, for the years ended June 30, 2013 and 2012, respectively.

**NOTE 6            SCHOOL FACILITY**

The School occupies approximately 25,000 square feet of space through an agreement with the New York City Department of Education for this dedicated and shared space at P.S. 151, a New York City public school, located at 250 East 156<sup>th</sup> Street in the South Bronx, New York. The facility is provided to the School at no cost. The School is responsible for any overtime-related costs for services provided beyond regular opening hours. These costs have been included in building costs in the accompanying statement of functional expenses. The School also occupies the Mott Haven Facility which is discussed in Note 7.

**KIPP ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE 7 REIMBURSEMENT AGREEMENT**

During 2011, KIPP New York Inc. ("KNI") on behalf of the School, entered into a reimbursement agreement with the New York City Department of Education ("NYC DOE") in connection with the acquisition of a long-term lease to a recently constructed school facility located at the Mott Haven Educational Campus (the "Mott Haven Facility"). KIPP Academy Elementary School currently occupies the Mott Haven Facility and the activity of the school is included in the School's current year financial statements. The reimbursement agreement specified that NYC DOE will be paid \$18 million in exchange for the execution and delivery of a 99-year lease to the Mott Haven Facility no later than June 30, 2014. Before such obligation is satisfied, the agreement states that certain interim payments will be made to NYC DOE. As of June 30, 2013, the School has made \$1,500,000 of interim payments which is included in building deposits. During fiscal year 2013, KNI made a \$500,000 interim payment as part of this agreement. This agreement is guaranteed by KNI.

The remaining payments will be made by the School as follows:

Year Ending June 30,	Amount
2014	\$ 16,000,000
Total	\$ 16,000,000

**NOTE 8 TRADEMARK LICENSE AGREEMENT**

The School has entered into a trademark license agreement with KIPP Foundation subject to a license fee of 1% per pupil operating revenue not to exceed \$30,000 per elementary school, middle school or high school. For the years ended June 30, 2013 and 2012, the School incurred licensing fees amounting to \$68,868 and \$39,234, respectively.

**NOTE 9 OPERATING EXPENSES**

Operating expenses are presented in the statement of functional expenses classified according to the significant program activity related to the purpose for which the school exists or supporting service.

The significant activities are:

**School Operations**

Represents work (time and materials) that is specifically related to or necessary for the programming aspects of the School. The activities and related costs directly affecting students or parents fall under this program.

**KIPP ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE 9 OPERATING EXPENSES (CONTINUED)**

The significant supporting services are:

**Management and General**

Time and materials relating to operating the non-programmatic/back-end operational functions of the School are reflected as management and general expenses. These expenses include, but are not limited to, human resources, finance, and technology activities.

**Fundraising**

Represents work (time and materials) associated with the School's fund-raising program including but not limited to annual mailings, donor meeting and events. The fundraising expenses were incurred by KIPP NYC, LLC.

**NOTE 10 CONTINGENCY**

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements for such potential claims. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

**NOTE 11 SUBSEQUENT EVENTS**

The School plans to make a grant of \$1.0 million to KIPP New York Inc. ("KNYI") in connection with securing a long-term lease for the facility located at 730 Concourse Village West, Tower D, Bronx, NY (the "Mott Haven Facility"). The grant from the School to KNYI will support KNYI's participation in the New Markets tax credit transaction and the financing to purchase the Mott Haven Facility from the NYC School Construction Authority. In addition, this will allow KIPP Academy to secure the Mott Haven Facility sublease. KIPP Academy Elementary currently occupies the Mott Haven Facility under a use agreement between KNYI and the NYC DOE, and will continue to occupy the Mott Haven Facility under the sublease.

