KIPP NASHVILLE

AUDITED FINANCIAL STATEMENTS
JUNE 30, 2023

Operating Tennessee Public Charter Schools:
KIPP ACADEMY NASHVILLE
KIPP NASHVILLE COLLEGE PREP
KIPP NASHVILLE COLLEGIATE HIGH SCHOOL
KIPP KIRKPATRICK ELEMENTARY SCHOOL
KIPP NASHVILLE COLLEGE PREP ELEMENTARY SCHOOL
KIPP ANTIOCH COLLEGE PREP ELEMENTARY SCHOOL
KIPP ANTIOCH COLLEGE PREP MIDDLE SCHOOL
KIPP ANTIOCH GLOBAL HIGH SCHOOL

KIPP NASHVILLE

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KIPP NASHVILLE
INTRODUCTORY SECTION

BOARD OF DIRECTORS

Jim Flautt, Chair	Beth Harwell
Cynthia Arnholt	Page Haun
Chris Barbic	Ed Littlejohn
Karl Dean	Rick Martin
Elizabeth Dennis	Tomika Marks
Bridget Haimberger	Jeff McGruder
Camiqueka Fuller	William Seibels
J. Andrew (Drew) Goddard	Tom Wylly

LEADERSHIP TEAM

Randy Dowell	Executive Director
Tiffany Russ	Chief of Schools
Adrianna Clemons	Chief Operating Officer
Lindsay Wright	Chief Talent Officer
Carey Peek	Chief Financial Officer
Katrina Frazier	Head of Middle Schools
Kate Baker	Head of Elementary Schools
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Heather Snodgrass	Director of Data
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Loretta Hearn	Director of KIPP Forward
Josh Hailey	Director of Regional Operations
Tiffanie Walsh	Director of School Operations
Lameika Pegues	Managing Director, Equity and Student Experience
Shalika Robie	Director of Student Support
Alyssa Dudley	Managing Director of Talent
Tiffany Potter	School Leader - KIPP Kirkpatrick Elementary
Ashley Frasier	School Leader - KIPP Nashville College Prep Elementary
Kayla Miller	School Leader - KIPP Academy Nashville
Chelby Newbern	School Leader - KIPP Nashville College Prep
Matt Resavy	School Leader - KIPP Nashville Collegiate High School
Brittnee Kennedy	School Leader - KIPP Antioch College Prep Elementary
Denon Carr	School Leader - KIPP Antioch College Prep Middle
Marc Gauthier	School Leader - KIPP Antioch Global High School

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
KIPP Nashville
Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of KIPP Nashville, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise KIPP Nashville'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, each major fund, and the aggregate remaining fund information of KIPP Nashville, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KIPP Nashville's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about KIPP Nashville'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 on pages 6 through 10 and the schedule of the proportionate share of the net pension liability (asset) and the schedule of employer contributions on pages 51 through 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise KIPP Nashville's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Tennessee, schedule of changes in long-term debt by individual issue, schedule of changes in lease obligations, schedule of lease requirements by year, combining nonmajor fund financial statements, schedule of assets, liabilities and fund balances by school, and schedule of revenues, expenditures, and changes in fund balances by school, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance, schedule of changes in long-term debt by individual issue, schedule of changes in lease obligations, schedule of lease requirements by year, combining nonmajor fund financial statements, schedule of assets, liabilities and fund balances by school, and schedule of revenues, expenditures, and changes in fund balances by school are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of KIPP Nashville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KIPP Nashville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KIPP Nashville's internal control over financial reporting and compliance.

Crosslin, PLLC

Nashville, Tennessee
December 14, 2023

Our discussion and analysis of the annual financial performance of KIPP Nashville (the "Organization") provides an overview of the Organization's financial activities for the fiscal year ended June 30, 2023 as compared to 2022. This section should be read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Organization's governmental activities total assets increased by $57,082,992 in fiscal year 2023, or 53.8%, while total revenues increased by $4,916,168 or 8.2%. The Organization's governmental activities total program costs (student instruction and services) for 2023 increased $8,443,090 or 25.3%. Overall, the 2023 change in net position, an increase of $9,361,535, was $6,710,642 less than the increase of $16,072,177 in the prior year.

For the General Purpose School Fund, there was a net increase in fund balance of $57,873,476. The General Purpose School Fund's fund balance at fiscal year-end was $88,966,970.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of a series of financial statements, notes to those statements, required supplementary information, and supplementary information. The statements are organized so that the reader can understand the Organization as a whole and then proceed to a detailed look at specific financial activities of the Organization.

REPORTING THE ORGANIZATION AS A WHOLE

In general, users of these financial statements want to know if the Organization is in a better or worse financial position as a result of the year's activities. The Statement of Net Position and Statement of Activities report information about the Organization as a whole and about the Organization's activities in a manner that helps to answer that question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting. Under the accrual basis, all of the current year's revenue and expenses are taken into consideration regardless of when cash is received or paid. The statements start on page 11.

The Statement of Net Position reports the Organization's net position (total assets plus deferred outflow of resources less total liabilities less deferred inflows of resources). The Organization's net position balance at year-end represents available resources for sustainability of current level of operations as well as for funding of future growth. The Statement of Activities reports the change in net position as a result of activity during the year. The Statement of Activities aids the user in determining the direction of the Organization's financial health during the year. Users will want to consider non-financial factors as well as the financial data in arriving at a conclusion regarding the overall health of the Organization.

The Organization's fund financial statements, the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances, begin on page 13. These statements provide detailed information about the Organization's most significant funds, not the Organization as a whole. Funds are established by the Organization as required to help manage money for particular purposes and for compliance with various donor and grant provisions.

The Organization's funds are categorized as "governmental funds." Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending in future periods. Fund financial statements are reported using an accounting method called "modified accrual" accounting, which measures cash and other financial assets that can readily be converted to cash. This basis of accounting is different from the accrual basis used in the government - wide financial statements to report on the Organization as a whole. The relationship between governmental activities, as reported in the Statement of Net Position and the Statement of Activities, and governmental funds, as reported in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled in the basic financial statements on pages 14 and 16.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Organization's assets and deferred outflows of resources exceeded the Organization's liabilities and deferred inflows of resources at the close of the fiscal year, resulting in net position of $56,746,338. The Organization's net position includes $90,255,220 of cash and investments, $200,000 of which is subject to external restrictions that limit how the amounts may be used for the upcoming school year and $51,973,427 of which is restricted for capital improvements in accordance with the related bond documents. An additional $292,935 is restricted to an endowment scholarship fund. The remainder of the cash is available to meet the Organization's ongoing operating activities and growth strategy.

As of June 30, 2023, the Organization had invested a total of $68,764,299 in capital and right-to-use lease assets. This investment includes land, building and improvements, instructional and support furniture, instructional computers for teachers, mobile student computer labs, maintenance equipment, buses, and construction in progress. Construction in progress primarily relates to building construction for KIPP Antioch Global High School. Construction is expected to be completed during fiscal year 2024. The Organization expects additional property and equipment investments in the 2023-2024 school year, as student enrollment increases and construction continues. During 2018, the Organization purchased the building located at 3410 Knight Drive. KIPP Nashville College Prep Elementary and KIPP Nashville College Prep Middle School are both housed at this location. The Organization also purchased the building located at 3655 Murfreesboro Pike, which houses KIPP Antioch College Prep Elementary and Middle Schools. Additional information on property and equipment is located in Note D to the financial statements.

The Organization leases educational space (Highland Heights, 123 Douglas Ave., Nashville, TN 37207) from Metropolitan Government Services for KIPP Academy Nashville and KIPP Nashville Collegiate High. The lease term ends June 30, 2024. The Organization's fourth school, KIPP Kirkpatrick Elementary launched during the fall of 2015. The Organization leases educational space for this school (Kirkpatrick Enhanced Option Elementary, 1000 Sevier St., Nashville, TN 27306) from Metropolitan Nashville Public Schools through fiscal year 2025.

A schedule of the Organization's net position as of June 30, 2023 and 2022, is as follows:

	2023	2022
Cash and cash equivalents	$ 42,502,658	$ 24,120,177
Investments	47,752,562	267,601
Receivables	1,669,492	8,656,808
Other assets	2,551,778	7,176,827
Capital assets, net	68,764,299	65,936,384
Total assets	163,240,789	106,157,797
Deferred outflows of resources	4,707,838	4,143,595
Accounts payable and accrued expenses	3,422,654	2,569,290
Other liabilities	106,927,616	53,446,032
Total liabilities	110,350,270	56,015,322
Deferred inflows of resources	852,019	6,901,267
Net position:		
Net investment in capital assets	15,178,017	12,651,162
Restricted	2,766,030	6,846,749
Unrestricted	38,802,291	27,886,892
Total net position	$ 56,746,338	$ 47,384,803

The Organization's total net position increased by $9,361,535 during the 2023 fiscal year. The increase in the Organization's net position indicates that the Organization had more incoming revenues than outgoing expenses during the year.

Total revenues for fiscal year 2023 increased to $64,779,915, an increase of 8.2% when compared to fiscal year 2022. Revenues generated from government grants, governmental funds, and KIPP foundation grants were $57,086,880 during the 2023 fiscal year, an increase of $3,337,491, or 6.2% when compared to 2022. Contributions from individuals and organizations of $5,787,021 increased $56,614 or 1.0% when compared to 2022. In addition, MNPS and State of Tennessee district funding increased 7.1% when compared to 2022. The main driver of this increase was the increased enrollment at existing schools. Finally, federal funding increased 3.2% when compared to 2022.

Total expenses were $55,418,380 during the 2023 fiscal year, an increase of $11,626,810 when compared to 2022. The majority of this increase is related to new hires and related employee compensation as a result of increased enrollment at the schools.

The increase in net position of $9,361,535 in 2023 is $6,710,642 less than the increase in net position of $16,072,177 in 2022.

A schedule of the Organization's revenues and expenses for the years ended June 30, 2023 and 2022, is as follows. The schedule is for the Organization as a whole, not for the governmental funds.

	2023	2022
Revenues		
Contributions	$ 5,787,021	$ 5,730,407
District funding	45,880,342	42,825,342
Federal and state grants	11,206,538	10,924,047
Interest and investment income	1,555,041	25,560
Other	350,973	358,391
Total revenues	64,779,915	59,863,747
Expenses		
Instructional	5,277,356	5,114,840
Occupancy	2,257,518	2,307,365
Office	4,429,193	2,473,102
Organizational development	406,276	291,286
Professional and service fees	3,444,356	1,931,229
Employee compensation	34,146,047	27,473,844
Staff development	1,067,577	789,262
Transportation	1,244,892	480,309
Depreciation and amortization	3,145,165	2,930,333
Total expenses	55,418,380	43,791,570
Change in net position	$ 9,361,535	$16,072,177

FINANCIAL ANALYSIS OF THE ORGANIZATION'S FUNDS

The Organization's funds, as presented on the Balance Sheet on page 13, report a combined fund balance of $89,466,635. The majority of the Organization's total funds are in the General Purpose School Fund, which is the chief operating fund of the Organization. The Organization has two other major funds, the Restricted Contribution Fund and the Federal and State Grants Fund.

Due to the different basis of accounting, there is a difference between the amounts reported under the Organization's funds and the amounts reported as government-wide. For the year ended June 30, 2023, the differences consist of capital assets, right-to-use lease assets, pension amounts, long-term debt, and right-to-use lease liabilities, which are not reported in the Organization's governmental funds.

CAPITAL ASSETS AND DEBT

During 2023, the Organization had $68,764,299 invested in capital and right-to-use lease assets. Depreciation and amortization expense totaled $3,145,165 in 2023. Further information regarding capital and right-to-use lease assets can be found in Note D to the financial statements.

During 2023, the Organization issued bonds payable totaling $72,245,000 for the construction of the KIPP Antioch Global High School facilities and various projects at other schools. Payments on previously outstanding debt totaled $12,471,752. Further information on debt obligations can be found in Note E.

The Organization has several construction and other commitments regarding its educational facilities. These items are described in Note M to the financial statements.

STUDENT ENROLLMENT FACTORS AND NEXT YEAR'S BUDGET

Fiscal year 2024 enrollment is projected to be approximately 3,170 students for KIPP Nashville across eight campuses: KIPP Academy Nashville (serving grades 5-8), KIPP Nashville College Prep (also serving grades 5-8), KIPP Nashville Collegiate High (serving grades 9-12), KIPP Kirkpatrick (serving grades K-4), KIPP Nashville College Prep Elementary (serving grades K-4), KIPP Antioch College Prep Elementary School (serving grades K-3), KIPP Antioch College Prep Middle School (serving grades 5-7) and KIPP Antioch Global High School (serving grade 9).

The Organization anticipates that total per pupil funding (TISA) will increase in fiscal year 2024 because of increased enrollment. Additionally, the Organization expects average per pupil TISA funding to increase from the 2022-23 school year based on state budget information. For fiscal year 2024, the Organization expects to continue its strong fundraising efforts for non-governmental funds. KIPP believes a continued focus on the existing donor base, the annual community fundraising breakfast, the identification of new individual donors, and a Board of Directors commitment will help the Organization continue its strong fundraising efforts. These non-governmental resources are an important funding source to fill the current funding gap of KIPP Nashville and to fuel the strategic growth plans for KIPP Nashville.

