



February 2023 Financials

PREPARED APR'23 BY



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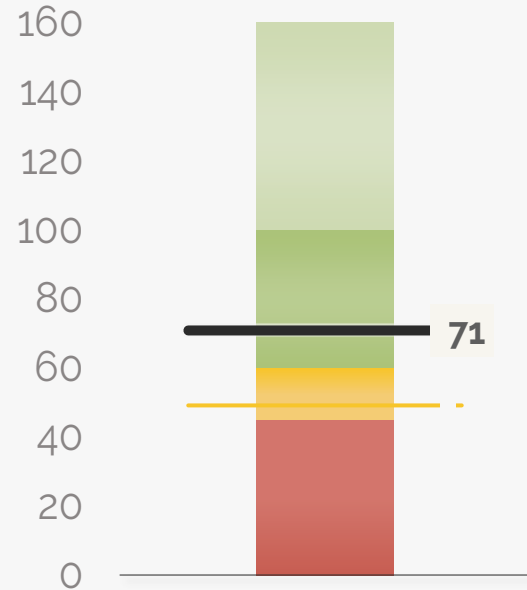
- As of 2/28/23, Kipp projects \$2.79M in cash reserves, \$956K ahead of budget. Days of cash for YE is projected at 71 days.
 - Improved revenue comes from two primary sources; Prop C and funding equity.
 - While expenses continue to trend ahead of budget, YE expense forecasts for Occupancy Service, Student Direct Expense, Office & Business Expense, and Transportation were all adjusted downward, improving the YE outlook.
 - Jana and Jamie continue to review expenses monthly and will continue adjusting the YE forecast where possible.

- Over December, 2022 and January, 2023 we did quite a bit of analysis on the full year revenue and expense forecast so the Board could get comfortable with the recommended salary increases for FY24.
- Kipp continues to have a positive revenue outlook for FY23, increasing its overall cash reserves at year end. However, that revenue number has fluctuated a bit since the review period.
- In January, DESE had done a prior year adjustment to Kipp's revenue, which resulted in an increase of \$269,244. In February, that transaction was modified to a (\$116,910) adjustment, a \$386K swing in revenue between 01/23 and 02/23.
- When contacted, DESE indicated that they had made a clerical error, inputting the wrong school's adjustment (in 01/23) originally. They then corrected that error in 02/23.

- While apologizing for the error, DESE confirmed that the revised revenue adjustment of (\$116,910) was correct.
- Prior year revenue adjustments are not the norm for DESE, nor are mistakes of this nature. We don't anticipate seeing any further changes of this type for the balance of FY23.
- That said, revenue will continue to fluctuate based on total enrollment, attendance, donation/grant revenue, etc.
- Additionally, as noted, Jana and Jamie will continue to review and update expenses to manage that side of the equation.
- All of this work will inform the FY24 budget process as well as expense control and management measures Jana is working to put into place.

Days of Cash

Cash balance at year-end divided by average daily expenses

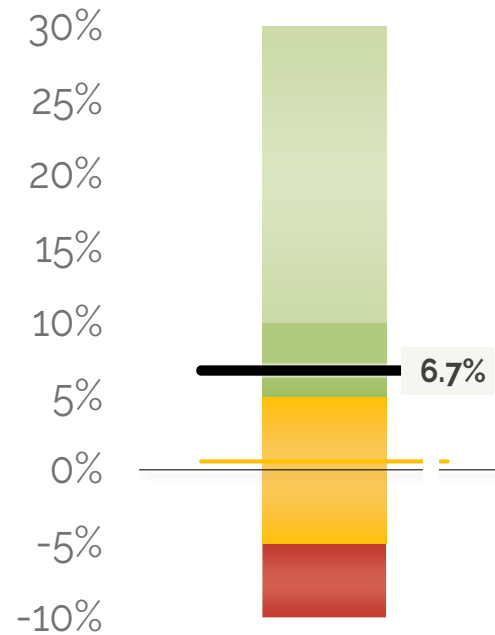


71 DAYS OF CASH AT YEAR'S END

The school will end the year with 71 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

