

**KIPP MIAMI, INC.**  
MIAMI, FLORIDA  
(A COMPONENT UNIT OF THE SCHOOL BOARD  
OF MIAMI-DADE COUNTY, FL)

BASIC FINANCIAL STATEMENTS, INDEPENDENT  
AUDITOR'S REPORT AND SUPPLEMENTAL  
INFORMATION

JUNE 30, 2025

**KIPP MIAMI, INC.**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2025**

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**KIPP MIAMI, INC.**  
(A Component Unit of the School Board of Miami-Dade County)

3000 NW 110<sup>th</sup> Street  
Miami, Florida 33167  
(786) 822-7702

**2024-2025**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors of  
KIPP Miami, Inc.  
Miami, Florida

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of KIPP Miami, Inc. (the "Organization"), a nonprofit organization and a charter school sponsored by the District School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of KIPP Miami, Inc., as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5-9) and budgetary comparison information (pages 33-34) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report (pages 36-37) dated September 12, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*García Santa María De Armas Trujillo, PLLC*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 12, 2025

**Management’s Discussion and Analysis**  
KIPP Miami, Inc.  
June 30, 2025

The corporate officers of KIPP Miami, Inc. (the “Organization”) have prepared this narrative overview and analysis of the Organization’s financial activities for the fiscal year ended June 30, 2025, the seventh full year of operations.

**FINANCIAL HIGHLIGHTS**

1. The Organization served over 1,300 students in 2024-2025 at two schools.
2. The Organization’s total net position at June 30, 2025 was \$8,595,589 and its total fund balance was \$13,394,997

*Overview of the Financial Statements*

This discussion and analysis are intended to serve as an introduction to the basic financial statements. The Organization’s financial statements for the year ended June 30, 2025 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements*

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the Organization’s finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Organization’s assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether their financial position is improving or deteriorating.

The *Statement of Activities* presents information on how net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event resulting in the change occurs, without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The government-wide financial statements can be found on pages 10 – 11 of this report.

*Fund Financial Statements*

A “fund” is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The Organization, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements. All of its funds are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the Organization's fiscal year, the Board adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

*Notes to Financial Statements*

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

The notes to the financial statements can be found on pages 16 - 32 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

A summary of the Organization's net position as of June 30, 2025 and 2024 follows:

<b>Assets</b>	2025	2024
Cash and cash equivalents	\$ 10,546,363	\$ 7,507,683
Restricted cash	873,316	1,219,664
Due from other agencies	1,534,175	3,486,520
Due from KIPP South Florida	1,159,459	1,148,209
Prepaid expenses and other current assets	216,974	309,083
Loan receivable	603,433	-
Capital assets	16,699,341	16,888,518
Right-to-use asset, net	30,228,555	31,063,572
<b>Total Assets</b>	<b>\$ 61,861,616</b>	<b>\$ 61,623,249</b>
<b>Liabilities and Net Position</b>		
Accounts payable and accrued liabilities	\$ 805,501	\$ 822,954
Due to affiliated entities	58,758	178,282
Compensated absences	163,250	-
Loans payable	20,788,145	21,067,045
Lease liability	31,379,342	31,380,371
<b>Total Liabilities</b>	53,194,996	53,448,652
<b>Deferred inflows of resources</b>	71,031	279,034
Net investment in capital assets	462,896	1,111,161
Restricted	840,264	1,207,164
Unrestricted	7,292,429	5,587,238
<b>Total Net Position</b>	<b>8,595,589</b>	<b>7,905,563</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 61,861,616</b>	<b>\$ 61,633,249</b>

At June 30, 2025, the Organization's total assets were \$61,861,616, total liabilities were \$53,194,996 and total deferred inflows of resources were \$71,031. At June 30, 2024, the Organization reported total net position of \$8,595,589.

A summary and analysis of the Organization’s revenues and expenses for the years ended June 30, 2025 and 2024 follows:

<b>REVENUES</b>	<u>2025</u>	<u>2024</u>
Program Revenues		
Federal, state, local sources	\$ 9,125,581	\$ 13,200,906
General Revenues		
FEFP nonspecific revenues	11,968,654	10,496,082
Gifts, grants, and other revenues	2,903,062	2,699,368
State capital outlay and improvement	<u>1,503,915</u>	<u>967,815</u>
Total Revenues	<u>\$ 25,501,212</u>	<u>\$ 27,364,171</u>
<b>EXPENSES</b>		
Instruction	\$ 9,601,950	\$ 9,221,756
Student and instructional support	687,179	2,148,686
General administration	-	338,814
School administration	5,400,330	4,466,537
Board	39,695	74,797
Facilities acquisition & construction	163,177	163,177
Fiscal services	1,415,263	1,237,398
Food services	1,656,516	1,583,677
Central services	440,470	536,632
Pupil transportation services	976,880	1,086,370
Operation of plant	1,729,501	693,403
Maintenance of plant	282,509	442,872
Administrative technology	500,842	534,705
Interest expense	<u>1,916,874</u>	<u>2,786,112</u>
Total Expenses	<u>\$ 24,811,186</u>	<u>\$ 25,314,936</u>
Change in Net Position	690,026	2,049,235
<b>Net Position at Beginning of Year</b>	<u>7,905,563</u>	<u>5,856,328</u>
<b>Net Position at End of Year</b>	<u>\$ 8,595,589</u>	<u>\$ 7,905,563</u>

The Organization’s total revenues for the year ended June 30, 2025 were \$25,501,212 while its total expenses were \$24,811,186 for a net increase of \$690,026. This was the Organization’s seventh full year of operations. The Organization’s revenues decreased by \$1,862,959 during 2024-2025, mainly due to referendum funding received in the prior year related to a settlement with the School Board of Miami-Dade County for 2018 Referendum Revenues, totaling approximately \$1,635,000.

### **SCHOOL LOCATIONS**

The Organization operated the two charter schools in the Miami area during 2024-2025, KIPP Courage Academy and KIPP Royalty Academy, which were both located at 3000 NW 110<sup>th</sup> Street, Miami, FL 33167.

## **ACCOMPLISHMENTS**

During 2024-2025, KIPP Miami, Inc. saw many accomplishments as a region. We saw double digit gains in English Language Arts and Civics proficiency year-over-year, which was an amazing improvement. Our elementary school was ranked 6th in KIPP nationally for performance on the early literacy skills assessment and 5th for above average growth which we are extremely proud of. We retained staff at the highest rate in the organization's history, including a >10% increase in teacher retention rate. Additionally, we surpassed our goal for average daily attendance and saw 3% year-over-year growth.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the Organization uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## **GOVERNMENTAL FUNDS**

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

The Organization's governmental funds reported a combined fund balance of \$13,394,997 and an increase in fund balance of \$994,108 for the year ended June 30, 2025.

## **CAPITAL ASSETS**

The Organization's capital assets consist of equipment, leasehold improvements for the facility in which its current schools operate, and construction in progress related to improvements to a leased property at a separate facility that has not been completed as of June 30, 2025. Capital assets totaled \$16,699,341, net of accumulated depreciation, at June 30, 2025.

