

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR
THE YEAR ENDED JUNE 30, 2024)**

OPERATING:

**REGIONAL SUPPORT OFFICE
KBARE**

Charter Schools:

**KIPP BAYVIEW ACADEMY - #0549
KIPP BAYVIEW ELEMENTARY - #1954
KIPP BRIDGE ACADEMY - #0938
KIPP ESPERANZA HIGH - #2085
KIPP EXCELENCIA COMMUNITY PREPARATORY - #1735
KIPP HEARTWOOD ACADEMY - #0628
KIPP HERITAGE ACADEMY - #1608
KIPP KING COLLEGIATE - #0880
KIPP NAVIGATE COLLEGE PREP - #1955
KIPP PRIZE PREPARATORY ACADEMY - #1609
KIPP SAN FRANCISCO BAY ACADEMY - #0551
KIPP SAN FRANCISCO COLLEGE PREPARATORY - #1502
KIPP SAN JOSE COLLEGIATE - #0976
KIPP STOCKTON KINDERGARTEN-12 - #2109
KIPP SUMMIT ACADEMY - #0524
KIPP VALIANT COMMUNITY PREP - #1868
KIPP STOCKTON UNIVERSITY PARK (K-8) - #2124**



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**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
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INDEPENDENT AUDITORS' REPORT

Board of Directors
KIPP Bay Area Schools
dba KIPP: Public Schools Northern California
Oakland, California

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California, a California nonprofit public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Bay Area Schools dba: KIPP: Public Schools Northern California'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about KIPP Bay Area Schools dba: KIPP: Public Schools Northern California'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.

Report on Summarized Comparative Information

We have previously audited KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's 2024 consolidated financial statements, and expressed an unmodified opinion on those statements in our report dated December 11, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's consolidated financial statements as a whole. The KBAS, KBARE, and Eliminations columns in the statements of financial position, activities, and cash flows as well as the supplementary information (as identified in the table of contents) accompanying supplementary schedules, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and, except for the portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the local education structure but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Board of Directors
KIPP Bay Area Schools
dba KIPP: Public Schools Northern California

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2025 on our consideration of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Bay Area Schools dba: KIPP: Public Schools Northern California's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Ontario, California
December 12, 2025

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	KBAS	KBARE	Eliminations	Total 2025	Total 2024
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 46,328,953	\$ 16,813,613	\$ (445,237)	\$ 62,697,329	\$ 53,300,469
Accounts Receivable - Federal and State	19,573,527	-	-	19,573,527	18,405,861
Accounts Receivable - Other	1,569,635	(160)	-	1,569,475	1,567,371
Contributions Receivable, Current	4,140,520	-	-	4,140,520	3,002,820
Restricted Cash Equivalents	7,161,721	-	-	7,161,721	6,731,500
Investments	66,715,713	-	-	66,715,713	72,160,746
Intercompany Receivables	39,560,363	2,173,919	(41,734,282)	-	-
Deferred Rent Asset	-	485,939	(485,939)	-	-
Deposits and Prepaid Expenses	2,974,688	22,320	(813,966)	2,183,042	1,599,041
Total Current Assets	<u>188,025,120</u>	<u>19,495,631</u>	<u>(43,479,424)</u>	<u>164,041,327</u>	<u>156,767,808</u>
NONCURRENT ASSETS					
Contributions Receivable, Net of Current	9,385,502	-	-	9,385,502	4,929,034
Total Noncurrent Assets	<u>9,385,502</u>	<u>-</u>	<u>-</u>	<u>9,385,502</u>	<u>4,929,034</u>
PROPERTY, PLANT, AND EQUIPMENT					
Building and Improvements	26,276,351	78,843,803	-	105,120,154	104,155,047
Leasehold Improvements	355,005	-	-	355,005	486,511
Furniture and Equipment	1,569,117	428,270	-	1,997,387	1,747,505
Work in Progress	2,670,347	48,572,869	-	51,243,216	16,550,045
Less: Accumulated Depreciation	(9,367,969)	(8,366,937)	-	(17,734,906)	(14,159,553)
Property, Plant, and Equipment, Net	<u>21,502,851</u>	<u>119,478,005</u>	<u>-</u>	<u>140,980,856</u>	<u>108,779,555</u>
RIGHT-OF-USE ASSET					
	<u>92,453,695</u>	<u>5,874,777</u>	<u>(86,991,651)</u>	<u>11,336,821</u>	<u>13,818,650</u>
Total Assets	<u>\$ 311,367,168</u>	<u>\$ 144,848,413</u>	<u>\$ (130,471,075)</u>	<u>\$ 325,744,506</u>	<u>\$ 284,295,047</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	\$ 12,088,833	\$ 12,353,773	\$ -	\$ 24,442,606	\$ 11,369,543
Accrued Liability	1,947,749	280,634	-	2,228,383	1,751,870
Intercompany Payables	2,173,919	40,005,600	(42,179,519)	-	-
Deferred Revenue	3,565,805	-	-	3,565,805	5,164,226
Net Notes Payable, Current Portion	145,436	1,230,228	-	1,375,664	1,046,856
Lease Liability, Current Portion	4,463,188	124,487	(2,167,929)	2,419,746	3,438,875
Total Current Liabilities	<u>24,384,930</u>	<u>53,994,722</u>	<u>(44,347,448)</u>	<u>34,032,204</u>	<u>22,771,370</u>
LONG-TERM LIABILITIES					
Deposits Held	-	813,966	(813,966)	-	-
Notes Payable, Net	2,946,294	79,461,648	-	82,407,942	61,315,198
Lease Liability, Net	88,229,649	5,881,420	(85,309,661)	8,801,408	10,355,827
Total Long-Term Liabilities	<u>91,175,943</u>	<u>86,157,034</u>	<u>(86,123,627)</u>	<u>91,209,350</u>	<u>71,671,025</u>
NET ASSETS					
Without Donor Restrictions	175,822,593	4,696,657	-	180,519,250	175,229,081
With Donor Restrictions:					
Time or Purpose Restricted	13,509,021	-	-	13,509,021	8,678,346
Endowment Fund	6,474,681	-	-	6,474,681	5,945,225
Total With Donor Restrictions	<u>19,983,702</u>	<u>-</u>	<u>-</u>	<u>19,983,702</u>	<u>14,623,571</u>
Total Net Assets	<u>195,806,295</u>	<u>4,696,657</u>	<u>-</u>	<u>200,502,952</u>	<u>189,852,652</u>
Total Liabilities and Net Assets	<u>\$ 311,367,168</u>	<u>\$ 144,848,413</u>	<u>\$ (130,471,075)</u>	<u>\$ 325,744,506</u>	<u>\$ 284,295,047</u>

See accompanying Notes to Consolidated Financial Statements.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	KBAS			KBARE		Total 2025	Total 2024
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	Eliminations		
REVENUES							
State Revenue:							
State Aid	\$ 62,124,874	\$ -	\$ 62,124,874	\$ -	\$ -	\$ 62,124,874	\$ 57,838,614
Other State Revenue	29,439,089	-	29,439,089	-	-	29,439,089	34,724,420
Federal Revenue	6,422,320	-	6,422,320	-	-	6,422,320	9,854,147
Local Revenue:							
In-Lieu Property Tax Revenue	30,755,656	-	30,755,656	-	-	30,755,656	30,586,657
Contributions	17,917,212	15,020,919	32,938,131	-	-	32,938,131	17,959,551
In-Kind Contribution	510,895	-	510,895	-	-	510,895	138,457
Other Revenue	2,403,877	-	2,403,877	6,383,944	(6,383,944)	2,403,877	1,680,800
Net Assets Released from Restriction	10,644,542	(10,644,542)	-	-	-	-	-
Total Revenues	<u>160,218,465</u>	<u>4,376,377</u>	<u>164,594,842</u>	<u>6,383,944</u>	<u>(6,383,944)</u>	<u>164,594,842</u>	<u>152,782,646</u>
EXPENSES							
Program Services Expense:							
Educational Programs	124,997,442	-	124,997,442	-	(6,383,944)	118,613,498	120,249,994
Facilities Programs	-	-	-	6,026,480	-	6,026,480	5,150,528
Total Program Services Expense	<u>124,997,442</u>	<u>-</u>	<u>124,997,442</u>	<u>6,026,480</u>	<u>(6,383,944)</u>	<u>124,639,978</u>	<u>125,400,522</u>
Support Services Expense:							
General and Administrative	35,968,224	-	35,968,224	-	-	35,968,224	22,543,831
Fundraising	1,528,906	-	1,528,906	-	-	1,528,906	478,456
Total Supporting Services Expense	<u>37,497,130</u>	<u>-</u>	<u>37,497,130</u>	<u>-</u>	<u>-</u>	<u>37,497,130</u>	<u>23,022,287</u>
Total Expenses	<u>162,494,572</u>	<u>-</u>	<u>162,494,572</u>	<u>6,026,480</u>	<u>(6,383,944)</u>	<u>162,137,108</u>	<u>148,422,809</u>
CHANGE IN OPERATING NET ASSETS	<u>(2,276,107)</u>	<u>4,376,377</u>	<u>2,100,270</u>	<u>357,464</u>	<u>-</u>	<u>2,457,734</u>	<u>4,359,837</u>
NONOPERATING REVENUE							
Interest Income on Cash in County	89,378	-	89,378	-	-	89,378	128,131
Investment Income (Loss)	6,109,849	983,754	7,093,603	1,009,585	-	8,103,188	7,503,627
Total Nonoperating Revenues	<u>6,199,227</u>	<u>983,754</u>	<u>7,182,981</u>	<u>1,009,585</u>	<u>-</u>	<u>8,192,566</u>	<u>7,631,758</u>
CHANGE IN NET ASSETS	<u>3,923,120</u>	<u>5,360,131</u>	<u>9,283,251</u>	<u>1,367,049</u>	<u>-</u>	<u>10,650,300</u>	<u>11,991,595</u>
Net Assets - Beginning of Year	<u>171,899,473</u>	<u>14,623,571</u>	<u>186,523,044</u>	<u>3,329,608</u>	<u>-</u>	<u>189,852,652</u>	<u>177,861,057</u>
NET ASSETS - END OF YEAR	<u><u>\$ 175,822,593</u></u>	<u><u>\$ 19,983,702</u></u>	<u><u>\$ 195,806,295</u></u>	<u><u>\$ 4,696,657</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 200,502,952</u></u>	<u><u>\$ 189,852,652</u></u>

See accompanying Notes to Consolidated Financial Statements.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	KBAS	KBARE	Eliminations	Total 2025	Total 2024
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	\$ 9,283,251	\$ 1,367,049	\$ -	\$ 10,650,300	\$ 11,991,595
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:					
Depreciation	1,983,551	2,132,152	-	4,115,703	4,021,818
Loan Premium/Issue Cost Amortization	-	(47,550)	-	(47,550)	(57,490)
Net Investment Gain	(2,504,334)	-	-	(2,504,334)	(2,788,234)
Noncash Lease Expense	(153,949)	43,709	-	(110,240)	(76,376)
Loss on Disposal of Property, Plant and Equipment	366,232	-	-	366,232	-
Transfers of Purchases of Property, Plant, and Equipment	(366,232)	366,232	-	-	-
(Increase) Decrease in Assets:					
Accounts Receivable - Federal and State	(1,167,666)	-	-	(1,167,666)	12,108,423
Accounts Receivable - Other	(7,104)	5,000	-	(2,104)	629,126
Intercompany Receivables	(6,718,689)	(1,525,617)	8,244,306	-	-
Contributions Receivable	(5,594,168)	-	-	(5,594,168)	(1,440,141)
Deferred Rent Asset	-	18,520	(18,520)	-	18,521
Deposits and Prepaid Expenses	(919,438)	5,000	280,104	(634,334)	(12,361)
Increase (Decrease) in Liabilities:					
Accounts Payable	1,879,356	11,193,707	-	13,073,063	(19,094,665)
Accrued Liabilities	199,818	276,696	-	476,514	173,172
Intercompany Payables	1,525,617	7,163,926	(8,689,543)	-	-
Deferred Rent Liability	(68,853)	-	68,853	-	(394,801)
Deferred Revenue	(1,529,568)	-	-	(1,529,568)	(9,379,565)
Deposits Held	-	330,437	(330,437)	-	-
Net Cash (Used) Provided by Operating Activities	<u>(3,792,176)</u>	<u>21,329,261</u>	<u>(445,237)</u>	<u>17,091,848</u>	<u>(4,300,978)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Transfer of Cash to Investments	962,430	-	-	962,430	736,972
Purchases of Investments	(24,435,465)	-	-	(24,435,465)	(25,679,955)
Proceeds from Investments	31,422,402	-	-	31,422,402	24,258,796
Purchases of Property, Plant, and Equipment	(3,154,987)	(33,528,249)	-	(36,683,236)	(14,682,226)
Net Cash Provided (Used) by Investing Activities	<u>4,794,380</u>	<u>(33,528,249)</u>	<u>-</u>	<u>(28,733,869)</u>	<u>(15,366,413)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Debt Issuance Costs and Premium	-	(297,374)	-	(297,374)	(43,969)
Proceeds from Debt	-	23,000,000	-	23,000,000	-
Repayments of Debt	(142,558)	(1,090,966)	-	(1,233,524)	(1,004,004)
Net Cash (Used) Provided by Financing Activities	<u>(142,558)</u>	<u>21,611,660</u>	<u>-</u>	<u>21,469,102</u>	<u>(1,047,973)</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS	859,646	9,412,672	(445,237)	9,827,081	(20,715,364)
Cash, Cash Equivalents, and Restricted Cash Equivalents - Beginning of Year	<u>52,631,028</u>	<u>7,400,941</u>	<u>-</u>	<u>60,031,969</u>	<u>80,747,333</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS - END OF YEAR	<u>\$ 53,490,674</u>	<u>\$ 16,813,613</u>	<u>\$ (445,237)</u>	<u>\$ 69,859,050</u>	<u>\$ 60,031,969</u>

