

**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

2003

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

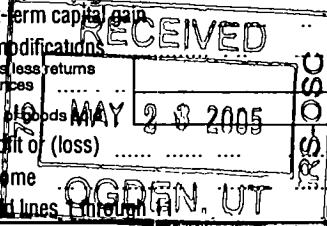
For calendar year 2003, or tax year beginning **JUL 1, 2003**, and ending **JUN 30, 2004**

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of organization KIPP FOUNDATION		A Employer identification number 94-3362724
	Number and street (or P.O. box number if mail is not delivered to street address) 345 SPEAR STREET	Room/suite 510	B Telephone number (415) 399-1556
	City or town, state, and ZIP code SAN FRANCISCO, CA 94105-1657		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 18,793,312. (Part I, column (d) must be on cash basis.)		J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	
E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input checked="" type="checkbox"/>			

Part I	Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received ... Check <input type="checkbox"/> if the foundation is not required to attach Sch B	25,663,022.			
2	Distributions from split-interest trusts				
3	Interest on savings and temporary cash investments	15,819.	15,819.	15,819.	STATEMENT 2
4	Dividends and interest from securities				
5a	Gross rents				
6a	Net gain or (loss) from sale of assets not on line 10 b) Gross sales price for all assets on line 6a 1,729.	<5,708.>			STATEMENT 1
7	Capital gain net income (from Part IV, line 2)		0.		
8	Net short-term capital gain			0.	
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of Goods Sold				
c	Gross profit or (loss)				
11	Other income	94,107.	11,987.	94,107.	STATEMENT 3
12	Total. Add lines 1 through 11	25,767,240.	27,806.	109,926.	
13	Compensation of officers, directors, trustees, etc	301,316.	0.	0.	170,250.
14	Other employee salaries and wages	4,082,443.	0.	0.	4,082,443.
15	Pension plans, employee benefits	471,123.	0.	0.	471,123.
16a	Legal fees STMT 4	36,288.	0.	0.	36,288.
b	Accounting fees STMT 5	25,223.	0.	0.	25,223.
c	Other professional fees STMT 6	173,842.	0.	0.	173,842.
17	Interest				
18	Taxes				
19	Depreciation and depletion	95,081.	0.	0.	
20	Occupancy	255,082.	0.	0.	255,082.
21	Travel, conferences, and meetings	1,469,692.	0.	0.	1,430,226.
22	Printing and publications	119,043.	0.	0.	119,043.
23	Other expenses STMT 7	3,083,172.	0.	0.	3,083,191.
24	Total operating and administrative expenses. Add lines 13 through 23	10,112,305.	0.	0.	9,846,711.
25	Contributions, gifts, grants paid	1,335,556.			1,286,473.
26	Total expenses and disbursements. Add lines 24 and 25	11,447,861.	0.	0.	11,133,184.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	14,319,379.			
b	Net investment income (if negative, enter -0-)		27,806.		
c	Adjusted net income (if negative, enter -0-)			109,926.	

