



**KIPP** PHILADELPHIA  
PUBLIC SCHOOLS

# Finance Committee Updates

November 16, 2021

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# Agenda

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- I. Call to Order
- II. ESSR Updates
- III. Inter-entity Reconciliation
- IV. FY21 Audit Update
- V. Real Estate Update

# ESSR Budgets

Revenues	KDCS	KNPCS	KPCS	KWPCS
ESSR II	1,836,260	1,369,910	2,972,993	2,972,993
ESSR III	3,771,581	2,768,960	6,009,228	6,009,228
<b>TOTAL</b>	<b>5,607,841</b>	<b>4,138,870</b>	<b>8,982,221</b>	<b>8,982,221</b>

Expenses	KDCS	KNPCS	KPCS	KWPCS
Salaries	2,980,270	2,265,580	5,506,729	5,345,933
Benefits	-	-	-	-
Professional Svcs	811,554	805,400	1,638,108	1,722,954
Property Svcs	-	-	-	-
Other Purchased Svcs	-	-	-	-
Supplies	505,000	465,000	850,000	1,077,500
Property	802,000	606,000	941,900	708,935
Dues and Fees	-	-	-	-
Debt Service	-	-	-	-
<b>Total Expenses</b>	<b>5,098,824</b>	<b>4,141,980</b>	<b>8,936,737</b>	<b>8,855,322</b>

- Region has completed another round of ESSR budget revisions. The updates include additional reserves to reflect the missed revenue due to lower-than-expected enrollment.
- Revisions also include updates for major HVAC projects that took place on the campuses over the summer.
- As next steps, we will be reconciling grants in preparation for our upcoming January reimbursement claim.

# Inter-entity Reconciliation

- Auditor noted size of balances in FY18 audit mgmt letter.
- Completed fixed asset transfer from KASC to KPCS in FY19.
- Wrote-off portion of transfer in FY20 (\$2.6M).
- On 11/12/2021, KASC voted to write-off remaining balance \$2.8M over time.
- Remaining balances will be addressed over next 2-3 fiscal years.

Entity	6/30/21 Balances	Reconciled balances	Unreconciled Balance
KASC	7,156,704	2,846,259	4,310,445
KDCS	(218,494)	(196,935)	(21,559)
KNPCS	(694,424)	(398,994)	(295,430)
KPCS	(4,026,548)	(1,881,012)	(2,145,536)
KWPCS	(2,227,465)	(369,319)	(1,858,146)
<b>TOTAL VARIANCE</b>	<b>(10,227)</b>	-	<b>(10,227)</b>

# Audit Update

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- Submitted final KWPP 990 to IRS ahead of November 15<sup>th</sup> deadline.
- Final fieldwork is still in process. Prioritizing closing out open items for schools this week in preparation for 11/30 state deadline for annual financial reports.
- To date, notable decrease in the number of adjusting journal entries. Currently, KIPP has submitted 14 AJEs. In previous years, the region has had more than 100 AJEs.
- Will need to schedule an additional call ahead of board retreat to review preliminary financial statements.

# Real Estate Update





# Questions?

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