See accompanying Notes to Consolidated Financial Statements.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	<u>KBAS</u>	<u>KBARE</u>	<u>Eliminations</u>	<u>Total 2025</u>	<u>Total 2024</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION					
Cash Paid for Interest	<u>\$ 59,435</u>	<u>\$ 3,491,173</u>	<u>\$ -</u>	<u>\$ 3,550,608</u>	<u>\$ 2,782,490</u>
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS REPORTED WITHIN THE STATEMENT OF FINANCIAL POSITION					
Cash and Cash Equivalents	\$ 46,328,953	\$ 16,813,613	\$ (445,237)	\$ 62,697,329	\$ 53,300,469
Restricted Cash and Cash Equivalents	<u>7,161,721</u>	<u>-</u>	<u>-</u>	<u>7,161,721</u>	<u>6,731,500</u>
Total Cash, Cash Equivalents, and Restricted Cash Equivalents Shown in the Statement of Cash Flows	<u>\$ 53,490,674</u>	<u>\$ 16,813,613</u>	<u>\$ (445,237)</u>	<u>\$ 69,859,050</u>	<u>\$ 60,031,969</u>
Right-Of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	<u>\$ 110,657,735</u>	<u>\$ 6,322,429</u>	<u>\$ -</u>	<u>\$ 116,980,164</u>	<u>\$ 115,795,417</u>
Total	<u>\$ 110,657,735</u>	<u>\$ 6,322,429</u>	<u>\$ -</u>	<u>\$ 116,980,164</u>	<u>\$ 115,795,417</u>

See accompanying Notes to Consolidated Financial Statements.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Program Expenses			Supporting Expenses			2025 Total Expenses	2024 Total Expenses
	KBAS: Educational Programs	KBARE: Facilities Programs	Total Program Expenses	Management and General	Fundraising	Eliminations		
Salaries and Wages	\$ 66,620,291	\$ -	\$ 66,620,291	\$ 17,919,157	\$ 853,109	\$ -	\$ 85,392,557	\$ 80,762,925
Pension Expense	2,404,325	-	2,404,325	1,070,487	-	-	3,474,812	3,224,743
Other Employee Benefits	7,911,155	-	7,911,155	3,783,472	-	-	11,694,627	9,963,670
Payroll Taxes	6,315,037	-	6,315,037	212,514	-	-	6,527,551	6,056,929
Management Fee	23,592,697	-	23,592,697	-	-	(22,420,008)	1,172,689	984,269
Legal Expenses	-	4,346	4,346	2,111,687	-	-	2,116,033	374,807
Accounting Expenses	127,880	-	127,880	151,223	-	-	279,103	363,185
Instructional Materials	8,256,316	-	8,256,316	186,431	-	-	8,442,747	9,493,718
Other Fees for Services	20,678,194	-	20,678,194	5,561,906	264,796	(14,612,655)	11,892,241	9,770,014
Advertising and Promotion Expenses	239,202	-	239,202	734,124	10,027	-	983,353	1,100,409
Office Expenses	1,806,998	-	1,806,998	219,521	-	-	2,026,519	1,948,606
Printing and Postage Expenses	549,775	-	549,775	43,754	-	-	593,529	541,062
Information Technology Expenses	2,827,018	-	2,827,018	504,897	39,096	-	3,371,011	3,108,810
Occupancy Expenses	15,281,458	402,571	15,684,029	744,151	-	(6,383,944)	10,044,236	9,212,766
Travel Expenses	615,831	-	615,831	211,852	-	-	827,683	602,938
Conference and Meeting Expenses	810,026	-	810,026	338,420	3,476	-	1,151,922	1,255,113
Interest Expense	59,435	3,491,173	3,550,608	-	-	-	3,550,608	2,691,518
Depreciation Expense	1,964,271	2,132,152	4,096,423	19,280	-	-	4,115,703	4,021,818
Insurance Expense	854,560	-	854,560	17,598	-	-	872,158	752,315
Other Expenses	1,115,636	(3,762)	1,111,874	2,137,750	358,402	-	3,608,026	2,193,194
Subtotal	162,030,105	6,026,480	168,056,585	35,968,224	1,528,906	(43,416,607)	162,137,108	
Eliminations	(43,416,607)	-	(43,416,607)	-	-	43,416,607	-	-
2025 Total Functional Expenses	<u>\$ 118,613,498</u>	<u>\$ 6,026,480</u>	<u>\$ 124,639,978</u>	<u>\$ 35,968,224</u>	<u>\$ 1,528,906</u>	<u>\$ -</u>	<u>\$ 162,137,108</u>	
2024 Total Functional Expenses	<u>\$ 120,249,994</u>	<u>\$ 5,150,528</u>	<u>\$ 125,400,522</u>	<u>\$ 22,543,831</u>	<u>\$ 478,456</u>	<u>\$ -</u>		<u>\$ 148,422,809</u>

See accompanying Notes to Consolidated Financial Statements.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California is a network of public charter schools educating elementary, middle, and high school students in grades TK-12. KIPP schools are free, public, and open to all students. Together with families and communities, KIPP creates joyful, academically excellent schools that prepare students with the skills and confidence to pursue the paths they choose – college, career, and beyond – so they can lead fulfilling lives and create a more just world.

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California operates high-performing, college-preparatory schools in the San Francisco Bay area. These campuses serve students with the goal of preparing them for success in college and in life.

- KIPP Bayview Academy
- KIPP Bayview Elementary
- KIPP Bridge Academy
- KIPP Excelencia Community Preparatory
- KIPP Esperanza High
- KIPP Heartwood Academy
- KIPP Heritage Academy
- KIPP King Collegiate
- KIPP Navigate College Prep
- KIPP Prize Preparatory Academy
- KIPP San Francisco Bay Academy
- KIPP San Francisco College Preparatory
- KIPP San Jose Collegiate
- KIPP Stockton Kindergarten-12
- KIPP Summit Academy
- KIPP Valiant Community Prep
- KIPP Stockton University Park (K-8)

KBARE is a nonprofit corporation which was formed to finance, develop, lease, and maintain certain school facilities for the exclusive support of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California and KBARE, a California nonprofit public benefit corporation formed exclusively to support KIPP Bay Area Schools dba: KIPP: Public Schools Northern California, and its single member limited liability company subsidiaries, Seven Trees, LLC, 1700 Market School, LLC, 1039 Garden Street, LLC, Houston Avenue, LLC, 820 North American, LLC, 1060 Key, LLC and North Aurora, LLC. All material intercompany transactions have been eliminated.

Cash, Cash Equivalents, and Restricted Cash Equivalents

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less. Restricted cash equivalents includes certain with liquid investments with original maturities of three months or less that are maintained according to bond reserve requirements.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual method of accounting, and accordingly reflect all significant receivables and liabilities.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

Use of Estimates

The preparation of consolidated 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, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

Costs of providing KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's programs and other activities have been allocated on a functional basis in the consolidated statement of activities. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2025. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

Contributions Receivable

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California recognizes unconditional promises to give expected to be received in one year or less are reported as contributions receivable at net realizable value, which approximates fair value. Unconditional promises to give expected to be received after one year are reported as contributions receivable at fair value using estimated future cash flows discounted by rates ranging from 1.44% to 6.27%.

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The allowance for uncollectible pledge is \$683,685 for the year ended June 30, 2025.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Unrealized and realized gains and losses, investment income, and investment expense are reported in the consolidated statement of activities according to the existence of donor restrictions. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

Property, Plant, and Equipment

Property, plant, and equipment purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the various estimated useful lives of the assets which range from 3 to 7 years for equipment, 5 to 15 years for leasehold improvements, and 30 to 40 years for new facility construction.

Debt Issue Costs

Costs incurred in connection with acquiring long-term debt financing are netted against the related note payable in the accompanying consolidated statements of financial position. These are amortized to interest expense over the term of the associated long-term debt on a straight-line basis, which approximates the effective interest method.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Revenue Recognition

Amounts received from the California Department of Education are conditional and recognized as revenue by KIPP Bay Area Schools dba: KIPP: Public Schools Northern California based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Contributions

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California receives donated professional legal services as in-kind contribution at the respective fair values of the services. Services received during the year ended June 30, 2025 is \$510,895.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the consolidated statement of financial position. As of June 30, 2025, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has conditional grants of \$10,883,211, of which \$3,565,805 is recognized as deferred revenue in the consolidated statement of financial position.

Other Revenue

Other revenues consist primarily of uniform fees and other student charges. The performance obligation for providing these services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably the course of the academic year.

Income Taxes

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California and KBARE are nonprofit entities exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California and KBARE file informational returns and any applicable unrelated business income tax return in the U.S. federal jurisdiction, and the state of California.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Seven Trees, LLC and 1700 Market School, LLC, 1039 Garden Street, LLC, Houston Avenue, LLC, and 820 North American, LLC, are considered disregarded and therefore exempt from the payment of income taxes. Additionally, the LLCs have been granted exemption from the California state LLC fee under California Revenue and Taxation Code. 1060 Key, LLC and North Aurora, LLC are not deemed tax exempt LLCs and file the required LLC returns.

Comparative Totals

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's consolidated financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Leases

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California leases school facilities, office facilities, and equipment. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the consolidated statement of financial position.

ROU assets represent KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's right to use an underlying asset for the lease term and lease liabilities represent KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that KIPP Bay Area Schools dba: KIPP: Public Schools Northern California will exercise that option. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statement of financial position.

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

In evaluating contracts to determine if they qualify as a lease, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if KIPP Bay Area Schools dba: KIPP: Public Schools Northern California can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has elected to use a risk-free rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Evaluation of Subsequent Events

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has evaluated subsequent events through December 12, 2025, the date these consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions less with donor restricted net assets:

Cash and Cash Equivalents	\$ 62,697,329
Accounts Receivable - Federal and State	19,573,527
Accounts Receivable - Other	1,569,475
Contributions Receivable, Current	4,140,520
Restricted Cash Equivalents	7,161,721
Investments	66,715,713
Contributions Receivable, Net of Current	9,385,502
Less: Net Assets with Donor Restrictions	<u>(19,983,702)</u>
Total	<u><u>\$ 151,260,085</u></u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments and money market funds.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CONCENTRATION OF CREDIT RISK

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California maintains its cash in bank deposit accounts at two financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has a need to maintain cash balances with a single financial institution in excess of the \$250,000 FDIC-insured limit. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California invests excess cash in various types of investments. Balances in the KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's investment accounts exceed the Securities Investors Protection Corporation insured limit. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has established guidelines relative to diversification and maturities that maximize safety and liquidity. These guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has not experienced any losses in these accounts.

NOTE 4 CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are expected to be realized in the following periods as follows:

In One Year or Less	\$ 4,140,520
Between Two and Five Years	10,069,187
Total Gross Contributions Receivable	<u>14,209,707</u>
Less: Discount on Pledges Receivable	(414,237)
Less: Allowance for Uncollectible	<u>(269,448)</u>
Net Contributions Receivable	<u><u>\$ 13,526,022</u></u>

NOTE 5 FAIR VALUE MEASUREMENTS AND INVESTMENTS

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California follows accounting standards relating to fair value measurements which define fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America, and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standards relating to fair value measurements establish a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets (Level 1) for identical assets or liabilities and the lowest priority to unobservable inputs (Level 3).

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

The three-level valuation hierarchy on inputs is summarized as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Observable inputs other than quoted prices as described in Level 1 for the asset or liability through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date.