SCANNED JUN 06 2005



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	83.	786.	786.
	2 Savings and temporary cash investments	1,136,618.	1,519,891.	1,519,891.
	3 Accounts receivable ▶ 345,300.			
	Less: allowance for doubtful accounts ▶	602,651.	345,300.	345,300.
	4 Pledges receivable ▶ 15,964,722.			
	Less: allowance for doubtful accounts ▶	2,100,000.	15,964,722.	15,964,722.
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ 11,788.			
	Less: allowance for doubtful accounts ▶	27,459.	11,788.	11,788.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	193,061.	72,600.	72,600.
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶ 232,800.				
Less: accumulated depreciation <i>STMT A</i> ▶ 39,048.	195,277.	193,752.	193,752.	
15 Other assets (describe ▶ STATEMENT 8)	266,993.	684,473.	684,473.	
16 Total assets (to be completed by all filers)	4,522,142.	18,793,312.	18,793,312.	
Liabilities	17 Accounts payable and accrued expenses	1,217,003.	1,110,410.	
	18 Grants payable	34,645.	83,729.	
	19 Deferred revenue	11,200.	20,500.	
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	1,262,848.	1,214,639.		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	877,820.	1,436,785.	
	25 Temporarily restricted	2,381,474.	16,141,888.	
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances	3,259,294.	17,578,673.		
31 Total liabilities and net assets/fund balances	4,522,142.	18,793,312.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	3,259,294.
2 Enter amount from Part I, line 27a	2	14,319,379.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	17,578,673.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	17,578,673.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a COMPUTERS		P	VARIOUS	12/31/03
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 1,729.	13,576.	21,013.	<5,708.>	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a			<5,708.>	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss). { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	<5,708.>	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	0.	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2002	11,996,223.	1,399,161.	8.5738689
2001	6,788,636.	2,414,735.	2.8113379
2000	1,257,111.	5,401,386.	.2327386
1999	143,670.	128,542.	1.1176892
1998			
2 Total of line 1, column (d)			12.7356346
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3.1839086
4 Enter the net value of noncharitable-use assets for 2003 from Part X, line 5			1,554,879.
5 Multiply line 4 by line 3			4,950,593.
6 Enter 1% of net investment income (1% of Part I, line 27b)			278.
7 Add lines 5 and 6			4,950,871.
8 Enter qualifying distributions from Part XII, line 4			11,234,728.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

Table with 11 rows for excise tax calculations. Includes fields for exempt operating foundations, domestic organizations, tax due, and credits. Total tax due is 0.

Statement C

Part VII-A Statements Regarding Activities

Table with 11 rows for activity statements. Includes questions about political campaigns, unrelated business income, and state registration. Includes handwritten notes like 'N/A' and 'STMT 9'.

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

Table with columns: Question, Yes, No. Rows include questions 1a through 6b regarding disqualifying activities, tax distribution, and business holdings.

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation:

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		301,316.	6,727.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MATT CANDLER 345 SPEAR STREET, SUITE 510	VP OF OPERATIONS 40	135,228.	5,360.	
JOHN KANBERG 345 SPEAR STREET, SUITE 510	GENERAL COUNSEL 40	134,651.	5,334.	
LISA DAGGS 345 SPEAR STREET, SUITE 510	CHIEF OF STAFF 40	129,582.	4,978.	
RON YU 345 SPEAR STREET, SUITE 510	DIRECTOR 40	122,990.	4,872.	
KENDRA BARR 345 SPEAR STREET, SUITE 510	ORGANIZATIONAL LEADER 40	122,189.	3,316.	
Total number of other employees paid over \$50,000				48

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
BRIDGE AVENUE PARTNERS 2926 WHISPERING OAKS DR BUFFALO GROVE IL 60089	MANAGEMENT CONSULTING	128,200.
NANCY EUSKE PO BOX 4736, CARMEL, CA 93921	INSTRUCTIONAL SERVICES FOR FELLOWS	104,000.
CAMBRIDGE EDUCATION ASSOCIATES STATION RD., CAMBRIDGE, ENGLAND, CB12RS	SCHOOL EVALUATION	312,487.
D2F2 FOUNDATION 345 SPEAR ST., SUITE 510, SAN FRANCISCO	PROFESSIONAL SERVICES	238,000.
DAVID LEVIN 164 EAST 33RD ST. #18, NEW YORK, NY 10016	EDUCATIONAL CONSULTING	101,667.
Total number of others receiving over \$50,000 for professional services		2