## **BUDGETARY HIGHLIGHTS**

Prior to the start of the Organization's fiscal year, the Board of the Organization adopted an annual budget. Over the course of the year, the Board of the Organization revised its budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the Organization's budget.

## BUDGETARY HIGHLIGHTS (Continued)

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 12,421,843	\$ 11,723,635	\$ 11,968,654
Local referendum funding	2,088,009	2,188,044	2,185,841
Federal and state sources	6,375,860	6,041,764	6,313,823
Federal lunch program	1,928,637	1,647,383	1,684,557
Gifts, grants, and other revenues	3,714,012	3,573,366	2,937,869
Interest income	300,529	325,543	416,468
<b>TOTAL REVENUES</b>	<b>\$ 26,828,890</b>	<b>\$ 25,499,735</b>	<b>\$ 25,507,212</b>
<b>EXPENDITURES</b>			
Instruction	\$ 10,611,948	\$ 10,293,129	\$ 9,438,700
Instructional support services	765,558	760,142	687,179
General administration	-	126,487	-
School administration	5,778,483	4,565,672	5,400,330
Board	-	-	39,695
Fiscal services	1,490,621	1,556,836	1,415,263
Food services	1,549,642	1,565,318	1,636,516
Central services	691,045	599,019	440,470
Pupil transportation services	1,141,920	1,141,920	976,880
Operation of plant	879,031	855,586	894,484
Maintenance of plant	445,000	300,000	282,509
Administrative technology	555,620	600,123	500,842
Debt service	2,222,903	2,432,031	2,196,803
<b>TOTAL EXPENDITURES</b>	<b>\$ 26,131,771</b>	<b>\$ 24,796,263</b>	<b>\$ 23,909,671</b>
Excess of revenues over expenditures	\$ 697,119	\$ 703,472	\$ 1,597,541
<b>OTHER FINANCING USES</b>			
Loans made		-	(603,433)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 697,119</b>	<b>\$ 703,472</b>	<b>\$ 994,108</b>

Actual revenues were more than budgeted by approximately \$6,000. Actual expenditures were less than budgeted by approximately \$887,000. Significant expenditure variances of final budget to actual were due to debt service and transportation services being lower than anticipated. Instructional expenditures were lower than expected due to staff attrition, while school administration expenses were higher than anticipated due to an increase in contracted administrative services and salaries.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Organization. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Erica Grohman of KIPP Team and Family Schools, Inc. located at 60 Park Place, Suite 802, Newark, New Jersey, 07102.

**KIPP MIAMI, INC.**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 10,546,363
Restricted cash	873,316
Due from other agencies, net	1,534,175
Due from KIPP South Florida	1,159,459
Prepaid expenses and other current assets	<u>216,974</u>
TOTAL CURRENT ASSETS	14,330,287
Loan receivable	603,433
Capital assets	16,699,341
Right-to-use asset, net	<u>30,228,555</u>
TOTAL ASSETS	<u>\$ 61,861,616</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 805,501
Due to affiliated entities	58,758
Compensated absences	163,250
Loans payable, current portion	1,031,649
Right-to-use liability, current portion	<u>1,082</u>
TOTAL CURRENT LIABILITIES	2,060,240
Right-to-use liability, long-term portion	31,378,260
Loans payable, long-term portion	<u>19,756,496</u>
TOTAL LIABILITIES	53,194,996
DEFERRED INFLOWS OF RESOURCES	<u>71,031</u>
<b>NET POSITION</b>	
Net investment in capital assets	462,896
Restricted - referendum	71,781
Restricted - debt service	161,602
Restricted - food program	48,041
Restricted - capital projects	494,140
Restricted - emergency relief	64,700
Unrestricted	<u>7,292,429</u>
TOTAL NET POSITION	<u>8,595,589</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 61,861,616</u>

The accompanying notes are an integral part of this financial statement.

**KIPP MIAMI, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 9,601,950	\$ -	\$ 4,175,005	\$ -	\$ (5,426,945)
Student and instructional support	687,179	-	476,227	-	(210,952)
School administration	5,400,330	-	2,046,202	-	(3,354,128)
Board	39,695	-	-	-	(39,695)
Facilities acquisition & construction	163,177	-	-	-	(163,177)
Fiscal services	1,415,263	-	-	-	(1,415,263)
Food services	1,656,516	-	1,684,557	-	28,041
Central services	440,470	-	-	-	(440,470)
Pupil transportation services	976,880	-	-	-	(976,880)
Operation of plant	1,729,501	-	286,436	-	(1,443,065)
Maintenance of plant	282,509	-	-	-	(282,509)
Administrative technology	500,842	-	457,154	-	(43,688)
Debt service, including right-of-use	1,916,874	-	-	1,503,915	(412,959)
<b>Total Governmental Activities</b>	<b>\$ 24,811,186</b>	<b>\$ -</b>	<b>\$ 9,125,581</b>	<b>\$ 1,503,915</b>	<b>\$ (14,181,690)</b>
GENERAL REVENUES:					
Government grants not restricted to specific programs					11,968,654
Contributions, grants, and other revenues					2,486,594
Interest income					416,468
Total general revenues					14,871,716
Change in Net Position					690,026
NET POSITION - BEGINNING					7,905,563
NET POSITION - ENDING					<u>\$ 8,595,589</u>

The accompanying notes are an integral part of this financial statement.

**KIPP MIAMI, INC.**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,154,251	\$ 392,112	\$ -	\$ -	\$ 10,546,363
Restricted cash	-	184,522	494,140	194,654	873,316
Due from other agencies	-	1,458,973	75,202	-	1,534,175
Due from KIPP South Florida	1,159,459	-	-	-	1,159,459
Due from fund	898,489	-	-	-	898,489
Prepaid expenses and other current assets	185,222	31,752	-	-	216,974
<b>TOTAL ASSETS</b>	<b><u>\$ 12,397,421</u></b>	<b><u>\$ 2,067,359</u></b>	<b><u>\$ 569,342</u></b>	<b><u>\$ 194,654</u></b>	<b><u>\$ 15,228,776</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 398,168	\$ 374,281	\$ -	\$ 33,052	\$ 805,501
Due (from) to affiliated entities	(200,631)	259,389	-	-	58,758
Due to fund	-	823,287	75,202	-	898,489
<b>TOTAL LIABILITIES</b>	<b><u>197,537</u></b>	<b><u>1,456,957</u></b>	<b><u>75,202</u></b>	<b><u>33,052</u></b>	<b><u>1,762,748</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	<b><u>-</u></b>	<b><u>71,031</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>71,031</u></b>
<b>FUND BALANCES</b>					
<b>Nonspendable</b>					
Deposit receivable and other assets	185,222	31,752	-	-	216,974
Restricted, debt service	-	-	-	161,602	161,602
Restricted, referendum funds	-	71,781	-	-	71,781
Restricted for food program	-	48,041	-	-	48,041
Restricted for emergency relief	-	64,700	-	-	64,700
Restricted for capital projects	-	-	494,140	-	494,140
Unassigned	12,014,662	323,097	-	-	12,337,759
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 12,199,884</u></b>	<b><u>\$ 539,371</u></b>	<b><u>\$ 494,140</u></b>	<b><u>\$ 161,602</u></b>	<b><u>\$ 13,394,997</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b><u>\$ 12,397,421</u></b>	<b><u>\$ 2,067,359</u></b>	<b><u>\$ 569,342</u></b>	<b><u>\$ 194,654</u></b>	<b><u>\$ 15,228,776</u></b>

The accompanying notes are an integral part of this financial statement.