As of June 30, 2025, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California’s financial instruments consist of cash and cash equivalents, investments, accounts receivable, contributions receivables, prepaid expenses, accounts payable and accrued liability, deferred revenue, and long-term debt. The fair values of the KIPP Bay Area Schools dba: KIPP: Public Schools Northern California’s financial instruments excluding investments and long-term debt approximate their fair values because of the short-term nature of these instruments. Long-term debt at fixed rates is not materially different from fair value based upon maturities and similar credit risk comparisons available to the KIPP Bay Area Schools dba: KIPP: Public Schools Northern California at June 30, 2025.

The fair market value for the KIPP Bay Area Schools dba: KIPP: Public Schools Northern California’s investments is based upon Level 1 inputs. Investments were comprised of the following on June 30, 2025:

	Level 1	Fair Value
Bond Exchange-Trade Fund (ETF)	\$ 56,315,891	\$ 56,315,891
Bond Mutual Funds	10,399,822	10,399,822
Total	<u>\$ 66,715,713</u>	<u>\$ 66,715,713</u>

Investment income for the year ended June 30, 2025 consists of:

Interest and Dividends From Investments	\$ 3,459,112
Realized Gains From Investments	68,133
Unrealized Gains From Investments	2,504,334
Total	<u>\$ 6,031,579</u>

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 PROPERTY, PLANT, AND EQUIPMENT

A summary of changes in property, plant, and equipment is as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Building and Improvements	\$ 104,155,050	\$ 687,006	\$ (195,929)	\$ 474,030	\$ 105,120,157
Leasehold Improvements	486,511	-	(139,156)	7,650	355,005
Furniture and Equipment	1,747,505	72,907	(205,262)	382,237	1,997,387
Work in Progress	16,550,042	35,969,570	(412,482)	(863,917)	51,243,213
Total	<u>122,939,108</u>	<u>36,729,483</u>	<u>(952,829)</u>	<u>-</u>	<u>158,715,762</u>
Less: Accumulated Depreciation	(14,159,553)	(4,115,703)	540,350	-	(17,734,906)
Property, Plant, and Equipment, Net	<u>\$ 108,779,555</u>	<u>\$ 32,613,780</u>	<u>\$ (412,479)</u>	<u>\$ -</u>	<u>\$ 140,980,856</u>

NOTE 7 NOTES PAYABLE

Through Proposition 1D, KIPP King Collegiate has a note payable of \$4,141,422, maturing in 2043 and bearing interest at a rate of 2%. During the year ended June 30, 2025, principal payments of \$130,735 and interest of \$56,762 were made. The total balance as of June 30, 2025 was \$2,755,613.

A second loan was obtained in September 2017 for \$411,349, maturing in 2047 and bearing an interest rate of 2%. During the year ended June 30, 2025, principal payments of \$11,824 and interest of \$6,873 were made. The total balance as of June 30, 2025 was \$336,116.

Estimated future maturities of the notes are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 145,435
2027	148,369
2028	151,362
2029	154,415
2030	157,532
Thereafter	<u>2,334,617</u>
Total	<u>\$ 3,091,730</u>

KBARE entered into a loan agreement with Charter Impact Fund, Inc. for \$16,000,000 on March 14, 2019. The note bears interest at 4.25% and matures on April 1, 2049. During the year ended June 30, 2025, principal payments of \$337,711 and interest of \$606,814 were made. The balance as of June 30, 2025 was \$14,093,865.

KBARE entered into a loan agreement with Equitable Facilities Fund, Inc. for \$11,733,266 on April 28, 2021. The note bears interest at 4.00% and matures on March 1, 2056. During the year ended June 30, 2025, principal payments of \$171,847 and interest of \$445,251 were made. The balance as of June 30, 2025 was \$11,055,952.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 NOTES PAYABLE (CONTINUED)

KBARE entered into a loan agreement with Equitable Facilities Fund, Inc. for \$32,226,266 on June 2, 2022. The note bears interest at 5% and matures on May 1, 2057. During the year ended June 30, 2025, principal payments of \$381,628 and interest of \$1,459,426 were made. The balance as of June 30, 2025 was \$31,178,572.

KBARE entered into a loan agreement with Equitable Facilities Fund, Inc. for \$23,000,000 on August 30, 2024. The note bears interest at 4.79% and matures on August 1, 2059. During the year ended June 30, 2025, principal payments of \$191,878 and interest of \$826,341 were made. The balance as of June 30, 2025 was \$22,808,122.

Estimated future maturities of the KBARE notes are as follows:

<u>Year Ending June 30.</u>	Charter Impact Fund	Equitable Facilities Fund I	Equitable Facilities Fund II	Equitable Facilities Fund III	Total
2026	\$ 351,103	\$ 187,073	\$ 407,255	\$ 271,014	\$ 1,216,445
2027	366,319	194,694	428,091	284,285	1,273,389
2028	382,194	202,626	449,992	298,205	1,333,017
2029	398,757	210,882	473,015	312,807	1,395,461
2030	416,039	219,473	497,214	328,123	1,460,849
Thereafter	12,179,453	10,041,204	28,923,005	21,313,688	72,457,350
Total	14,093,865	11,055,952	31,178,572	22,808,122	79,136,511
Unamortized Bond Discount, Net	-	1,174,731	1,617,476	-	2,792,207
Debt Issue Costs	(308,662)	(189,336)	(412,017)	(326,827)	(1,236,842)
Total, Net of Issue Costs	<u>\$ 13,785,203</u>	<u>\$ 12,041,347</u>	<u>\$ 32,384,031</u>	<u>\$ 22,481,295</u>	<u>\$ 80,691,876</u>

NOTE 8 ENDOWMENT AND NET ASSETS CLASSIFICATION

The Board of Directors of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California classifies as restricted net assets in perpetuity (a) the original value of gifts donated to the endowment in perpetuity, (b) the original value of subsequent gifts to the endowment in perpetuity, and (c) accumulations to the endowment in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in donor restricted net assets in perpetuity is classified as donor restricted net assets for purpose until those amounts are appropriated for expenditure by KIPP Bay Area Schools dba: KIPP: Public Schools Northern California in a manner consistent with the standard of prudence prescribed by UPMIFA.

The purpose of the Endowment Fund is to provide funds for the current and future support of KIPP Forward, based on a donor-restricted contribution. The objective of the financial goal is to preserve and enhance the endowment fund's inflation-adjusting purchase power, and withdrawal no more than 4% of the value of the endowment fund without withdrawing from the corpus. The spend rate is targeted at 4% of the value of the fund as of March 31 of the preceding budget year.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 ENDOWMENT AND NET ASSETS CLASSIFICATION (CONTINUED)

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has adopted policies for return on investments to achieve a moderate rate of return and risk for initial investments. Appropriations of expenditures, after the minimum disbursement value is achieved, are made by approval of the Board of Directors.

In accordance with UPMIFA, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the various funds
- 2) The purposes of the donor-restricted endowment funds
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources
- 7) The investment policies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the UPMIFA requires KIPP Bay Area Schools dba: KIPP: Public Schools Northern California to retain as a fund of perpetual duration. Subsequent gains that restore the fair value of the endowment fund to the required level are classified as an increase in net assets without donor restrictions and net assets with donor restrictions, as appropriate. There were no deficiencies of this nature as of June 30, 2025. Changes in endowment net assets for the year ended June 30, 2025 are as follows:

	June 30, 2024	Additions	Releases	June 30, 2025
Regional Support Office:				
Endowment Fund	\$ 5,945,225	\$ 983,754	\$ (454,298)	\$ 6,474,681

NOTE 9 NET ASSETS WITH DONOR RESTRICTION

For the year ended June 30, 2025, net assets with donor restriction, which were received and released within the year, is as follows:

	June 30, 2024	Additions	Releases	June 30, 2025
Regional Support Office:				
Restricted Due to Time	\$ 4,475,031	\$ 12,679,873	\$ (6,750,313)	\$ 10,404,591
Restricted Giving for a Specific School	4,203,315	2,341,046	(3,439,931)	3,104,430
Endowment Fund	5,945,225	983,754	(454,298)	6,474,681
Total	\$ 14,623,571	\$ 16,004,673	\$ (10,644,542)	\$ 19,983,702

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 EMPLOYEE RETIREMENT

401(k) Plan

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has a 401(k) defined contribution plan for those employees who meet the eligibility criteria set forth in the plan. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California matches employee contributions based upon criteria set forth in the plan up to 4% of compensation. Contributions to the plan for the year ended June 30, 2025 totaled \$2,961,891.

State Teachers' Retirement System (STRS)

Qualified employees of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California (KIPP Summit Academy and the Regional Support Office) are covered under multiemployer defined benefit pension plans maintained by agencies of the state of California. Certificated employees are members of the State Teachers' Retirement System (STRS). The risks of participating in this multiemployer defined benefit pension plan are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law, and (c) if KIPP Bay Area Schools dba: KIPP: Public Schools Northern California chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has no plans to withdraw from this multiemployer plan.

Plan Description

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiemployer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2024 total STRS plan net assets are \$341 billion, the total actuarial present value of accumulated plan benefits is \$482 billion, contributions from all employers totaled \$8.577 billion, and the plan is 76.7% funded. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826 and www.calstrs.com.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 EMPLOYEE RETIREMENT (CONTINUED)

State Teachers' Retirement System (STRS) (Continued)

Funding Policy (Continued)

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2025 was 19.10% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's (KIPP Summit Academy and the Regional Support Office) contributions to STRS for the past three years are as follows:

<u>Year Ended June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2023	\$ 500,881	100%
2024	510,842	100%
2025	512,921	100%

NOTE 11 LEASES

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through December 31, 2053. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements generally require KIPP Bay Area Schools dba: KIPP: Public Schools Northern California to pay real estate taxes, insurance, and repairs. Some lease agreements also require KIPP Bay Area Schools dba: KIPP: Public Schools Northern California to comply with certain covenants and to maintain certain financial ratios. As of June 30, 2025, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California believes it was in compliance with all ratios and covenants.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 LEASES (CONTINUED)

The following table provides quantitative information concerning KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's lease for the year ended June 30, 2025:

Lease Costs (Income):	
Operating Lease Costs	\$ 9,057,430
Sublease Income	(6,383,944)
Total Lease Costs	<u>\$ 2,673,486</u>

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 9,168,775
Right-Of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	1,174,984
Weighted-Average Remaining Lease Term - Operating Leases	27.13 Years
Weighted-Average Discount Rate - Operating	3.28%

KIPP Bridge Academy (Bridge) has a conditional future rent credit with its lessor in the amount of \$8.13 million as of June 30, 2025. The barrier for the condition is that Bridge is required to make leasehold improvements up in exchange for rent credit up to \$8.13 million. As of June 30, 2025, Bridge has not recorded the future rent credit as the condition has not been fulfilled.

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2025, is as follows:

<u>Year Ending June 30,</u>	<u>Related Operating Leases</u>	<u>Unrelated Operating Leases</u>
2025	4,960,986	2,748,226
2026	4,960,986	1,750,003
2027	4,960,986	1,379,931
2028	4,960,986	878,660
2029	4,960,986	317,272
Thereafter	99,751,454	17,579,915
Total Lease Payments	124,556,384	24,654,007
Less: Interest	(37,078,794)	(13,432,853)
Present Value of Lease Liabilities	<u>\$ 87,477,590</u>	<u>\$ 11,221,154</u>

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 RELATED PARTY TRANSACTIONS

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California received contributions of \$2,925,613 from the KIPP Foundation, a related party, during the year ended June 30, 2025. There were outstanding contributions receivable from the related party at year end of \$527,686.

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California expense licensing fees of \$463,024 to the KIPP Foundation during the year ended June 30, 2025. On June 30, 2025, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California recorded \$463,024 in accounts payable due to the KIPP Foundation for these fees.

In the year ended June 30, 2025, the board of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California created a pledge matching pool, in which certain board members pledge to match contributions for the purpose of supporting the organization's growth plan. As of June 30, 2025, \$7,151,232 was recorded in pledges receivable from board members.

NOTE 13 COMMITMENTS

As of June 30, 2025, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has construction projects in progress with approximately \$8,699,874 left to complete.

NOTE 14 CONTINGENCIES, RISKS, AND UNCERTAINTIES

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has a commercial card line of credit with a financial institution for up to \$800,000. This line of credit is associated with KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's credit cards and is settled monthly. The line of credit expires in March 2026.

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 CONTINGENCIES, RISKS, AND UNCERTAINTIES (CONTINUED)

Litigation

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California is subject to asserted and unasserted claims encountered in the normal course of business. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's management and legal counsel assess such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against KIPP Bay Area Schools dba: KIPP: Public Schools Northern California or unasserted claims that may result in such proceedings, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. These claims are covered by insurance, and no range of loss is estimated. In the opinion of management, disposition of these matters will not have a material effect on KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's financial condition or results of operations.

NOTE 15 SUBSEQUENT EVENT

On July 1, 2025, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California obtained a line of credit with a financial institution for \$15,000,000. The line of credit bears an annual interest rate of one-month Secured Overnight Financing Rate (SOFR) plus 200 basis points. The line of credit expires in June 2027.

