

**KIPP DETROIT IMANI ACADEMY**  
**REPORT ON FINANCIAL STATEMENTS**  
**(with required supplementary information)**  
**YEAR ENDED JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
KIPP Detroit Imani Academy

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of KIPP Detroit Imani Academy, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise KIPP Detroit Imani Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of KIPP Detroit Imani Academy as of June 30, 2024, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

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

### ***Correction of Error***

As discussed in Note 9 to the financial statements, certain errors resulting in misclassification of interfund activity between the general fund and special revenue fund as of June 30, 2023, were discovered by management of the Academy during the current year. Accordingly, amounts reported for interfund activity have been restated in the current fiscal year now presented, and an adjustment has been made to fund balances as of July 1, 2023, to correct the error. Our opinion is not modified with respect to that matter.

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

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

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

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

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

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2024 on our consideration of KIPP Detroit Imani Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KIPP Detroit Imani Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KIPP Detroit Imani Academy's internal control over financial reporting and compliance.

*Manes Costeiran PC*

September 19, 2024

## KIPP DETROIT IMANI ACADEMY MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of KIPP Detroit Imani Academy’s (the Academy) annual financial report presents our discussion and analysis of the Academy’s financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the Academy’s financial statements, which immediately follow this section.

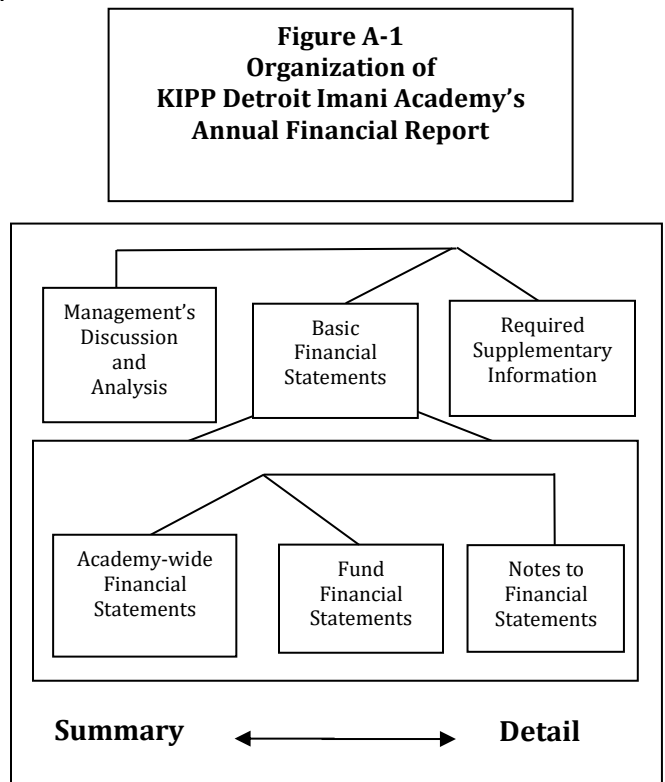
### Financial Highlights

- The Academy’s general fund balance at the beginning of the year, as restated, was \$64,528 and increased by \$53,772 to \$118,300 at the end of the 2023 - 2024 year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management’s discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Academy:

- The first two statements are *Academy-wide financial statements* that provide both *short-term* and *long-term* information about the Academy’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Academy, reporting the Academy’s operations in *more detail* than the Academy-wide statements.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short-term* as well as what remains for future spending.
- The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Academy’s budget for the year. Figure A-1 shows how the various parts of the annual report are arranged and related to one another.



**KIPP DETROIT IMANI ACADEMY  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Figure A-2 below summarizes the major features of the Academy’s financial statements, including the portion of the Academy’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

	Academy-wide Statements	Governmental Funds
Scope	Entire Academy	The activities of the Academy that are not proprietary or fiduciary, such as special education and building maintenance
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

**Academy-wide Statements**

The Academy-wide statements report information about the Academy as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Academy’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Academy-wide statements report the Academy’s net position and how they have changed. Net position - the difference between the Academy’s assets and liabilities, is one way to measure the Academy’s financial health or position.