**KIPP MIAMI, INC.**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT**  
**OF NET POSITION**  
**JUNE 30, 2025**

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Total Fund Balance - Governmental Funds	\$	13,394,997
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Long term liabilities are not due in the current period and accordingly, are not reported as fund liabilities.</p>		
	Loans payable	(20,788,145)
	Compensated absences	(163,250)
<p>Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the fund.</p>		
	Capital assets	17,233,607
	Accumulated depreciation	(534,266)
<p>Right-to-use assets and liabilities used in governmental activities are not financial resources or obligations and therefore are not reported in the</p>		
	Right-to-use asset	30,228,555
	Right-to-use liability	(31,379,342)
<p>Loan receivables are not due in the current period and accordingly, are not reported in the fund.</p>		
	Loan receivable	<u>603,433</u>
Total Net Position - Governmental Activities	<u>\$</u>	<u>8,595,589</u>

The accompanying notes are an integral part of this financial statement.

**KIPP MIAMI, INC.**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
State passed through local	\$ 11,968,654	\$ -	\$ -	\$ -	\$ 11,968,654
Local referendum funding	-	2,185,841	-	-	2,185,841
Federal and state sources	-	4,809,908	1,503,915	-	6,313,823
Federal lunch program	-	1,684,557	-	-	1,684,557
Gifts, grants, and other revenues	2,426,245	511,624	-	-	2,937,869
Interest income	410,329	-	-	6,139	416,468
<b>TOTAL REVENUES</b>	<b>\$ 14,805,228</b>	<b>\$ 9,191,930</b>	<b>\$ 1,503,915</b>	<b>\$ 6,139</b>	<b>\$ 25,507,212</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Instruction	\$ 5,263,695	\$ 4,175,005	\$ -	\$ -	9,438,700
Student and instructional support	210,952	476,227	-	-	687,179
School administration	3,354,128	2,046,202	-	-	5,400,330
Board	39,695	-	-	-	39,695
Fiscal services	1,415,263	-	-	-	1,415,263
Food services	-	1,636,516	-	-	1,636,516
Central services	440,470	-	-	-	440,470
Pupil transportation services	976,880	-	-	-	976,880
Operation of plant	608,048	286,436	-	-	894,484
Maintenance of plant	282,509	-	-	-	282,509
Administrative technology	43,688	457,154	-	-	500,842
<b>Debt service:</b>					
Redemption of principal- loans	278,900	-	-	-	278,900
Interest- loans	130,850	-	-	132,579	263,429
Redemption of principal- right-to-use liability	1,029	-	-	-	1,029
Interest- right-to-use liability	149,530	-	1,503,915	-	1,653,445
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,195,637</b>	<b>\$ 9,077,540</b>	<b>\$ 1,503,915</b>	<b>\$ 132,579</b>	<b>\$ 23,909,671</b>
Excess of revenues over expenditures	1,609,591	114,390	-	(126,440)	1,597,541
<b>OTHER FINANCING USES</b>					
Loans made	(603,433)	-	-	-	(603,433)
<b>TOTAL OTHER FINANCING USES</b>	<b>(603,433)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(603,433)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,006,158</b>	<b>114,390</b>	<b>-</b>	<b>(126,440)</b>	<b>994,108</b>
Fund balance at beginning of year	11,193,726	424,981	494,140	288,042	12,400,889
Fund balance at end of year	<u>\$ 12,199,884</u>	<u>\$ 539,371</u>	<u>\$ 494,140</u>	<u>\$ 161,602</u>	<u>\$ 13,394,997</u>

The accompanying notes are an integral part of this financial statement.

**KIPP MIAMI, INC.**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025**

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Change in Fund Balance - Governmental Funds \$ 994,108

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

Issuing a loan uses current financial resources of the governmental funds, but results in recording a loan receivable in the statement of net position. Repayment of principal is reported as revenue in the governmental funds, but reduces the loan receivable in the statement of net position. Repayment of principal on right-to-use liabilities is reported as an expenditure in the governmental funds, but reduces the related liability in the statement of net position.

Loans issued	603,433
Repayments of principal, loans	278,900
Repayments of principal, right-to-use liability	1,029

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation expense	(183,177)
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In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense.

Amortization expense	(835,017)
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In the statement of activities, the change in compensated absences is reported as an expense, however, the governmental funds do not report long-term compensated absences or changes.

Change in liability for compensated absences	(163,250)
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Governmental funds report the proceeds from the sale of capital assets as revenue. However, in the statement of activities, the proceeds are offset by the net book value of the assets disposed, resulting in no impact on the change in net position when the carrying value equals the proceeds received.

Proceeds from sale of capital assets	<u>(6,000)</u>
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Change in Net Position of Governmental Activities	<u>\$ 690,026</u>
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The accompanying notes are an integral part of this financial statement.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 1 – ORGANIZATION AND OPERATIONS

**Reporting Entity**

KIPP Miami, Inc. (the “Organization”) is a not-for-profit corporation, organized pursuant to Chapter 617, of the Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, of the Florida Statutes. The Organization is part of the KIPP (Knowledge is Power Program) national non-profit network of college-preparatory, public charter schools educating elementary, middle and high school students.

The Organization conducts business as a School of Hope and holds the “Performance Based Agreement” to operate KIPP Miami – Liberty City (the “School of Hope”) established under Section [1002.33] of the Florida Statutes. The governing body of the School of Hope is the Board of Directors of the Organization, which is comprised of eight members.

The School of Hope was established and operates under a School of Hope Performance Based Agreement (“PBA”) between the sponsoring school district, The School Board of Miami-Dade County, Florida (the “District”) and the Organization. In accordance with Florida Statutes, a charter school may be established as a School of Hope under a PBA by a designated Hope Operator. The Organization’s designated Hope Operator is KIPP TEAM and Family Schools, Inc. (formerly known as KIPP New Jersey, Inc.), which is the Organization’s Charter Management Organization (“CMO”) per agreement with the Organization. See Note 9. The PBA is predicated on KIPP TEAM and Family Schools, Inc. continuing to serve as the CMO for the Organization. The PBA is effective until June 30, 2029. The PBA may be automatically terminated if KIPP TEAM and Family Schools, Inc. ceases to serve as the Organization’s CMO, unless the Organization has become approved as a Hope Operator in accordance with the law. The PBA may also be terminated before the date of expiration for reasons set forth in the agreement and Section 1002.33 of the Florida Statutes.

During the year ended June 30, 2025, the Organization operated two charter schools under the School of Hope PBA: KIPP Courage Academy and KIPP Royalty Academy. Both schools operated at the same location during the year end June 30, 2025 and subsequently.