**KIPP ACADEMY CHARTER SCHOOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass- Through Grantor's Number	Grant/ Contract Period	Grant Amount	Accrued or (Deferred) Revenue at 7/1/12	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued or (Deferred) at 6/30/13
<u>U.S. Department of Education:</u>									
Pass-through New York Department of Education:									
Title I Grant - Improving Academic Achievement	I	84.010	0021-134110	9/1/12-8/31/13	\$ 565,518	\$ -	462,986	\$ 565,518	\$ 102,532
ARRA - Race to the Top	I	84.395	5500-134110	7/1/12-6/30/13	11,360	-	10,224	11,360	1,136
Title II Grant- Teaching, Principal Training, Recruitment	I	84.367	0147-134110	9/1/12-8/31/13	26,358	-	21,671	26,358	4,687
Title I Grant - Improving Academic Achievement	I	84.010	0021-124110	9/1/11-8/31/12	345,169	141,637	141,637	-	-
Title II Grant- Teaching, Principal Training, Recruitment	I	84.367	0147-124110	9/1/11-8/31/12	25,927	15,995	15,995	-	-
Title II Grant- Teaching, Principal Training, Recruitment	I	84.367	0147-124110	9/1/10-8/31/11	36,578	4,878	4,878	-	-
<b>Total Federal Expenditures</b>					<b>\$ 1,010,910</b>	<b>\$ 162,510</b>	<b>\$ 657,391</b>	<b>\$ 603,236</b>	<b>\$ 108,355</b>

D - Direct Funding  
I - Indirect Funding  
S - State Share

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**KIPP ACADEMY CHARTER SCHOOL  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

**NOTE A    GENERAL INFORMATION**

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

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**NOTE B    BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE C    RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

Board of Trustees  
KIPP Academy Charter School  
Bronx, New York

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 KIPP Academy Charter School, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 28, 2013.

**Internal Control Over Financial Reporting**

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

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

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

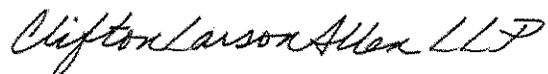
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether KIPP Academy Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

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



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania

October 28, 2013



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees  
KIPP Academy Charter School  
Bronx, New York

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

We have audited KIPP Academy Charter School's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of KIPP Academy Charter School's major federal programs for the year ended June 30, 2013. KIPP Academy Charter School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of KIPP Academy Charter School's major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KIPP Academy Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of KIPP Academy Charter School's compliance.

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

In our opinion, KIPP Academy Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

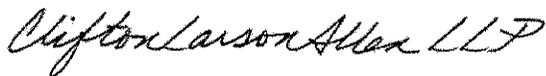
### Report on Internal Control Over Compliance

Management of KIPP Academy Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KIPP Academy Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KIPP Academy Charter School's internal control over compliance.

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

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

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania

October 28, 2013

KIPP ACADEMY CHARTER SCHOOL  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2013

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

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes       X  no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes       X  none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes       X  no

Federal Awards

1. Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ yes       X  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes       X  none reported

2. Type of auditor’s report issued on compliance for major federal programs:

Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

\_\_\_\_\_ yes       X  no

**Identification of Major Federal Programs**

**CFDA Number(s)**

84.010

**Name of Federal Program or Cluster**

U.S. Department of Education, Pass-through New York State Education Department, Title I Grant – Improving Academic Achievement

Dollar threshold used to distinguish between Type A or Type B programs was:

\$ 300,000

Auditee qualified as low-risk auditee pursuant to OMB Circular A-133?

\_\_\_\_\_ yes       X  no

KIPP ACADEMY CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2013

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*Section II – Financial Statement Findings*

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Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

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*Section III – Findings and Questioned Costs – Major Federal Programs*

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Our audit did not disclose any matters required to be reported in accordance with Section 510(a) of OMB Circular A-133.

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*Section IV – Prior Year Findings*

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No corrective action plan was required because the School was not required to have an audit completed in accordance with Section 510(a) of OMB Circular A-133.



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Board of Directors  
KIPP Academy Charter School  
New York, New York

We have audited the financial statements of KIPP Academy Charter School for the year ended June 30, 2013, and have issued our report thereon dated October 28, 2013. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Significant audit findings

#### *Qualitative aspects of accounting practices*

##### Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KIPP Academy Charter School are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the due from New York State Education Department is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2012-2013. The most significant of these is the Title funds. Because of the timing of the review and approval of the reimbursements, the actual reimbursement may differ from the estimate. Management expects any differences between estimated and actual amounts will be insignificant.
- Management's estimate of useful lives for depreciable assets is based on historical information, vendor information, and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.
- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation and percentage breakdown for certain programs. We evaluated the key

factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

***Financial statement disclosures***

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

***Disagreements with management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated October 28, 2013.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Other audit findings or issues***

We have provided a separate letter to you dated October 28, 2013, communicating internal control related matters identified during the audit.