- Over time, increases or decreases in the Academy’s net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the Academy, you need to consider additional non-financial factors such as changes in the Academy’s enrollment, the condition of school buildings and other facilities, and the Academy’s ability to be competitive with other public school academies and area school academies.

Governmental activities - The Academy’s basic services are included in here, such as regular education and special education, and administration. State foundation aid finances most of these activities.

**KIPP DETROIT IMANI ACADEMY  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Academy’s funds, focusing on its more significant or “major” funds - not the Academy as a whole. Funds are accounting devices the Academy uses to keep track of specific sources of funding and spending on particular programs. The Academy has a general fund and a special revenue fund.

- Some funds are required by State law and by debt agreements.
- The Academy can establish other funds to control and manage money for particular purposes.

All of the Academy’s basic services are included in governmental funds which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy’s programs. Because this information does not encompass the additional long-term focus of the Academy-wide statements, we provide additional information with the governmental funds statement that explains the relationship (or difference) between them

**Financial Analysis of the Academy as a Whole**

Net position - the Academy’s combined net position of \$121,755 increased by \$57,227 during the year.

The total revenues increased by 61.1% to \$1,176,606. This was due to an increase in state funding related to an increase in pupil count and foundation allowance. State aid foundation allowance included in revenue from state sources accounts for 64.5% of the Academy’s revenues in 2024.

The total cost of instruction decreased by 7.4%, or \$28,561, to \$358,466. Total support services increased by 229.2%, or \$481,476, to \$691,529. The increase in support services is mainly due to increased staffing during the year.

See figures A-3 and A-4.

**Academy Governmental Activities**

<b>Figure A-3 KIPP Detroit Imani Academy's Net Position</b>		
	2024	2023
<b>ASSETS</b>		
Current and other assets	\$ 653,303	\$ 126,901
<b>LIABILITIES</b>		
Other liabilities	531,548	62,373
<b>NET POSITION</b>		
Restricted for food service	3,455	-
Unrestricted	118,300	64,528
<b>TOTAL NET POSITION</b>	<b>\$ 121,755</b>	<b>\$ 64,528</b>



**KIPP DETROIT IMANI ACADEMY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

<b>Figure A-4 Change in KIPP Detroit Imani Academy's Net Position</b>		
	2024	2023*
<b>REVENUES</b>		
Program revenues		
Operating grants	\$ 135,176	\$ 55,006
General revenues		
State sources - unrestricted	758,661	311,890
Local sources	282,769	363,389
Total general revenues	1,041,430	675,279
<b>TOTAL REVENUES</b>	<b>1,176,606</b>	<b>730,285</b>
<b>EXPENSES</b>		
Instruction	358,466	387,027
Support services	691,529	210,053
Food services	69,384	68,632
<b>TOTAL EXPENSES</b>	<b>1,119,379</b>	<b>665,712</b>
Change in net position	<b>\$ 57,227</b>	<b>\$ 64,573</b>

\*Certain amounts in the prior year figures have been reclassified.

**Financial Analysis of the Academy's Funds**

The fund balance in the general fund increased by \$53,772 to \$118,300. The fund balance as a percentage of 2024 total general fund expenditures is approximately 11.3%.

**General Fund Budgetary Highlights**

Over the course of the year, the Academy revised the general fund annual operating budget when necessary. Changes were made in both revenue and expenditures which reflected anticipated decreases in state aid and actual salary figures for staff.

The Academy's final budget for the general fund anticipated revenues would exceed expenditures by \$54,044. The actual results for the year showed revenues exceeding expenditures by \$53,772.

Actual revenues were \$13,254 less than budgeted, a 1.2% variance. The main reason for the variance is due to less funding from state sources than anticipated.

Actual expenditures were \$12,982 less than budgeted, a 1.2% variance. The main reasons for the variance are due to less school administration and instructional expenditures than anticipated.