For fiscal year 2024, in addition to serving KIPP's student population of 3,170 students, KIPP plans to invest in the Organization's long-term growth plan for growing and opening new KIPP schools in Nashville. These investments will include hiring additional staff, increasing professional development, and making general and administrative expenditures specific to the further development and execution of the KIPP Nashville strategic growth plan.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our students' parents, Davidson County taxpayers, donors, creditors, grant funding authorities and agencies tasked with oversight of Metropolitan Nashville Public Schools with a general overview of the Organization's finances and to demonstrate the accountability for the money it receives. For questions about this report or additional financial information, contact the Organization's Chief Financial Officer, Carey Peek, at 3410 Knight Drive, Nashville, TN 37207, by telephone at (713) 202-9422 or email cpeek@KIPPNashville.org.

KIPP NASHVILLE
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 37,988,868
Investments	292,935
Receivables	1,669,492
Other current assets	285,413
Net pension asset	1,387,201
Capital assets:	
Nondepreciable	20,914,580
Depreciable, net of accumulated depreciation and amortization	47,849,719
Restricted assets:	
Cash and cash equivalents	4,513,790
Investments	47,459,627
TCRS Stabilization Reserve Trust	879,164
Total assets	163,240,789
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	4,707,838
LIABILITIES	
Accounts payable	1,378,516
Accrued expenses	2,044,138
Advance contributions and grants	200,000
Long-term debt, due within one year	508,289
Long-term debt, due in more than one year	100,316,809
Right-to-use lease liability, due within one year	653,682
Right-to-use lease liability, due in more than one year	3,839,609
Net pension liability	1,409,227
Total liabilities	110,350,270
DEFERRED INFLOWS OF RESOURCES	
Pensions	852,019
Total deferred inflows of resources	852,019
NET POSITION	
Net investment in capital assets	15,178,017
Restricted for:	
TCRS Stabilization Reserve Trust	879,164
Pensions	1,387,201
Scholarships:	
Expendable	162,635
Nonexpendable	130,300
Other	206,730
Unrestricted	38,802,291
Total net position	$ 56,746,338

See accompanying notes to financial statements.

KIPP NASHVILLE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

GOVERNMENTAL ACTIVITIES:	Total	Functions: Student Instruction and Services	Functions: Administration	Functions: Fundraising
EXPENSES				
Instructional	$ 5,277,356	$ 5,277,356	$ -	$ -
Occupancy	2,257,518	1,918,890	338,628	-
Office	4,429,193	4,207,733	221,460	-
Organizational development	406,276	-	-	406,276
Professional services and fees	3,444,356	688,871	2,755,485	-
Employee compensation	34,146,047	25,609,535	8,536,512	-
Staff development	1,067,577	1,014,198	53,379	-
Transportation	1,244,892	1,244,892	-	-
Depreciation and amortization	3,145,165	1,887,099	1,258,066	-
Total expenses	55,418,380	41,848,574	13,163,530	406,276
PROGRAM REVENUES				
Operating grants and contributions	10,867,538	10,867,538	-	-
Capital grants and contributions	339,000	339,000	-	-
Net program expenses	44,211,842	$ 30,642,036	$ 13,163,530	$ 406,276
GENERAL REVENUES				
Contributions	5,787,021			
District funding	45,880,342			
Other	350,973			
Interest and investment income	1,555,041			
Total general revenues	53,573,377			
CHANGE IN NET POSITION	9,361,535			
NET POSITION, June 30, 2022	47,384,803			
NET POSITION, June 30, 2023	$ 56,746,338			

See accompanying notes to financial statements.

KIPP NASHVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 37,582,138	$ 200,000	$ 206,730	$ -	$ 37,988,868
Investments	-	-	-	292,935	292,935
Receivables	803,288	-	866,204	-	1,669,492
Due from other funds	866,204	-	-	-	866,204
Other current assets	285,413	-	-	-	285,413
Restricted assets:					-
Cash and cash equivalents	4,513,790				4,513,790
Investments	47,459,627				47,459,627
TCRS Stabilization Reserve Trust	879,164	-	-	-	879,164
Total assets	$ 92,389,624	$ 200,000	$ 1,072,934	$ 292,935	$ 93,955,493
LIABILITIES					
Accounts payable	$ 1,378,516	$ -	$ -	$ -	$ 1,378,516
Accrued expenditures	2,044,138	-	-	-	2,044,138
Due to other funds	-	-	866,204	-	866,204
Advance contributions and grants	-	200,000	-	-	200,000
Total liabilities	3,422,654	200,000	866,204	-	4,488,858
FUND BALANCES					
Nonspendable	285,413	-	-	130,300	415,713
Restricted for:					
TCRS Stabilization Reserve Trust	879,164	-	-	-	879,164
Internal school funds	-	-	-	-	-
Scholarships	-	-	-	162,635	162,635
Other	51,973,417	-	206,730	-	52,180,147
Unassigned	35,828,976	-	-	-	35,828,976
Total fund balances	88,966,970	-	206,730	292,935	89,466,635
Total liabilities and fund balances	$ 92,389,624	$ 200,000	$ 1,072,934	$ 292,935	$ 93,955,493

See accompanying notes to financial statements.

KIPP NASHVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS - CONTINUED
JUNE 30, 2023

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION:

Total governmental fund balances	$ 89,466,635
Capital assets not reported in the balance sheet	68,764,299
Pension amounts not reported in the balance sheet	
Net pension liability	(1,409,227)
Net pension asset	1,387,201
Deferred inflows of resources for pensions	(852,019)
Deferred outflows of resources for pensions	4,707,838
Long-term debt not reported in the balance sheet	(100,825,098)
Right-to-use lease liability not reported in the balance sheet	(4,493,291)
Net position of governmental activities in the statement of net position	$ 56,746,338

See accompanying notes to financial statements.

KIPP NASHVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Contributions	$ 5,587,021	$ 200,000	$ -	$ -	$ 5,787,021
District funding	45,880,342	-	-	-	45,880,342
Federal and state grants	-	-	11,206,538	-	11,206,538
Interest and investment income	1,529,707	-	-	25,334	1,555,041
Other income	226,994	-	-	-	226,994
Other income - internal school fund	123,979	-	-	-	123,979
Total revenues	53,348,043	200,000	11,206,538	25,334	64,779,915
EXPENDITURES					
Current:					
Instructional	3,395,258	-	1,758,119	-	5,153,377
Instructional - internal school fund	123,979	-	-	-	123,979
Occupancy	2,118,839	-	138,679	-	2,257,518
Office	1,318,309	-	149,599	-	1,467,908
Organizational development	202,481	200,000	3,795	-	406,276
Professional services and fees	3,157,602	-	286,754	-	3,444,356
Employee compensation	28,915,502	-	5,930,982	-	34,846,484
Staff development	995,906	-	71,671	-	1,067,577
Transportation	1,244,892	-	-	-	1,244,892
Debt service:					
Principal	19,248,205	-	1,071,786	-	20,319,991
Interest	2,962,950	-	103,749	-	3,066,699
Capital outlay	4,455,763	-	1,484,674	-	5,940,437
Total expenditures	68,139,686	200,000	10,999,808	-	79,339,494
OTHER FINANCING SOURCES:					
Proceeds from leases	-	-	-	-	-
Proceeds from issuance of debt	72,245,000	-	-	-	72,245,000
Debt issue premium	420,119	-	-	-	420,119
Total other financing sources	72,665,119	-	-	-	72,665,119
NET CHANGE IN FUND BALANCES	57,873,476	-	206,730	25,334	58,105,540
FUND BALANCES, June 30, 2022	31,093,494	-	-	267,601	31,361,095
FUND BALANCES, June 30, 2023	$ 88,966,970	$ -	$ 206,730	$ 292,935	$ 89,466,635

See accompanying notes to financial statements.

KIPP NASHVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - CONTINUED
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES:	
Net change in fund balances as reported in the governmental funds statements	$ 58,105,540
Amounts reported as expenditures in the governmental funds not included as expenses in the government-wide statements:	
Capital outlay	5,940,437
Debt service principal	20,319,991
Expenses in the government-wide statements not included in the governmental funds:	
Depreciation and amortization expense	(3,145,165)
The gain or loss on the sale of capital assets is reported for governmental activities, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of the capital assets sold.	32,703
Long-term debt proceeds provide current financial resources to the governmental funds, but issuance of debt increases long-term obligations for governmental activities:	
Proceeds from leases	-
Proceeds from issuance of debt	(72,245,000)
Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized for governmental activities	
Debt issue premium	(420,119)
Amortization of premium	72,711
Expenditures for pensions in the governmental funds consists of contributions made, whereas in the government-wide statement, pension expense is calculated in accordance with GASB Statement No. 68	700,437
Change in net position of governmental activities	$ 9,361,535

See accompanying notes to financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

KIPP Nashville was incorporated October 22, 2003, as a Tennessee nonprofit corporation. Pursuant to Section 6(b)(1)(A) of the Tennessee Public Charter School Act of 2002 (the Act), KIPP Nashville has been approved to operate public charter schools. Under the Act, public charter schools are part of the state's public education program offering an alternative means within the public school system for accomplishing necessary outcomes of education. As of June 30, 2023, KIPP Nashville has Charter School Agreements to operate the following charter schools (collectively, the "Schools") in Nashville, Tennessee:

- KIPP Academy Nashville (grades five through eight)
- KIPP Nashville College Prep (grades five through eight)
- KIPP Nashville Collegiate High School (grades nine through twelve)
- KIPP Kirkpatrick Elementary School (grades kindergarten through four)
- KIPP Nashville College Prep Elementary School (grades kindergarten through four)
- KIPP Antioch College Prep Elementary School (grades kindergarten through four)
- KIPP Antioch College Prep Middle School (grades five through eight)
- KIPP Antioch Global High School (anticipated to open in fiscal year 2024 starting with grade nine, an additional grade will be added each year through grade twelve)

KIPP Nashville has a license agreement with KIPP Foundation, a California Public Charity, to assist the Schools in providing educationally underserved students with the knowledge, skills and character needed to succeed in top-quality high schools, colleges and the competitive world beyond. KIPP and the Knowledge Is Power Program are trademarks of the KIPP Foundation.

Basic Financial Statements

In accordance with State of Tennessee regulations, KIPP Nashville reports as a special-purpose governmental entity.

Government-wide financial statements

The government-wide financial statements focus on the sustainability of KIPP Nashville as an entity and the change in KIPP Nashville's net position resulting from the current year's activities. In the government-wide statement of net position, amounts are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as any long-term debt and obligations. The statement of net position presents the financial condition of KIPP Nashville at year-end.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

KIPP Nashville's net position is reported in three categories - net investment in capital assets; restricted net position; and unrestricted net position. When both restricted and unrestricted resources are available for use, it is KIPP Nashville's policy to use restricted resources first, and then unrestricted resources as they are needed. KIPP Nashville does not allocate indirect costs between functions.

The government-wide statement of activities reports both the gross and net cost of KIPP Nashville's functions. The functions are also supported by general government revenues (general revenues are primarily made up of district BEP funding and donations to the General Purpose School Fund). The statement of activities reduces gross expenses by related function revenues, including operating grants and contributions and capital grants and contributions. Program revenues must be directly associated with the function. The net costs by function are normally covered by general revenues.

Fund financial statements

The financial transactions are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows or inflows of resources, fund balance, revenues and expenditures.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized in a single column. Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*, sets forth minimum criteria for the determination of major funds. KIPP Nashville reports the following major governmental funds:

The General Purpose School Fund is the primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.

The Restricted Contribution Special Revenue Fund is used to account for the receipt and disbursement of private contributions restricted primarily for specific purposes.

The Federal and State Grants Special Revenue Fund is used to account for the receipt and disbursement of federal and state grants where unused balances, if any, are returned to the grantor at the close of specified project periods. This fund includes both federal and state activity where KIPP Nashville is considered to be a recipient of federal and state funding as well as activity for which KIPP Nashville is designated as a vendor of the KIPP Foundation.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The focus of the governmental funds is upon the determination of financial resources, their balance, sources and use, rather than upon net income. KIPP Nashville classifies governmental fund balances as nonspendable, restricted, committed, assigned and unassigned based on the level of constraints on the fund balances. When an expenditure is incurred in which both restricted and unrestricted funds are available for use, it is KIPP Nashville's policy to spend restricted funds first, then unrestricted funds.

When an expenditure has been incurred for purposes in which multiple categories of unrestricted funds are available, it is KIPP Nashville's policy to spend funds in the following order: committed, then assigned, and lastly unassigned funds. The classifications of fund balances are defined as follows:

Nonspendable - This classification consists of fund balances that cannot be spent because they are either not in spendable form, for example, noncash amounts that are not expected to be converted to cash, or the funds are legally or contractually required to be maintained intact.

Restricted - This classification consists of fund balances with external constraints on use imposed by creditors (such as through debt covenants), contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Committed - This classification consists of fund balances that can only be used for specific purposes established by formal action of the Board of Directors, its highest level of decision making authority. Such commitments should include contractual obligations of fund assets. Fund balance commitments can only be removed by the same process of the same body employed to previously commit those amounts.

Assigned - This classification consists of all fund balances that are not in the General Purpose School Fund or classified as nonspendable, restricted or committed. In addition, General Purpose School Fund balances that are intended to be used for specific purposes are also classified as assigned. KIPP Nashville gives the authority to assign amounts to specific purposes to the chief finance officer and personnel under the supervision of the chief finance officer tasked with financial recording responsibilities.

Unassigned - This classification consists of all fund balances in the General Purpose School Fund that are not reported as nonspendable, restricted, committed or assigned, as well as negative fund balances, if any, in the other funds.

Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

KIPP Nashville is considered a special purpose governmental entity engaged in governmental type activities and is not a component unit of another governmental entity. Therefore, the financial statements are prepared in the same manner as general purpose governments.