SUPPLEMENTARY INFORMATION

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2025

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Bayview Academy:				
Grades 4-6	68.38	68.38	67.88	67.88
Grades 7-8	84.40	84.40	84.35	84.35
ADA Totals	<u>152.78</u>	<u>152.78</u>	<u>152.23</u>	<u>152.23</u>
Bridge:				
Grades TK/K-3	187.66	187.66	184.32	184.32
Grades 4-6	160.26	160.26	159.36	159.36
Grades 7-8	111.35	111.35	110.86	110.86
ADA Totals	<u>459.27</u>	<u>459.27</u>	<u>454.54</u>	<u>454.54</u>
Excelencia:				
Grades TK/K-3	250.86	250.86	251.29	251.29
Grades 4-6	231.80	231.80	231.09	231.09
Grades 7-8	174.88	174.88	174.26	174.26
ADA Totals	<u>657.54</u>	<u>657.54</u>	<u>656.64</u>	<u>656.64</u>
Heartwood:				
Grades 4-6	206.37	206.37	205.34	205.34
Grades 7-8	200.46	200.46	199.58	199.58
ADA Totals	<u>406.83</u>	<u>406.83</u>	<u>404.92</u>	<u>404.92</u>
Heritage:				
Grades 4-6	240.55	240.55	240.45	240.45
Grades 7-8	196.79	196.79	197.51	197.51
ADA Totals	<u>437.34</u>	<u>437.34</u>	<u>437.96</u>	<u>437.96</u>
King:				
Grades 9-12	618.10	618.10	615.18	615.18
ADA Totals	<u>618.10</u>	<u>618.10</u>	<u>615.18</u>	<u>615.18</u>
Prize:				
Grades 4-6	204.82	204.82	204.19	204.19
Grades 7-8	186.00	186.00	185.67	185.67
ADA Totals	<u>390.82</u>	<u>390.82</u>	<u>389.86</u>	<u>389.86</u>
SF Bay:				
Grades 4-6	98.90	98.90	97.77	97.77
Grades 7-8	146.88	146.88	145.92	145.92
ADA Totals	<u>245.78</u>	<u>245.78</u>	<u>243.69</u>	<u>243.69</u>
SF College Prep:				
Grades 9-12	168.44	168.44	166.76	166.76
ADA Totals	<u>168.44</u>	<u>168.44</u>	<u>166.76</u>	<u>166.76</u>
San Jose:				
Grades 9-12	492.23	492.23	490.72	490.72
ADA Totals	<u>492.23</u>	<u>492.23</u>	<u>490.72</u>	<u>490.72</u>
Summit:				
Grades 4-6	210.40	210.40	210.34	210.34
Grades 7-8	204.48	204.48	204.78	204.78
ADA Totals	<u>414.88</u>	<u>414.88</u>	<u>415.12</u>	<u>415.12</u>

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2025

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Valiant:				
Grades TK/K-3	181.83	181.83	182.21	182.21
Grades 4-6	185.37	185.37	185.09	185.09
Grades 7-8	165.81	165.81	163.68	163.68
ADA Totals	<u>533.01</u>	<u>533.01</u>	<u>530.98</u>	<u>530.98</u>
Navigate:				
Grades 9-12	278.76	278.76	278.03	278.03
ADA Totals	<u>278.76</u>	<u>278.76</u>	<u>278.03</u>	<u>278.03</u>
Bayview Elementary:				
Grades TK/K-3	100.69	100.69	99.78	99.78
Grades 4-6	22.01	22.01	22.02	22.02
ADA Totals	<u>122.70</u>	<u>122.70</u>	<u>121.80</u>	<u>121.80</u>
Esperanza:				
Grades 9-12	172.03	172.03	168.12	168.12
ADA Totals	<u>172.03</u>	<u>172.03</u>	<u>168.12</u>	<u>168.12</u>
Stockton K-12:				
Grades TK/K-3	98.61	98.61	98.47	98.47
Grades 4-6	72.29	72.29	71.94	71.94
Grades 7-8	67.58	67.58	67.03	67.03
ADA Totals	<u>238.48</u>	<u>238.48</u>	<u>237.44</u>	<u>237.44</u>
University Park:				
Grades TK/K-3	221.19	221.19	217.60	217.60
Grades 4-6	108.61	108.61	108.52	108.52
Grades 7-8	50.51	50.51	49.70	49.70
ADA Totals	<u>380.31</u>	<u>380.31</u>	<u>375.82</u>	<u>375.82</u>
ADA Totals	<u>6,169.30</u>	<u>6,169.30</u>	<u>6,139.81</u>	<u>6,139.81</u>

See accompanying Auditors' Report and the Notes to Supplementary Information.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2025**

	Instructional Minutes		Total Calendar Days	Status
	Requirement	Actual		
Transitional Kindergarten:				
Bayview Elementary	36,000	56,500	177	In compliance
Bridge	36,000	42,690	176	In compliance
Excelencia	36,000	56,360	176	In compliance
Stockton K-12	36,000	62,380	176	In compliance
University Park	36,000	68,280	176	In compliance
Valiant	36,000	59,565	176	In compliance
Kindergarten:				
Bayview Elementary	36,000	60,040	177	In compliance
Bridge	36,000	62,280	176	In compliance
Excelencia	36,000	68,250	176	In compliance
Stockton K-12	36,000	63,400	176	In compliance
University Park	36,000	68,280	176	In compliance
Valiant	36,000	66,885	176	In compliance
Grade 1:				
Bayview Elementary	50,400	60,270	177	In compliance
Bridge	50,400	57,260	176	In compliance
Excelencia	50,400	63,600	176	In compliance
Stockton K-12	50,400	60,135	176	In compliance
University Park	50,400	59,130	176	In compliance
Valiant	50,400	64,280	176	In compliance
Grade 2:				
Bayview Elementary	50,400	60,270	177	In compliance
Bridge	50,400	62,390	176	In compliance
Excelencia	50,400	65,150	176	In compliance
Stockton K-12	50,400	60,135	176	In compliance
University Park	50,400	59,130	176	In compliance
Valiant	50,400	64,280	176	In compliance
Grade 3:				
Bayview Elementary	50,400	59,580	177	In compliance
Bridge	50,400	57,330	176	In compliance
Excelencia	50,400	63,810	176	In compliance
Stockton K-12	50,400	60,505	176	In compliance
University Park	50,400	59,130	176	In compliance
Valiant	50,400	65,160	176	In compliance
Grade 4:				
Bayview Elementary	54,000	59,580	177	In compliance
Bridge	54,000	60,650	176	In compliance
Excelencia	54,000	63,810	176	In compliance
Stockton K-12	54,000	62,380	176	In compliance
University Park	54,000	59,130	176	In compliance
Valiant	54,000	65,160	176	In compliance

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
SCHEDULE OF INSTRUCTIONAL TIME (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Instructional Minutes		Total Calendar Days	Status
	Requirement	Actual		
Grade 5:				
Bayview Academy	54,000	61,520	176	In compliance
Bridge	54,000	64,380	176	In compliance
Excelencia	54,000	65,996	176	In compliance
Heartwood	54,000	69,029	177	In compliance
Heritage	54,000	65,544	176	In compliance
Prize	54,000	68,927	176	In compliance
SF Bay	54,000	64,610	176	In compliance
Stockton K-12	54,000	67,175	176	In compliance
Summit	54,000	65,870	178	In compliance
Stockton K-8	54,000	65,378	176	In compliance
Valiant	54,000	65,265	176	In compliance
Grade 6:				
Bayview Academy	54,000	61,520	176	In compliance
Bridge	54,000	64,380	176	In compliance
Excelencia	54,000	65,996	176	In compliance
Heartwood	54,000	69,029	177	In compliance
Heritage	54,000	65,544	176	In compliance
Prize	54,000	68,927	176	In compliance
SF Bay	54,000	64,610	176	In compliance
Stockton K-12	54,000	67,175	176	In compliance
Summit	54,000	65,734	178	In compliance
University Park	54,000	65,378	176	In compliance
Valiant	54,000	65,265	176	In compliance
Grade 7:				
Bayview Academy	54,000	60,220	176	In compliance
Bridge	54,000	64,380	176	In compliance
Excelencia	54,000	65,996	176	In compliance
Heartwood	54,000	69,029	177	In compliance
Heritage	54,000	65,544	176	In compliance
Prize	54,000	69,572	176	In compliance
SF Bay	54,000	64,240	176	In compliance
Stockton K-12	54,000	67,040	176	In compliance
Summit	54,000	65,734	178	In compliance
University Park	54,000	65,378	176	In compliance
Valiant	54,000	65,265	176	In compliance

See accompanying Auditors' Report and the Notes to Supplementary Information.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
SCHEDULE OF INSTRUCTIONAL TIME (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Instructional Minutes		Total Calendar Days	Status
	Requirement	Actual		
Grade 8:				
Bayview Academy	54,000	60,220	176	In compliance
Bridge	54,000	64,440	176	In compliance
Excelencia	54,000	65,996	176	In compliance
Heartwood	54,000	69,029	177	In compliance
Heritage	54,000	65,544	176	In compliance
Prize	54,000	69,572	176	In compliance
SF Bay	54,000	64,240	176	In compliance
Stockton K-12	54,000	67,040	176	In compliance
Summit	54,000	65,734	178	In compliance
University Park	54,000	65,378	176	In compliance
Valiant	54,000	65,265	176	In compliance
Grade 9:				
Esperanza	64,800	65,700	176	In compliance
King	64,800	67,530	176	In compliance
Navigate	64,800	67,680	177	In compliance
SF College Prep	64,800	67,310	177	In compliance
San Jose	64,800	67,450	176	In compliance
Grade 10:				
Esperanza	64,800	65,700	176	In compliance
King	64,800	67,530	176	In compliance
Navigate	64,800	67,680	177	In compliance
SF College Prep	64,800	67,310	177	In compliance
San Jose	64,800	67,450	176	In compliance
Grade 11:				
Esperanza	64,800	65,700	176	In compliance
King	64,800	67,530	176	In compliance
Navigate	64,800	67,680	177	In compliance
SF College Prep	64,800	67,310	177	In compliance
San Jose	64,800	67,450	176	In compliance
Grade 12:				
Esperanza	64,800	65,700	176	In compliance
King	64,800	67,530	176	In compliance
Navigate	64,800	67,680	177	In compliance
SF College Prep	64,800	67,310	177	In compliance
San Jose	64,800	67,450	176	In compliance

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

	Bayview	Bridge	Heartwood	SF Bay	Summit	King	San Jose	SF College Prep	Heritage
June 30, 2025 Annual Financial Report Fund Balances (Net Assets)	\$ 2,878,223	\$ 3,504,486	\$ 4,871,897	\$ 3,097,965	\$ 3,661,816	\$ 8,035,130	\$ 6,123,780	\$ 970,346	\$ 3,809,106
Adjustments and Reclassifications: Increase (Decrease) of Fund Balance (Net Assets):									
Cash and Cash Equivalents	1,142,487	(3,825,820)	(1,855,375)	(1,182,750)	(2,516,545)	(3,511,115)	(2,590,864)	154,462	(2,071,545)
Accounts Receivable - Federal and State	(3,938)	499,502	289,098	85,730	322,275	422,403	357,640	(238,909)	402,514
Accounts Receivable - Other	(847,390)	(896,721)	9,957	32,231	-	30,288	-	(386,504)	11,427
Intercompany Receivables	8,563	-	-	-	-	-	-	-	-
Prepaid Assets	-	(301,382)	8,734	(1,264)	-	(22)	-	-	(79,180)
Capital Assets	(10,623)	(34,128)	(23,211)	(5,736)	(93,845)	(440,208)	(229,289)	(4,168)	7,087
Right-of-Use Asset	(318,760)	(380,518)	(34,120)	(139,507)	(111,853)	(207,371)	(319,852)	(168,283)	(370,941)
Accounts Payable	(48,651)	6,337,884	1,422,986	961,715	1,971,796	3,203,574	2,432,229	220,978	1,586,707
Intercompany Payables	-	-	-	-	-	-	-	-	-
Deferred Revenue	(28,989)	(2,063,652)	(35,029)	(30,801)	(71,349)	(112,610)	(94,447)	(73,672)	(28,990)
Lease Liability	368,012	597,002	200,070	264,934	255,809	(566,132)	(345,042)	295,672	539,793
Notes Payable	-	-	-	-	-	918,205	863,760	-	-
Net Adjustments and Reclassifications	260,711	(67,833)	(16,890)	(15,448)	(243,712)	(262,988)	74,135	(200,424)	(3,128)
June 30, 2025 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 3,138,934</u>	<u>\$ 3,436,653</u>	<u>\$ 4,855,007</u>	<u>\$ 3,082,517</u>	<u>\$ 3,418,104</u>	<u>\$ 7,772,142</u>	<u>\$ 6,197,915</u>	<u>\$ 769,922</u>	<u>\$ 3,805,978</u>