**Other information in documents containing audited financial statements**

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 28, 2013.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

\* \* \* \* \*

The purpose of this communication is solely to provide you with information about findings or issues arising from the financial statement audit and the compliance audit that are significant and relevant to your responsibility to oversee the financial reporting process and compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* and with OMB Circular A-133. This communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 28, 2013

# Appendix E: Disclosure of Financial Interest Form

Created Friday, June 21, 2013

Updated Tuesday, July 23, 2013

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## Page 1

320700860820 KIPP ACADEMY CS

An Appendix E: Disclosure of Financial Interest Form must be completed for each active Trustee who served on the charter school's Board of Trustees during the 2012-13 school year. Trustees are at times difficult to track down in the summer months. Trustees may complete and submit at their leisure (but before the deadline) their individual form at: <http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/>.

Trustees who are technologically advanced may complete the survey using their smartphones or other mobile devices by downloading the this bar code link to the survey <http://fluidsurveys.com/account/surveys/210748/publish/qrcode/>. (Make sure you have the bar code application reader on your phone).

If a Trustee is unable to complete the form by the deadline (i.e, out of the country), the school is responsible for submitting the information required on the form for that individual trustee.

Just send the links via email today to your Trustees requesting that they each complete their form as soon as possible.

Thank you.

Yes, each member of the school's Board of Trustees has received a link to the Disclosure of Financial Interest Form.

Yes

Thank you.

# Appendix F: BOT Membership Table

Created Wednesday, July 17, 2013

Updated Thursday, August 01, 2013

## Page 1

320700860820 KIPP ACADEMY CS

### 1. Current Board Member Information

	Full Name of Individual Trustees	Position on Board (Officer or Rep).	Voting Member	Area of Expertise &/or Additional Role	Terms Served & Length (include date of election and expiration)	Committee affiliations
1	David Massey	Chair/President	Yes	Law	September 2000-Present	Audit Committee
2	Whitney Tilson	Treasurer	Yes	Finance	September 2004-Present	Audit Committee
3	Rafael Mayer	Member	Yes	Finance	June 2006-Present	Audit Committee, Development Committee
4	Dawn Palo	Member	Yes	Finance	September 2008- Present	Development Committee
5	Lisa Blau	Member	Yes	Finance	September 2012-Present	N/A
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

### 2. Total Number of Members Joining Board during the 2012-13 school year

1

### 3. Total Number of Members Departing the Board during the 2012-13 school year

1

4. According to the School's by-laws, what is the maximum number of trustees that may comprise the governing board?

25

5. How many times did the Board meet during the 2012-13 school year?

4

6. How many times will the Board meet during the 2013-14 school year?

4

Thank you.

## ***Appendix H: Enrollment and Retention Targets***

KIPP Academy and the greater KIPP NYC network of charter schools is committed to enrolling and retaining students with disabilities, English Language Learners, and students who are eligible for the free or reduced price lunch program. Our recruiting efforts specifically target students in high needs communities in New York City, and employ efforts that we have found to be effective in enrolling students in these populations. These recruiting efforts have included leveraging the networks of the KIPP students, their families, and KIPP alumni as well as that of teachers and staff to spread the word about KIPP Academy's educational programming and class openings. Additionally, we have partnered with community organizations such as local places of worship, afterschool programs, day care centers, immigration centers, YMCAs, and boys and girls clubs for assistance in recruiting efforts. To specifically target families with limited English proficiency, we recruit using bilingual materials and bilingual staff members. Moreover, our lottery process gives an absolute preference to students eligible for the free and reduced price lunch program.

KIPP Academy is focused on retaining all students. We provide high quality and highly structured educational programming tailored to the needs of students. Parents and families are kept informed of their child's performance and progress through periodic, bilingual communications, and have access to their child's teacher's cell phone number. In addition we survey students, families, and teachers to gauge the health of our schools and to ensure that our educational programming is meeting and exceeding the needs of our students. Furthermore, we leverage best practices from KIPP schools across the country to increase student retention.

We plan to continue to utilize these same recruiting and student retention efforts in future years.