The basic financial statements include both government-wide (reporting KIPP Nashville as a whole) and fund financial statements (reporting KIPP Nashville's major funds). KIPP Nashville's primary activities are all considered to be governmental activities and are classified as such in the government-wide and fund financial statements.

The government-wide financial statements have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Revenues under the modified accrual basis are recognized when measurable and available and expenditures are recognized when the related liability is incurred. "Available" means collectible within the current period or within 60 days after the end of the year or up to one year for grant revenues.

Since the governmental funds financial statements are presented on a different basis than the government-wide financial statements, reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the government-wide financial statements.

Fund Balances

The General Purpose School Fund includes fund balance amounts presented as nonspendable as they are not in spendable form. The nonspendable fund balance amount in the KIPP Alumni Scholarship Permanent Fund is contractually required to be maintained intact, whereas restricted fund balance in the fund is restricted by donors to be used for scholarships. Restricted fund balance in the General Purpose School Fund also includes amounts restricted to the TCRS Stabilization Reserve Trust. Restricted fund balance in the Federal and State Grants Fund includes unspent grant proceeds restricted by the grant agreement.

Use of Estimates

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

Deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, are considered to be cash equivalents. KIPP Nashville regularly maintains deposits with a financial institution in excess of FDIC coverage.

Receivables

Receivables represent amounts due from contributors, grants or other funding which have been approved but not received. All receivables are reported at estimated collectible amounts. Receivables that will not be collected within the available period or intended for future periods have been reported as unavailable revenues under deferred inflows of resources in the governmental fund financial statements.

Capital Assets

Property and equipment are recorded at acquisition cost, if purchased, or the fair value on the date received, if donated. The cost of routine maintenance and repairs is expensed as incurred. Expenditures, which materially extend the economic lives, change capacities or improve the efficiency of the related assets are capitalized. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts, and the resulting gain or loss, if any, is included in the statement of activities. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years, or over the term of the lease for leasehold improvements, if less. Generally, expenditures for property and equipment items over $1,000 are capitalized.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the respective governmental fund upon acquisition.

When applicable, construction in progress represents long term assets not yet placed into service. When a project is completed and placed into service, the construction in progress is removed and recorded as a depreciable asset.

Leases

KIPP Nashville determines whether an arrangement is or contains a lease at lease inception. On the commencement date, leases are recorded as ROU assets and lease liabilities in the statements of net position. ROU assets represent KIPP Nashville's right to use leased assets over the term of the lease. Lease liabilities represent KIPP Nashville's contractual obligation to make lease payments over the lease term.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The lease liability is measured as the present value of the lease payments over the lease term using either the rate implicit in the lease, if it is determinable, or KIPP Nashville's incremental borrowing rate if the implicit rate is not determinable. ROU assets are calculated as the present value of the remaining lease payments plus unamortized initial direct costs and prepayments of rent, less any unamortized lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense, an outflow of resources, is recognized on a straight-line basis over the lease term. KIPP Nashville has elected not to recognize a ROU asset and lease liability for leases with an initial term of 12 months or less but includes the expense associated with short-term leases in lease expense in the statements of revenues, expenses, and changes in net position.

ROU assets are assessed for impairment in accordance with KIPP Nashville's capital asset policy. Management reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified, and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with GASB No. 87. KIPP Nashville's leases are described in Note F.

Deferred Outflows/Inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. KIPP Nashville reports the following deferred outflow of resources relating to the pensions, when applicable: contributions made subsequent to the pension measurement date, difference between expected and actual experience, difference between projected and actual investment earnings, and changes in proportion of the net pension liability.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. KIPP Nashville reports the following deferred inflows of resources related to pensions, when applicable: differences between expected and actual experience and differences between projected and actual investment earnings.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. Fair value measurements for investments are described in Note C.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

KIPP Nashville is a not-for-profit school that is exempt from federal income taxes under the Internal Revenue Code, classified by the Internal Revenue Service as other than a private foundation and is similarly exempt from state income taxes. KIPP Nashville accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, management has determined that such tax positions do not result in an uncertainty requiring recognition.

Interfund Balances

Transactions which constitute reimbursement of expenditures initially made from a fund, which are properly applicable to another fund, are recorded as expenditures, as appropriate, in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

Additionally, the Federal and State Grants Fund and Restricted Contribution Fund may make disbursements in advance of receiving funds. Accordingly, interfund transfers are made from the General Purpose School Fund in the form of due to/from other funds. The amounts due the General Purpose School Fund are repaid upon receipt of the grants or contributions. At June 30, 2023, details of the interfund balances are as follows:

Federal and State Grants Fund due to General Purpose School Fund relating to operating grant expenditures in advance of receipt of grant funding	$866,204

Newly Adopted Accounting Pronouncements

The School implemented the following Governmental Accounting Standards Board (GASB) statements during fiscal year 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation did not have an effect on the KIPP Nashville's financial statements for fiscal year 2023.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

GASB Statement No. 99, *Omnibus 2022*, was issued in April 2022. This Statement provides guidance on several practice issues identified during the implementation of certain GASB statements. The implementation did not have an effect on the KIPP Nashville's financial statements for fiscal year 2023.

B. DEPOSITS AND INVESTMENTS

KIPP Nashville does not have formal deposit policies that address its exposure to custodial credit risk, however does limit deposits to those instruments allowed by applicable state laws. As of June 30, 2023, all bank deposits were fully collateralized and insured by institutions insured by the FDIC or with banks who participate in the Tennessee Bank Collateral Pool.

The bank and carrying balances of cash and cash equivalents were $43,023,500 and $42,502,658, respectively, with the difference due primarily to outstanding checks.

KIPP Nashville's investments consist of mutual funds recorded in its donor-restricted endowment fund and cash and cash equivalents, money market funds, and fixed income funds recorded in its general purpose school fund. The endowment fund includes $162,635 of net appreciation, which is presented in restricted fund balance in the permanent fund and is available for authorization for expenditure by the Board at year-end.

C. FAIR VALUE OF INVESTMENTS

KIPP Nashville categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

KIPP Nashville's recurring fair value measurements as of June 30, 2023 includes the following investments valued using quoted market prices (Level 1 inputs):

Cash and cash equivalents	$ 2,359,853
Money market funds	10,280,099
Mutual funds	292,935
Fixed income	34,819,675
	$47,752,562

D. CAPITAL ASSETS

Capital assets activity for governmental activities for the year was as follows:

	Balance July 1, 2022	Additions	Transfers/ Disposals	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	$ 10,499,125	$ -	$ -	$ 10,499,125
Construction in progress	10,310,397	5,121,394	(5,016,336)	10,415,455
Total capital assets not being depreciated	20,809,522	5,121,394	(5,016,336)	20,914,580
Capital assets, being depreciated:				
Classroom:				
Furniture	1,332,402	78,371	-	1,410,773
Instructional hardware and software	2,674,915	229,140	419,224	3,323,279
Equipment	854,762	27,325	-	882,087
Administrative:				
Furniture and equipment	901,662	-	-	901,662
Computer hardware and software	415,711	92,996	30,768	539,475
Maintenance	200,823	-	-	200,823
Leasehold improvements	566,417	-	-	566,417
Buildings and improvements	40,066,158	391,211	4,564,145	45,021,514
Transportation	1,750,820	-	-	1,750,820
Right-to-use lease – Building	5,656,519	-	-	5,656,519
	54,420,189	819,043	5,014,137	60,253,369
Accumulated depreciation	(8,548,687)	(2,400,526)	34,842	(10,914,371)
Accumulated amortization	(744,640)	(744,639)	-	(1,489,279)
	(9,293,327)	(3,145,165)	34,842	(12,403,650)
Total capital assets being depreciated, net	45,126,862	(2,326,122)	5,048,979	47,849,719
Total capital assets, net	$ 65,936,384	$ 2,795,272	$ 32,643	$ 68,764,299

Depreciation and amortization was charged to governmental activities as follows:

Student instruction and services	$1,887,099
Administration	1,258,066
	$3,145,165

Construction in progress at June 30, 2023 relates primarily to the construction on the KIPP Antioch Global High School facilities.

E. LONG-TERM DEBT AND LINE-OF-CREDIT

The following is a summary of debt obligations, excluding unamortized premiums, outstanding as of June 30, 2023:

Bond payable for building purchase and construction, principal amount not to exceed $10,500,000, bearing interest at 4.1%; interest and principal payments in equal monthly installments based on a 30-year mortgage amortization due in June 2049. Collateralized by real estate.	$ 9,721,871
Bond payable for building construction, principal amount of $16,991,883, bearing interest at 5.00%; interest only payments through August 1, 2021, interest and principal payments in equal monthly installments of $92,582 thereafter through July 2050. Collateralized by real estate.	16,467,238
Bond payable for debt refinance and construction, principal amount of $21,600,000, bearing interest at 5.00%; interest payments on January 1 and July 1 of each year, commencing January 1, 2023; principal payments on July 1 of each year, commencing July 1, 2027 through July 1, 2062. Collateralized by real estate.	21,600,000
Bond payable for debt refinance and construction, principal amount of $645,000, bearing interest at 5.25%; interest payments on January 1 and July 1 of each year, commencing January 1, 2023; principal payments on July 1 of each year, commencing July 1, 2024 through July 1, 2027. Collateralized by real estate.	645,000
Bond payable for construction, principal amount of $50,000,000, bearing interest at 4.01%; monthly interest only payments through June 2026, monthly principal and interest payments thereafter through June 1, 2053. Collateralized by real estate.	50,000,000
	98,434,109
Amount due in one year	(508,289)
Long-term portion	$ 97,925,820

E. LONG- TERM DEBT AND LINE-OF-CREDIT - Continued

Long-term debt activity for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions/ Borrowings	Amortization/ Forgiveness/ Repayments	Balance June 30, 2023
Bond Payable	$11,987,274	$ -	$11,987,274	$ -
Bond Payable	9,926,367	-	204,496	9,721,871
Bond Payable	16,747,220	-	279,982	16,467,238
Bond Payable	-	21,600,000	-	21,600,000
Bond Payable	-	645,000	-	645,000
Bond Payable	-	50,000,000	-	50,000,000
Bond premium	2,043,641	-	72,771	1,970,870
Bond premium	-	420,119	-	420,119
Note Payable	7,250,000	-	7,250,000	-
Total	$47,954,502	$72,665,119	$19,794,523	$100,825,098

Estimated future maturities of long-term debt are as follows:

Year Ending June 30,	Interest	Principal
2024	$ 508,289	$ 4,199,037
2025	712,249	4,290,137
2026	747,389	4,255,550
2027	1,656,727	4,203,179
2028	1,724,323	4,134,389
2029 - 2033	9,879,917	19,421,591
2034 - 2038	12,294,744	17,009,421
2039 - 2043	15,293,130	14,002,685
2044 - 2048	19,051,378	10,253,848
2049 - 2053	25,750,963	6,158,956
2054 - 2058	4,180,000	2,306,250
2059 - 2063	6,635,000	1,151,000
Total	$98,434,109	$91,386,043

The notes payable contain clauses whereas in the event of default, the principal and outstanding accrued interest of all outstanding obligations may be declared, and shall become, immediately due and payable as provided in the agreements. Proceeds from the sale of collateral shall be used toward expenses incurred by the lender first, followed by outstanding interest and principal.

E. LONG- TERM DEBT AND LINE-OF-CREDIT - Continued

Under the bonds payable, KIPP Nashville is required to maintain certain financial covenants. Management believes they are in compliance with all covenants at June 30, 2023.

KIPP Nashville has a $2,450,000 line-of-credit agreement with a financial institution. The line-of-credit bears interest at a variable rate of the financial institution's index rate plus 0.750% and remains in effect until May 2023. As of June 30, 2023, no amounts were outstanding under the agreement and there was no activity on the line-of-credit during the year ended June 30, 2023. In August 2023, the line-of-credit was extended through August 2024.

F. LEASE ARRANGEMENTS

The facilities used to provide educational services for KIPP Academy Nashville and KIPP Nashville Collegiate High are provided under a lease arrangement with the Metropolitan Government of Nashville and Davidson County. The lease is for a ten-year period ending on June 30, 2024 and includes an option to extend the for an additional five-year period. KIPP Nashville anticipates executing the renewal option. The interest rate on the lease is KIPP Nashville's incremental borrowing rate of 5.00%. In fiscal year 2018, a new annual base rent, payable monthly, was determined based on the actual cost of operating the premises. Beginning in fiscal year 2019 through the lease termination, the annual base rent will increase by 3% annually.

The facilities used to provide educational services for KIPP Kirkpatrick Elementary are provided under a lease arrangement with the Metropolitan Nashville Board of Public Education. The lease is for a ten-year period ending on June 30, 2025. The interest rate on the lease is KIPP Nashville's incremental borrowing rate of 5.00%. The lease arrangement requires KIPP Nashville to pay a monthly rent based on square footage. The rental rent increases by 2% annually.

The components of lease expense for the year ended June 30, 2023 is as follows:

	Year Ending June 30, 2023
Lease Expense	
Amortization expense by class of underlying assets	
Building	$744,639
Total amortization expense	744,639
Interest on lease liabilities	240,690
Total	$985,329

F. LEASE ARRANGEMENTS - Continued

	Beginning of Year	Additions	Modifications and Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Lease Liabilities	$5,091,530	$ -	$ -	$(598,239)	$ 4,493,291	$653,682

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 653,682	$ 209,819	$ 863,501
2025	712,691	175,795	888,486
2026	712,061	140,175	852,236
2027	723,092	104,321	827,413
2028	811,647	66,156	877,803
2029	880,118	24,018	904,136
	$4,493,291	$ 720,284	$5,213,575

G. RECEIVABLES

Receivables at June 30, 2023, consist of the following:

Contributions for future periods and/or specific purposes	$ 111,483
District funding	691,805
Grants	697,321
Food service	168,883
	$1,669,492

H. RELATED PARTY TRANSACTIONS

KIPP Nashville pays a licensing fee to KIPP Foundation equal to 1% of state and local per-pupil funding received not to exceed $30,000 per school. The agreement is for automatically renewable one-year terms. Total license fees incurred for the year ended June 30, 2023, were $210,000.