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 SEE STATEMENT B	
2	11,182,248.
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 <u>N/A</u>	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	
b Average of monthly cash balances	1b	1,578,557.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	1,578,557.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	1,578,557.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	23,678.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,554,879.
6 Minimum investment return. Enter 5% of line 5	6	77,744.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	
2a Tax on investment income for 2003 from Part VI, line 5	2a	
b Income tax for 2003. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	
4a Recoveries of amounts treated as qualifying distributions	4a	
b Income distributions from section 4947(a)(2) trusts	4b	
c Add lines 4a and 4b	4c	
5 Add lines 3 and 4c	5	
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	11,133,184.
b Program-related investments - Total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	101,544.
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	11,234,728.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	278.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	11,234,450.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2002	(c) 2002	(d) 2003
1 Distributable amount for 2003 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2002.				
a Enter amount for 2002 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2003:				
a From 1998				
b From 1999				
c From 2000				
d From 2001				
e From 2002				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2003 from Part XII, line 4: ▶ \$ <u>N/A</u>				
a Applied to 2002, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2003 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2003 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2002. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2003. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2004				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 1998 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2004. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 1999				
b Excess from 2000				
c Excess from 2001				
d Excess from 2002				
e Excess from 2003				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2003, enter the date of the ruling ▶
 b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	77,744.	54,522.	65,752.	106,939.	304,957.
b 85% of line 2a	66,082.	46,344.	55,889.	90,898.	259,213.
c Qualifying distributions from Part XII, line 4 for each year listed	11,234,728.	11,996,415.	6,789,294.	1,257,111.	31,277,548.
d Amounts included in line 2c not used directly for active conduct of exempt activities	0.	0.	0.	0.	0.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	11,234,728.	11,996,415.	6,789,294.	1,257,111.	31,277,548.
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					0.
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0.
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	51,829.	46,639.	80,491.	180,046.	359,005.
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0.
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0.
(3) Largest amount of support from an exempt organization					0.
(4) Gross investment income					0.

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year-see page 25 of the instructions.)

1 **Information Regarding Foundation Managers:**
 a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

SEE STATEMENT 11

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
 Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:
N/A

b The form in which applications should be submitted and information and materials they should include:
N/A

c Any submission deadlines:
N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
KIPP SCHOOLS Statement D		501(C)(3)	EDUCATION	1,286,473.
Total				▶ 3a 1,286,473.
<i>b Approved for future payment</i>				
KIPP SCHOOLS		501(C)(3)	EDUCATION	83,729.
Total				▶ 3b 83,729.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Table with 5 columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include: 1 Program service revenue: a SERVICE FEE (82,120.), b, c, d, e, f, g Fees and contracts from government agencies; 2 Membership dues and assessments; 3 Interest on savings and temporary cash investments (14, 15,819.); 4 Dividends and interest from securities; 5 Net rental income or (loss) from real estate: a Debt-financed property, b Not debt-financed property; 6 Net rental income or (loss) from personal property; 7 Other investment income (01, 11,987.); 8 Gain or (loss) from sales of assets other than inventory (18, <5,708.>); 9 Net income or (loss) from special events; 10 Gross profit or (loss) from sales of inventory; 11 Other revenue: a, b, c, d, e; 12 Subtotal. Add columns (b), (d), and (e) (0., 22,098., 82,120.); 13 Total. Add line 12, columns (b), (d), and (e) (13, 104,218.).

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Table with 2 columns: Line No., Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). Row 1A: VARIOUS SERVICE FEES RELATED TO THE EXEMPT PURPOSE OF THE ORGANIZATION

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No 1545-0047

2003

Name of organization

KIPP FOUNDATION

Employer identification number

94-3362724

Organization type (check one):

Filers of

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule—see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990 and Form 990-EZ

Schedule B (Form 990, 990-EZ, or 990-PF) (2003)

Name of organization

Employer identification number

KIPP FOUNDATION

94-3362724

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	D2F2 FOUNDATION DBA PISCES FOUNDATION 345 SPEAR ST, STE 510 SAN FRANCISCO, CA 94105	\$ 14,050,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	WALTON FAMILY FOUNDATION PO BOX 2030 BENTONVILLE, AR 72712	\$ 1,500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	ANNIE E CASEY FOUNDATION 701 ST. PAUL ST. BALTIMORE, MD 21202	\$ 23,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	GOLDMAN, SACHS & CO 85 BROAD STREET NEW YORK, NY 10004	\$ 105,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	ALL STARS HELPING KIDS 970 MAIN REDWOOD CITY, CA 94063	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	SAP PO BOX 3075 SOUTHEASTERN, PA 19398	\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization KIPP FOUNDATION	Employer identification number 94-3362724
--	---