The accompanying financial statements of the Organization present the complete operations, balances, activities and disclosures of the School of Hope and its campuses for the year ended June 30, 2025, when approximately 1,357 students were enrolled in K through 8<sup>th</sup> grade.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation**

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the Organization is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the Organization as a whole. Both statements report only governmental activities as the Organization does not engage in any business type activities. These statements do not include fiduciary funds.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Government-wide Financial Statements*

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

General Fund – is the Organization’s primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service and capital projects, which include federal and state grant programs and other restricted funding.

Capital Projects Fund – used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition and construction of capital facilities and other capital assets. Activity related to the construction and improvement projects for school facilities are reflected in this fund.

Debt Service Fund – used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

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

The financial statements of the Organization are prepared in accordance with generally accepted accounting principles (GAAP). The Organization applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*”. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Organization considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgetary Basis Accounting**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay). Any revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents

The Organization considers all cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less at the time of purchase (such as U.S. Treasury bills) to be cash and cash equivalents.

Due From Other Agencies

Due from other agency consists of amounts due for revenues from federal, federal through state, state, or other sources.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the component unit financial statements. Property, plant, and equipment with initial individual costs that equal or exceed \$2,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Property, plant, and equipment are depreciated using the straight-line method over the following estimated lives:

Furniture and equipment	10 years
Hardware technology	10 years
Buildings and building improvements	40 years
Leasehold improvements	Term of lease

Income Taxes

The Organization qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

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 reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The Organization provides full-time employees with 10 days of paid time off (PTO) each school year, prorated for mid-year hires. At June 30, unused PTO may be rolled over into a bank for later use, subject to a maximum of 30 days. Any excess is forfeited. Employees separating from the Organization at the end of a full school year (June 30) are eligible for a payout of up to 10 unused days at \$100 per day. Employees who separate before June 30 are not eligible for payout.

In accordance with GASB Statement No. 101, Compensated Absences, the School recognizes a liability for leave when:

1. The leave is attributable to services already rendered by employees;
2. The leave accumulates and can be carried forward to future reporting periods;
3. It is more likely than not that the leave will be used for time off, paid in cash, or settled through other non-cash means.

Effective July 1, 2024, the Organization amended its PTO policy to allow rollover of unused days. Previously, no rollover was permitted. Accordingly, no prior period adjustment to net position was necessary, and a liability was first recognized in the current year.

The liability is measured at employees' current pay rates. In the government-wide statements, compensated absences are reported as liabilities and expensed as incurred. In the governmental fund statements, liabilities are recorded only when amounts are due and payable within 60 days of year-end. Because no PTO payments meet that criterion, no liability is reported in the governmental fund statements. See Note 9.

The Organization also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Government-wide Fund Net Position

Government-wide fund net position are divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2025, was \$462,896.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2025 was \$840,264.
- Unrestricted – all other net position is reported in this category, including amounts due from affiliates and charter schools.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – fund balance associated with inventories, prepaid expenses and deposits, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2025, the Organization’s nonspendable fund balance was \$216,974.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2025, the restricted fund balance was \$840,264.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Organization’s Board of Directors. At June 30, 2025, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the Organization’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2025, there was no assigned fund balance.
- Unassigned – fund balance is the residual classification for the Organization’s general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The Organization’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2025, there are no minimum fund balance requirements for any of the Organization’s funds.

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Miami-Dade County (the “School Board”) pursuant to the funding provisions included in the PBA. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the Organization will report the number of full-time equivalent (FTE) students and related data to the School Board.

Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the Organization is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the Organization during the designated full-time equivalent student survey periods.

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in the Florida Statutes. For the fiscal year ended June 30, 2025, the Organization reported 1,357.42 unweighted FTE and 1,439.30 weighted FTE.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources (Continued)

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.035, Florida Statutes, and Rule SA-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until completion of an FTE audit:

- Attendance and membership documentation
- Teacher certificates and other certification documentation
- Documentation for instructors teaching out-of-field
- Procedural safeguards for weighted programs
- Evaluation and planning documents for weighted programs

The Organization is eligible to receive funds from the Schools of Hope Program, created within the Florida Department of Education, for certain eligible expenditures, as defined in Section 1002.333(10). In addition, the Organization may receive other federal, state or local awards for the enhancement of various education programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal and state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Additionally, other revenues may be derived from various contributions, fundraising activities and certain other programs.

Adopted Accounting Pronouncements

**Implementation of GASB Statement No. 101, Compensated Absences**

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, Compensated Absences (GASB 101). This Statement establishes a single model for recognizing and measuring compensated absences. The provisions of GASB 101 are effective for reporting periods beginning after December 15, 2023. The Organization implemented GASB 101 for the fiscal year ended June 30, 2025. Refer to Note 9 for the related disclosures and financial statement effects.

**Implementation of GASB Statement No. 102, Certain Risk Disclosures**

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, Certain Risk Disclosures (GASB 102). This Statement requires disclosure of risks from concentrations and constraints that could significantly affect a government's ability to provide services or meet obligations as they come due. The provisions of GASB 102 are effective for reporting periods beginning after June 15, 2024. The Organization implemented GASB 102 for the fiscal year ended June 30, 2025. Refer to Note 18 for the related disclosures.

Subsequent Events

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through September 12, 2025, which is the date the financial statements were available to be issued.

NOTE 3 – DEPOSITS POLICY AND CREDIT RISK

The Organization maintains its cash and cash equivalents in major banks and invests excess funds in short-term U.S. Treasury securities. Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. As of June 30, 2025, balances held in financial institutions in excess of the FDIC limit totaled approximately \$7,800,000. In addition, the Organization held approximately \$3,000,000 in U.S. Treasury bills at year-end. While these securities are not insured by the FDIC, they are direct obligations of the U.S. government and are backed by its full faith and credit.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 4 – DUE FROM OTHER AGENCIES**

The amounts due from federal, state or local agencies or pass-through entities under various award programs or funding allocations at June 30, 2025 were as follows:

The School Board of Miami-Dade County, 2018 Referendum	\$ 777,661
Florida Department of Education, Schools of Hope program	345,980
Florida Department of Agriculture, National School Lunch Program	330,064
Other amounts due for various grant program awards	<u>80,470</u>
Due from other agencies	<u>\$ 1,534,175</u>

The Organization entered into a settlement agreement with the School Board of Miami-Dade County in connection with the 2018 Miami-Dade County millage-levy referendum funding that was not distributed to the Organization in prior years. Per the agreement, the Organization received payment of \$1,637,182 in two installments, with the final installment due on or before July 10, 2025. The amount includes estimated interest based on the anticipated payment dates. As the referendum funds relate to prior years, the Organization has recorded a receivable as of June 30, 2025, for the amount remaining to be received. The Organization believes amounts due from other agencies are fully collectible and therefore, no allowance has been recorded as of June 30, 2025.

**NOTE 5 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2024, the Organization’s special revenue fund and capital projects fund owed the general fund \$823,287 and \$75,202 respectively, for expenditures awaiting reimbursement from other agencies under grant programs. These amounts of inter-fund receivables and payables are netted together and not reported in the statement of net position.