Disclosure of Financial Interest Form

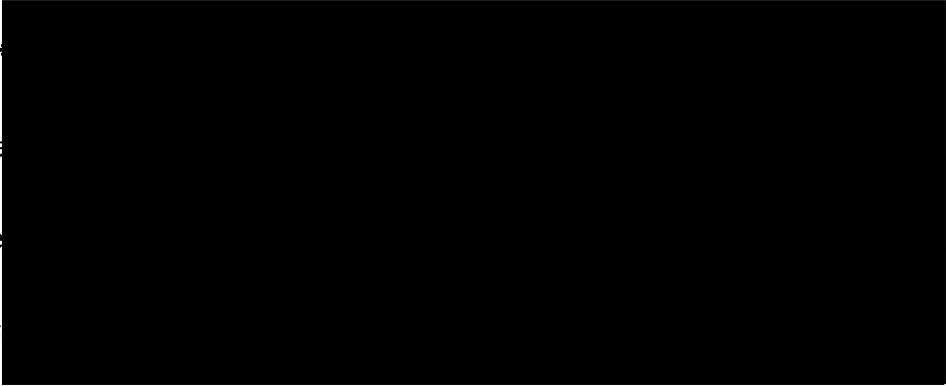
Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2012-2013

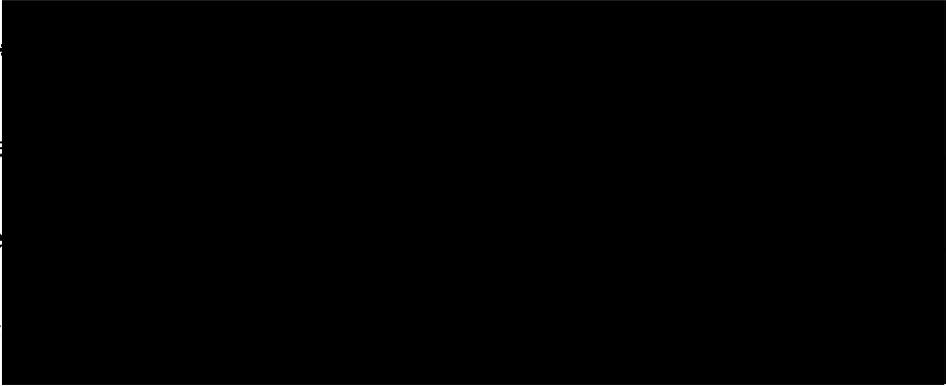
*\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

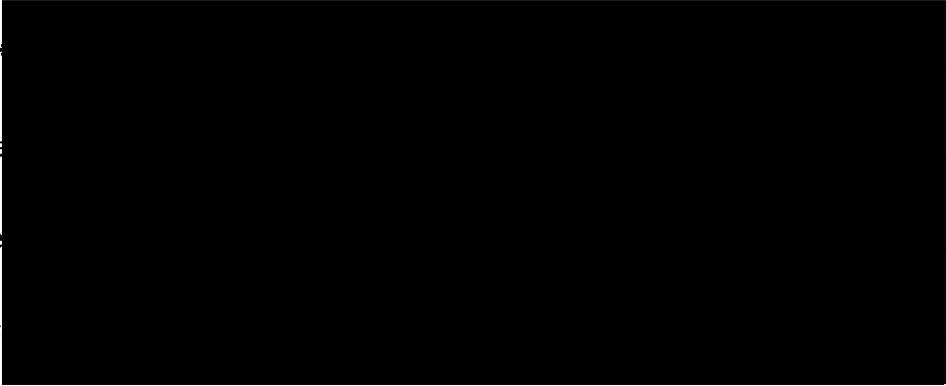
1. Trustee Name (print) DAVID B. MASSEY

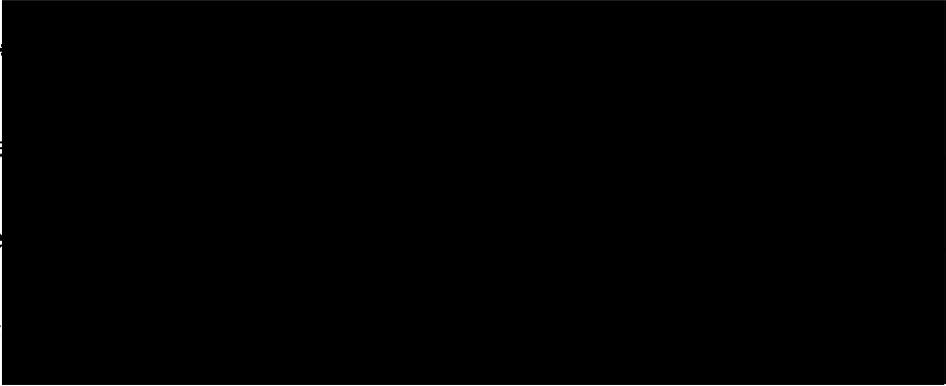
2. Charter School Name KIPP Academy Charter School

3. Charter Authorizer Entity New York City Department of Education

4. Home Address\* 

5. Business Address\* 

6. Daytime Phone\* 

7. E-Mail Address\* 

8. List all positions held on board (e.g., chair, treasurer, parent representative)  
Chair

9. Is the trustee an employee of the school?  Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

10. Is the trustee an employee or agent of the management company or institutional partner of the charter school?  Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.