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	GATES FOUNDATION PO BOX 23350 SEATTLE, WA 98102	\$ 7,910,896.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	US DEPT. OF EDUCATION 400 MARYLAND AVE. SW WASHINGTON DC 20202-0498	\$ 1,172,976.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	BROAD FOUNDATION 10900 WILSHIRE BLVD., 12TH FLOOR LOS ANGELES, CA 91124	\$ 734,769.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED PURCHASED	(F) DATE ACQUIRED VARIOUS	DATE SOLD 12/31/03	(F) GAIN OR LOSS
COMPUTERS	1,729.	21,013.	0.				<5,708.>
CAPITAL GAINS DIVIDENDS FROM PART IV							0.
TOTAL TO FORM 990-PF, PART I, LINE 6A							<5,708.>

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
INTEREST INCOME	15,819.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	15,819.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	AMOUNT
MISCELLANEOUS	11,987.
SERVICE FEE	82,120.
TOTAL TO FORM 990-PF, PART I, LINE 11, COLUMN A	94,107.

FORM 990-PF	LEGAL FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	36,288.	0.	0.	36,288.
TO FM 990-PF, PG 1, LN 16A	36,288.	0.	0.	36,288.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	25,223.	0.	0.	25,223.
TO FORM 990-PF, PG 1, LN 16B	25,223.	0.	0.	25,223.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER PROFESSIONAL	173,842.	0.	0.	173,842.
TO FORM 990-PF, PG 1, LN 16C	173,842.	0.	0.	173,842.

FORM 990-PF	OTHER EXPENSES			STATEMENT 7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
HOUSING	76,752.	0.	0.	76,752.
INSTRUCTION	104,765.	0.	0.	104,765.
MATERIALS AND SUPPLIES	2,700.	0.	0.	2,700.
SCHOOL HOSTING	11,500.	0.	0.	11,500.
MISCELLANEOUS	25,168.	0.	0.	25,187.
OPERATIONS CONSULTING	1,641,683.	0.	0.	1,641,683.
MARKETING SUPPLIES AND ADVERTISEMENT	216,298.	0.	0.	216,298.

FELLOW RECRUITMENT	3,224.	0.	0.	3,224.
PAYROLL TAXES	319,109.	0.	0.	319,109.
TELECOMMUNICATIONS	228,783.	0.	0.	228,783.
BANK CHARGES	2,959.	0.	0.	2,959.
COMPUTERS AND SOFTWARE	42,880.	0.	0.	42,880.
DUES AND SUBSCRIPTIONS	30,449.	0.	0.	30,449.
EQUIPMENT RENTAL	44,840.	0.	0.	44,840.
UTILITIES	2,615.	0.	0.	2,615.
INSURANCE	3,654.	0.	0.	3,654.
LICENSES, PERMITS AND FEES	37,768.	0.	0.	37,768.
OFFICE SUPPLIES	64,396.	0.	0.	64,396.
REPAIRS AND MAINTENANCE	7,130.	0.	0.	7,130.
PAYROLL PROCESSING FEES	12,656.	0.	0.	12,656.
POSTAGE AND DELIVERY	52,912.	0.	0.	52,912.
EMPLOYEE EXPENSES	28,772.	0.	0.	28,772.
PAYROLL CLEARING	329.	0.	0.	329.
PROF. DEVELOPMENT SVCS.	105,836.	0.	0.	105,836.
BAD DEBT	15,994.	0.	0.	15,994.
TO FORM 990-PF, PG 1, LN 23	3,083,172.	0.	0.	3,083,191.

FORM 990-PF OTHER ASSETS STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
DEPOSIT	44,324.	44,324.
NOTES RECEIVABLE	640,149.	640,149.
TOTAL TO FORM 990-PF, PART II, LINE 15	684,473.	684,473.