**NOTE 6 – LOAN RECEIVABLE**

During the year ended June 30, 2025, the Organization entered into a loan agreement with KSF NW 79th Street, LLC, a subsidiary of KIPP South Florida Educational Facilities, Inc. (see Note 14). The loan provides for advances to cover pre-construction and development costs, bears interest at a rate not to exceed 8 percent, and is repayable on the earlier of the date permanent construction financing is obtained or March 29, 2026. The loan may be prepaid without penalty. Interest income of \$13,590 was recognized on this loan during the year ended June 30, 2025.

At June 30, 2025, the loan receivable totaled \$603,433. The balance is reported in the government-wide Statement of Net Position. Because repayment is not expected in the near term and is contingent on construction financing or contractual maturity, the receivable does not meet the current financial resources measurement focus and is therefore not reported in the governmental funds balance sheet.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 7 – CAPITAL AND RIGHT-TO-USE ASSETS**

The following schedule provides a summary of changes in capital assets, acquired through financing from financial institutions or private lenders, from the State of Florida’s Revolving Loan Fund program, and from private donations or grants.

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Capital assets				
Construction in progress	\$ 10,512,533	\$ -	\$ -	\$ 10,512,533
Leasehold improvements	6,527,074	-	-	6,527,074
Kitchen equipment	200,000	-	(6,000)	194,000
Total capital assets	<u>\$ 17,039,607</u>	<u>\$ -</u>	<u>\$ (6,000)</u>	<u>\$ 17,233,607</u>
Less accumulated depreciation				
Leashold improvements	(312,756)	(163,177)	-	(475,933)
Kitchen equipment	(38,333)	(20,000)	-	(58,333)
Total accumulated depreciation	<u>(351,089)</u>	<u>(183,177)</u>	<u>-</u>	<u>(534,266)</u>
Capital assets, net	<u>\$ 16,688,518</u>	<u>\$ (183,177)</u>	<u>\$ (6,000)</u>	<u>\$ 16,699,341</u>

Construction in progress relates to the project described in Note 14. Project was not complete as of June 30, 2025 and therefore, no depreciation has been recorded for the year ended June 30, 2025.

Depreciation of leasehold improvements and kitchen equipment for the year end June 30, 2025 was \$183,177 of which \$163,177 was allocated to facilities acquisition and construction and \$20,000 was allocated to food services on the accompanying statement of activities.

The following schedule describes changes in right-to-use assets.

	Balance 7/1/2024	Additions	Modification/ Deletions	Balance 6/30/2025
Right-to-use assets				
Right-to-use asset- land	\$ 4,802,539	\$ -	\$ -	\$ 4,802,539
Right-to-use asset- facilities MDC	27,033,823	-	-	27,033,823
Total capital assets	<u>\$ 31,836,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,836,362</u>
Less accumulated amortization				
Right-to-use asset- land	(280,149)	(96,051)	-	(376,200)
Right-to-use asset- facilities MDC	(492,641)	(738,966)	-	(1,231,607)
Total accumulated depreciation	<u>(772,790)</u>	<u>(835,017)</u>	<u>-</u>	<u>(1,607,807)</u>
Right-to-use assets, net	<u>\$ 31,063,572</u>	<u>\$ (835,017)</u>	<u>\$ -</u>	<u>\$ 30,228,555</u>

Amortization expense for the year ended June 30, 2025 was \$835,017 and is allocated to operation of plant.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 8 – LOANS PAYABLE**

The Organization has entered into the following loan agreements:

**Revolving Loan Fund #1**

On March 14, 2022, the Organization entered into a loan agreement with the Florida Department of Education under the School of Hope Revolving Loan Fund Program pursuant to Section 1001.292 Florida Statutes, as amended, in order to assist in financing the construction in connection with the MDC Project (see Note 14) and to support other working capital expenditures. The amount of the loan totaled \$9,835,470 and bears interest at 1.1%. Interest only payments commence April 1, 2022 through April 1, 2024, at which time quarterly payments of principal and interest are due in the amount of \$84,738 through January 1, 2029. The entire remaining balance of principal and interest is due on March 14, 2029.

Interest expense for the year ended June 30, 2025 totaled \$100,850. The balance outstanding on the loan as of June 30, 2025 was \$9,529,148.

**Revolving Loan Fund #2**

On February 1, 2024, the Organization entered into a second loan agreement with the Florida Department of Education under the School of Hope Revolving Loan Fund Program pursuant to Section 1001.292 Florida Statutes, as amended, in order to assist in financing the construction in connection with the 79<sup>th</sup> Street Project (see Note 14), to support other working capital expenditures and to repay certain outstanding debt obligations. The amount of the loan totaled \$10,460,997 and bears interest at 1.25%. Interest only payments commence April 1, 2024 through January 1, 2027, at which time quarterly payments of principal and interest are due in the amount of \$92,645 through February 2, 2031, when all remaining principal and interest payments are due in full.

From the proceeds of the loan, a capitalized interest reserve was established, in order to fund interest payments on the loan through June 2026. The balance in the reserve at June 30, 2025 was \$194,654 and is included in restricted cash.

Interest expense for the year ended June 30, 2025 totaled \$132,579. The entire loan amount of \$10,460,997 was outstanding as of June 30, 2025.

**Loan payable – KIPP Foundation, Inc.**

On January 27, 2023, the Organization entered into a loan agreement of \$750,000 with KIPP Foundation, Inc. for operational purposes. The entire principal sum and all accrued interest is due in a single payment on January 31, 2026. The Organization may, at any time, pay all or a portion of the outstanding principal of the loan. As of June 30, 2025, the amount outstanding was \$750,000. Interest expense for the year ended June 30, 2025 was \$15,000.

**Revolving Line of Credit**

On March 29, 2022, the Organization entered into a revolving line of credit agreement with PNC Bank of up to \$1,500,000 to assist in the funding of capital projects. Monthly interest payments are due commencing May 1, 2022 through the maturity date of March 29, 2026 at which time all outstanding principal and accrued interest are due and payable in full. There were no outstanding borrowings under this agreement during the year ended June 30, 2025. The Organization incurred a commitment fee of \$15,000 related to this agreement, which is included in interest expense in the accompanying financial statements.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 8 – LOANS PAYABLE (Continued)

**Loan payable – Cafeteria**

On March 7, 2022, the Organization entered into a loan agreement in the amount of \$200,000 with its food service provider to equip a new dining facility. The loan bears no interest and is payable in equal monthly installments beginning May 1, 2022 through June 30, 2026. As of June 30, 2025, the balance on the loan was \$48,000.

	Balance 7/1/2024	Proceeds	Repayments	Balance at 6/30/2025
Revolving Loan Fund #1	\$ 9,760,048	\$ -	\$ (230,900)	\$ 9,529,148
Revolving Loan Fund #2	10,460,997	-	-	10,460,997
Loan payable - KIPP Foundation	750,000	-	-	750,000
Loan payable - Cafeteria	96,000	-	(48,000)	48,000
	<u>\$ 21,067,045</u>	<u>\$ -</u>	<u>\$ (278,900)</u>	<u>\$ 20,788,145</u>

**Covenants**

The Organization shall comply with certain covenants included in the Revolving Loan fund agreements, including maintaining a debt service coverage ratio of 105% for all obligations while the loans are outstanding. Management believe that the Organization was in compliance with applicable covenants as of June 30, 2025.