## **KIPP DETROIT IMANI ACADEMY MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Economic Factors Bearing on the Academy's Future**

At the time these financial statements were prepared and audited, the Academy was aware of existing circumstances that could significantly affect its financial health in the future.

- Academy management and appointed Board consider many factors when setting the Academy's 2024-2025 fiscal year budget. One of the most important factors driving the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2024-2025 budget was adopted in June 2024 based on an estimate of students who will enroll in September 2024. Approximately 90 percent of total General Fund revenue is from the foundation allowance. Under state law, the Academy cannot access additional property tax revenue for general operations. As a result, the Academy's funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2024 school year, it is anticipated that the fall student count will approximate the estimates used in creating the 2024-2025 budget. Once the final student count and related per pupil funding are validated, state law requires the Academy to amend the budget if actual academy resources are not sufficient to fund original appropriations.
- Since the Academy's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the Academy. The State periodically holds a Revenue Estimating Conference to estimate revenue. Based on the results of the most recent conference, the State estimated there will be an increase in per pupil funding for the 2024-2025 year of \$375 per pupil. This comes through not as an increase to the base per-pupil funding amount, but as a separate single-year line item as not to increase the base allowance amount.
- Enrollment continues to steadily increase for the Academy, with an anticipated Fall 2024 count of 100 students. This is a 25% increase from the previous year.

### **Contacting the Academy's Financial Management**

This financial report is designed to provide our students, parents, and creditors with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report or need additional information, contact the Academy's office at 19321 W Chicago, Detroit, MI 48228. Phone (313) 474-2777.

## **BASIC FINANCIAL STATEMENTS**

**KIPP DETROIT IMANI ACADEMY  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 475,929
Intergovernmental receivable	173,813
Prepays	3,561
<b>TOTAL ASSETS</b>	<b>653,303</b>
<b>LIABILITIES</b>	
Accounts payable	418,088
Accrued expenses	46,829
Unearned revenues	66,631
<b>TOTAL LIABILITIES</b>	<b>531,548</b>
<b>NET POSITION</b>	
Restricted for food service	3,455
Unrestricted	118,300
<b>TOTAL NET POSITION</b>	<b>\$ 121,755</b>

See notes to financial statements.

**KIPP DETROIT IMANI ACADEMY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 358,466	\$ -	\$ 62,337	\$ (296,129)
Support services	691,529	-	-	(691,529)
Food services	69,384	-	72,839	3,455
Total governmental activities	<u>\$ 1,119,379</u>	<u>\$ -</u>	<u>\$ 135,176</u>	<u>(984,203)</u>
General revenues				
State sources - unrestricted				758,661
Local sources				<u>282,769</u>
Total general revenues				<u>1,041,430</u>
CHANGE IN NET POSITION				57,227
NET POSITION, beginning of year				<u>64,528</u>
NET POSITION, end of year				<u>\$ 121,755</u>

See notes to financial statements.

**KIPP DETROIT IMANI ACADEMY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 475,929	\$ -	\$ 475,929
Receivables			
Intergovernmental receivable	173,813	-	173,813
Due from other funds	-	3,455	3,455
Prepays	<u>3,561</u>	<u>-</u>	<u>3,561</u>
 TOTAL ASSETS	 <u><u>\$ 653,303</u></u>	 <u><u>\$ 3,455</u></u>	 <u><u>\$ 656,758</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 418,088	\$ -	\$ 418,088
Accrued expenditures	46,829	-	46,829
Unearned revenue	66,631	-	66,631
Due to other funds	<u>3,455</u>	<u>-</u>	<u>3,455</u>
 TOTAL LIABILITIES	 <u>535,003</u>	 <u>-</u>	 <u>535,003</u>
 <b>FUND BALANCES</b>			
<b>Nonspendable</b>			
Prepays	3,561	-	3,561
Restricted for food service	-	3,455	3,455
Unassigned	<u>114,739</u>	<u>-</u>	<u>114,739</u>
 TOTAL FUND BALANCES	 <u>118,300</u>	 <u>3,455</u>	 <u>121,755</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u><u>\$ 653,303</u></u>	 <u><u>\$ 3,455</u></u>	 <u><u>\$ 656,758</u></u>

See notes to financial statements.