FORM 990-PF LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10 STATEMENT 9

NAME OF CONTRIBUTOR	ADDRESS
JOSEPH DROWN FOUNDATION	1999 AVENUE OF THE STARS, #2330, LOS ANGELES, CA 90067
D2F2 FOUNDATION	345 SPEAR ST, STE 510, SAN FRANCISCO, CA 94105
WALTON FAMILY FOUNDATION	PO BOX 2030, BENTONVILLE, AR 72712
ANNIE E CASEY FOUNDATION	701 ST. PAUL ST, BALTIMORE, MD 21202
PETER JENNINGS FOUNDATION	551 5TH AVE, 23RD FL, NEW YORK, NY 10176
FOUNDATION GEOGRAPHIC SOCIETY	1145 17TH ST NW, WASHINGTON, DC 20036

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DONALD G. FISHER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR/CHAIRMAN 1	0.	0.	0.
DORIS F. FISHER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1	0.	0.	0.
MICHAEL H. FEINBERG 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	CEO/DIRECTOR 55 HOURS	170,250.	5,550.	0.
SCOTT HAMILTON 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	PRESIDENT 1	0.	0.	0.
JANE SPRAY 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	SECRETARY/TREASURER 1	0.	0.	0.
DAVID LEVIN 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	VICE PRESIDENT 1	0.	0.	0.
(DAVID LEVIN WAS PAID A FEE OF CONSULTING)	\$62,167 FOR EDUCATIONAL 0.	0.	0.	0.
SHAWN HURWITZ 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1	0.	0.	0.
JOHN J. FISHER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1	0.	0.	0.
MICHAEL BUERGER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	CFO 55 HOURS	131,066.	1,177.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		301,316.	6,727.	0.

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 11

NAME OF MANAGER

DONALD G. FISHER

DORIS F. FISHER

Underpayment of Estimated Tax by Corporations

Department of the Treasury Internal Revenue Service

See separate instructions. Attach to the corporation's tax return.

FORM 990-PF

2003

Name: KIPP FOUNDATION Employer identification number: 94-3362724

Note: In most cases, the corporation does not need to file Form 2220. (See Part I below for exceptions.) The IRS will figure any penalty owed and bill the corporation.

Part I Reasons For Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty.

- 1 The corporation is using the adjusted seasonal installment method.
2 The corporation is using the annualized income installment method.
3 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part II Figuring the Underpayment

Table with 4 main rows and sub-rows (5a, 5b, 5c, 5d) for calculating total tax and underpayment. Includes instructions for each line item.

Table with 5 columns (a-e) and 10 rows (9-18) for installment due dates and required installments. Includes instructions for each line item.

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

Part III Figuring the Penalty

	(a)	(b)	(c)	(d)	(e)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions) (Form 990-PF and Form 990-T filers; Use 5th month instead of 3rd month)	19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2003 and before 10/1/2003	21				
22 Underpayment on line 17 x Number of days on line 21 x 5% 365	22	\$	\$	\$	\$
23 Number of days on line 20 after 9/30/2003 and before 1/1/2004	23				
24 Underpayment on line 17 x Number of days on line 23 x 4% 365	24	\$	\$	\$	\$
25 Number of days on line 20 after 12/31/2003 and before 4/1/2004	25				
26 Underpayment on line 17 x Number of days on line 25 x 4% 366	26	\$	\$	\$	\$
27 Number of days on line 20 after 3/31/2004 and before 7/1/2004	27				
28 Underpayment on line 17 x Number of days on line 27 x 4% 366	28	\$	\$	\$	\$
29 Number of days on line 20 after 6/30/2004 and before 10/1/2004	29				
30 Underpayment on line 17 x Number of days on line 29 x 4% 366	30	\$	\$	\$	\$
31 Number of days on line 20 after 9/30/2004 and before 1/1/2005	31				
32 Underpayment on line 17 x Number of days on line 31 x 4% 366	32	\$	\$	\$	\$
33 Number of days on line 20 after 12/31/2004 and before 2/16/2005	33				
34 Underpayment on line 17 x Number of days on line 33 x 4% 365	34	\$	\$	\$	\$
35 Add lines 22, 24, 26, 28, 30, 32, and 34	35	\$	\$	\$	\$
36 Penalty. Add columns (a) through (e), of line 35. Enter the total here and on Form 1120; line 33, Form 1120-A, line 29; or the comparable line for other income tax returns	36				\$ 0.