*Disclosure of Financial Interest Form*

**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2012-2013**

*\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

1. Trustee Name (print) Dawn Palo

2. Charter School Name KIPP Academy Charter School

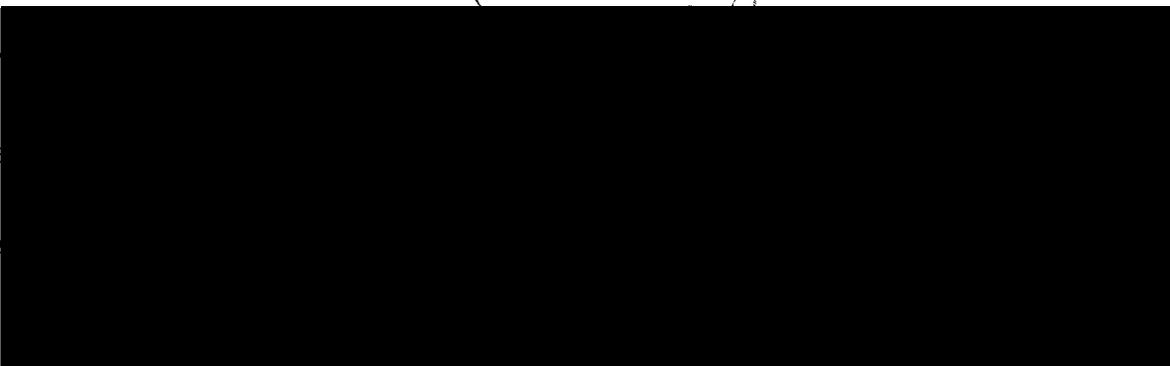
3. Charter Authorizer Entity New York City Department of Education

4. Home Address

5. Business Address

6. Daytime Phone

7. E-Mail Address



8. List all positions held on board (e.g., chair, treasurer, parent representative)  
Board Member

9. Is the trustee an employee of the school? \_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_

10. Is the trustee an employee or agent of the management company or institutional partner of the charter school? \_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_

11. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Question 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p style="font-size: 2em; font-family: cursive;">None</p>			

12. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write **None**.

Organization conducting business with the school	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p style="font-size: 2em; font-family: cursive;">None</p>				

[Handwritten Signature]

6/3/2013

Signature

Date

*Disclosure of Financial Interest Form*

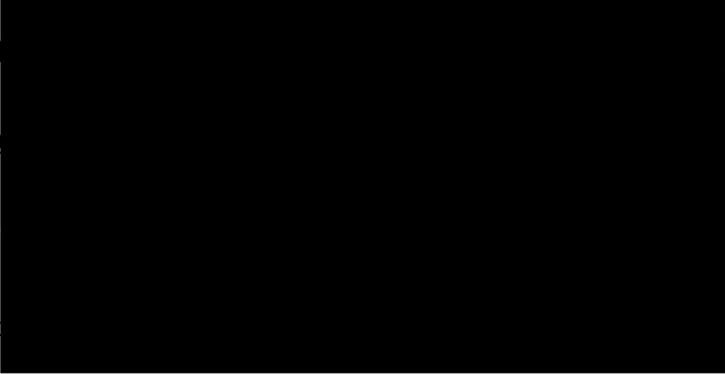
**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2012-2013**

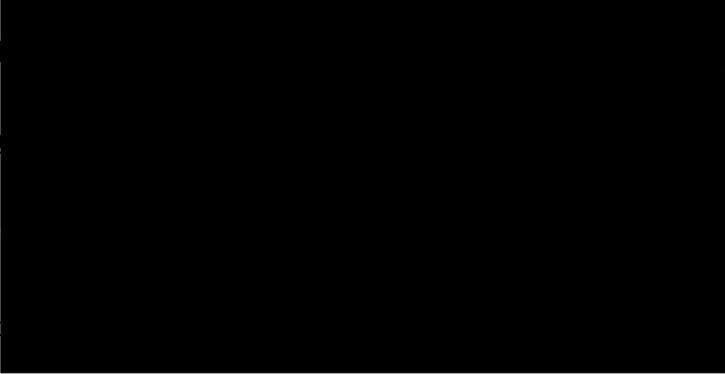
*\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