Future minimum payment under the above loan agreements are estimated as follows:

<u>Year Ended June 30,</u>	
2026	\$ 1,031,649
2027	355,632
2028	478,935
2029	9,064,303
2030	246,812
2031-2032	9,610,814
	<u>\$ 20,788,145</u>

NOTE 9 – COMPENSATED ABSENCES

The following summarizes activity for compensated absences for the year ended June 30, 2025:

Balance July 1, 2024	\$ -
Net Change	163,250
Balance June 30, 2025	<u>\$ 163,250</u>

All compensated absences are considered due within a year.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 10 – CHARTER MANAGEMENT ORGANIZATION**

The Organization entered into an education services agreement with KIPP TEAM and Family Schools, Inc. (“KTAF”), formerly known as KIPP New Jersey, to provide educational and professional support services to the Organization. In its capacity as the Organization’s CMO, KTAF manages the finances and operations of the Organization and makes recommendations to the Organization’s independent board of directors, which make the final determinations regarding policies and contracts. In providing these services to the Organization, officers of KTAF may not serve as members of the Board of Directors of the Organization.

The agreement is in effect through June 30, 2029 with an option to renew. Either party can terminate the contract with 90 days’ notice. The agreement calls for a monthly fee of 12% of full time equivalent (FTE) revenues, which, during the year ended June 30, 2025 was estimated based on enrollment at the start of the school year and adjusted to actual as of year-end. The Organization reported fees of \$1,415,263 for the year ended June 30, 2025. Amounts due to KTAF as of June 30, 2025 totaled \$44,227.

The agreement contains a provision for healthcare benefits. With respect to healthcare benefits, KTAF shall annually obtain quotes for benefit plans for all of the Organization’s employees and shall endeavor to determine the most cost-effective means of providing health care benefits. KTAF shall provide a summary to the Organization of the quotations received, recommend a provider to be selected by the Organization and the reasons for selection of the provider as well as a copy of the final plan details. Each of the Organization’s employees shall contribute his/her applicable share of the costs of such benefits as provided by the laws of the State of Florida. The Organization shall be responsible for funding the costs incurred by KTAF to provide health care benefits to the Organization’s employees. During the year ended June 30, 2025, health care benefit expenses totaled \$1,331,248. The Organization prepaid \$136,571 of healthcare benefits for the 2025-2026 fiscal year to KTAF as of June 30, 2025, which is included in prepaid expenses and other current assets on the accompanying statements.

**NOTE 11 – CAPITAL PROJECT FUND CONTRIBUTIONS**

The Organization has received contributions from private donors that are restricted for construction costs related to the school facility projects. As of June 30, 2025, contributed amounts remaining to be spent related to capital projects totaled \$494,140.

**NOTE 12 – TRANSACTIONS WITH THE FOUNDATION**

During the startup of the Organization, the KIPP Foundation, Inc. (the “Foundation”), a not-for-profit organization, served as a fiscal agent for the Organization. The fiscal agency ended on June 30, 2017. The Foundation licenses the “KIPP” name to the Organization and provides national support to all “KIPP” regions and schools, including development opportunities and pass through of gifts that are designated for schools under the Organization. During the year ended June 30, 2025, the Organization reported a total of approximately \$1,864,337 of revenue provided either directly from or through the Foundation, consisting of gifts, grants, and bequests. In addition, the Organization paid the Foundation for digital marketing, outreach and licensing of approximately \$243,000 during the year ended June 30, 2025.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 13 – SPECIAL REVENUE FUND REVENUES**

Revenues reported in the special revenue fund consist of federal, state and local funds awarded to the Organization that are restricted or committed to expenditures for specific purposes other than debt service and capital projects. During the year ended June 30, 2025, these revenues consisted of the following:

<u>Sources</u>	<u>Amount</u>
<b>Florida Department of Education:</b>	
<u>State funding:</u>	
Schools of Hope Program	\$ 3,585,000
<u>Federal funding:</u>	
ESSER ARP	30,279
IDEA Part B K-12 Entitlement	218,830
Elementary and Secondary Education Act Title I, Part A	775,602
Teacher and Principal Training and Recruiting Title II, Part A	75,557
Twenty-First Century Schools Title IV	106,569
E-Rate program	<u>18,071</u>
Total Florida Department of Education	4,809,908
<b>Department of Agriculture:</b>	
<u>Federal funding:</u>	
National Student Lunch Program	1,684,557
<b>Local Funding:</b>	
Miami-Dade County Tax Referendum	2,185,841
<b>Private Grants</b>	
	<u>511,624</u>
Total Revenues - Special Revenue Fund	<u><u>\$ 9,191,930</u></u>

**NOTE 14 – DEVELOPMENT SERVICES AGREEMENT**

In June 2021, the Organization entered into a development services agreement with KIPP South Florida Educational Facilities, Inc. (“KIPP South Florida”), a nonprofit corporation whose mission is to partner with public charter schools to undertake the development, design, financing, construction, improvement, and equipping of school facilities for lease to its public school partners. This partnership will assist the Organization in leasing build-to-suit facilities to house its planned expansion of operations of public schools in the City of Miami and the City of North Miami, Florida.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 14 – DEVELOPMENT SERVICES AGREEMENT (Continued)

Under the terms of the agreement, KIPP South Florida will be responsible for certain activities related to school facilities to be leased to and occupied by the Organization, including, (i) undertaking certain pre-development and pre-construction activities necessary to enable KIPP South Florida to obtain rights and interests in land or other property, (ii) obtaining entitlements and/or approvals necessary to develop the school facilities, (iii) obtaining and/or facilitating the obtaining of financing for the facilities projects and (iv) undertaking the development and construction of the school facilities projects. Each school facilities project will be approved by the Organization prior to the commencement of development services for the applicable project. It is expected and intended that for each approved school facilities project, the Organization shall obtain loans from the Revolving Loan Program of the State of Florida and shall contribute loan proceeds to KIPP South Florida to fund a portion of the costs of each school facilities project. KIPP South Florida shall obtain all other construction and/or permanent sources of financing to finance the balance of the costs of each school facilities project, including through the issuance of bonds and/or obtaining of loans.

The agreement acknowledges that, in anticipation of the acquisition of properties approved by the Organization and obtaining financing, KIPP South Florida will be required to expend certain funds prior to closing in connection with predevelopment activities defined in the agreement. The Organization will provide funds to KIPP South Florida for these predevelopment activities provided that unless otherwise agreed to in writing, such funds are either (i) credited against any amounts required to be contributed by the Organization to any school facilities project from financing obtained by the Organization, (ii) reimbursed to the Organization by KIPP South Florida from the proceeds of any financing obtained by KIPP South Florida and/or (iii) credited to the Organization in the form of a lower lease payment for a project.