* For underpayments paid after March 31, 2004: For lines 28, 30, 32 and 34, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

KIPP Foundation
EIN: 94-3362724
June 30, 2004

Property, plant and equipment consist of the following at June 30, 2004:

Computer Equipment	\$ 308,344
Office Equipment	61,570
Improvements	18,356
<hr/>	
Total	388,270
Less accumulated depreciation	194,518
<hr/>	
Property, plant and equipment - net	\$ 193,752

Depreciation expense for the year ended June 30, 2004 totaled \$95,081.

Summary of Direct Charitable Activities:

The KIPP Foundation promotes and enhances effective public education at low income public schools (including, specifically, charter schools) through the development of curriculum, training of school executives, facilitation of the sharing of information by schools and school executives, assistance to others in establishing new, and establishment of a national network of highly effective low income schools, initially at the elementary and middle school level. This is done by first recruiting outstanding educators to lead future KIPP schools. KIPP then operates a multi-faceted, three-year program of training, school evaluation, and financial and operational support. Although KIPP has continuously expanded and refined its Leadership Program in response to the emerging needs of its schools, the core functions of the KSLP include the following:

Training. Development and delivery of numerous training events, including the formal classroom program, residencies, and “school leader boot camp;” ongoing regional training programs; school leader credentialing; “Team & Family” training events for school leaders, teachers, office managers, directors and students; and organizational knowledge management operations.

Evaluation. Coordination of school inspections, which can trigger financial awards to their educational programs, including initial visits, pre-inspections, programmatic recommendations and documentation.

Instructional Leadership. “Post graduate” training for KIPP schools, including support in the areas of standards & curriculum; instructional methods and materials; categorical funding programs; student assessment / data driven instruction.

Organizational Leadership. Training and school support in development of community relations programs; school culture; accountability and compliance; parent engagement and staff relations; media relations; school governance; board management.

Operational Leadership. Support of the business and financial aspects of school operations; formal and informal training with respect to planning and management, procurement, systems & procedures, facilities and facility management.

KIPP Foundation
EIN: 94-3362724
June 30, 2004

The KIPP Foundation is in a 60-month termination under section 507(b)(1)(B). The IRS has issued a determination which indicates that the KIPP Foundation will be treated as a public charity described in sections 509(a)(1) and 170(b)(1)(ii) of the Code for an advance ruling period of 60 months beginning July 1, 2002.

Attached to this return is Form 872 "Consent to Extend the Time to Assess Tax."
Accordingly, the Foundation is not required to pay the excise tax.

Based on the IRS instructions for a 60-month termination, the Foundation is completing this return as if it were still a private operating foundation.