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Prize	Excelencia	Valiant	Navigate	Bayview Elementary	Esperanza	Stockton K-12	University Park
June 30, 2025 Annual Financial Report Fund Balances (Net Assets)	\$ 2,358,518	\$ 5,614,308	\$ 4,250,690	\$ 3,714,228	\$ 710,483	\$ 2,063,938	\$ 3,227,858	\$ 3,152,179
Adjustments and Reclassifications:								
Increase (Decrease) of Fund Balance (Net Assets):								
Cash and Cash Equivalents	(1,933,195)	(3,168,987)	(2,479,739)	(238,356)	(196,471)	790,087	2,939,145	639,836
Accounts Receivable - Federal and State	248,087	421,336	231,339	68,039	163,095	380,614	538,589	286,464
Accounts Receivable - Other	21,420	35,531	60,221	29,955	(299,560)	(1,485,619)	(4,415,177)	(1,532,637)
Prepaid Assets	2,184	-	-	-	6,930	(100,826)	(710,692)	(240,728)
Capital Assets	(6,962)	(10,457)	(161,888)	(539,136)	(17,500)	18,394	(17,153)	(9,990)
Right-of-Use Asset	539,937	(312,810)	(15,144)	(555,564)	(72,443)	(326,955)	(233,559)	(754,502)
Accounts Payable	1,620,902	2,047,676	2,338,878	503,680	368,035	(11,907)	1,553,806	125,887
Intercompany Payables	-	(77,498)	(69,019)	-	-	-	-	-
Deferred Revenue	(39,892)	(120,198)	(94,325)	(27,782)	(54,574)	(14,495)	-	-
Lease Liability	(384,141)	616,656	255,084	805,004	138,701	397,450	296,501	836,048
Notes Payable	-	-	-	-	-	-	-	-
Net Adjustments and Reclassifications	<u>68,340</u>	<u>(568,751)</u>	<u>65,407</u>	<u>45,840</u>	<u>36,213</u>	<u>(353,257)</u>	<u>(48,540)</u>	<u>(649,622)</u>
June 30, 2025 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 2,426,858</u>	<u>\$ 5,045,557</u>	<u>\$ 4,316,097</u>	<u>\$ 3,760,068</u>	<u>\$ 746,696</u>	<u>\$ 1,710,681</u>	<u>\$ 3,179,318</u>	<u>\$ 2,502,557</u>

See accompanying Auditors' Report and the Notes to Supplementary Information.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Additional Award Information	Bayview	Bridge	Heartwood	SF Bay	Summit	King	San Jose	SF College Prep	Heritage
U.S. Department of Education												
Passed Through: California Department of Education:												
Every Student Succeeds Act												
Title I, Part A, Basic Grants:	84.010	14329		\$ 94,211	\$ 197,717	\$ 136,934	\$ 124,720	\$ 140,375	\$ 223,297	\$ 156,653	\$ 129,369	\$ 142,215
ESSA: School Improvement Funding for LEAs	84.010	15438		-	-	-	-	-	-	-	174,382	-
Total Title I and School Improvement Funding for LEAs				94,211	197,717	136,934	124,720	140,375	223,297	156,653	303,751	142,215
Title II - Improving Teacher Quality	84.367	14341		9,231	21,865	17,548	13,073	17,923	28,738	20,342	12,316	18,479
Title III - Limited English Proficiency	84.365	14346		9,746	13,237	19,091	16,020	19,091	13,350	10,280	7,476	14,952
Title IV - Student Support and Academic Enrichment	84.424A	15391		10,000	16,013	11,090	10,877	10,491	14,857	12,396	11,547	10,116
Special Education Cluster: IDEA Basic Local Assistance Entitlement												
Part B, Section 611	84.027	13379		-	-	-	-	-	-	-	-	-
Mental Health Assistance	84.027A	13379		-	-	-	-	-	-	-	-	-
Total Special Education Cluster				-	-	-	-	-	-	-	-	-
Coronavirus Aid, Relief, and Economic Security Act (CARES Act):												
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425D	15559	COVID-19	-	-	-	-	-	-	-	-	-
American Rescue Plan - Homeless Children and Youth-Statewide Activities	84.425U	15536	COVID-19	-	-	-	-	-	-	-	-	-
Total CARES Act				-	-	-	-	-	-	-	-	-
<i>Total U.S. Department of Education</i>				123,188	248,832	184,663	164,690	187,880	280,242	199,671	335,090	185,762
U.S. Department of Agriculture												
Pass-Through Program From California Department of Education:												
Continuing Appropriations Act and Other Extensions Act:												
Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.647	15644	COVID-19	614	614	614	614	614	614	614	614	614
Total U.S. Department of Agriculture				614	614	614	614	614	614	614	614	614
U.S. Department of Health and Human Services												
Passed Through: California Department of Education:												
Medicaid Cluster	93.778	N/A		-	-	-	-	-	-	-	-	-
<i>Total U.S. Department of Health and Human Services</i>				-	-	-	-	-	-	-	-	-
Total Federal Expenditure				<u>\$ 123,802</u>	<u>\$ 249,446</u>	<u>\$ 185,277</u>	<u>\$ 165,304</u>	<u>\$ 188,494</u>	<u>\$ 280,856</u>	<u>\$ 200,285</u>	<u>\$ 335,704</u>	<u>\$ 186,376</u>

See accompanying Auditors' Report and the Notes to Supplementary Information.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Additional Award Information	Prize	Excelencia	Valiant	Navigate	Bayview Elementary	Esperanza	Stockton K-12	University Park	RSO	Total
U.S. Department of Education													
Passed Through: California Department of Education:													
Every Student Succeeds Act													
Title I, Part A, Basic Grants:	84.010	14329		\$ 141,245	\$ 298,180	\$ 251,947	\$ 113,176	\$ 61,844	\$ 99,266	\$ 106,102	\$ 185,852	\$ -	\$ 2,603,103
ESSA: School Improvement Funding for LEAs	84.010	15438		-	-	174,382	-	-	174,382	-	-	-	523,146
Total Title I and School Improvement Funding for LEAs				<u>141,245</u>	<u>298,180</u>	<u>426,329</u>	<u>113,176</u>	<u>61,844</u>	<u>273,648</u>	<u>106,102</u>	<u>185,852</u>	<u>-</u>	<u>3,126,249</u>
Title II - Improving Teacher Quality	84.367	14341		17,833	31,775	26,496	14,056	5,201	11,689	11,566	19,471	-	297,602
Title III - Limited English Proficiency	84.365	14346		21,627	54,469	46,592	15,151	2,804	12,015	3,605	9,655	-	289,161
Title IV - Student Support and Academic Enrichment	84.424A	15391		10,450	24,149	21,430	10,000	10,000	10,000	10,000	14,938	-	218,354
Special Education Cluster: IDEA Basic Local Assistance Entitlement													
Part B, Section 611	84.027	13379		-	-	-	-	-	-	-	-	1,181,831	1,181,831
Mental Health Assistance	84.027A	13379		-	-	-	-	-	-	-	-	149,222	149,222
Total Special Education Cluster				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,331,053</u>	<u>1,331,053</u>
Coronavirus Aid, Relief, and Economic Security Act (CARES Act):													
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425D	15559	COVID-19	-	-	-	-	62,483	-	-	-	-	62,483
American Rescue Plan - Homeless Children and Youth-Statewide Activities	84.425U	15536	COVID-19	-	-	-	1,399	-	-	-	-	-	1,399
Total CARES Act				<u>-</u>	<u>-</u>	<u>-</u>	<u>1,399</u>	<u>62,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,882</u>
Total U.S. Department of Education				<u>191,155</u>	<u>408,573</u>	<u>520,847</u>	<u>153,782</u>	<u>142,332</u>	<u>307,352</u>	<u>131,273</u>	<u>229,916</u>	<u>1,331,053</u>	<u>5,326,301</u>
U.S. Department of Agriculture													
Pass-Through Program From California Department of Education:													
Continuing Appropriations Act and Other Extensions Act:													
Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.647	15644	COVID-19	614	614	614	614	614	614	-	-	-	9,210
Total U.S. Department of Agriculture				<u>614</u>	<u>614</u>	<u>614</u>	<u>614</u>	<u>614</u>	<u>614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,210</u>
U.S. Department of Health and Human Services													
Passed Through: California Department of Education:													
Medicaid Cluster	93.778	N/A		-	-	-	-	-	-	-	-	1,086,809	1,086,809
Total U.S. Department of Health and Human Services				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,086,809</u>	<u>1,086,809</u>
Total Federal Expenditure				<u>\$ 191,769</u>	<u>\$ 409,187</u>	<u>\$ 521,461</u>	<u>\$ 154,396</u>	<u>\$ 142,946</u>	<u>\$ 307,966</u>	<u>\$ 131,273</u>	<u>\$ 229,916</u>	<u>\$ 2,417,862</u>	<u>\$ 6,422,320</u>

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY LOCATION
JUNE 30, 2025

	Bayview	Bridge	Heartwood	SF Bay	Summit	King	San Jose	SF College Prep	Heritage	Prize	Subtotal
ASSETS											
CURRENT ASSETS											
Cash and Cash Equivalents	\$ 1,886,872	\$ 3,376,206	\$ 4,592,585	\$ 2,606,552	\$ 1,219,623	\$ 995,189	\$ 5,058,557	\$ 289,663	\$ 2,972,456	\$ 1,738,955	\$ 24,736,658
Accounts Receivable - Federal and State	552,320	1,884,517	420,754	750,675	1,574,456	2,140,658	467,849	468,241	1,458,839	693,408	10,411,717
Accounts Receivable - Other	25,680	41,405	9,957	32,231	-	30,288	-	38,789	11,427	21,420	211,197
Contributions Receivable, Net	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Intracompany Receivables	8,563	-	-	-	-	-	-	-	-	-	8,563
Due from KBARE	-	55,823	-	-	-	-	-	-	-	-	55,823
Deposits and Prepaid Expenses	34,788	78,672	140,484	36,134	43,863	93,593	21,573	10,209	53,886	64,406	577,608
Total Current Assets	2,508,223	5,436,623	5,163,780	3,425,592	2,837,942	3,259,728	5,547,979	806,902	4,496,608	2,518,189	36,001,566
NONCURRENT ASSETS											
Contributions Receivable, Net	-	-	-	-	-	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-	-	-	-	-	-
PROPERTY, PLANT, AND EQUIPMENT											
Building and Improvements	700,590	1,033,732	464,470	258,333	1,764,172	12,847,655	1,765,479	175,737	196,980	369,647	19,576,795
Leasehold Improvements	29,427	-	-	-	-	37,820	9,481	50,536	19,750	-	147,014
Furniture and Equipment	8,020	61,801	111,229	45,671	91,603	289,165	169,425	151,835	27,440	120,779	1,076,968
Work in Progress	1,848,419	476,654	-	-	-	-	-	-	-	-	2,325,073
Less: Accumulated Depreciation	(205,890)	(393,249)	(150,502)	(83,202)	(535,249)	(4,156,865)	(749,624)	(152,344)	(75,347)	(191,361)	(6,693,633)
Property, Plant, and Equipment, Net	2,380,566	1,178,938	425,197	220,802	1,320,526	9,017,775	1,194,761	225,764	168,823	299,065	16,432,217
RIGHT-OF-USE ASSET	1,973,171	6,452,828	40,682	433,167	361,357	566,132	338,680	183,415	13,724,159	613,383	24,686,974
Total Assets	\$ 6,861,960	\$ 13,068,389	\$ 5,629,659	\$ 4,079,561	\$ 4,519,825	\$ 12,843,635	\$ 7,081,420	\$ 1,216,081	\$ 18,389,590	\$ 3,430,637	\$ 77,120,757
LIABILITIES AND NET ASSETS											
CURRENT LIABILITIES											
Accounts Payable	\$ 1,529,654	\$ 1,045,699	\$ 668,422	\$ 513,297	\$ 665,930	\$ 1,265,325	\$ 408,898	\$ 203,918	\$ 367,142	\$ 330,935	\$ 6,999,220
Accrued Liabilities	12,408	33,011	27,405	23,414	4,628	35,696	35,118	15,845	19,379	18,075	224,979
Intracompany Payables	-	-	-	-	-	-	-	-	-	-	-
Due to KBARE	148,840	-	3,162	-	-	-	-	-	387,595	3,162	542,759
Deferred Revenue	28,989	2,063,652	35,029	30,801	71,349	112,610	94,447	73,672	28,990	39,892	2,579,431
Notes Payable, Current Portion	-	-	-	-	-	145,436	-	-	-	-	145,436
Lease Liability, Current Portion	451,044	545,934	38,336	153,602	141,769	177,133	341,004	149,658	453,600	316,475	2,768,555
Total Current Liabilities	2,170,935	3,688,296	772,354	721,114	883,676	1,736,200	879,467	443,093	1,256,706	708,539	13,260,380
LONG-TERM LIABILITIES											
Notes Payable, Net	-	-	-	-	-	2,946,294	-	-	-	-	2,946,294
Lease Liability, Net	1,552,091	5,943,440	2,298	275,930	218,045	388,999	4,038	3,066	13,326,906	295,240	22,010,053
Total Long-Term Liabilities	1,552,091	5,943,440	2,298	275,930	218,045	3,335,293	4,038	3,066	13,326,906	295,240	24,956,347
NET ASSETS											
Without Donor Restrictions	3,138,934	3,436,653	4,855,007	3,082,517	3,418,104	7,772,142	6,197,915	769,922	3,805,978	2,426,858	38,904,030
With Donor Restrictions:											
Time or Purpose Restricted	-	-	-	-	-	-	-	-	-	-	-
Endowment Fund	-	-	-	-	-	-	-	-	-	-	-
Total With Donor Restrictions	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets	3,138,934	3,436,653	4,855,007	3,082,517	3,418,104	7,772,142	6,197,915	769,922	3,805,978	2,426,858	38,904,030
Total Liabilities and Net Assets	\$ 6,861,960	\$ 13,068,389	\$ 5,629,659	\$ 4,079,561	\$ 4,519,825	\$ 12,843,635	\$ 7,081,420	\$ 1,216,081	\$ 18,389,590	\$ 3,430,637	\$ 77,120,757