**KIPP DETROIT IMANI ACADEMY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Local sources	\$ 282,769	\$ -	\$ 282,769
State sources	793,618	2,767	796,385
Federal sources	27,380	70,072	97,452
<b>TOTAL REVENUES</b>	<b>1,103,767</b>	<b>72,839</b>	<b>1,176,606</b>
<b>EXPENDITURES</b>			
Instruction			
Basic programs	341,378	-	341,378
Added needs	17,088	-	17,088
<b>Total instruction</b>	<b>358,466</b>	<b>-</b>	<b>358,466</b>
Support services			
Pupil	22,179	-	22,179
General administration	308,078	-	308,078
School administration	56,398	-	56,398
Business	47,777	-	47,777
Operations and maintenance	159,413	-	159,413
Central support services	97,003	-	97,003
Other support services	681	-	681
<b>Total support services</b>	<b>691,529</b>	<b>-</b>	<b>691,529</b>
Food service	-	69,384	69,384
<b>TOTAL EXPENDITURES</b>	<b>1,049,995</b>	<b>69,384</b>	<b>1,119,379</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>53,772</b>	<b>3,455</b>	<b>57,227</b>
<b>FUND BALANCES</b>			
Beginning of year, as restated	64,528	-	64,528
End of year	\$ 118,300	\$ 3,455	\$ 121,755

See notes to financial statements.

**KIPP DETROIT IMANI ACADEMY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Academy. The Academy currently does not have fiduciary activities. *Governmental activities* normally are supported by intergovernmental revenues.

Reporting Entity

KIPP Detroit Imani Academy (the “Academy”) is a public school academy as part of the Michigan Public School System under Public Act No. 362 of 1993. The Academy was incorporated in March 2021. Central Michigan University is the authorizing governing body for the Academy and has contracted with the Academy to charter the public school through June 2027. Board members are approved by the authorizing governing body and have decision making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. The Academy receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the Academy is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. In addition, the Academy’s reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds.

As a general rule, the effect of interfund activity (if any) has been eliminated from the government-wide financial statements.

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the Academy’s funds. The emphasis of fund financial statements is on major governmental funds. The Academy currently operates two major funds, the general fund and the special revenue fund.

The Academy reports the following *Major Governmental Funds*:

The *General Fund* is the Academy’s primary operating fund. It accounts for all financial resources of the Academy, except those required to be accounted for in another fund.

The *Special Revenue Fund* accounts for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The Academy accounts for its food service activity in a special revenue fund.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.



**KIPP DETROIT IMANI ACADEMY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if they are generally collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

State and federal aid and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to public school academies based on information supplied by the academies. For the current year ended, the foundation allowance was based on pupil membership counts.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as an intergovernmental receivable.

**KIPP DETROIT IMANI ACADEMY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus and Basis of Accounting (continued)

The Academy also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are generally considered to be measurable and available only when cash is received by the Academy.

Budgetary Information

*Budgetary Basis of Accounting*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund.

The Academy follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Head of School submits to the Board of Directors a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Prior to July 1, the budget is legally adopted by Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.
- c. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- d. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2024. The Academy does not consider these amendments to be significant.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

*Cash and Cash Equivalents*

The Academy's cash and cash equivalents are considered to be cash on hand and demand deposits.

**KIPP DETROIT IMANI ACADEMY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

*Investments*

Certain investments are valued at fair value as determined by quoted market prices, or by estimated fair values when quoted market prices are not available. Standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the Academy intends to hold the investment until maturity.

State statutes authorize the Academy to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Academy is also authorized to invest in U.S. Academy or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

*Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The Academy has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Academy has no items that qualify for reporting in this category.