KIPP Foundation
6/30/2004
94-3362724

GRANTS PAID
07/01/03-06/30-04

<u>Grantee</u>	<u>Address</u>				<u>Amount</u>
Freedom Academy Charter School	1400 Collings Road	Camden	NJ	08104	5,497.00
KIPP 3-D Academy	4610 E Crossstumpers	Houston	TX	77016	55,925.81
KIPP Academy Fresno	735 E Church Avenue	Fresno	CA	93706	47,303.00
KIPP Academy Houston	10711 KIPP Way	Houston	TX	77099	50,432.00
KIPP Academy Lynn	25 Bessom Street	Lynn	MA	01902	5,497.00
KIPP Academy - New York	250 East 156th St , Room 418	Bronx	NY	10451	5,497.00
KIPP Academy of Opportunity	4900 S. Western Ave.	Los Angeles	CA	90062	31,472.00
KIPP Achieve Preparatory Academy	399 Macedonia Road	Atlanta	GA	30354	10,000.00
KIPP Adelante Preparatory School	1475 Sixth Avenue, 2nd Floor	San Diego	CA	92101	31,666.77
KIPP Ascend Academy	4820 W Walton Street, 3rd flr	Chicago	IL	60651	43,455.58
KIPP Asheville Youth Acad	90 Montford Ave	Asheville	NC	28801	55,886.97
KIPP Aspire Academy	1401 West Ave. # 3	San Antonio	TX	78201	16,666.67
KIPP Austin College Prep	8509 F M. 969, Building C	Austin	TX	78724	51,060.11
KIPP Bayview Academy	1060 Key Avenue	San Francisco	CA	94124	38,816.32
KIPP Bridge Academy	991 14th Street	Oakland	CA	94607	18,781.00
KIPP Chicago Youth Village Academy	2710 South Dearborn, 2nd fl	Chicago	IL	60616	62,310.00
KIPP DC KEY Academy	770 M Street SE, 2nd floor	Washington	DC	20003	46,010.71
KIPP Delta College Prep	215 Cherry Street	Helena	AR	72342	31,599.00
KIPP Diamond Academy	2109 Howell	Memphis	TN	38108	31,149.76
KIPP Gaston College Preparatory School	320 Pleasant Hill Road	Gaston	NC	27832	37,853.72
KIPP Heartwood Academy	2050 Kammerer Avenue	San Jose	CA	95116	5,497.00
KIPP Indianapolis College Prep	3125 Concord Ct.	Indianapolis	IN	46222	5,497.00
KIPP Los Angeles College Prep	1855 North Main Street	Los Angeles	CA	90031	16,666.67
KIPP PATH, Inc.	3007 Hermance Drive	Atlanta	GA	30319	45,192.23
KIPP Philadelphia Charter School	2709 N Broad St, 4th Floor	Philadelphia	PA	19132	14,920.67
KIPP Reach College Preparatory	1432 N.E 7th Street	Oklahoma City	OK	73117	20,639.85
KIPP SAC Prep	2801 Meadowview Road	Sacramento	CA	95832	41,760.00
KIPP San Francisco Bay Academy	1430 Scott Street	San Francisco	CA	94115	23,560.67
KIPP Sankofa Charter School	140 Central Park Plaza	Buffalo	NY	14214	21,812.33
KIPP South Fulton Academy	1286 East Washington Avenue	East Point	GA	77099	19,455.00
KIPP STAR College Prep Charter School	433 W 123rd Street, 4th floor	New York	NY	10027	10,000.00
KIPP Summit Academy	2005 Via Barrett	San Lorenzo	CA	30344	44,966.08
KIPP Sunshine Peak	2880 W. Holden Place	Denver	CO	94580	35,948.44
KIPP TEAM Academy.	85 Custer Avenue	Newark	NJ	07112	68,569.19
KIPP TRUTH Academy	3200 South Lancaster Rd, Ste 230	Dallas	TX	75216	21,899.00
KIPP Ujima Village Academy	4701 Greenspring Ave, Rm 115	Baltimore	MD	21209	67,933.11
KIPP WAYS Academy	80 Joseph E Lowery Blvd	Atlanta	GA	30314	31,799.00
					<u>1,172,996.66</u>
KIPP Houston High School	10711 KIPP Way	Houston	TX	77099	100,000.00
					<u>100,000.00</u>

KIPP Foundation
6/30/2004
94-3362724

GRANTS PAID
07/01/03-06/30-04

KIPP Austin College Prep	8509 F.M. 969, Building C	Austin	TX	78724	16,000.00
KIPP TEAM Academy	85 Custer Avenue	Newark	NJ	07112	16,000.00
KIPP Sunshine Peak	2880 W. Holden Place	Denver	CO	80204	16,000.00
KIPP REACH Academy	1432 N.E. 7th Street	Oklahoma City	OK	73117	14,560.00
					<u>62,560.00</u>

Total Grants - Accrual Basis	\$1,335,557
Plus Grants Payable 6/30/03	\$34,645
Less Grants Payable 6/30/04	-\$83,729
Total Grants - Cash Basis	<u>\$1,286,473</u>