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY LOCATION (CONTINUED)
JUNE 30, 2025

	Subtotal	Excelencia	Valiant	Navigate	Bayview Elementary	Esperanza	Stockton K-12	University Park	RSO	Eliminations	2025 Consolidated
ASSETS											
CURRENT ASSETS											
Cash and Cash Equivalents	\$ 24,736,658	\$ 3,804,849	\$ 3,469,745	\$ 352,753	\$ 380,641	\$ 1,779,703	\$ 3,157,136	\$ 2,415,627	\$ 6,231,841	\$ -	\$ 46,328,953
Accounts Receivable - Federal and State	10,411,717	1,081,636	1,109,574	514,190	420,916	504,139	811,438	1,167,105	3,552,812	-	19,573,527
Accounts Receivable - Other	211,197	35,531	60,221	29,955	30,051	-	163,401	70,788	968,491	-	1,569,635
Contributions Receivable, Net	-	-	-	-	-	-	-	-	4,140,520	-	4,140,520
Restricted Cash Equivalents	-	-	-	-	-	-	-	-	7,161,721	-	7,161,721
Investments	-	-	-	-	-	-	-	-	66,715,713	-	66,715,713
Intracompany Receivables	8,563	-	-	-	-	967	-	-	168,203	(177,733)	-
Due from KBARE	55,823	-	-	-	-	-	(558,281)	-	40,062,821	-	39,560,363
Deposits and Prepaid Expenses	577,608	172,991	67,414	15,569	28,594	110,547	91,718	449,007	1,461,240	-	2,974,688
Total Current Assets	36,001,566	5,095,007	4,706,954	912,467	860,202	2,395,356	3,665,412	4,102,527	130,463,362	(177,733)	188,025,120
NONCURRENT ASSETS											
Contributions Receivable, Net	-	-	-	-	-	-	-	-	9,385,502	-	9,385,502
Total Noncurrent Assets	-	-	-	-	-	-	-	-	9,385,502	-	9,385,502
PROPERTY, PLANT, AND EQUIPMENT											
Building and Improvements	19,576,795	1,607,978	200,956	4,329,145	81,490	382,992	16,421	-	80,574	-	26,276,351
Leasehold Improvements	147,014	-	35,940	31,189	51,088	-	67,433	-	22,341	-	355,005
Furniture and Equipment	1,076,968	-	171,434	122,621	104,992	47,473	-	-	45,629	-	1,569,117
Work in Progress	2,325,073	-	-	19,015	-	-	-	-	326,259	-	2,670,347
Less: Accumulated Depreciation	(6,693,633)	(644,023)	(112,729)	(1,564,548)	(95,482)	(108,238)	(70,640)	-	(78,676)	-	(9,367,969)
Property, Plant, and Equipment, Net	16,432,217	963,955	295,601	2,937,422	142,088	322,227	13,214	-	396,127	-	21,502,851
RIGHT-OF-USE ASSET											
	24,686,974	50,183	13,621	451,424	82,419	16,664,725	14,073,385	36,361,380	69,584	-	92,453,695
Total Assets	\$ 77,120,757	\$ 6,109,145	\$ 5,016,176	\$ 4,301,313	\$ 1,084,709	\$ 19,382,308	\$ 17,752,011	\$ 40,463,907	\$ 140,314,575	\$ (177,733)	\$ 311,367,168
LIABILITIES AND NET ASSETS											
CURRENT LIABILITIES											
Accounts Payable	\$ 6,999,220	\$ 768,858	\$ 486,302	\$ 262,900	\$ 194,360	\$ 302,746	\$ 276,332	\$ 408,603	\$ 2,389,512	\$ -	\$ 12,088,833
Accrued Liabilities	224,979	48,240	38,925	24,196	11,271	17,180	21,834	23,320	1,537,804	-	1,947,749
Intracompany Payables	-	77,498	69,019	-	-	-	-	31,216	-	(177,733)	-
Due to KBARE	542,759	-	-	1,291	-	616,390	-	1,013,479	-	-	2,173,919
Deferred Revenue	2,579,431	120,198	94,325	27,782	54,574	14,495	-	-	675,000	-	3,565,805
Net Notes Payable, Current Portion	145,436	-	-	-	-	-	-	-	-	-	145,436
Lease Liability, Current Portion	2,768,555	45,156	5,897	225,076	77,808	339,343	245,248	693,094	63,011	-	4,463,188
Total Current Liabilities	13,260,380	1,059,950	694,468	541,245	338,013	1,290,154	543,414	2,169,712	4,665,327	(177,733)	24,384,930
LONG-TERM LIABILITIES											
Notes Payable	2,946,294	-	-	-	-	-	-	-	-	-	2,946,294
Lease Liability, Net	22,010,053	3,638	5,611	-	-	16,381,473	14,029,279	35,791,638	7,957	-	88,229,649
Total Long-Term Liabilities	24,956,347	3,638	5,611	-	-	16,381,473	14,029,279	35,791,638	7,957	-	91,175,943
NET ASSETS											
Without Donor Restrictions	38,904,030	5,045,557	4,316,097	3,760,068	746,696	1,710,681	3,179,318	2,502,557	115,657,589	-	175,822,593
With Donor Restrictions:											
Time or Purpose Restricted	-	-	-	-	-	-	-	-	13,509,021	-	13,509,021
Endowment Fund	-	-	-	-	-	-	-	-	6,474,681	-	6,474,681
Total Net Assets	38,904,030	5,045,557	4,316,097	3,760,068	746,696	1,710,681	3,179,318	2,502,557	135,641,291	-	195,806,295
Total Liabilities and Net Assets	\$ 77,120,757	\$ 6,109,145	\$ 5,016,176	\$ 4,301,313	\$ 1,084,709	\$ 19,382,308	\$ 17,752,011	\$ 40,463,907	\$ 140,314,575	\$ (177,733)	\$ 311,367,168

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATING STATEMENT OF ACTIVITIES BY LOCATION
YEAR ENDED JUNE 30, 2025

	Bayview	Bridge	Heartwood	SF Bay	Summit	King	San Jose	SF College Prep	Heritage	Prize	Subtotal
NET ASSETS, WITHOUT DONOR RESTRICTIONS											
Revenues:											
State Revenue:											
State Aid	\$ 1,357,590	\$ 5,208,474	\$ 4,029,935	\$ 2,180,077	\$ 4,203,840	\$ 7,731,132	\$ 5,294,099	\$ 1,930,618	\$ 4,084,181	\$ 4,038,109	\$ 40,058,055
Other State Revenue	1,085,789	2,281,459	1,688,897	1,438,332	1,158,008	1,083,874	513,131	779,358	1,429,475	1,514,878	12,973,201
Federal Revenue	123,802	249,446	185,277	165,304	188,494	280,856	200,285	335,704	186,376	191,769	2,107,313
Local Revenue:											
In-Lieu Property Tax Revenue	890,972	1,783,773	1,486,144	1,421,103	1,411,859	2,097,303	2,533,597	981,347	1,652,602	1,427,660	15,686,360
Contribution Revenue	2,400,048	2,514,019	105,447	48,712	75,258	101,083	142,770	1,344,143	80,842	70,224	6,882,546
In-Kind Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	273,636	229,424	85,503	311,283	60,478	141,003	137,357	290,189	36,165	53,731	1,618,769
Net Assets Released from Restriction	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	6,131,837	12,266,595	7,581,203	5,564,811	7,097,937	11,435,251	8,821,239	5,661,359	7,469,641	7,296,371	79,326,244
Expenses:											
Program Services Expense:											
Educational Programs	4,767,091	12,363,021	8,078,439	6,082,552	7,838,754	12,718,575	9,383,835	6,115,355	8,207,836	7,834,069	83,389,527
Total Program Services Expense	4,767,091	12,363,021	8,078,439	6,082,552	7,838,754	12,718,575	9,383,835	6,115,355	8,207,836	7,834,069	83,389,527
Support Services Expense:											
General and Administrative	-	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-	-
Total Supporting Services Expense	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	4,767,091	12,363,021	8,078,439	6,082,552	7,838,754	12,718,575	9,383,835	6,115,355	8,207,836	7,834,069	83,389,527
CHANGE IN OPERATING NET ASSETS WITHOUT DONOR RESTRICTIONS	1,364,746	(96,426)	(497,236)	(517,741)	(740,817)	(1,283,324)	(562,596)	(453,996)	(738,195)	(537,698)	(4,063,283)
NONOPERATING REVENUE											
Interest Income on Cash in County	-	-	-	-	-	-	842	-	-	-	842
Investment Income	-	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenue	-	-	-	-	-	-	842	-	-	-	842
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,364,746	(96,426)	(497,236)	(517,741)	(740,817)	(1,283,324)	(561,754)	(453,996)	(738,195)	(537,698)	(4,062,441)
NET ASSETS WITH DONOR RESTRICTIONS											
Local Revenue:											
Contribution Revenue	-	-	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	1,364,746	(96,426)	(497,236)	(517,741)	(740,817)	(1,283,324)	(561,754)	(453,996)	(738,195)	(537,698)	(4,062,441)
Net Assets - Beginning of Year	1,774,188	3,533,079	5,352,243	3,600,258	4,158,921	9,055,466	6,759,669	1,223,918	4,544,173	2,964,556	42,966,471
NET ASSETS - END OF YEAR	<u>\$ 3,138,934</u>	<u>\$ 3,436,653</u>	<u>\$ 4,855,007</u>	<u>\$ 3,082,517</u>	<u>\$ 3,418,104</u>	<u>\$ 7,772,142</u>	<u>\$ 6,197,915</u>	<u>\$ 769,922</u>	<u>\$ 3,805,978</u>	<u>\$ 2,426,858</u>	<u>\$ 38,904,030</u>