The agreement calls for the Organization to pay a development fee to KIPP South Florida equal to 5% of the total cost of each completed project. The development fee will be deemed earned and shall be paid to KIPP South Florida in one lump sum upon the provision of temporary certificate of occupancy for each school building, unless otherwise agreed to by KIPP South Florida.

The Organization approved the development of the two school facilities projects under the development services agreement: (i) the development of a facility on leased land at Miami Dade College North Campus (“MDC”) with a total project budget of \$28,800,000, approved in June 2021 and completed during the year ended June 30, 2023 and (ii) the development of a facility on property acquired by KIPP South Florida at NW 79th Street with a total project budget of \$46,300,000, approved in August 2021 and still in process. Both budget figures exclude financing costs, construction period interest, and reserve funds.

The Organization paid for predevelopment expenses in connection with the approved projects that will be either credited or reimbursed to the Organization by KIPP South Florida in accordance with the agreement. As of June 30, 2025, the amount remaining to be reimbursed to the Organization for predevelopment costs totaled \$1,159,459. This amount is included as due from KIPP South Florida in the accompanying statement of financial position and balance sheet – governmental funds.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 14 – DEVELOPMENT SERVICES AGREEMENT (Continued)**

The following describes the projects approved by the Organization under the Development Services Agreement.

**MDC Facilities**

Construction began in Spring 2021 and was completed during the year ended June 30, 2023. In August 2021, the Organization entered into a ground sublease agreement with KIPP South Florida for the use of the land for temporary facilities prior to the completion of construction and the use of the completed facilities. See Note 15.

In accordance with the development services agreement, the Organization is responsible for a portion of each project's construction costs. The amount paid in prior years for MDC project construction totaled \$6,527,075, which is included in leasehold improvements on the accompanying statement of net position.

**79<sup>th</sup> Street Project**

KIPP South Florida purchased the 79<sup>th</sup> Street property during the year ended June 30, 2022 and the construction of the facilities is still in progress. The Organization entered into a lease agreement with KIPP South Florida for the 79<sup>th</sup> Street property on March 29, 2022. However, the commencement date of the lease is contingent upon completion of construction and issuance of the certificate of occupancy. As of the date of these financial statements construction was still ongoing. The Organization did not operate any schools on this property during the year ended June 30, 2025.

In accordance with the development services agreement, the Organization is responsible for a portion of each project's construction costs. The amount paid for 79<sup>th</sup> Street project construction totals \$10,512,533, which is included as construction in progress on the accompanying statement of financial position as the construction has not been completed. Upon completion, amounts will be transferred to leasehold improvements and depreciated accordingly.

**NOTE 15 – FACILITY LEASE COMMITMENTS**

During the year ended June 30, 2025, both of the Organization's schools operated at the MDC Facilities. A description of the facility lease commitment follows.

**Right-to-use liability under Ground Sublease agreement**

In connection with the MDC project (see Note 14), the Organization entered into a Ground sublease agreement with KIPP South Florida for use of the land to house the temporary facilities and ultimately, the constructed facilities. The agreement began August 1, 2021 and expires on August 1, 2062. The components of basic rent under the sublease agreement are as follows:

- Land: Rent owed to the District under Ground lease agreement between the District and KIPP South Florida  
Commencing August 1, 2021, annual rent of \$240,000, payable monthly, is required for use of the land to house the temporary facilities and constructed facilities. Starting August 1, 2026, the annual base rent shall then increase by an amount determined by the actual increase in CPI with a minimum increase of 2% and a maximum increase of 6% every three years through the expiration date of August 1, 2062. The term can be extended for two additional 10 year periods subsequent to the expiration date. Total payments during the year ended June 30, 2025 were \$240,000.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 15 – FACILITY LEASE COMMITMENTS (Continued)

**Right-to-use liability under Ground Sublease agreement (continued)**

- Facilities: Debt service and other financing obligations  
 Commencing upon completion of construction and certificate of occupancy of the new facilities, the Organization is to pay monthly payments of debt service related to debt borrowed by KIPP South Florida for the project. These payments began in July 2022. The Organization’s debt service payments were originally based on a non-revolving line of credit of up to \$24 million which matured in 2023. During the fiscal year June 30, 2024, this debt was refinanced, significantly modifying the Organization’s required debt service payments. This debt matures in June 2060.
- Operating expenses:  
 Commencing upon completion of construction and certificate of occupancy of the new facilities, the Organization shall pay all operating expenses of KIPP South Florida. Amounts paid during the year ended June 30, 2025 totaled \$0.

The Organization has implemented GASB Statement No. 87 Leases, and as a result recorded a lease right of use asset and liability in these financial statements for the component of basic rent under the Ground Sublease agreement related to the use of the land. The right to use asset and liability were calculated at the commencement date of the payments, August 1, 2021, by discounting the future lease payments over the term of the lease (including the first renewal period) at an interest rate of 5%. During the year ended June 30, 2025, interest expense related to the right to use liability was \$238,971 and the amortization of the right to use asset was \$96,051.

The Organization recorded a lease right of use assets and liability for the component of basic rent under the Ground Sublease agreement related to the use of the facilities, based on debt service payments of KIPP South Florida. The right to use asset and liability were calculated at the commencement date of the payments, which is when the facilities were complete and able to be occupied, by discounting the future lease payments at an interest rate of 5.75% During the year ended June 30, 2024, the lease payments related to the use of facilities were modified as a result of refinancing of the debt in which they were based. As a result, the right-to-use asset and liability through the date of the modification were removed and a new asset and liability were recorded based on the new lease payment terms at an interest rate of 5.9%. During the year ended June 30, 2025, interest expense related to the right to use liability was \$1,414,474 and the amortization of the right to use asset was \$754,401.

The weighted average remaining lease terms for finance leases is 36.67 years, The weighted average discount rate for finance leases is 5.76%.

Changes in long term right to use liability during the year are as follows:

	Balance 7/1/2024	Additions	Payments	Balance 6/30/2025
Right-to-use liability - land	\$ 4,779,888	\$ -	\$ (1,029)	\$ 4,778,859
Right-to-use liability - facilities MDC	26,600,483	-	-	26,600,483
Total right-to-use liability	<u>\$ 31,380,371</u>	<u>\$ -</u>	<u>\$ (1,029)</u>	<u>\$ 31,379,342</u>

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 15 – FACILITY LEASE COMMITMENTS (Continued)

Annual requirements to amortize the lease liability and related interest are estimated as follows:

Year Ended June 30,	Interest	Principal	Total	
2026	\$ 1,798,186	\$ 1,082	\$ 1,799,268	
2027	1,859,704	223,964	2,083,668	
2028	1,804,190	280,874	2,085,064	
2029	1,787,571	297,745	2,085,316	
2030	1,769,856	319,444	2,089,300	
2031 - 2035	8,539,709	1,931,383	10,471,092	(Total for 5 Year Period)
2036 - 2040	7,893,721	2,620,001	10,513,722	(Total for 5 Year Period)
2041 - 2045	7,022,010	3,534,582	10,556,592	(Total for 5 Year Period)
2046 - 2050	5,849,635	4,755,170	10,604,805	(Total for 5 Year Period)
2051 - 2055	4,278,955	6,366,590	10,645,545	(Total for 5 Year Period)
2056 - 2060	2,178,388	8,462,571	10,640,959	(Total for 5 Year Period)
2061 - 2065	529,673	992,227	1,521,900	(Total for 5 Year Period)
2066 - 2070	248,517	1,273,383	1,521,900	(Total for 5 Year Period)
2071 - 2072	9,421	320,324	329,745	(Total for 2 Year Period)
	<u>\$ 45,569,534</u>	<u>\$ 31,379,342</u>	<u>\$ 76,948,876</u>	

NOTE 16 – RELATED PARTY TRANSACTIONS

The Organization received a donation of \$200,000 from one of its board members during the year ended June 30, 2025.