Form 872 (Rev. January 2001)	Department of the Treasury-Internal Revenue Service	In reply refer to:
	Consent to Extend the Time to Assess Tax	Taxpayer Identification Number 94-3362724

KIPP Foundation _____
(Name(s))

taxpayer(s) of **345 Spear St. Ste 510, San Francisco, CA 94105** _____
(Number, Street, City or Town, State, ZIP Code)

and the Commissioner of Internal Revenue consent and agree to the following:

(1) The amount of any Federal _____ **Chapter 42 Excise** tax due on any return(s) made by or
(Kind of tax)

for the above taxpayer(s) for the period(s) ended **June 30, 2003, June 30, 2004, June 30, 2005, June 30, 2006**

June 30, 2007

may be assessed at any time on or before **November 15, 2011** . However, if
(Expiration date)

a notice of deficiency in tax for any such period(s) is sent to the taxpayer(s) on or before that date, then the time for assessing the tax will be further extended by the number of days the assessment was previously prohibited, plus 60 days.

(2) The taxpayer(s) may file a claim for credit or refund and the Service may credit or refund the tax within 6 months after this agreement ends.

MAKING THIS CONSENT WILL NOT DEPRIVE THE TAXPAYER(S) OF ANY APPEAL RIGHTS TO WHICH THEY WOULD OTHERWISE BE ENTITLED.

YOUR SIGNATURE HERE → _____ (Date signed)

SPOUSE'S SIGNATURE → _____ (Date signed)

TAXPAYER'S REPRESENTATIVE
SIGN HERE → _____ (Date signed)

CORPORATE NAME → **KIPP Foundation** _____
Mit Jy (i) **CEO** **11-6-02**
(Title) (Date signed)

CORPORATE OFFICER(S) SIGN HERE → *[Signature]* **President** **11-6-02**
(Title) (Date signed)

INTERNAL REVENUE SERVICE SIGNATURE AND TITLE
[Signature] _____
(Division Executive Name - see instructions) (Division Executive Title - see instructions)

BY *[Signature]* **Act. Man - FODQA** **6/12/03**
(Authorized Official Signature and Title - see instructions) (Date signed)

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only
 All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization KIPP FOUNDATION	Employer identification number 94-3362724
	Number, street, and room or suite no. If a P.O. box, see instructions. 345 SPEAR STREET, NO. 510	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SAN FRANCISCO, CA 94105-1657	

Check type of return to be filed (file a separate application for each return):

- | | | |
|---|--|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input checked="" type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole** group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until **FEBRUARY 15, 2005** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2003**, and ending **JUN 30, 2004**.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ 0.

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ 0.

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ A Susan M Malone Title ▶ CPA Date ▶ 11/15/04

LHA For Paperwork Reduction Act Notice, see instruction

Form 8868 (12-2000)

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print.	Name of Exempt Organization KIPP FOUNDATION	Employer identification number 94-3362724
File by the extended due date for filing the return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 345 SPEAR STREET, NO. 510	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. (SAN FRANCISCO, CA 94105-1657	

Check type of return to be filed (File a separate application for each return):

- Form 990
- Form 990-EZ
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 1041-A
- Form 5227
- Form 8870
- Form 990-BL
- Form 990-PF
- Form 990-T (trust other than above)
- Form 4720
- Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

I request an additional 3-month extension of time until MAY 16, 2005

For calendar year _____, or other tax year beginning JUL 1, 2003 and ending JUN 30, 2004

If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

State in detail why you need the extension

THE TAXPAYER'S AFFAIRS ARE QUITE COMPLEX. ADDITIONAL TIME IS NEEDED TO PREPARE AND FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ 0.

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ 0.

c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature Susan M. Malone Title CPA Date 2/15/05

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- Other _____

Director _____ By _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension to be mailed to an address different than the one entered above.

Name	HOOD & STRONG LLP, CPAS
Number and street (include suite, room, or apt. no.) Or a P.O. box number	60 SPEAR STREET, SUITE 400
City or town, province or state, and country (including postal or ZIP code)	SAN FRANCISCO, CA 94105

RECEIVED

MAR 01 2005

FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN, UT