I. CONCENTRATION

KIPP Nashville received 71% of its funding for operations based on the State of Tennessee's Basic Education Program (BEP). BEP funding is designated to schools based on student attendance. Gross BEP funding for the year ended June 30, 2023, was $45,880,342. Outside fundraising for capital and other needs is on-going since the charter school agreements with MNPS do not include allocations for capital expenditures.

J. PENSIONS

KIPP Nashville, similar to MNPS and all Tennessee Public Charter Schools in the MNPS and State Charter System, participates in the following defined benefit pension plans (collectively the "Pension Plans"):

Certificated Employees
Tennessee Consolidated Retirement System (collectively the "TCRS Plans"):
- Teacher Legacy Pension Plan - KIPP Nashville Schools
- Teacher Legacy Pension Plan - KIPP Antioch College Prep Elementary
- Teacher Legacy Pension Plan - KIPP Antioch College Prep Middle
- Teacher Retirement Plan - KIPP Nashville Schools
- Teacher Retirement Plan - KIPP Antioch College Prep Elementary
- Teacher Retirement Plan - KIPP Antioch College Prep Middle

Non-Certificated Employees
Metropolitan Government of Nashville and Davidson County, Tennessee (the "Metropolitan Government"):
- Metro Pension Plan of the Metropolitan Employees Benefit Trust (the "Metro Plan")

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS and the Metropolitan Government. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Pension Plans. Investments are reported at fair value.

J. PENSIONS - Continued

(I.) TCRS Plans

(A) General Information - TCRS Plans

Description of the TCRS Plans

The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Teachers employed by KIPP Nashville with memberships in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014 but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly.

Teacher Legacy Pension Plan

Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 if vested. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

J. PENSIONS - Continued

Teacher Retirement Plan

Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly (or by automatic cost controls set out in law for the Teacher Retirement Plan). Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the TCRS Plans are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted.

J. PENSIONS - Continued

Teacher Legacy Pension Plan

Employer contributions by KIPP Nashville for the year ended June 30, 2023 to the Teacher Legacy Pension Plan were as follows:

KIPP Nashville Schools	$185,351
KIPP Antioch College Prep Elementary	61,849
KIPP Antioch College Prep Middle	25,214
	$272,414

Contributions are 8.69 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Teacher Retirement Plan

Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. Employer contributions by KIPP Nashville for the year ended June 30, 2023 to the Teacher Retirement Plan were as follows:

KIPP Nashville Schools	$303,842
KIPP Antioch College Prep Elementary	78,225
KIPP Antioch College Prep Middle	62,082
	$444,149

Contributions are 2.87 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

(B) Pension Liabilities (Assets) - TCRS Plans

Pension Liability (Asset)

Teacher Legacy Pension Plan

At June 30, 2023, KIPP Nashville reported an asset for its proportionate share of the net pension liability (asset) as follows:

KIPP Nashville Schools	$(861,413)
KIPP Antioch College Prep Elementary	(231,505)
KIPP Antioch College Prep Middle	(110,038)
	$(1,202,956)

J. PENSIONS - Continued

The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. KIPP Nashville's proportion of the net pension asset was based on KIPP Nashville's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022 and 2021, KIPP Nashville's proportion was as follows:

	Measurement Date	
	June 30, 2022	June 30, 2021
KIPP Nashville Schools	0.070239%	0.067584%
KIPP Antioch College Prep Elementary	0.018877%	0.016529%
KIPP Antioch College Prep Middle	0.008972%	0.006240%

Teacher Retirement Plan

At June 30, 2023, KIPP Nashville reported an asset for its proportionate share of the net pension liability (asset) as follows:

KIPP Nashville Schools	$(134,088)
KIPP Antioch College Prep Elementary	(29,884)
KIPP Antioch College Prep Middle	(20,273)
	$(184,245)

The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial value as of that date. KIPP Nashville's proportion of the net pension asset was based on KIPP Nashville's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022 and 2021, KIPP Nashville's proportion was as follows:

	Measurement Date	
	June 30, 2022	June 30, 2021
KIPP Nashville Schools	0.442644%	0.466279%
KIPP Antioch College Prep Elementary	0.098650%	0.066458%
KIPP Antioch College Prep Middle	0.066923%	0.051176%

J. PENSIONS - Continued

Actuarial Assumptions

Teacher Legacy Pension Plan and Teacher Retirement Plan

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

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of living adjustment	2.125 percent

Mortality rates are customized based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		100%

J. PENSIONS - Continued

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate

Teacher Legacy Pension Plan and Teacher Retirement Plan

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(II.) Metro Plan

(A) General Information - Metro Plan

Plan Description

The Metro Plan is established under the authority of the Metropolitan Charter, Article XIII. Approval of the Metropolitan Council is required to establish and amend benefit provisions. Article XIII also required that the pension plan be actuarially sound. Administrative costs of the plan are financed through plan assets. The plan is managed by the Metropolitan Employee Benefit Board, an independent board, created by the Metropolitan Charter. The Board is composed of ten members as follows: Finance Director, Human Resources Director, three members appointed by the Mayor, and five members selected by the employees and retirees of the Metropolitan Government. Additional information about the Metro Plan can be found in the publicly available comprehensive annual financial report of the Metropolitan Government. That report may be obtained at www.nashville.gov.

Benefits Provided

As of July 1, 1995, Division B of the Metro Plan was established for all non-certificated employees of the Metropolitan Nashville Public Schools, including charter schools, and all other Metro Government employees. Employees with an effective hire date of July 1, 1995, or later are only eligible to participate in Division B of the Metro Plan.

J. PENSIONS - Continued

Normal retirement for KIPP Nashville employees participating in the Metro Plan occurs at the unreduced retirement age which is the earlier of (a) the date when the employee's age plus the completed years of credited service equals 85, but not before age 60; or (b) the date when the employee reaches age 65 and completes 5 years of credited employee service. The lifetime monthly benefit is calculated as 1/12 of the sum of 1.75 percent of average earnings based upon the previous 60 consecutive months of credit service which produce the highest earnings. Benefits fully vest on completing 5 years of service for employees employed on or between October 1, 2001 and December 31, 2012, who vest before leaving employment. Benefits fully vest on completing 10 years of service for employees and non-vested employees hired or rehired on or after January 1, 2013. An early retirement option, with reduced benefits, is available for retired employees if the termination occurs prior to the eligibility under normal retirement but after age 50 and after the completion of 10 years of credited employee service.

All assets of the Metropolitan Employees' Benefit Trust Fund may legally be used to pay benefits to any plan members or beneficiaries.

Contributions

The funding policy is to provide for periodic contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. All funding is provided under an actuarially recommended employee contribution rate of 12.455 percent for the non-certificated employees of the Metropolitan Nashville Public Schools, including charter schools, and all other Metropolitan Government Employees. Contributions to the plan for the year ended June 30, 2023 were $940,325.

(B) Pension Liabilities - Metro Plan

Pension Liability

KIPP Nashville reported a liability of $1,409,227 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. KIPP Nashville's proportion of the net pension asset was based on KIPP Nashville's share of contributions to the pension plan during the year ended June 30, 2023, relative to all contributions for 2023. At the measurement date of June 30, 2023, KIPP Nashville's proportion was 0.899256 percent. The proportion measured as of June 30, 2022 was 0. 805748 percent.

J. PENSIONS - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2022. Actuarial assumptions are summarized below:

Inflation	2.5 percent
Salary increases	4.40 percent
Investment rate of return	7.00 percent, net of pension plan investment expenses, including inflation
Cost-of living adjustment	1.25 percent

Mortality rates were based on the 112% RP-2014 Blue Collar Table (projected to 2023 using Scale MP-21), as determined by the period actuarial experience study. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period 2017 to 2022.

The long-term expected rate of return on pension plan investments was established in conjunction with the most recent actuarial experience study completed February 7, 2023, by considering the following three techniques: (1) the 20-year historical return of the Metro Open Plan at June 30, 2022, (2) the historical market returns of asset classes from 1926 to 2022, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of 2.5 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	4.2%	24%
International equity	4.6%	16%
Equity hedge	7.3%	10%
Core plus fixed income	1.5%	20%
Fixed income alternatives	4.6%	10%
Real estate	3.5%	10%
Private equity	7.3%	10%
		100%

J. PENSIONS - Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. Based on the Metro Plan assumptions and funding policy, the fiduciary net position for the plan was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

(I.) Pension Liabilities (Assets), Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Pension Plans

Pension Liabilities (Assets)

KIPP Nashville reports the following net pension liability (asset) as of June 30, 2023:

TCRS Legacy Plan – KIPP Nashville Schools	$(861,413)
TCRS Legacy Plan – KIPP Antioch College Prep Elementary	(231,505)
TCRS Legacy Plan – KIPP Antioch College Prep Middle	(110,038)
TCRS Retirement Plan – KIPP Nashville Schools	(134,088)
TCRS Retirement Plan – Antioch College Prep Elementary	(29,884)
TCRS Retirement Plan – Antioch College Prep Middle	(20,273)
Net pension asset	$(1,387,201)
Metro Plan	$ 1,409,227
Net pension liability	$ 1,409,227

Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate

The following presents the School's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent for the TCRS Plans and 7.00 percent for the Metro Plan, as well as what the School's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent for the TCRS Plans and 6.00 percent for the Metro Plan) or 1-percentage-point higher (7.75 percent for the TCRS Plans and 8.00 percent for the Metro Plan) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Proportionate share of the net pension liability (asset):			
TCRS Legacy Plan –			
KIPP Nashville Schools	$1,706,161	$(861,413)	$(3,000,031)
KIPP Antioch College Prep Elementary	458,532	(231,505)	(806,261)
KIPP Antioch College Prep Middle	217,947	(110,038)	(383,227)

J. PENSIONS - Continued

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
TCRS Retirement Plan –			
KIPP Nashville Schools	703,884	(134,088)	(746,066)
KIPP Antioch College Prep Elementary	156,872	(29,884)	(166,273)
KIPP Antioch College Prep Middle	106,419	(20,273)	(112,796)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Metro Plan	5,920,684	1,409,227	(2,373,988)
Total	$9,270,499	$(22,026)	$(7,588,642)

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plans' respective fiduciary net position is available in separately issued TCRS and Metropolitan Government financial reports.

Pension Expense

For the year ended June 30, 2023, KIPP Nashville recognized pension expense (negative pension expense) as follows:

TCRS Legacy Plan –	
KIPP Nashville Schools	$(180,320)
KIPP Antioch College Prep Elementary	(79,849)
KIPP Antioch College Prep Middle	(39,754)
TCRS Retirement Plan -	
KIPP Nashville Schools	(106,958)
KIPP Antioch College Prep Elementary	(40,173)
KIPP Antioch College Prep Middle	(36,406)
Metro Plan	(216,977)
Negative pension expense	$(700,437)

J. PENSIONS - Continued

Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2023, KIPP Nashville reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
TCRS Legacy Plan -		
KIPP Nashville Schools	$ 141,699	$ 145,553
KIPP Antioch College Prep Elementary	38,082	39,117
KIPP Antioch College Prep Middle	18,101	18,593
TCRS Retirement Plan		
KIPP Nashville Schools	7,332	81,467
KIPP Antioch College Prep Elementary	1,634	18,156
KIPP Antioch College Prep Middle	1,108	12,317
Metro Plan	703,280	96,291
Changes in assumptions		
TCRS Legacy Plan -		
KIPP Nashville Schools	539,633	-
KIPP Antioch College Prep Elementary	145,027	-
KIPP Antioch College Prep Middle	68,933	-
TCRS Retirement Plan		
KIPP Nashville Schools	157,077	-
KIPP Antioch College Prep Elementary	35,007	-
KIPP Antioch College Prep Middle	23,748	-
Metro Plan	1,505,028	-
Net difference between projected and actual earnings on pension plan investments		
TCRS Legacy Plan -		
KIPP Nashville Schools	14,730	-
KIPP Antioch College Prep Elementary	3,959	-
KIPP Antioch College Prep Middle	1,882	-
TCRS Retirement Plan		
KIPP Nashville Schools	42,265	-
KIPP Antioch College Prep Elementary	9,419	-
KIPP Antioch College Prep Middle	6,390	-
Metro Plan	-	216,005

J. PENSIONS - Continued

Changes in proportion of net pension liability (asset)		
TCRS Legacy Plan -		
KIPP Nashville Schools	3,997	45,973
KIPP Antioch College Prep Elementary	-	43,112
KIPP Antioch College Prep Middle	2,476	39,589
TCRS Retirement Plan		
KIPP Nashville Schools	47,006	7,935
KIPP Antioch College Prep Elementary	2,441	43,763
KIPP Antioch College Prep Middle	-	29,749
Metro Plan	471,021	14,399
Contributions subsequent to the measurement date of June 30, 2021		
TCRS Legacy Plan -		
KIPP Nashville Schools	185,351	-
KIPP Antioch College Prep Elementary	61,849	-
KIPP Antioch College Prep Middle	25,214	-
TCRS Retirement Plan		
KIPP Nashville Schools	303,842	-
KIPP Antioch College Prep Elementary	78,225	-
KIPP Antioch College Prep Middle	62,082	-
Metro Plan	not applicable	not applicable
Totals	$4,707,838	$852,019