At June 30, 2025, the Organization had amounts payable to KIPP Cooper Norcross Academy totaling \$14,531. Both the Organization and KIPP Cooper Norcross Academy are managed by KTAF.

NOTE 17 – RETIREMENT PLAN

The Organization has a salary reduction plan (an IRC Section 403(b) plan) (the “Plan”), whereby employees may make elective tax deferred contributions to the Plan. All full-time employees are eligible to participate in the Plan upon hiring. The Organization has the option to make discretionary matching contributions and discretionary lump-sum contributions to the Plan. The contributions vest 100% after three years of service which is computed based on 1,000 hours of service. During the year ended June 30, 2025, the Organization contributed \$378,940 to the Plan.

NOTE 18 – CERTAIN RISK DISCLOSURES

The Organization receives the majority of its operating revenue from per-pupil funding provided by the State of Florida based on the number of full-time equivalent (FTE) students enrolled. Changes in enrollment levels or modifications to the State’s funding formula or allocation procedures could affect the Organization’s operating revenues.

**KIPP MIAMI, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 18 – CERTAIN RISK DISCLOSURES (Continued)

In the normal course of operations, the Organization receives grant funds from various federal, state and local agencies. See Note 13. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements. In management's opinion, there will be no adjustments resulting from future audits on grant periods through June 30, 2025, which will have a material effect on the financial statements.

The Organization has entered into long-term lease and financing agreements to support its educational facilities (see Notes 8, 14, and 15). Relocation to another suitable facility or restructuring of financing could be difficult in the event of termination, nonrenewal, or significant modification of existing agreements.

The Organization is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors, omissions, and natural disasters, for which it carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past, and there were no reductions in coverage during the year. The Organization is also subject to certain legal proceedings that arise in the normal course of operations. Based on information available, management does not believe the resolution of these matters will have a material adverse effect.

REQUIRED SUPPLEMENTAL INFORMATION

**KIPP MIAMI, INC.**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 12,421,843	\$ 11,723,635	\$ 11,968,654
Gifts, grants, and other revenues	21,849	3,073,366	2,426,245
Interest income	300,529	325,543	410,329
<b>TOTAL REVENUES</b>	<b>12,744,221</b>	<b>15,122,544</b>	<b>14,805,228</b>
<b>EXPENDITURES</b>			
Instruction	\$ 8,953,135	\$ 6,264,545	\$ 5,263,695
Instructional support services	239,018	242,492	210,952
School administration	3,189,695	2,706,865	3,354,128
Board	-	-	39,695
Fiscal services	1,490,621	1,556,836	1,415,263
Central services	691,045	599,019	440,470
Pupil transportation services	1,141,920	1,141,920	976,880
Operation of plant	546,977	579,199	608,048
Maintenance of plant	445,000	300,000	282,509
Administrative technology	157,487	212,093	43,688
Debt service	2,222,903	2,432,031	560,309
<b>TOTAL EXPENDITURES</b>	<b>19,077,801</b>	<b>16,035,000</b>	<b>13,195,637</b>
Excess (deficit) of revenues over expenditures	(6,333,580)	(912,456)	1,609,591
<b>TOTAL OTHER FINANCING USES</b>			<b>(603,433)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (6,333,580)</b>	<b>\$ (912,456)</b>	<b>\$ 1,006,158</b>

See accompanying note to the required supplemental information.

**KIPP MIAMI, INC.**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Local referendum funding	\$ 2,088,009	\$ 2,188,044	\$ 2,185,841
Federal and state sources	5,036,883	4,537,880	4,809,908
Federal lunch program	1,928,637	1,647,383	1,684,557
Gifts, grants, and other revenues	3,692,163	500,000	511,624
<b>TOTAL REVENUE</b>	<b>\$ 12,745,692</b>	<b>\$ 8,873,307</b>	<b>\$ 9,191,930</b>
<b>EXPENDITURES</b>			
Instruction	\$ 1,658,813	\$ 4,028,584	\$ 4,175,005
Student and instructional support	526,540	517,650	476,227
School administration	2,588,788	1,985,294	2,046,202
Food services	1,549,642	1,565,318	1,636,516
Operation of plant	332,054	276,387	286,436
Administrative technology	398,133	388,030	457,154
<b>TOTAL EXPENDITURES</b>	<b>7,053,970</b>	<b>8,761,263</b>	<b>9,077,540</b>
 Net change in fund balance	 <b>\$ 5,691,722</b>	 <b>\$ 112,044</b>	 <b>\$ 114,390</b>

See accompanying note to the required supplemental information.

**KIPP MIAMI, INC.**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The Organization's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2025, has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation as shown in the management discussion and analysis section, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).



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FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
NATIONAL ASSOCIATION OF  
CERTIFIED VALUATION ANALYSTS  
COLLABORATIVE FAMILY  
LAW INSTITUTE

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

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Board of Directors of  
KIPP Miami, Inc.  
Miami, Florida

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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of KIPP Miami, Inc. (the “Organization”) a charter school sponsored by the District School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization’s basic financial statements, and have issued our report thereon dated September 12, 2025.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 Organization’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*García Santa María De Armas Trujillo, PLLC*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 12, 2025



PAUL A. GARCIA, CPA/CFF,CVA  
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PRINCIPAL  
ILIANA M. LARCADA, CFE  
MONIQUE BUSTAMANTE, CPA

## MANAGEMENT LETTER

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
NATIONAL ASSOCIATION OF  
CERTIFIED VALUATION ANALYSTS  
COLLABORATIVE FAMILY  
LAW INSTITUTE

Board of Directors of  
KIPP Miami, Inc.  
Miami, Florida

### Report on the Financial Statements

We have audited the financial statements of KIPP Miami, Inc. (the "Organization"), a nonprofit organization and a component unit of the District School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 12, 2025.

### Auditor's Responsibility

We conducted our audit 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 Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 12, 2025, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with our audit, we did not have any findings or recommendations in the preceding audit report.

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education of the Organization are KIPP Miami – Liberty City and #132332.

## **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the Organization has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Organization did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the Organization. It is management's responsibility to monitor the Organization's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the Organization's overall financial condition as of June 30, 2025 is not deteriorating.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Organization maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Organization maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

## **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or are likely to have occurred, that has an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the School Board of Miami-Dade County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

*García Santa María De Armas Trujillo, PLLC*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 12, 2025