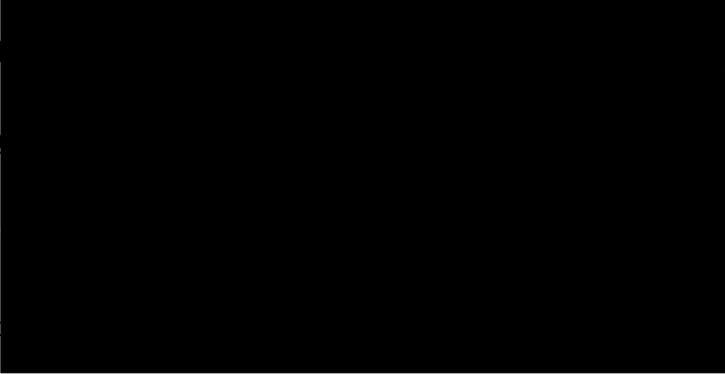
1. **Trustee Name (print)** Lisa Blau

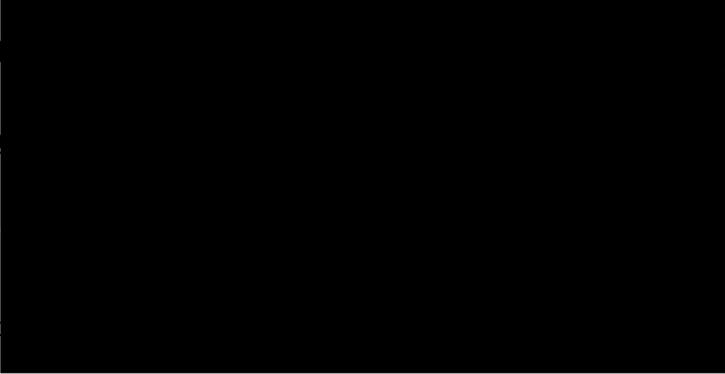
2. **Charter School Name** KIPP Academy Charter School

3. **Charter Authorizer Entity** New York City Department of Education

4. **Home Address** 

5. **Business Address** 

6. **Daytime Phone** 

7. **E-Mail Address** 

8. **List all positions held on board (e.g., chair, treasurer, parent representative)**  
\_\_\_\_\_  
\_\_\_\_\_

9. **Is the trustee an employee of the school?**  Yes  No

If **Yes**, please provide a description of the position you hold and your responsibilities, your salary and your start date.  
\_\_\_\_\_

10. **Is the trustee an employee or agent of the management company or institutional partner of the charter school?**  Yes  No

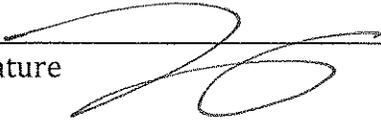
If **Yes**, please provide a description of the position you hold and your responsibilities, your salary and your start date.  
\_\_\_\_\_

11. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Question 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p>None </p>			

12. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write **None**.

Organization conducting business with the school	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p>None </p>				

Signature 

Date 6/3/13

**Disclosure of Financial Interest Form**

**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2012-2013**

*\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

1. **Trustee Name (print)** Philip Mactaggart \_\_\_\_\_

2. **Charter School Name** KIPP Academy Charter School

3. **Charter Authorizer Entity** New York City Department of Education

4. **Home Address** \_\_\_\_\_

5. **Business Address** \_\_\_\_\_

6. **Daytime Phone** \_\_\_\_\_

7. **E-Mail Address** \_\_\_\_\_

8. List all positions held on board (e.g., chair, treasurer, parent representative)

\_\_\_\_\_  
\_\_\_\_\_

9. Is the trustee an employee of the school? \_\_\_Yes \_\_\_x\_\_\_No

If **Yes**, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_

10. Is the trustee an employee or agent of the management company or institutional partner of the charter school? \_\_\_Yes \_\_\_x\_\_\_No

If **Yes**, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_

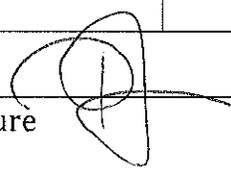
11. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Question 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p><b>NONE</b></p>			

12. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write **None**.