*Net Position Flow Assumption*

Sometimes the Academy will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Academy's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**KIPP DETROIT IMANI ACADEMY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

*Fund Balance Flow Assumptions*

Sometimes the Academy will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Academy's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Academy itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Academy's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the Academy that can, by adoption of a board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Academy for specific purposes but do not meet the criteria to be classified as committed. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates authority. The Board of Directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

*Program Revenues*

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**KIPP DETROIT IMANI ACADEMY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - CASH DEPOSITS - CREDIT RISK**

Cash is held in the name of the Academy. These deposits are subject to custodial credit risk. This is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. The Academy minimizes custodial credit risk on deposits by assessing the credit worthiness of the individual institutions in which it deposits funds. The amount of deposits with each institution is assessed to determine the level of risk it may pose to the Academy in relation to deposits in excess of insured amounts. As of June 30, 2024, a total of \$225,929 of the Academy's bank balance of \$475,929 was exposed to custodial credit risk because it was uninsured and uncollateralized. These deposits have a carrying value of \$475,929.

**NOTE 3 - INTERGOVERNMENTAL RECEIVABLES**

Receivables due from intergovernmental sources at June 30, 2024 consist of the following:

State aid	\$	158,133
Federal sources		<u>15,680</u>
		<u><u>\$ 173,813</u></u>

Receivables due from intergovernmental sources include amounts due from state and federal sources for various projects and programs.

Because of the Academy's favorable collection experience, no allowance for doubtful accounts has been recorded.

**NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund payable and receivable balances at June 30, 2024 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General fund	\$ -	\$ 3,455
Special revenue fund	<u>3,455</u>	<u>-</u>
Total	<u><u>\$ 3,455</u></u>	<u><u>\$ 3,455</u></u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**KIPP DETROIT IMANI ACADEMY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - OVERSIGHT FEES**

The Academy pays an administrative oversight fee of 3% of its state school aid discretionary and Proposal A obligation payments to the Central Michigan University Board of Trustees, as set forth by contract, to reimburse the University Board for the cost of execution of its oversight responsibilities. These oversight responsibilities include the monitoring of the Academy's compliance with the terms and conditions of the contract, and the review of its audited financial statements and periodic reports. During the year ended June 30, 2024, the Academy incurred expense of approximately \$22,000 for oversight fees.

**NOTE 6 - MANAGEMENT AGREEMENT**

The Academy currently has a management agreement with KIPP Whole Child Center d/b/a KIPP Michigan (KIPP) for operations of the Academy through June 2027. Under the terms of the management agreement, KIPP's compensation for operating the Academy was approximately \$99,000 for the fiscal year 2024.

The Academy leases all of its employees from KIPP. Salaries, retirement, social security, health insurance and unemployment taxes are the responsibility of the management company. The amount due to KIPP at June 30, 2024 was approximately \$461,000.

The Academy entered into two sublease agreements with KIPP for the Academy's facilities on July 1, 2023, expiring on June 30, 2024. On July 1, 2024, the Academy renewed the sublease agreements with KIPP which will expire on June 30, 2025.

**NOTE 7 - RISK MANAGEMENT**

The Academy is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. To minimize the risk, the Academy carries commercial insurance.

**NOTE 8 - CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Academy expects such amounts, if any, to be immaterial.

**KIPP DETROIT IMANI ACADEMY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - RESTATEMENT OF INTERFUND ACTIVITY AND FUND BALANCES**

Beginning interfund activity and fund balances of the general fund and special revenue fund were restated. Details of these adjustments are as follows:

	General Fund Due from Other Funds	Special Revenue Fund Due to Other Funds	General Fund Fund Balance	Special Revenue Fund Fund Balance (Deficit)
Balances as of July 1, 2023, as previously stated	\$ 47,489	\$ 47,489	\$ 112,017	\$ (47,489)
Correction of error	(47,489)	(47,489)	(47,489)	47,489
Balances as of July 1, 2023, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,528</u>	<u>\$ -</u>

**NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government’s vulnerability to the risk of substantial impact. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management’s discussion and analysis (MD&A);
  - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
    - 1) Overview of the Financial Statements,
    - 2) Financial Summary,
    - 3) Detailed Analyses,
    - 4) Significant Capital Asset and Long-Term Financing Activity,
    - 5) Currently Known Facts, Decisions, or Conditions;
  - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;

**KIPP DETROIT IMANI ACADEMY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)**

- iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
  - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
  - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.