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATING STATEMENT OF ACTIVITIES BY LOCATION (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Subtotal	Excelencia	Valiant	Navigate	Bayview Elementary	Esperanza	Stockton K-12	Unversity Park	RSO	Eliminations	2025 Consolidated
NET ASSETS, WITHOUT DONOR RESTRICTIONS											
Revenues:											
State Revenue:											
State Aid	\$ 40,058,055	\$ 2,993,846	\$ 3,662,925	\$ 4,268,053	\$ 1,899,582	\$ 902,734	\$ 3,142,346	\$ 5,197,333	\$ -	\$ -	\$ 62,124,874
Other State Revenue	12,973,201	2,867,327	2,233,278	371,736	1,027,899	656,103	1,046,665	1,437,774	6,825,106	-	29,439,089
Federal Revenue	2,107,313	409,187	521,461	154,396	142,946	307,966	131,273	229,916	2,417,862	-	6,422,320
Local Revenue:											
In-Lieu Property Tax Revenue	15,686,360	6,967,940	4,422,949	309,805	37,671	2,149,657	457,930	723,344	-	-	30,755,656
Contribution Revenue	6,882,546	130,875	206,127	1,313,739	1,235,947	1,819,619	6,258,854	3,422,653	30,444,480	(33,797,628)	17,917,212
In-Kind Contributions	-	-	-	-	-	-	-	-	510,895	-	510,895
Other Revenue	1,618,769	203,268	58,081	77,949	92,810	34,334	17,439	75,443	22,645,792	(22,420,008)	2,403,877
Net Assets Released from Restriction	-	-	-	-	-	-	-	-	10,644,542	-	10,644,542
Total Revenues	<u>79,326,244</u>	<u>13,572,443</u>	<u>11,104,821</u>	<u>6,495,678</u>	<u>4,436,855</u>	<u>5,870,413</u>	<u>11,054,507</u>	<u>11,086,463</u>	<u>73,488,677</u>	<u>(56,217,636)</u>	<u>160,218,465</u>
Expenses:											
Program Services Expense:											
Educational Programs	83,389,527	14,462,294	11,823,733	6,870,407	4,396,954	6,228,178	9,251,320	11,673,220	33,119,445	(56,217,636)	124,997,442
Total Program Services Expense	<u>83,389,527</u>	<u>14,462,294</u>	<u>11,823,733</u>	<u>6,870,407</u>	<u>4,396,954</u>	<u>6,228,178</u>	<u>9,251,320</u>	<u>11,673,220</u>	<u>33,119,445</u>	<u>(56,217,636)</u>	<u>124,997,442</u>
Support Services Expense:											
General and Administrative	-	-	-	-	-	-	-	-	35,968,224	-	35,968,224
Fundraising	-	-	-	-	-	-	-	-	1,528,906	-	1,528,906
Total Supporting Services Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,497,130</u>	<u>-</u>	<u>37,497,130</u>
Total Expenses	<u>83,389,527</u>	<u>14,462,294</u>	<u>11,823,733</u>	<u>6,870,407</u>	<u>4,396,954</u>	<u>6,228,178</u>	<u>9,251,320</u>	<u>11,673,220</u>	<u>70,616,575</u>	<u>(56,217,636)</u>	<u>162,494,572</u>
CHANGE IN OPERATING NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(4,063,283)</u>	<u>(889,851)</u>	<u>(718,912)</u>	<u>(374,729)</u>	<u>39,901</u>	<u>(357,765)</u>	<u>1,803,187</u>	<u>(586,757)</u>	<u>2,872,102</u>	<u>-</u>	<u>(2,276,107)</u>
NONOPERATING REVENUE											
Interest Income on Cash in County	842	42,936	29,169	-	-	6,942	3,255	6,234	-	-	89,378
Investment Income	-	-	-	-	-	-	-	-	6,109,849	-	6,109,849
Total Nonoperating Revenue	<u>842</u>	<u>42,936</u>	<u>29,169</u>	<u>-</u>	<u>-</u>	<u>6,942</u>	<u>3,255</u>	<u>6,234</u>	<u>6,109,849</u>	<u>-</u>	<u>6,199,227</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(4,062,441)</u>	<u>(846,915)</u>	<u>(689,743)</u>	<u>(374,729)</u>	<u>39,901</u>	<u>(350,823)</u>	<u>1,806,442</u>	<u>(580,523)</u>	<u>8,981,951</u>	<u>-</u>	<u>3,923,120</u>
NET ASSETS WITH DONOR RESTRICTIONS											
Local Revenue:											
Contribution Revenue	-	-	-	-	-	-	-	-	15,020,919	-	15,020,919
Investment Income	-	-	-	-	-	-	-	-	983,754	-	983,754
Net Assets Released from Restrictions	-	-	-	-	-	-	-	-	(10,644,542)	-	(10,644,542)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,360,131</u>	<u>-</u>	<u>5,360,131</u>
CHANGE IN NET ASSETS	<u>(4,062,441)</u>	<u>(846,915)</u>	<u>(689,743)</u>	<u>(374,729)</u>	<u>39,901</u>	<u>(350,823)</u>	<u>1,806,442</u>	<u>(580,523)</u>	<u>14,342,082</u>	<u>-</u>	<u>9,283,251</u>
Net Assets - Beginning of Year	42,966,471	5,892,472	5,005,840	4,134,797	706,795	2,061,504	1,372,876	3,083,080	121,299,209	-	186,523,044
NET ASSETS - END OF YEAR	<u>\$ 38,904,030</u>	<u>\$ 5,045,557</u>	<u>\$ 4,316,097</u>	<u>\$ 3,760,068</u>	<u>\$ 746,696</u>	<u>\$ 1,710,681</u>	<u>\$ 3,179,318</u>	<u>\$ 2,502,557</u>	<u>\$ 135,641,291</u>	<u>\$ -</u>	<u>\$ 195,806,295</u>

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATING STATEMENT OF CASH FLOWS BY LOCATION
YEAR ENDED JUNE 30, 2025

	Bayview	Bridge	Heartwood	SF Bay	Summit	King	San Jose	SF College Prep	Heritage	Prize	Subtotal
CASH FLOWS FROM OPERATING ACTIVITIES											
Change in Net Assets	\$ 1,364,746	\$ (96,426)	\$ (497,236)	\$ (517,741)	\$ (740,817)	\$ (1,283,324)	\$ (561,754)	\$ (453,996)	\$ (738,195)	\$ (537,698)	\$ (4,062,441)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:											
Depreciation	75,501	101,169	41,404	25,908	94,430	442,400	217,198	47,175	12,449	41,284	1,098,918
Net Investment Gain	-	-	-	-	-	-	-	-	-	-	-
Noncash Lease Expense	31,238	(5,061)	(48)	(3,557)	-	-	(21)	(11,844)	(1,959)	(164)	8,584
Loss on Disposal of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-
Transfers of Purchases of Property, Plant, and Equipment	-	-	-	-	-	-	-	-	-	-	-
(Increase) Decrease in Assets:											
Accounts Receivable - Federal and State	230,297	(268,791)	109,635	(57,172)	113,299	366,612	(98,206)	15,936	(194,887)	(36,128)	180,595
Accounts Receivable - Other	(11,219)	(5,180)	(6,119)	(10,635)	-	(3,994)	-	(14,885)	(13,207)	(10,914)	(76,153)
Intercompany Receivables	(8,563)	-	-	-	-	-	-	-	-	-	(8,563)
Due from KBARE	-	279,877	-	-	-	-	-	-	-	-	279,877
Contributions Receivable	-	-	-	-	-	-	-	-	-	-	-
Deposits and Prepaid Expenses	(24,777)	(76,757)	(45,133)	(36,134)	11,294	(68,169)	(13,265)	(3,066)	(19,609)	(32,598)	(308,214)
Deferred Rent Asset	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Liabilities:											
Accounts Payable	1,418,985	(621,342)	353,714	63,987	(196,449)	(230,417)	226,289	1,559	137,817	76,064	1,230,207
Accrued Liabilities	3,140	7,726	(1,207)	9,025	2,000	4,663	12,173	(3,262)	1,524	(4,090)	31,692
Intercompany Payables	-	-	-	-	-	-	-	-	-	-	-
Due to KBARE	8,563	-	-	-	-	-	-	-	285,859	-	294,422
Deferred Rent Liability	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	(65,397)	1,592,081	(450,950)	(186,890)	(183,583)	(272,165)	(248,087)	(207,463)	(106,399)	(248,081)	(376,934)
Net Cash Provided by Operating Activities	3,022,514	907,296	(495,940)	(713,209)	(899,826)	(1,044,394)	(465,673)	(629,846)	(636,607)	(752,325)	(1,708,010)
CASH FLOWS FROM INVESTING ACTIVITIES											
Transfer of Cash to Investments	-	-	-	-	-	-	-	-	-	-	-
Purchases of Investments	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Investments	-	-	-	-	-	-	-	-	-	-	-
Purchases of Property, Plant, and Equipment	(1,795,134)	(279,227)	(159,024)	(46,583)	-	(192,084)	(9,468)	(14,749)	(18,632)	(5,725)	(2,520,626)
Net Cash Used by Investing Activities	(1,795,134)	(279,227)	(159,024)	(46,583)	-	(192,084)	(9,468)	(14,749)	(18,632)	(5,725)	(2,520,626)
CASH FLOWS FROM FINANCING ACTIVITIES											
Repayments of Debt	-	-	-	-	-	(142,558)	-	-	-	-	(142,558)
Net Cash Used by Financing Activities	-	-	-	-	-	(142,558)	-	-	-	-	(142,558)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS	1,227,380	628,069	(654,964)	(759,792)	(899,826)	(1,379,036)	(475,141)	(644,595)	(655,239)	(758,050)	(4,371,194)
Cash, Cash Equivalents, and Restricted Cash Equivalents - Beginning of Year	659,492	2,748,137	5,247,549	3,366,344	2,119,449	2,374,225	5,533,698	934,258	3,627,695	2,497,005	29,107,852
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,886,872</u>	<u>\$ 3,376,206</u>	<u>\$ 4,592,585</u>	<u>\$ 2,606,552</u>	<u>\$ 1,219,623</u>	<u>\$ 995,189</u>	<u>\$ 5,058,557</u>	<u>\$ 289,663</u>	<u>\$ 2,972,456</u>	<u>\$ 1,738,955</u>	<u>\$ 24,736,658</u>

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATING STATEMENT OF CASH FLOWS BY LOCATION (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Subtotal	Excelencia	Valiant	Navigate	Bayview Elementary	Esperanza	Stockton K-12	University Park	RSO	Eliminations	2025 Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES											
Change in Net Assets	\$ (4,062,441)	\$ (846,915)	\$ (689,743)	\$ (374,729)	\$ 39,901	\$ (350,823)	\$ 1,806,442	\$ (580,523)	\$ 14,342,082	\$ -	\$ 9,283,251
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:											
Depreciation	1,098,918	210,267	46,589	540,693	28,770	32,495	6,539	-	19,280	-	1,983,551
Gain on Investments	-	-	-	-	-	-	-	-	(2,504,334)	-	(2,504,334)
Noncash Lease Expense	8,584	(14,295)	(266)	(117,445)	(109)	(1,895)	(6,441)	(4,519)	(17,563)	-	(153,949)
Loss on Disposal of Property, Plant and Equipment	-	-	-	-	-	-	-	-	366,232	-	366,232
Transfers of Purchases of Property, Plant, and Equipment	-	-	-	-	-	-	-	-	(366,232)	-	(366,232)
(Increase) Decrease in Assets:											
Accounts Receivable - Federal and State	180,595	10,998	105,139	(210,496)	(71,986)	(16,364)	(225,675)	(435,856)	(504,021)	-	(1,167,666)
Accounts Receivable - Other	(76,153)	9,793	(27,467)	(12,809)	(13,795)	-	32,130	304,012	(222,815)	-	(7,104)
Intercompany Receivables	(8,563)	-	-	-	-	30,249	-	-	(168,203)	146,517	-
Due from Related Party	279,877	-	-	-	-	-	576,993	-	(7,575,559)	-	(6,718,689)
Contributions Receivable	-	-	-	-	-	-	-	-	(5,594,168)	-	(5,594,168)
Deposits and Prepaid Expenses	(308,214)	(21,494)	40,586	(2,852)	(23,594)	(69,574)	(41,461)	(197,018)	(295,817)	-	(919,438)
Deferred Rent Asset	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Liabilities:											
Accounts Payable	1,230,207	(181,763)	(421,759)	35,243	103,151	(137,404)	182,647	114,975	954,059	-	1,879,356
Accrued Liabilities	31,692	11,639	8,655	2,005	1,459	1,902	13,673	10,184	118,609	-	199,818
Intercompany Payables	-	77,498	69,019	-	-	-	-	-	-	(146,517)	-
Due to Related Party	294,422	-	-	-	-	244,446	-	986,749	-	-	1,525,617
Deferred Rent Liability	-	-	-	-	-	(54,555)	(14,298)	-	-	-	(68,853)
Deferred Revenue	(376,934)	(572,257)	(480,359)	(85,351)	(84,337)	-	-	-	69,670	-	(1,529,568)
Net Cash Provided by Operating Activities	(1,708,010)	(1,316,529)	(1,349,606)	(225,741)	(20,540)	(321,523)	2,330,549	198,004	(1,378,780)	-	(3,792,176)
CASH FLOWS FROM INVESTING ACTIVITIES											
Transfer of Cash to Investments	-	-	-	-	-	-	-	-	962,430	-	962,430
Purchases of Investments	-	-	-	-	-	-	-	-	(24,435,465)	-	(24,435,465)
Proceeds from Investments	-	-	-	-	-	-	-	-	31,422,402	-	31,422,402
Purchases of Property, Plant, and Equipment	(2,520,626)	(198,456)	(95,668)	(74,169)	(68,564)	(36,350)	-	-	(161,154)	-	(3,154,987)
Net Cash Used by Investing Activities	(2,520,626)	(198,456)	(95,668)	(74,169)	(68,564)	(36,350)	-	-	7,788,213	-	4,794,380
CASH FLOWS FROM FINANCING ACTIVITIES											
Repayments of Debt	(142,558)	-	-	-	-	-	-	-	-	-	(142,558)
Net Cash Used by Financing Activities	(142,558)	-	-	-	-	-	-	-	-	-	(142,558)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS	(4,371,194)	(1,514,985)	(1,445,274)	(299,910)	(89,104)	(357,873)	2,330,549	198,004	6,409,433	-	859,646
Cash, Cash Equivalents, and Restricted Cash Equivalents - Beginning of Year	29,107,852	5,319,834	4,915,019	652,663	469,745	2,137,576	826,587	2,217,623	6,984,129	-	52,631,028
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS - END OF YEAR	\$ 24,736,658	\$ 3,804,849	\$ 3,469,745	\$ 352,753	\$ 380,641	\$ 1,779,703	\$ 3,157,136	\$ 2,415,627	\$ 13,393,562	\$ -	\$ 53,490,674