KIPP Nashville's employer contributions of $716,563 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	TCRS Legacy Plan			TCRS Retirement Plan				
Year Ended June 30,	KIPP Nashville Schools	KIPP Antioch College Prep Elementary	KIPP Antioch College Prep Middle	KIPP Nashville Schools	KIPP Antioch College Prep Elementary	KIPP Antioch College Prep Middle	Metro Plan	Total
2024	$ 72,069	$ 3,181	$(4,476)	$ 6,926	$(3,495)	$(2,512)	$(40,539)	$ 31,154
2025	143,094	29,678	10,264	7,357	(3,399)	(2,446)	(169,149)	15,399
2026	(161,284)	(50,210)	(30,654)	412	(4,948)	(3,497)	1,404,608	1,154,427
2027	454,654	122,190	58,076	74,028	11,458	7,634	870,646	1,598,686
2028	-	-	-	11,614	(2,449)	(1,802)	202,606	209,969
Thereafter	-	-	-	63,941	(10,585)	(8,197)	84,462	129,621

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

J. PENSIONS - Continued

Payable to the Pension Plans

At June 30, 2023, KIPP Nashville reported a payable for the outstanding amount of contributions required to the Pension Plans as follows:

TCRS Legacy Plan –	
KIPP Nashville Schools	$ 14,896
KIPP Antioch College Prep Elementary	5,202
KIPP Antioch College Prep Middle	2,471
TCRS Retirement Plan -	
KIPP Nashville Schools	29,999
KIPP Antioch College Prep Elementary	6,268
KIPP Antioch College Prep Middle	5,676
Metro Plan	77,999
	$142,511

Defined Contribution Plan

The TCRS Retirement Plan has a defined contribution component to the plan. Under the terms of the Plan for the defined contribution component, employees contribute 2% of their salaries to the plan, but are allowed an opt out feature. KIPP Nashville is required to contribute 5% of annual salaries, to an individual employee account. For the year ended June 30, 2023, KIPP Nashville recognized pension expense of $615,219 related to the defined contribution component of the plan. Employees are immediately vested in the plan.

K. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST

Legal Provisions

KIPP Nashville is a member of the Tennessee Consolidated Retirement System ("TCRS") Stabilization Reserve Trust. KIPP Nashville has placed funds into the irrevocable trust as authorized by statute under Tennessee Code Annotated ("TCA"), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of KIPP Nashville.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. KIPP Nashville may not impose any restrictions on investments placed by the trust on their behalf.

K. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST - Continued

Investment Balances

Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust ("TRGT"). The TRGT is not registered with the Securities and Exchange Commission ("SEC") as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2023, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

K. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST - Continued

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table on the next page.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes, and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute ("MAI"), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2023, the KIPP Nashville's asset balances were as follows:

KIPP Nashville Schools	$693,660
KIPP Antioch College Prep Elementary	116,246
KIPP Antioch College Prep Middle	69,258
	$879,164

K. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST - Continued

As of June 30, 2023, KIPP Nashville had the following investments held by the trust on its behalf:

KIPP Nashville Schools

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	$215,035
Developed Market International Equity	N/A	N/A	97,112
Emerging Market International Equity	N/A	N/A	27,746
U.S. Fixed Income	N/A	N/A	138,732
Real Estate	N/A	N/A	69,366
Short-term Securities	N/A	N/A	6,937
NAV-Private Equity and Strategic Lending	N/A	N/A	138,732
Total			$693,660

		Fair Value Measurements Using			
Investment by Fair Value Level	Fair Value June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
U.S. Equity	$215,035	$215,035	$ -	$ -	$ -
Developed Market International Equity	97,112	97,112	-	-	-
Emerging Market International Equity	27,746	27,746	-	-	-
U.S. Fixed Income	138,732	-	138,732	-	-
Real Estate	69,366	-	-	69,366	-
Short-term Securities	6,937	-	6,937	-	-
Private Equity and Strategic Lending	138,732	-	-	-	138,832
Total	$693,660	$339,893	$145,669	$69,366	$138,732

K. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST - Continued

KIPP Antioch College Prep Elementary

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	$ 36,036
Developed Market International Equity	N/A	N/A	16,274
Emerging Market International Equity	N/A	N/A	4,650
U.S. Fixed Income	N/A	N/A	23,249
Real Estate	N/A	N/A	11,625
Short-term Securities	N/A	N/A	1,162
NAV-Private Equity and Strategic Lending	N/A	N/A	23,250
Total			$116,246

		Fair Value Measurements Using			
Investment by Fair Value Level	Fair Value June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
U.S. Equity	$ 36,036	$36,036	$ -	$ -	$ -
Developed Market International Equity	16,274	16,274	-	-	-
Emerging Market International Equity	4,650	4,650	-	-	-
U.S. Fixed Income	23,249	-	23,249	-	-
Real Estate	11,625	-	-	11,625	-
Short-term Securities	1,162	-	1,162	-	-
Private Equity and Strategic Lending	23,250	-	-	-	23,250
Total	$116,246	$56,960	$24,411	$11,625	$23,250

K. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST - Continued

KIPP Antioch College Prep Middle

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	$21,469
Developed Market International Equity	N/A	N/A	9,696
Emerging Market International Equity	N/A	N/A	2,770
U.S. Fixed Income	N/A	N/A	13,852
Real Estate	N/A	N/A	6,926
Short-term Securities	N/A	N/A	693
NAV-Private Equity and Strategic Lending	N/A	N/A	13,852
Total			$69,258

		Fair Value Measurements Using			
Investment by Fair Value Level	Fair Value June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
U.S. Equity	$21,469	$21,469	$ -	$ -	$ -
Developed Market International Equity	9,696	9,696	-	-	-
Emerging Market International Equity	2,770	2,770	-	-	-
U.S. Fixed Income	13,852	-	13,852	-	-
Real Estate	6,926	-	-	6,926	-
Short-term Securities	693	-	693	-	-
Private Equity and Strategic Lending	13,852	-	-	-	13,852
Total	$69,258	$33,935	$14,545	$6,926	$13,852

K. RESTRICTED ASSETS - TCRS STABILIZATION RESERVE TRUST - Continued

Risks and Uncertainties

The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds, and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. KIPP Nashville does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. KIPP Nashville does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. KIPP Nashville places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of KIPP Nashville to pay retirement benefits of KIPP Nashville's employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at
https://comptroller.tn.gov/content/dam/cot/sa/advancedsearch/disclaimer/2020/ag19091.pdf.

L. CONTINGENCIES AND RISK MANAGEMENT

KIPP Nashville is exposed to various risks of loss relating to torts, theft of, damage to, and destruction of assets; errors or omissions; illness or injuries to employees; and natural disasters. KIPP Nashville carries insurance for certain risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

KIPP Nashville may become subject to various claims and legal actions, which arise in the ordinary course of business. In the opinion of management, in consultation with legal counsel, the ultimate resolution of such matters will not have a material adverse effect on KIPP Nashville's financial position or results of operations, as of the date of these financial statements.

KIPP Nashville receives awards and financial assistance through federal, state, local and private agencies. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Purpose School Fund or Federal and State Grants Fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position, and accordingly, no provision has been made within the financial statements.

M. COMMITMENTS AND SUBSEQUENT EVENTS

During fiscal year 2023, KIPP Nashville continued construction on the KIPP Antioch Global High School building. The costs incurred through June 30, 2023 are included in construction in progress, as described in Note D. The capital project is to be completed in fiscal year 2024 with an expected cost to completion of approximately $46 million.

Management has evaluated subsequent events through December 14, 2023, the date at which the financial statements were available for issuance, and has determined that, except as discussed in Note E, there are no subsequent events requiring disclosure:

REQUIRED SUPPLEMENTARY INFORMATION

KIPP NASHVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
FISCAL YEAR ENDED JUNE 30,

Teacher Legacy Plan of TCRS - KIPP Nashville Schools	2015	2016	2017	2018	2019	2020	2021	2022	2023
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Proportion of the net pension liability (asset)	0.03650%	0.04561%	0.054431%	0.057861%	0.751190%	0.067623%	0.063820%	0.067584%	0.070239%
Proportionate share of the net pension liability (asset)	$ (5,938)	$ 18,684	$ 340,162	$ (18,931)	$ (264,336)	$ (695,286)	$ (486,671)	$(2,915,057)	$ (861,413)
Covered payroll	$ 1,444,609	$ 1,707,398	$ 1,964,845	$ 2,045,371	$ 2,630,414	$ 2,267,500	$ 2,124,081	$ 2,218,217	$ 2,311,515
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.41%	1.09%	17.31%	-0.93%	-10.05%	-30.66%	-22.91%	-131.41%	-37.27%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

Teacher Legacy Plan of TCRS - KIPP Antioch College Prep Elementary	2015 (2)	2016 (2)	2017 (2)	2018 (2)	2019 (2)	2020	2021	2023	2023
Measurement date						June 30, 2019	June 30, 2020	June 30, 2022	June 30, 2022
Proportion of the net pension liability (asset)						0.007362%	0.014367%	0.016529%	0.018877%
Proportionate share of the net pension liability (asset)						$ (75,691)	$ (109,560)	$ (712,946)	$ (231,505)
Covered payroll						$ 246,847	$ 478,179	$ 542,752	$ 621,216
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll						-30.66%	-22.91%	-131.36%	-37.27%
Plan fiduciary net position as a percentage of the total pension liability						104.28%	103.09%	116.13%	104.42%

Teacher Legacy Plan of TCRS - KIPP Antioch College Prep Middle	2015 (3)	2016 (3)	2017 (3)	2018 (3)	2019 (3)	2020 (3)	2021	2023	2023
Measurement date							June 30, 2020	June 30, 2022	June 30, 2022
Proportion of the net pension liability (asset)							0.006986%	0.006240%	0.008972%
Proportionate share of the net pension liability (asset)							$ (53,269)	$ (269,164)	$ (110,038)
Covered payroll							$ 232,495	$ 204,821	$ 295,275
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll							-22.91%	-131.41%	-37.27%
Plan fiduciary net position as a percentage of the total pension liability							103.09%	116.13%	104.42%

Teacher Retirement Plan of TCRS - KIPP Nashville Schools	2015 (1)	2016	2017	2018	2019	2020	2021	2023	2023
Measurement date		June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2022	June 30, 2022
Proportion of the net pension liability (asset)		0.28347%	0.49256%	0.54908%	0.555711%	0.517855%	0.493986%	0.466279%	0.442644%
Proportionate share of the net pension liability (asset)		$ (11,404)	$ (51,277)	$ (144,867)	$ (252,032)	$ (292,322)	$ (280,900)	$ (505,079)	$ (134,088)
Covered payroll		$ 588,983	$ 2,167,299	$ 3,603,816	$ 4,856,244	$ 5,479,995	$ 6,233,749	$ 6,729,466	$ 7,774,562
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll		-1.94%	-2.37%	-4.02%	-5.19%	-5.33%	-4.51%	-7.51%	-1.72%
Plan fiduciary net position as a percentage of the total pension liability		127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

See independent auditor's report.

KIPP NASHVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET) - Continued
FISCAL YEAR ENDED JUNE 30,

Teacher Retirement Plan of TCRS - KIPP Antioch College Prep Elementary	2015 (1)	2016 (2)	2017 (2)	2018 (2)	2019 (2)	2020	2021	2022	2023
Measurement date						June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Proportion of the net pension liability (asset)						0.048456%	0.072185%	0.066458%	0.098650%
Proportionate share of the net pension liability (asset)						$ (27,353)	$ (41,049)	$ (71,988)	$ (29,884)
Covered payroll						$ 512,770	$ 910,933	$ 959,243	$ 1,684,649
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll						-5.33%	-4.51%	-7.50%	-1.77%
Plan fiduciary net position as a percentage of the total pension liability						123.07%	116.52%	121.53%	104.55%

Teacher Retirement Plan of TCRS - KIPP Antioch College Prep Middle	2015 (1)	2016 (3)	2017 (3)	2018 (3)	2019 (3)	2020 (3)	2021	2023	2023
Measurement date							June 30, 2020	June 30, 2022	June 30, 2022
Proportion of the net pension liability (asset)							0.028011%	0.051176%	0.066923%
Proportionate share of the net pension liability (asset)							$ (15,928)	$ (55,434)	$ (20,273)
Covered payroll							$ 353,478	$ 738,584	$ 1,142,834
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll							-4.51%	-7.51%	-1.77%
Plan fiduciary net position as a percentage of the total pension liability							116.52%	121.53%	104.55%

Metro Plan	2015	2016	2017	2018	2019	2020	2021	2022	2023
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Proportion of the net pension liability (asset)	0.27630%	0.32560%	0.32149%	0.44271%	0.54510%	0.56733%	0.68500%	0.80575%	0.89926%
Proportionate share of the net pension liability (asset)	$ 190,396	$ 720,604	$ 131,313	$ 262,268	$ 401,750	$ 1,229,964	$(3,919,853)	$(1,361,360)	$ 1,409,277
Covered payroll	$ 1,444,705	$ 1,841,314	$ 1,924,498	$ 2,745,924	$ 3,412,034	$ 3,615,105	$ 4,800,089	$ 5,804,891	$ 7,549,779
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	13.18%	39.14%	6.82%	9.55%	11.77%	34.02%	-81.66%	-23.45%	18.67%
Plan fiduciary net position as a percentage of the total pension liability	97.57%	92.39%	98.64%	97.45%	96.37%	93.79%	115.75%	104.35%	96.20%

The amounts presented in this schedule were determined as of the measurement date.