**REQUIRED SUPPLEMENTARY INFORMATION**

**KIPP DETROIT IMANI ACADEMY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local sources	\$ 503,240	\$ 270,850	\$ 282,769	\$ 11,919
State sources	1,164,726	815,898	793,618	(22,280)
Federal sources	171,000	30,273	27,380	(2,893)
<b>TOTAL REVENUES</b>	<b>1,838,966</b>	<b>1,117,021</b>	<b>1,103,767</b>	<b>(13,254)</b>
<b>EXPENDITURES</b>				
<b>Instruction</b>				
Basic programs	553,500	344,052	341,378	2,674
Added needs	114,000	22,000	17,088	4,912
<b>Total instruction</b>	<b>667,500</b>	<b>366,052</b>	<b>358,466</b>	<b>7,586</b>
<b>Support services</b>				
Pupil	8,000	17,500	22,179	(4,679)
General administration	406,271	310,587	308,078	2,509
School administration	191,000	73,018	56,398	16,620
Business	62,000	48,000	47,777	223
Operations and maintenance	142,000	156,820	159,413	(2,593)
Central support services	54,550	90,000	97,003	(7,003)
Other support services	222,500	1,000	681	319
<b>Total support services</b>	<b>1,086,321</b>	<b>696,925</b>	<b>691,529</b>	<b>5,396</b>
<b>TOTAL EXPENDITURES</b>	<b>1,753,821</b>	<b>1,062,977</b>	<b>1,049,995</b>	<b>12,982</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 85,145</b>	<b>\$ 54,044</b>	<b>53,772</b>	<b>\$ (272)</b>
<b>FUND BALANCE</b>				
Beginning of year, as restated			64,528	
End of year			<b>\$ 118,300</b>	



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

To the Board of Directors of  
KIPP Detroit Imani Academy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of KIPP Detroit Imani Academy, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise KIPP Detroit Imani Academy's basic financial statements, and have issued our report thereon dated September 19, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

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

### **Purpose of This Report**

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

*Maney Costeiman PC*

September 19, 2024

**KIPP DETROIT IMANI ACADEMY  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

**FINDING 2023-001 Considered a material weakness**

**Criteria:** The Academy should maintain proper controls over review and reconciliation of the trial balance and general ledger.

**Condition:** During the audit, the trial balance received by the auditor did not agree to supporting documentation or quarterly financial statements produced by management for the Academy. The quarterly financial statements for the Academy accurately reflected the transactions of the Academy, but this was not properly recorded within the general ledger and, ultimately, the trial balance provided for the purpose of the year-end audit.

**Cause:** The Academy did not have a process in place to review the final trial balance prior to it being provided to the auditor.

**Effect:** While the Academy is able to produce accurate quarterly financial statements, the Academy did not properly record transactions within the general ledger system that would agree to the quarterly financial statements produced.

**Recommendation:** It is recommended that the Academy implement processes and controls to review the information that is recorded within the general ledger system and a monthly review of the trial balance within the system.

**Status:** Resolved.



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September 19, 2024

To the Board of Directors of the  
KIPP Detroit Imani Academy

We have audited the financial statements of the governmental activities and each major fund of KIPP Detroit Imani Academy for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by KIPP Detroit Imani Academy are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2024. We noted no transactions entered into by the Academy during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements during fiscal year 2024.

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

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 19, 2024.

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### Other Matters

We applied certain limited procedures to the required supplementary information (RSI) which are required and supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

A separate management letter was not issued.

### Restriction on Use

This information is intended solely for the use of the Board of Directors and management of KIPP Detroit Imani Academy and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Maney Costerian PC*