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATING STATEMENT OF CASH FLOWS BY LOCATION (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Bayview	Bridge	Heartwood	SF Bay	Summit	King	San Jose	SF College Prep	Heritage	Prize	Subtotal
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION											
Cash Paid for Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,635	\$ -	\$ -	\$ -	\$ -	\$ 63,635
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS REPORTED WITHIN THE STATEMENT OF FINANCIAL POSITION											
Cash and Cash Equivalents	\$ 1,886,872	\$ 3,376,206	\$ 4,592,585	\$ 2,606,552	\$ 1,219,623	\$ 995,189	\$ 5,058,557	\$ 289,663	\$ 2,972,456	\$ 1,738,955	\$ 24,736,658
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-
Total Cash, Cash Equivalents, and Restricted Cash Equivalents shown in the Statement of Cash Flows	<u>\$ 1,886,872</u>	<u>\$ 3,376,206</u>	<u>\$ 4,592,585</u>	<u>\$ 2,606,552</u>	<u>\$ 1,219,623</u>	<u>\$ 995,189</u>	<u>\$ 5,058,557</u>	<u>\$ 289,663</u>	<u>\$ 2,972,456</u>	<u>\$ 1,738,955</u>	<u>\$ 24,736,658</u>
Right-Of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 3,322,315	\$ 7,938,706	\$ 199,058	\$ 841,332	\$ 707,173	\$ 1,209,052	\$ 1,275,110	\$ 664,460	\$ 14,969,411	\$ 1,236,217	\$ 32,362,834

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
CONSOLIDATING STATEMENT OF CASH FLOWS BY LOCATION (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Subtotal	Excelencia	Valiant	Navigate	Bayview Elementary	Esperanza	Stockton K-12	Stockton K-8	RSO	Eliminations	2025 Consolidated
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION											
Cash Paid for Interest	\$ 63,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,200)	\$ -	\$ 59,435
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS REPORTED WITHIN THE STATEMENT OF FINANCIAL POSITION											
Cash and Cash Equivalents	\$ 24,736,658	\$ 3,804,849	\$ 3,469,745	\$ 352,753	\$ 380,641	\$ 1,779,703	\$ 3,157,136	\$ 2,415,627	\$ 6,231,841	\$ -	\$ 46,328,953
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	-	7,161,721	-	7,161,721
Total Cash, Cash Equivalents, and Restricted Cash Equivalents shown in the Statement of Cash Flows	\$ 24,736,658	\$ 3,804,849	\$ 3,469,745	\$ 352,753	\$ 380,641	\$ 1,779,703	\$ 3,157,136	\$ 2,415,627	\$ 13,393,562	\$ -	\$ 53,490,674
Right-Of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 32,362,834	\$ 1,134,906	\$ 1,872,462	\$ 2,170,788	\$ 290,207	\$ 17,614,425	\$ 14,686,833	\$ 38,549,547	\$ 1,975,733	\$ -	\$ 110,657,735

See accompanying Auditors' Report and the Notes to Supplementary Information.

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents information on the amount of instructional time offered by each charter school and whether it complied with the provisions of California Education Code.

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED CONSOLIDATED FINANCIAL STATEMENTS

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited consolidated financial statements.

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California under programs of the federal governmental for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of operations of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California, it is not intended to and does not present the financial position, changes in net assets, or cash flows of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 5 INDIRECT COST RATE

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California has elected to use a rate other than the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 6 SUPPLEMENTARY STATEMENTS BY LOCATION AND ENTITY

The supplementary consolidating statements report the financial position, activities, and cash flows for each of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's charter schools as is required for the various sponsoring agencies.

OTHER INFORMATION

KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

KIPP Bay Area Schools dba: KIPP: Public Schools Northern California is a tax exempt, nonprofit, public benefit corporation that was established in 2008. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California manages 16 charter schools. The charter school sponsors and charter school numbers are as follows:

- KIPP Bayview Academy (Bayview) – Charter Number: 0549
Sponsor: San Francisco Unified School District, established July 2003
- KIPP Bridge Academy (Bridge) – Charter Number: 0938
Sponsor: Oakland Unified School District, established July 2007
- KIPP Esperanza High (Esperanza) – Charter Number: 2085
Sponsor: Sequoia Union High District, established July 2020
- KIPP Excelencia Community Preparatory (Excelencia) – Charter Number: 1735
Sponsor: Redwood City School District, established July 2014
- KIPP Heartwood Academy (Heartwood) – Charter Number: 0628
Sponsor: Alum Rock Union Elementary School District, established July 2004
- KIPP King Collegiate (King) – Charter Number: 0880
Sponsor: San Lorenzo Unified School District, established July 2007
- KIPP San Francisco Bay Academy (SF Bay) – Charter Number: 0551
Sponsor: San Francisco Unified School District, established July 2003
- KIPP San Francisco College Preparatory (SF College Prep) – Charter Number: 1502
Sponsor: San Francisco Unified School District, established July 2013
- KIPP San Jose Collegiate (San Jose) – Charter Number: 0976
Sponsor: East Side Union High School District, established July 2007
- KIPP Summit Academy (Summit) – Charter Number: 0524
Sponsor: San Lorenzo Unified School District, established July 2003
- KIPP Heritage Academy (Heritage) – Charter Number: 1608
Sponsor: Franklin-McKinley Elementary School District, established July 2014
- KIPP Prize Preparatory Academy (Prize) – Charter Number: 1609
Sponsor: Alum Rock Union Elementary School District, established July 2014
- KIPP Valiant Community Prep (Valiant) – Charter Number: 1868
Sponsor: Ravenswood City Elementary, established July 2017
- KIPP Navigate College Prep (Navigate) – Charter Number: 1955
Sponsor: East Side Union High School District, established July 2018
- KIPP Bayview Elementary (Bayview Elm)– Charter Number: 1954
Sponsor: San Francisco Unified School District, established July 2018
- KIPP Stockton Kindergarten-12 (Stockton K-12) – Charter Number: 2109
Sponsor: Stockton Unified School District, established July 2021
- KIPP Stockton Kindergarten-8 (University Park Middle) – Charter Number: 2124
Sponsor: Stockton Unified School District, established July 2022

**KIPP BAY AREA SCHOOLS
 DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (CONTINUED)
 YEAR ENDED JUNE 30, 2025
 (SEE INDEPENDENT AUDITORS' REPORT)**

The Board of Directors and the Administrators as of the year ended June 30, 2025 were as follows:

BOARD OF DIRECTORS

Member	Office	Current Term Expires
Abe Friedman	Board Chair	June 2027
Jenny Risk	Vice Chair	June 2027
Blake Grossman	Member	June 2027
D'Lonra Ellis	Member	June 2027
Jessica Garcia-Kohl	Member	June 2027
Sandra Thompson	Member	June 2027
Sohi Sohn	Member	June 2027
Aubrey Merriman	Member	June 2025
Caretha Coleman	Member	June 2025
Emily Rummo	Member	June 2025
Gustavo Gonzalez	Member	June 2025
Heather Gardley	Member	June 2025
Octavio Sandoval	Member	June 2025
Ron Gonzales	Member	June 2025
David Stinfil	Member	June 2026
Laura Fisher	Member	June 2026
Michael Cohen	Member	June 2026
Bob Gutierrez	Member	June 2027
Karla Mondragon	Member	June 2027
Arryonna Santos	Member	June 2027

ADMINISTRATORS

Beth Thompson	Chief Executive Officer
David Ling	Chief People Officer
Cory Vastola	Chief Financial and Operating Officer



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

Board of Directors
KIPP Bay Area Schools
dba KIPP: Public Schools Northern California
Oakland, California

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 consolidated financial statements of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California, a nonprofit California public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and cash flows for the year then ended, the related notes to the consolidated financial statements, and have issued our report thereon dated December 12, 2025.

Report on Internal Control Over Financial Reporting

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

Board of Directors
KIPP Bay Area Schools
dba: KIPP: Public Schools Northern California

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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's consolidated 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



CliftonLarsonAllen LLP

Ontario, California
December 12, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
KIPP Bay Area Schools
dba KIPP: Public Schools Northern California
Oakland, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California complied, in all material respects, with the 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California 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 Bay Area Schools dba: KIPP: Public Schools Northern California'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 Bay Area Schools dba: KIPP: Public Schools Northern California’s federal programs.

Auditors’ 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 Bay Area Schools dba: KIPP: Public Schools Northern California’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to 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 Bay Area Schools dba: KIPP: Public Schools Northern California’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding KIPP Bay Area Schools dba: KIPP: Public Schools Northern California’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 Bay Area Schools dba: KIPP: Public Schools Northern California’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 Bay Area Schools dba: KIPP: Public Schools Northern California’s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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



CliftonLarsonAllen LLP

Ontario, California
December 12, 2025



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Directors
KIPP Bay Area Schools
dba: KIPP: Public Schools Northern California
Oakland, California

Report on Compliance

Opinion on State Compliance

We have audited KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's compliance with the types of compliance requirements applicable to KIPP Bay Area Schools dba: KIPP: Public Schools Northern California described in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2025. KIPP Bay Area Schools dba: KIPP: Public Schools Northern California's applicable State compliance requirements are identified in the table below.

In our opinion, KIPP Bay Area Schools dba: KIPP: Public Schools Northern California complied, in all material respects, with the compliance requirements referred to above that are applicable to KIPP Bay Area Schools dba: KIPP: Public Schools Northern California for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our responsibilities under those standards and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel 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 Bay Area Schools dba: KIPP: Public Schools Northern California 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. Our audit does not provide a legal determination of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California'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 Bay Area Schools dba: KIPP: Public Schools Northern California's state programs.

Auditors' Responsibility 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 Bay Area Schools dba: KIPP: Public Schools Northern California's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel 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 Bay Area Schools dba: KIPP: Public Schools Northern California's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, 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 Bay Area Schools dba: KIPP: Public Schools Northern California'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 Bay Area Schools dba: KIPP: Public Schools Northern California'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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, but not for the purpose of expressing an opinion on the effectiveness of KIPP Bay Area Schools dba: KIPP: Public Schools Northern California'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.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine KIPP Bay Area Schools dba: KIPP: Public Schools Northern California’s compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Not Applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Not Applicable
Career Technical Education Incentive Grant (CTEIG)	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Not Applicable: KIPP Bay Area Schools dba: KIPP: Public Schools Northern California did not receive program funding or did not otherwise operate the program during the fiscal year.

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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from 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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Ontario, California
December 12, 2025

**KIPP BAY AREA SCHOOLS
 DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors’ Results

Consolidated Financial Statements

- | | | |
|--|------------|---|
| 1. Type of auditors’ report issued: | Unmodified | |
| 2. Internal control over financial reporting: | | |
| • Material weakness(es) identified? | _____ yes | ___ <input checked="" type="checkbox"/> ___ no |
| • Significant deficiency(ies) identified? | _____ yes | ___ <input checked="" type="checkbox"/> ___ none reported |
| 3. Noncompliance material to financial statements noted? | _____ yes | ___ <input checked="" type="checkbox"/> ___ no |

Federal Awards

- | | | |
|---|------------|---|
| 1. Internal control over major federal programs: | | |
| • Material weakness(es) identified? | _____ yes | ___ <input checked="" type="checkbox"/> ___ no |
| • Significant deficiency(ies) identified? | _____ yes | ___ <input checked="" type="checkbox"/> ___ none reported |
| 2. Type of auditors’ report issued on compliance for major federal programs: | Unmodified | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | _____ yes | ___ <input checked="" type="checkbox"/> ___ no |

Identification of Major Federal Programs

Assistance Listing Number(s)

84.010

Name of Federal Program or Cluster

Title I, Part A, Basic Grants: ESSA: School Improvement Funding for LEAs

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

___ ___ yes ___ ___ no

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Section II – Consolidated Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Findings and Questioned Costs – State Compliance

There were no findings or questioned costs related to state awards for June 30, 2025.

**KIPP BAY AREA SCHOOLS
DBA: KIPP: PUBLIC SCHOOLS NORTHERN CALIFORNIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

FINDINGS – CONSOLIDATED FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS – FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

FINDINGS – STATE COMPLIANCE

There were no state award program audit findings in the prior year.



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