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

(1) Information is not applicable for 2015 in this schedule for the Teacher Retirement Plan of TCRS as the measurement date was June 30, 2014, and the Teacher Retirement Plan did not commence until July 1, 2014.

(2) Information is not applicable for 2015-2019 in this schedule for the Teacher Legacy Plan of TCRS - KIPP Antioch College Prep Elementary, as the Plan did not commence for this School until July 1, 2019.

(3) Information is not applicable for 2015-2020 in this schedule for the Teacher Legacy Plan of TCRS - KIPP Antioch College Prep Middle, as the Plan did not commence for this School until July 1, 2020.

See independent auditor's report.

KIPP NASHVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FISCAL YEAR ENDING JUNE 30,

Teacher Legacy Pension Plan of TCRS - KIPP Nashville Schools	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarial Determined Contributions (ADC)	$ 128,281	$ 154,438	$ 177,622	$ 184,902	$ 238,842	$ 237,180	$ 225,790	$ 227,811	$ 238,086	$ 185,351
Contributions in relation to the actuarially determined contribution	128,281	154,438	177,622	184,902	238,842	237,180	225,790	227,811	238,086	185,351
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,444,609	$ 1,707,389	$ 1,964,845	$ 2,045,371	$ 2,630,419	$ 2,267,495	$2,124,083	$2,218,217	$2,311,515	$ 2,132,923
Contributions as a percentage of covered payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

Teacher Legacy Plan of TCRS - KIPP Antioch College Prep Elementary	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarial Determined Contributions (ADC)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	$ 25,820	$ 50,830	$ 55,717	$ 63,985	$ 61,849
Contributions in relation to the actuarially determined contribution						25,820	50,830	55,717	63,985	61,849
Contribution deficiency (excess)						$ -	$ -	$ -	$ -	$ -
Covered payroll						$ 246,847	$ 478,179	$ 542,752	$ 621,214	$ 711,726
Contributions as a percentage of covered payroll						10.46%	10.63%	10.27%	10.30%	8.69%

Teacher Legacy Plan of TCRS - KIPP Antioch College Prep Middle	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarial Determined Contributions (ADC)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	$ 24,714	$ 21,035	$ 30,413	$ 25,214
Contributions in relation to the actuarially determined contribution							24,714	21,035	30,413	25,214
Contribution deficiency (excess)							$ -	$ -	$ -	$ -
Covered payroll							$ 232,495	$ 204,821	$ 295,272	$ 290,150
Contributions as a percentage of covered payroll							10.63%	10.27%	10.30%	8.69%

Teacher Retirement Plan of TCRS - KIPP Nashville Schools	2014	2015	2016	2017	2018	2019 *	2020 *	2021 *	2022 *	2023 *
Actuarial Determined Contributions (ADC)	Not applicable	$ 14,725	$ 54,252	$ 144,152	$ 79,193	$ 106,311	$ 126,544	$ 135,935	$ 151,937	$ 303,842
Contributions in relation to the actuarially determined contribution		23,559	86,692	144,152	194,250	106,311	126,544	135,935	151,937	303,842
Contribution deficiency (excess)		$ (8,834)	$ (32,440)	$ -	$ (115,057)	$ -	$ -	$ -	$ -	$ -
Covered payroll		$ 588,983	$ 2,167,299	$ 3,603,816	$ 4,856,244	$ 5,479,948	$6,233,749	$6,729,466	$7,774,562	$10,586,829
Contributions as a percentage of covered payroll		4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	1.95%	2.87%

Teacher Retirement Plan of TCRS - KIPP Antioch College Prep Elementary	2014	2015	2016	2017	2018	2019 *	2020 *	2021 *	2022 *	2023 *
Actuarial Determined Contributions (ADC)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	$ 9,948	$ 18,492	$ 19,375	$ 33,862	$ 78,225
Contributions in relation to the actuarially determined contribution						9,948	18,492	19,375	33,862	78,225
Contribution deficiency (excess)						$ -	$ -	$ -	$ -	$ -
Covered payroll						$ 512,770	$ 910,933	$ 959,243	$1,684,649	$ 2,725,610
Contributions as a percentage of covered payroll						1.94%	2.03%	2.02%	2.01%	2.87%

See independent auditor's report.

KIPP NASHVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS - Continued
FISCAL YEAR ENDING JUNE 30,

Teacher Retirement Plan of TCRS - KIPP Antioch College Prep Middle	2014	2015	2016	2017	2018	2019 *	2020 *	2021 *	2022 *	2023 *
Actuarial Determined Contributions (ADC)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	$ 7,176	$ 14,919	$ 22,971	$ 62,082
Contributions in relation to the actuarially determined contribution							7,176	14,919	22,971	62,082
Contribution deficiency (excess)							$ -	$ -	$ -	$ -
Covered payroll							$ 353,478	$ 738,584	$1,142,834	$ 2,163,136
Contributions as a percentage of covered payroll							2.03%	2.02%	2.01%	2.87%

Metro Plan	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarial Determined Contributions (ADC)	$ 144,260	$ 259,859	$ 285,587	$ 237,483	$ 338,847	$ 421,045	$ 446,104	$ 592,331	$ 747,728	$ 940,325
Contributions in relation to the actuarially determined contribution	144,260	259,859	285,587	237,483	338,847	421,045	446,104	592,331	747,728	940,325
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 842,788	$ 1,444,705	$ 1,841,309	$ 1,924,498	$ 2,745,924	$ 3,412,034	$3,615,105	$4,800,089	$5,804,891	$ 7,549,779
Contributions as a percentage of covered payroll	17.117%	17.987%	15.510%	12.340%	12.340%	12.340%	12.340%	12.340%	12.881%	12.455%

* In fiscal years 2019, 2020, 2021, 2022, and 2023, the Organization placed the actuarially determined contribution rate (1.94%, 2.03%, 2.02%, 2.01%, and 2.87%, respectively) of covered payroll into the Teacher Retirement Plan of TCRS and placed 2.06%, 1.97%, 1.98%, 1.99%, and 2.01% respectively, of covered payroll into the TCRS Stabilization Reserve Trust.

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Changes of Assumptions for TCRS Plans. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed for the TCRS plans: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

KIPP NASHVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

Program Name/Grantor	Assistance Listing Number	Pass-through Entity Identifying Number	Total Expenditures
Federal Awards			
U.S. DEPARTMENT OF AGRICULTURE:			
Passed through Tennessee Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	$ 477,522
School Lunch Program	10.555	N/A	1,054,863
Fresh Fruit and Vegetable Program	10.582	N/A	455
Total Child Nutrition Cluster			1,532,840
Total U.S. Department of Agriculture			1,532,840
U.S. DEPARTMENT OF EDUCATION:			
Passed through Tennessee Department of Education			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	84.010 *	N/A	806,045
Education Stabilization Fund (ESF)			
Governor's Emergency Education Relief (GEER) Fund	84.425C *	N/A	1,231,664
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D *	N/A	458,691
Total Education Stabilization Fund (ESF)			1,690,355
Total U.S. Department of Education			2,496,400
Total Federal Awards			4,029,240
State Financial Assistance			
TENNESSEE DEPARTMENT OF EDUCATION:			
Basic Education Program - Capital Outlay	N/A	N/A	339,000
Safe Schools	N/A	N/A	16,063
Charter School Facilities Grant	N/A	N/A	1,193,515
SCORE	N/A	N/A	577,400
Early Literacy	N/A	N/A	4,000
Passed through Metropolitan Nashville Public Schools			
Basic Education Program	N/A	N/A	45,880,343
Total State Awards			48,010,321
Total Federal and State Awards			$ 52,039,561

See independent auditor's report.

Note 1: The schedule of expenditures of federal awards and state financial assistance includes the federal grant activity presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the state grant activity presented in accordance with the requirements of the State of Tennessee. Because the schedule presents only a selected portion of the operations of KIPP Nashville, it is not intended to and does not present the financial position or changes in financial position of KIPP Nashville. The schedule is prepared using the accrual basis of accounting. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2: KIPP Nashville had no amounts which it passed-through to subrecipients.

Note 3: KIPP Nashville has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

* Major Program in accordance with the Uniform Guidance.

See independent auditor's report.

KIPP NASHVILLE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2022	Issued During Period	Paid and/or Matured During Period	Forgiven During Period	Outstanding 6/30/2023
Governmental Activities:									
BONDS PAYABLE									
Payable through General Purpose School Fund									
Series 2018 Education Revenue Bond	$ 12,475,000	4.15%	10/03/2018	10/01/2045	$ 11,987,274	$ -	$ 11,987,274	$ -	$ -
Bond through Charter Impact Fund, Inc.	10,500,000	4.10%	06/05/2019	06/01/2049	9,926,367	-	204,496	-	9,721,871
Bond through the Equitable Facilities Fund	16,991,883	5.00%	06/22/2020	07/01/2050	16,747,220	-	279,982	-	16,467,238
Series 2022A Education Revenue Bonds	21,600,000	5.00%	08/10/2022	07/01/2062	-	21,600,000	-	-	21,600,000
Series 2022B Education Revenue Bonds	645,000	5.25%	08/10/2022	07/01/2027	-	645,000	-	-	645,000
Series 2023A Education Revenue Bonds	50,000,000	4.01%	03/09/2023	06/01/2053	-	50,000,000	-	-	50,000,000
Total Bonds Payable					$ 38,660,861	$ 72,245,000	$ 12,471,752	$ -	$ 98,434,109
NOTES PAYABLE									
Payable through General Purpose School Fund									
Line-of-credit	$ 2,450,000	variable	03/13/2014	05/20/2023	$ -	$ -	$ -	$ -	$ -
Note Payable through CV LHF, LLC	7,250,000	0.00%	04/02/2022	11/15/2022	7,250,000	-	7,250,000	-	-
Total Notes Payable					$ 7,250,000	$ -	$ 7,250,000	$ -	$ -

See independent auditor's report.

KIPP NASHVILLE
SCHEDULE OF CHANGES IN LEASE OBLIGATIONS
JUNE 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Restated Outstanding 7/1/2022	Issued During Period	Paid and/or Matured During Period	Remeasurements	Outstanding 6/30/2023
Governmental Activities:									
LEASES PAYABLE									
Payable through General Purpose School Fund									
Lease - KIPP Kirkpatrick building	$ 300,597	5.00%	07/01/2021	06/30/2025	$ 232,291	$ -	$ 72,051	$ -	$ 160,240
Lease - Highland Heights building	5,355,922	5.00%	07/01/2021	06/30/2029	4,859,239	-	526,188	-	4,333,051
Total Leases Payable					$ 5,091,530	$ -	$ 598,239	$ -	$ 4,493,291

See independent auditor's report.

KIPP NASHVILLE
SCHEDULE OF LEASE REQUIREMENTS BY YEAR
JUNE 30, 2023

Year Ending June 30	Leases		
	Principal	Interest	Total
2024	$ 653,683	$ 209,819	$ 863,502
2025	712,691	175,795	888,486
2026	712,061	140,175	852,236
2027	723,092	104,321	827,413
2028	811,647	66,156	877,803
2029	880,117	24,018	904,135
Total	$ 4,493,291	$ 720,284	$ 5,213,575

See independent auditor's report.

KIPP NASHVILLE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Permanent	
	KIPP Alumni Scholarship Fund	Total Nonmajor Governmental Funds
ASSETS		
Investments	$ 292,935	$ 292,935
Total assets	$ 292,935	$ 292,935
LIABILITIES		
Accounts payable and accrued expenditures	$ -	$ -
Total liabilities	-	-
FUND BALANCES		
Nonspendable	130,300	130,300
Restricted	162,635	162,635
Total fund balances	292,935	292,935
Total liabilities and fund balances	$ 292,935	$ 292,935

See independent auditor's report.

KIPP NASHVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Permanent	
	KIPP Alumni Scholarship Fund	Total Nonmajor Governmental Funds
REVENUES		
Contributions	$ -	$ -
Interest	3,760	3,760
Investment depreciation	21,574	21,574
Total revenues	25,334	25,334
EXPENDITURES	-	-
NET CHANGE IN FUND BALANCES	25,334	25,334
FUND BALANCES, June 30, 2022	267,601	267,601
FUND BALANCES, June 30, 2023	$ 292,935	$ 292,935

See independent auditor's report.