Organization conducting business with the school	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p><b>NONE</b></p>				

Signature



7/9/2013

Date

*Disclosure of Financial Interest Form*

**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2012-2013**

*\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

1. Trustee Name (print) Rafael Mayer

2. Charter School Name KIPP Academy Charter School

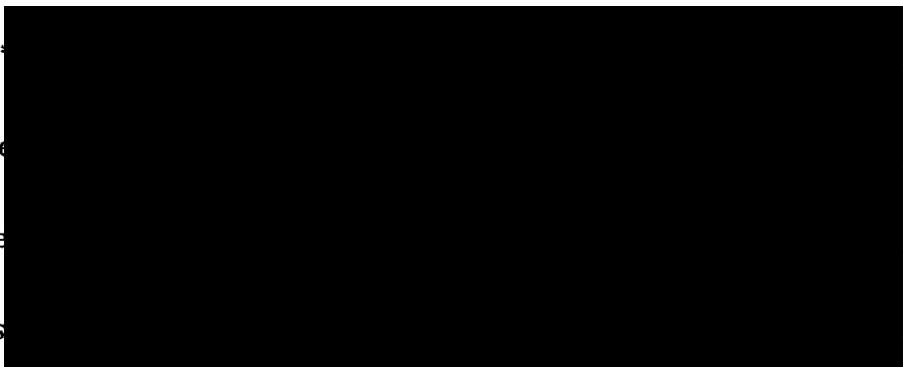
3. Charter Authorizer Entity New York City Department of Education

4. Home Address

5. Business Address

6. Daytime Phone

7. E-Mail Address



8. List all positions held on board (e.g., chair, treasurer, parent representative)

Development Committee Chair

9. Is the trustee an employee of the school? \_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

10. Is the trustee an employee or agent of the management company or institutional partner of the charter school? \_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

11. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Question 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
<i>Please write "None" if applicable. Do not leave this space blank.</i>			
None →			

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Organization conducting business with the school	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<i>Please write "None" if applicable. Do not leave this space blank.</i>				
None →				

Signature 

Date 6/3/13

Disclosure of Financial Interest Form

Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2012-2013

*\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

1. Trustee Name (print) Whitney Tilson

2. Charter School Name KIPP Academy Charter School

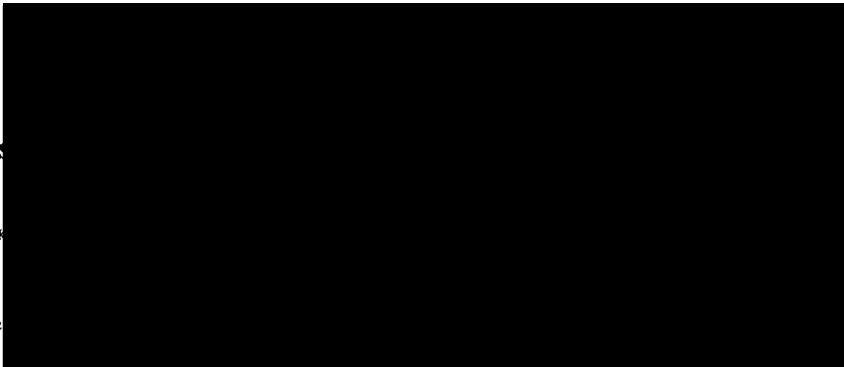
3. Charter Authorizer Entity New York City Department of Education

4. Home Address\*

5. Business Address\*

6. Daytime Phone\*

7. E-Mail Address\*



8. List all positions held on board (e.g., chair, treasurer, parent representative)

Treasurer

9. Is the trustee an employee of the school?  Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

10. Is the trustee an employee or agent of the management company or institutional partner of the charter school?  Yes  No

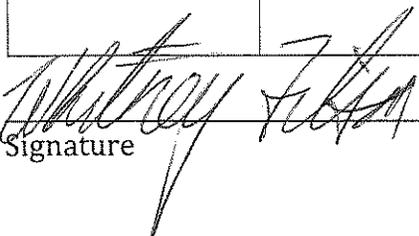
If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

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<i>Please write "None" if applicable. Do not leave this space blank.</i>			
None	→		

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Organization conducting business with the school	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<i>Please write "None" if applicable. Do not leave this space blank.</i>				
None	→			

Signature 

Date 6/3/13