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES BY SCHOOL
KIPP ACADEMY NASHVILLE
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 4,745,188	$ 25,270	$ 29,443	$ -	$ 4,799,901
Investments	-	-	-	292,935	292,935
Receivables	14,086	-	36,131	-	50,217
Due from other funds	36,131	-	-	-	36,131
Other current assets	36,062	-	-	-	36,062
Restricted assets:					
Cash and cash equivalents	570,319	-	-	-	570,319
Investments	167,146	-	-	-	167,146
TCRS Stabilization Reserve Trust	111,083	-	-	-	111,083
Total assets	$ 5,680,015	$ 25,270	$ 65,574	$ 292,935	$ 6,063,794
LIABILITIES					
Accounts payable	$ 156,656	$ -	$ -	$ -	$ 156,656
Accrued expenditures	251,345	-	-	-	251,345
Due to other funds	-	-	36,131	-	36,131
Advance contributions and grants	-	25,270	-	-	25,270
Total liabilities	408,001	25,270	36,131	-	469,402
FUND BALANCES					
Nonspendable	36,062	-	-	130,300	166,362
Restricted for:					
TCRS Stabilization Reserve Trust	111,083	-	-	-	111,083
Internal school funds	-	-	-	-	-
Scholarships	-	-	-	162,635	162,635
Other	737,465	-	29,443	-	766,908
Unassigned	4,387,404	-	-	-	4,387,404
Total fund balances	5,272,014	-	29,443	292,935	5,594,392
Total liabilities and fund balances	$ 5,680,015	$ 25,270	$ 65,574	$ 292,935	$ 6,063,794

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES BY SCHOOL
KIPP NASHVILLE COLLEGE PREP
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,044,885	$ 21,604	$ 37,055	$ 4,103,544
Investments	-	-	-	-
Receivables	12,042	-	89,822	101,864
Due from other funds	89,822	-	-	89,822
Other current assets	30,830	-	-	30,830
Restricted assets:				
Cash and cash equivalents	487,578	-	-	487,578
Investments	142,898	-	-	142,898
TCRS Stabilization Reserve Trust	94,967	-	-	94,967
Total assets	$ 4,903,022	$ 21,604	$ 126,877	$ 5,051,503
LIABILITIES				
Accounts payable	$ 207,562	$ -	$ -	$ 207,562
Accrued expenditures	206,175	-	-	206,175
Due to other funds	-	-	89,822	89,822
Advance contributions and grants	-	21,604	-	21,604
Total liabilities	413,737	21,604	89,822	525,163
FUND BALANCES				
Nonspendable	30,830	-	-	30,830
Restricted for:				
TCRS Stabilization Reserve Trust	94,967	-	-	94,967
Internal school funds	-	-	-	-
Other	630,476	-	37,055	667,531
Unassigned	3,733,012	-	-	3,733,012
Total fund balances	4,489,285	-	37,055	4,526,340
Total liabilities and fund balances	$ 4,903,022	$ 21,604	$ 126,877	$ 5,051,503

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES BY SCHOOL
KIPP NASHVILLE COLLEGIATE HIGH SCHOOL
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 5,654,601	$ 30,115	$ 35,376	$ 5,720,092
Investments	-	-	-	-
Receivables	16,786	-	300	17,086
Due from other funds	300	-	-	300
Other current assets	42,975	-	-	42,975
Restricted assets:				
Cash and cash equivalents	679,654	-	-	679,654
Investments	199,191	-	-	199,191
TCRS Stabilization Reserve Trust	132,378	-	-	132,378
Total assets	$ 6,725,885	$ 30,115	$ 35,676	$ 6,791,676
LIABILITIES				
Accounts payable	$ 169,507	$ -	$ -	$ 169,507
Accrued expenditures	311,032	-	-	311,032
Due to other funds	-	-	300	300
Advance contributions and grants	-	30,115	-	30,115
Total liabilities	480,539	30,115	300	510,954
FUND BALANCES				
Nonspendable	42,975	-	-	42,975
Restricted for:				
TCRS Stabilization Reserve Trust	132,378	-	-	132,378
Internal school funds	-	-	-	-
Other	878,845	-	35,376	914,221
Unassigned	5,191,148	-	-	5,191,148
Total fund balances	6,245,346	-	35,376	6,280,722
Total liabilities and fund balances	$ 6,725,885	$ 30,115	$ 35,676	$ 6,791,676

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES BY SCHOOL
KIPP KIRKPATRICK ELEMENTARY SCHOOL
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,042,724	$ 21,408	$ 2,107	$ 4,066,239
Investments	-	-	-	-
Receivables	11,933	-	171,237	183,170
Due from other funds	171,237	-	-	171,237
Other current assets	30,550	-	-	30,550
Restricted assets:				
Cash and cash equivalents	483,146	-	-	483,146
Investments	141,599	-	-	141,599
TCRS Stabilization Reserve Trust	94,104	-	-	94,104
Total assets	$ 4,975,293	$ 21,408	$ 173,344	$ 5,170,045
LIABILITIES				
Accounts payable	$ 110,764	$ -	$ -	$ 110,764
Accrued expenditures	203,756	-	-	203,756
Due to other funds	-	-	171,237	171,237
Advance contributions and grants	-	21,408	-	21,408
Total liabilities	314,520	21,408	171,237	507,165
FUND BALANCES				
Nonspendable	30,550	-	-	30,550
Restricted for:				
TCRS Stabilization Reserve Trust	94,104	-	-	94,104
Internal school funds	-	-	-	-
Other	624,745	-	2,107	626,852
Unassigned	3,911,374	-	-	3,911,374
Total fund balances	4,660,773	-	2,107	4,662,880
Total liabilities and fund balances	$ 4,975,293	$ 21,408	$ 173,344	$ 5,170,045

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES BY SCHOOL
KIPP NASHVILLE COLLEGE PREP ELEMENTARY SCHOOL
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 5,009,400	$ 26,579	$ 12,624	$ 5,048,603
Investments	-	-	-	-
Receivables	14,816	-	123,590	138,406
Due from other funds	123,590	-	-	123,590
Other current assets	37,931	-	-	37,931
Restricted assets:				
Cash and cash equivalents	599,868	-	-	599,868
Investments	175,808	-	-	175,808
TCRS Stabilization Reserve Trust	116,838	-	-	116,838
Total assets	$ 6,078,251	$ 26,579	$ 136,214	$ 6,241,044
LIABILITIES				
Accounts payable	$ 185,667	$ -	$ -	$ 185,667
Accrued expenditures	267,476	-	-	267,476
Due to other funds	-	-	123,590	123,590
Advance contributions and grants	-	26,579	-	26,579
Total liabilities	453,143	26,579	123,590	603,312
FUND BALANCES				
Nonspendable	37,931	-	-	37,931
Restricted for:				
TCRS Stabilization Reserve Trust	116,838	-	-	116,838
Internal school funds	-	-	-	-
Other	775,676	-	12,624	788,300
Unassigned	4,694,663	-	-	4,694,663
Total fund balances	5,625,108	-	12,624	5,637,732
Total liabilities and fund balances	$ 6,078,251	$ 26,579	$ 136,214	$ 6,241,044

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES BY SCHOOL
KIPP ANTIOCH COLLEGE PREP ELEMENTARY SCHOOL
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 7,913,100	$ 42,160	$ 52,868	$ 8,008,128
Investments	-	-	-	-
Receivables	416,449	-	240,354	656,803
Due from other funds	240,354	-	-	240,354
Other current assets	60,166	-	-	60,166
Restricted assets:				
Cash and cash equivalents	951,516	-	-	951,516
Investments	278,867	-	-	278,867
TCRS Stabilization Reserve Trust	185,329	-	-	185,329
Total assets	$ 10,045,781	$ 42,160	$ 293,222	$ 10,381,163
LIABILITIES				
Accounts payable	$ 238,136	$ -	$ -	$ 238,136
Accrued expenditures	459,445	-	-	459,445
Due to other funds	-	-	240,354	240,354
Advance contributions and grants	-	42,160	-	42,160
Total liabilities	697,581	42,160	240,354	980,095
FUND BALANCES				
Nonspendable	60,166	-	-	60,166
Restricted for:				
TCRS Stabilization Reserve Trust	185,329	-	-	185,329
Internal school funds	-	-	-	-
Other	1,230,383	-	52,868	1,283,251
Unassigned	7,872,322	-	-	7,872,322
Total fund balances	9,348,200	-	52,868	9,401,068
Total liabilities and fund balances	$ 10,045,781	$ 42,160	$ 293,222	$ 10,381,163

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES BY SCHOOL
KIPP ANTIOCH COLLEGE PREP MIDDLE SCHOOL
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 6,172,240	$ 32,864	$ 37,257	$ 6,242,361
Investments	-	-	-	-
Receivables	317,176	-	204,770	521,946
Due from other funds	204,770	-	-	204,770
Other current assets	46,899	-	-	46,899
Restricted assets:				
Cash and cash equivalents	741,709	-	-	741,709
Investments	217,378	-	-	217,378
TCRS Stabilization Reserve Trust	144,465	-	-	144,465
Total assets	$ 7,844,637	$ 32,864	$ 242,027	$ 8,119,528
LIABILITIES				
Accounts payable	$ 151,268	$ -	$ -	$ 151,268
Accrued expenditures	344,909	-	-	344,909
Due to other funds	-	-	204,770	204,770
Advance contributions and grants	-	32,864	-	32,864
Total liabilities	496,177	32,864	204,770	733,811
FUND BALANCES				
Nonspendable	46,899	-	-	46,899
Restricted for:				
TCRS Stabilization Reserve Trust	144,465	-	-	144,465
Internal school funds	-	-	-	-
Other	959,087	-	37,257	996,344
Unassigned	6,198,009	-	-	6,198,009
Total fund balances	7,348,460	-	37,257	7,385,717
Total liabilities and fund balances	$ 7,844,637	$ 32,864	$ 242,027	$ 8,119,528

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES BY SCHOOL
KIPP ANTIOCH GLOBAL HIGH SCHOOL
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Investments	-	-	-	-
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Other current assets	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Investments	46,136,740	-	-	46,136,740
TCRS Stabilization Reserve Trust	-	-	-	-
Total assets	$ 46,136,740	$ -	$ -	$ 46,136,740
LIABILITIES				
Accounts payable	$ 158,956	$ -	$ -	$ 158,956
Accrued expenditures	-	-	-	-
Due to other funds	-	-	-	-
Advance contributions and grants	-	-	-	-
Total liabilities	158,956	-	-	158,956
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
TCRS Stabilization Reserve Trust	-	-	-	-
Internal school funds	-	-	-	-
Other	46,136,740	-	-	46,136,740
Unassigned	(158,956)	-	-	(158,956)
Total fund balances	45,977,784	-	-	45,977,784
Total liabilities and fund balances	$ 46,136,740	$ -	$ -	$ 46,136,740

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL
KIPP ACADEMY NASHVILLE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Contributions	$ 698,318	$ 25,270	$ -	$ -	$ 723,588
District funding	5,728,295	-	-	-	5,728,295
Federal and state grants	-	-	1,100,099	-	1,100,099
Interest and investment income	124,591	-	-	25,334	149,925
Other income	4,906	-	-	-	4,906
Other income - internal school fund	4,903	-	-	-	4,903
Total revenues	6,561,013	25,270	1,100,099	25,334	7,711,716
EXPENDITURES					
Current:					
Instructional	530,185	-	-	-	530,185
Instructional - internal school fund	4,903	-	-	-	4,903
Occupancy	75,698	-	-	-	75,698
Office	232,989	-	-	-	232,989
Organizational development	21,660	25,270	-	-	46,930
Professional services and fees	383,718	-	13,466	-	397,184
Employee compensation	3,289,625	-	812,374	-	4,101,999
Staff development	134,491	-	9,056	-	143,547
Transportation	157,342	-	-	-	157,342
Debt service:					
Principal	107,334	-	155,760	-	263,094
Interest	117,681	-	-	-	117,681
Capital outlay	118,562	-	80,000	-	198,562
Total expenditures	5,174,188	25,270	1,070,656	-	6,270,114
OTHER FINANCING SOURCES (USES):					
Proceeds from leases	-	-	-	-	-
Proceeds from issuance of debt	-	-	-	-	-
Debt issue premium	-	-	-	-	-
Transfers out	(188,453)	-	-	-	(188,453)
Total other financing sources (uses)	(188,453)	-	-	-	(188,453)
NET CHANGE IN FUND BALANCES	1,198,372	-	29,443	25,334	1,253,149
FUND BALANCES, June 30, 2022	4,073,642	-	-	267,601	4,341,243
FUND BALANCES, June 30, 2023	$ 5,272,014	$ -	$ 29,443	$ 292,935	$ 5,594,392

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL
KIPP NASHVILLE COLLEGE PREP
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
REVENUES				
Contributions	$ 597,008	$ 21,604	$ -	$ 618,612
District funding	4,950,047	-	-	4,950,047
Federal and state grants	-	-	1,717,278	1,717,278
Interest and investment income	106,516	-	-	106,516
Other income	8,438	-	-	8,438
Other income - internal school fund	16,603	-	-	16,603
Total revenues	5,678,612	21,604	1,717,278	7,417,494
EXPENDITURES				
Current:				
Instructional	392,060	-	295,018	687,078
Instructional - internal school fund	16,603	-	-	16,603
Occupancy	427,816	-	-	427,816
Office	171,929	-	-	171,929
Organizational development	21,174	21,604	-	42,778
Professional services and fees	379,867	-	38,932	418,799
Employee compensation	3,485,425	-	592,523	4,077,948
Staff development	123,433	-	7,742	131,175
Transportation	134,459	-	-	134,459
Debt service:				
Principal	-	-	122,698	122,698
Interest	327,592	-	13,913	341,505
Capital outlay	419,452	-	609,397	1,028,849
Total expenditures	5,899,810	21,604	1,680,223	7,601,637
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	-	-
Proceeds from issuance of debt	3,193,911	-	-	3,193,911
Debt issue premium	210,059	-	-	210,059
Transfers out	(2,081,264)	-	-	(2,081,264)
Total other financing sources (uses)	1,322,706	-	-	1,322,706
NET CHANGE IN FUND BALANCES	1,101,508	-	37,055	1,138,563
FUND BALANCES, June 30, 2022	3,387,777	-	-	3,387,777
FUND BALANCES, June 30, 2023	$ 4,489,285	$ -	$ 37,055	$ 4,526,340

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL
KIPP NASHVILLE COLLEGIATE HIGH SCHOOL
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
REVENUES				
Contributions	$ 832,367	$ 30,115	$ -	$ 862,482
District funding	6,977,277	-	-	6,977,277
Federal and state grants	-	-	1,311,889	1,311,889
Interest and investment income	148,477	-	-	148,477
Other income	8,153	-	-	8,153
Other income - internal school fund	67,404	-	-	67,404
Total revenues	8,033,678	30,115	1,311,889	9,375,682
EXPENDITURES				
Current:				
Instructional	577,898	-	22,583	600,481
Instructional - internal school fund	67,404	-	-	67,404
Occupancy	155,450	-	-	155,450
Office	201,798	-	-	201,798
Organizational development	31,360	30,115	-	61,475
Professional services and fees	461,314	-	36,036	497,350
Employee compensation	5,348,673	-	883,644	6,232,317
Staff development	144,377	-	10,792	155,169
Transportation	187,478	-	-	187,478
Debt service:				
Principal	68,636	-	194,458	263,094
Interest	118,296	-	-	118,296
Capital outlay	102,232	-	129,000	231,232
Total expenditures	7,464,916	30,115	1,276,513	8,771,544
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
Debt issue premium	-	-	-	-
Transfers in	823,381	-	-	823,381
Total other financing sources (uses)	823,381	-	-	823,381
NET CHANGE IN FUND BALANCES	1,392,143	-	35,376	1,427,519
FUND BALANCES, June 30, 2022	4,853,203	-	-	4,853,203
FUND BALANCES, June 30, 2023	$ 6,245,346	$ -	$ 35,376	$ 6,280,722

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL
KIPP KIRKPATRICK ELEMENTARY SCHOOL
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
REVENUES				
Contributions	$ 611,580	$ 21,408	$ -	$ 632,988
District funding	4,963,255	-	-	4,963,255
Federal and state grants	-	-	1,432,328	1,432,328
Interest and investment income	105,548	-	-	105,548
Other income	4,159	-	-	4,159
Other income - internal school fund	5,041	-	-	5,041
Total revenues	5,689,583	21,408	1,432,328	7,143,319
EXPENDITURES				
Current:				
Instructional	261,152	-	361,622	622,774
Instructional - internal school fund	5,041	-	-	5,041
Occupancy	178,661	-	-	178,661
Office	161,740	-	-	161,740
Organizational development	23,679	21,408	-	45,087
Professional services and fees	311,697	-	29,561	341,258
Employee compensation	3,497,580	-	864,294	4,361,874
Staff development	102,513	-	7,671	110,184
Transportation	133,236	-	-	133,236
Debt service:				
Principal	-	-	72,051	72,051
Interest	-	-	14,471	14,471
Capital outlay	118,033	-	80,551	198,584
Total expenditures	4,793,332	21,408	1,430,221	6,244,961
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
Debt issue premium	-	-	-	-
Transfers out	(469,200)	-	-	(469,200)
Total other financing sources (uses)	(469,200)	-	-	(469,200)
NET CHANGE IN FUND BALANCES	427,051	-	2,107	429,158
FUND BALANCES, June 30, 2022	4,233,722	-	-	4,233,722
FUND BALANCES, June 30, 2023	$ 4,660,773	$ -	$ 2,107	$ 4,662,880

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL
KIPP NASHVILLE COLLEGE PREP ELEMENTARY SCHOOL
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
REVENUES				
Contributions	$ 754,501	$ 26,579	$ -	$ 781,080
District funding	6,142,004	-	-	6,142,004
Federal and state grants	-	-	1,817,118	1,817,118
Interest and investment income	131,047	-	-	131,047
Other income	16,736	-	-	16,736
Other income - internal school fund	5,691	-	-	5,691
Total revenues	7,049,979	26,579	1,817,118	8,893,676
EXPENDITURES				
Current:				
Instructional	469,874	-	391,731	861,605
Instructional - internal school fund	5,691	-	-	5,691
Occupancy	428,407	-	-	428,407
Office	176,030	-	-	176,030
Organizational development	25,376	26,579	-	51,955
Professional services and fees	389,298	-	14,163	403,461
Employee compensation	3,820,791	-	664,936	4,485,727
Staff development	126,796	-	9,525	136,321
Transportation	165,439	-	-	165,439
Debt service:				
Principal	-	-	81,798	81,798
Interest	266,772	-	75,365	342,137
Capital outlay	303,555	-	566,976	870,531
Total expenditures	6,178,029	26,579	1,804,494	8,009,102
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	-	-
Proceeds from issuance of debt	3,193,911	-	-	3,193,911
Debt issue premium	210,060	-	-	210,060
Transfers out	(3,141,259)	-	-	(3,141,259)
Total other financing sources (uses)	262,712	-	-	262,712
NET CHANGE IN FUND BALANCES	1,134,662	-	12,624	1,147,286
FUND BALANCES, June 30, 2022	4,490,446	-	-	4,490,446
FUND BALANCES, June 30, 2023	$ 5,625,108	$ -	$ 12,624	$ 5,637,732

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL
KIPP ANTIOCH COLLEGE PREP ELEMENTARY SCHOOL
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
REVENUES				
Contributions	$ 1,185,071	$ 42,160	$ -	$ 1,227,231
District funding	9,687,624	-	-	9,687,624
Federal and state grants	-	-	2,076,834	2,076,834
Interest and investment income	207,867	-	-	207,867
Other income	97,363	-	-	97,363
Other income - internal school fund	11,676	-	-	11,676
Total revenues	11,189,601	42,160	2,076,834	13,308,595
EXPENDITURES				
Current:				
Instructional	610,180	-	432,474	1,042,654
Instructional - internal school fund	11,676	-	-	11,676
Occupancy	393,450	-	96,717	490,167
Office	222,689	-	76,573	299,262
Organizational development	47,627	42,160	-	89,787
Professional services and fees	733,759	-	57,584	791,343
Employee compensation	5,398,377	-	1,090,568	6,488,945
Staff development	216,700	-	15,108	231,808
Transportation	262,398	-	-	262,398
Debt service:				
Principal	5,755,186	-	254,942	6,010,128
Interest	419,085	-	-	419,085
Capital outlay	117,484	-	-	117,484
Total expenditures	14,188,611	42,160	2,023,966	16,254,737
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	-	-
Proceeds from issuance of debt	5,974,634	-	-	5,974,634
Debt issue premium	-	-	-	-
Transfers in	571,505	-	-	571,505
Total other financing sources (uses)	6,546,139	-	-	6,546,139
NET CHANGE IN FUND BALANCES	3,547,129	-	52,868	3,599,997
FUND BALANCES, June 30, 2022	5,801,071	-	-	5,801,071
FUND BALANCES, June 30, 2023	$ 9,348,200	$ -	$ 52,868	$ 9,401,068

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL
KIPP ANTIOCH COLLEGE PREP MIDDLE SCHOOL
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
REVENUES				
Contributions	$ 908,176	$ 32,864	$ -	$ 941,040
District funding	7,431,840	-	-	7,431,840
Federal and state grants	-	-	1,645,041	1,645,041
Interest and investment income	162,033	-	-	162,033
Other income	87,239	-	-	87,239
Other income - internal school fund	12,661	-	-	12,661
Total revenues	8,601,949	32,864	1,645,041	10,279,854
EXPENDITURES				
Current:				
Instructional	479,012	-	254,691	733,703
Instructional - internal school fund	12,661	-	-	12,661
Occupancy	433,583	-	39,462	473,045
Office	149,858	-	73,026	222,884
Organizational development	31,605	32,864	-	64,469
Professional services and fees	493,032	-	97,012	590,044
Employee compensation	4,075,031	-	941,737	5,016,768
Staff development	146,713	-	11,777	158,490
Transportation	204,540	-	-	204,540
Debt service:				
Principal	6,067,049	-	190,079	6,257,128
Interest	997,128	-	-	997,128
Capital outlay	2,731,569	-	-	2,731,569
Total expenditures	15,821,781	32,864	1,607,784	17,462,429
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	-	-
Proceeds from issuance of debt	5,974,634	-	-	5,974,634
Debt issue premium	-	-	-	-
Transfers in	4,340,025	-	-	4,340,025
Total other financing sources (uses)	10,314,659	-	-	10,314,659
NET CHANGE IN FUND BALANCES	3,094,827	-	37,257	3,132,084
FUND BALANCES, June 30, 2022	4,253,633	-	-	4,253,633
FUND BALANCES, June 30, 2023	$ 7,348,460	$ -	$ 37,257	$ 7,385,717

See accompanying independent auditor's report and notes to schedules.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL
KIPP ANTIOCH GLOBAL HIGH SCHOOL
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Purpose School Fund	Restricted Contribution Fund	Federal and State Grants Fund	Total Governmental Funds
REVENUES				
Contributions	$ -	$ -	$ -	$ -
District funding	-	-	-	-
Federal and state grants	-	-	105,951	105,951
Interest and investment income	543,628	-	-	543,628
Other income	-	-	-	-
Other income - internal school fund	-	-	-	-
Total revenues	543,628	-	105,951	649,579
EXPENDITURES				
Current:				
Instructional	74,897	-	-	74,897
Instructional - internal school fund	-	-	-	-
Occupancy	25,774	-	2,500	28,274
Office	1,276	-	-	1,276
Organizational development	-	-	3,795	3,795
Professional services and fees	4,917	-	-	4,917
Employee compensation	-	-	80,906	80,906
Staff development	883	-	-	883
Transportation	-	-	-	-
Debt service:				
Principal	7,250,000	-	-	7,250,000
Interest	716,396	-	-	716,396
Capital outlay	544,876	-	18,750	563,626
Total expenditures	8,619,019	-	105,951	8,724,970
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	-	-
Proceeds from issuance of debt	53,907,910	-	-	53,907,910
Debt issue premium	-	-	-	-
Transfers in	145,265	-	-	145,265
Total other financing sources (uses)	54,053,175	-	-	54,053,175
NET CHANGE IN FUND BALANCES	45,977,784	-	-	45,977,784
FUND BALANCES, June 30, 2022	-	-	-	-
FUND BALANCES, June 30, 2023	$ 45,977,784	$ -	$ -	$ 45,977,784

See accompanying independent auditor's report and notes to schedules.

KIPP NASHVILLE
NOTES TO SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
BY SCHOOL AND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES BY SCHOOL
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

As of June 30, 2023, KIPP Nashville operates the following charter schools in Nashville, Tennessee (collectively, the "Schools"):

- KIPP Academy Nashville (grades five through eight)
- KIPP Nashville College Prep (grades five through eight)
- KIPP Nashville Collegiate High School (grades nine through twelve)
- KIPP Kirkpatrick Elementary School (grades kindergarten through four)
- KIPP Nashville College Prep Elementary School (grades kindergarten through four)
- KIPP Antioch College Prep Elementary School (grades kindergarten through four)
- KIPP Antioch College Prep Middle School (grades five through eight)
- KIPP Antioch Global High School (anticipated to open in fiscal year 2024 with grade nine, an additional grade will be added each year through grade twelve)

KIPP Nashville operates a regional office for the management and support of the Schools.

Allocations

Each School is a part of the KIPP Nashville network of schools. KIPP Nashville maintains a regional office for management and support of the schools. Certain activities, including fundraising and administration are conducted centrally by the regional office. Accordingly, all assets, liabilities, fund balance, revenues and expenses recorded on the regional office general ledger have been allocated to the various schools in operation and, when applicable, those schools in process of being opened. All financial transactions and balances directly related to a school are recorded directly by that school. Financial transactions and balances of the regional office are allocated to the Schools using the following methodology:

- Cash transfers are made to fund any unrestricted operating deficits and growth needs, which are based primarily on enrollment
- Revenues from fundraising are allocated based primarily on enrollment
- Expenditures of shared services and administration are allocated based primarily on enrollment

Cash and Cash Equivalents

KIPP Nashville operates a pooled-cash management program for the benefit of the Schools. Cash balances reported within the schedule of assets, liabilities and fund balance by school represent each school's portion of the pooled-cash program, resulting from its operation. Also included in KIPP Academy Nashville's cash balances may be accounts received from central fundraising activities, which have not been transferred or utilized by other schools. KIPP Academy Nashville, as the first school in KIPP Nashville's network, holds certain funds for operational needs and future development.

KIPP Nashville management, under the direction of the Board of Directors, and within limits of grant agreements or donor restrictions, may make transfers among the Schools as necessary to fund operations and growth. Accordingly, cash presented for each school may be transferred among the KIPP Nashville schools.

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
KIPP Nashville
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of KIPP Nashville as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise KIPP Nashville's basic financial statements, and have issued our report thereon dated December 14, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP Nashville'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 KIPP Nashville's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KIPP Nashville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crosslin, PLLC

Nashville, Tennessee
December 14, 2023

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
KIPP Nashville
Nashville, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited KIPP Nashville's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of KIPP Nashville's major federal programs for the year ended June 30, 2023. KIPP Nashville's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, KIPP Nashville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on KIPP Nashville's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about KIPP Nashville's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding KIPP Nashville's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of KIPP Nashville's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of KIPP Nashville's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Crosslin, PLLC

Nashville, Tennessee
December 14, 2023

KIPP NASHVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	___yes __x__ no
Significant deficiency(ies) identified?	___yes __x__ none reported
Noncompliance material to financial statements noted?	___yes __x__ no

Federal Awards

Internal control over major program:	
Material weakness(es) identified?	___yes __x__ no
Significant deficiency(ies) identified?	___yes __x__ none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___yes __x__ no

Identification of major programs:

Assistance Listing Number	Name of Federal Program
84.425	Education Stabilization Fund
84.010	Title I Grants to Local Education Agencies

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

Auditee qualified as low-risk auditee? __x__yes ___ no

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None reported.

KIPP NASHVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

There were no prior audit findings reported.