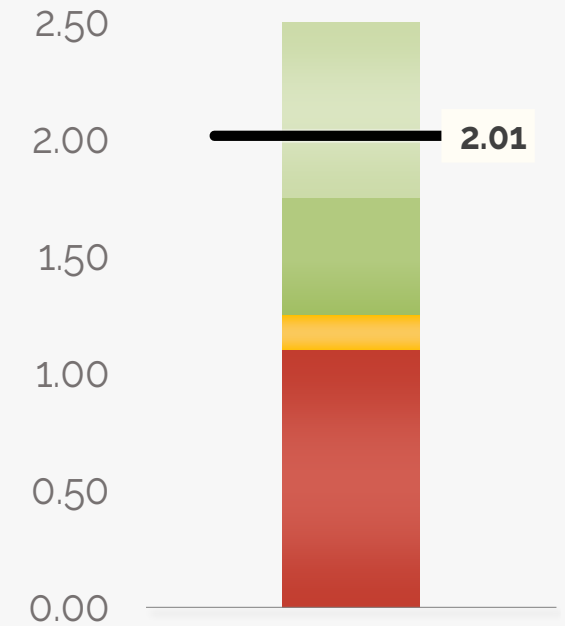


6.7% GROSS MARGIN

The forecasted net income is \$1.0m, which is \$956k above the budget. It yields a 6.7% gross margin.

DSCR

Amount of cash flow available to meet annual interest and principal payments on debt



DSCR IS 2.01

Debt Service Coverage Ratio is defined by the school's bank covenants.

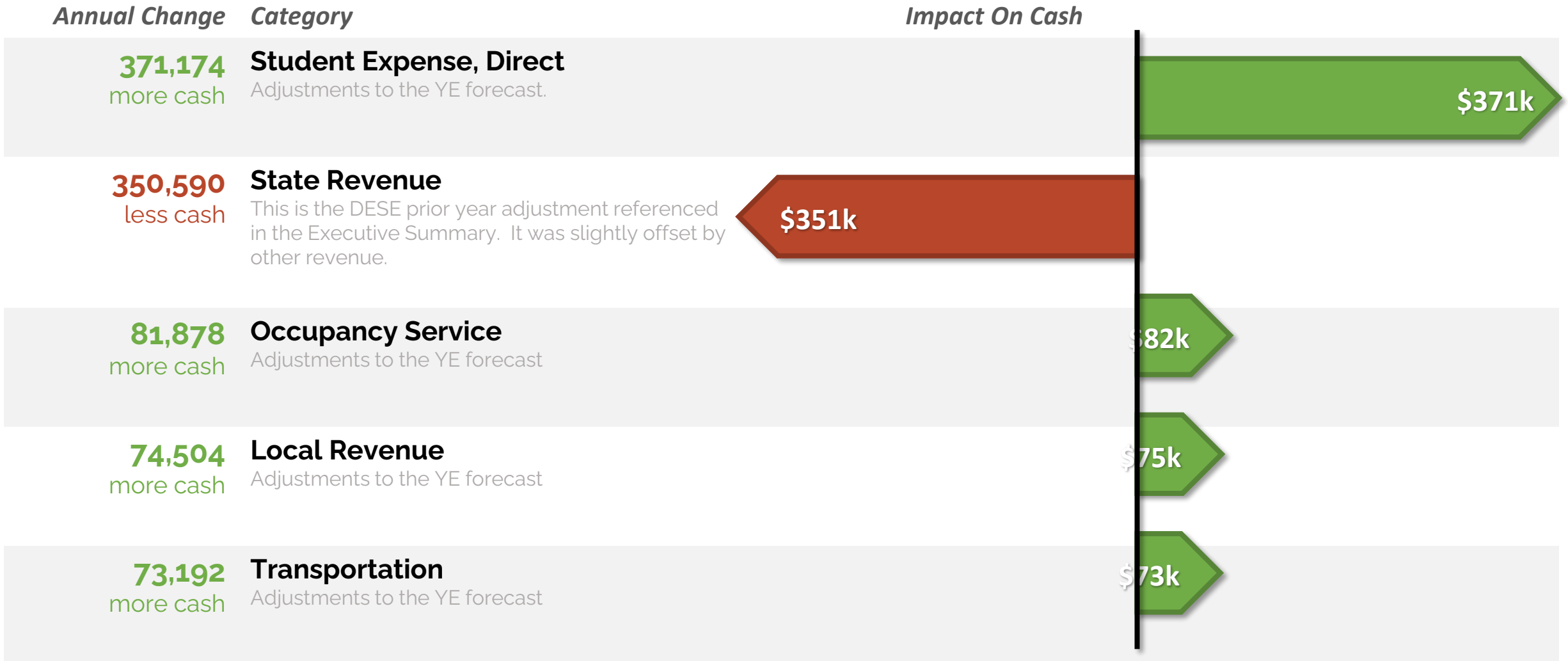
Forecast Overview



	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$15.4m	\$13.7m	\$1.7m	+1.7m	Primarily due to funding equity and Prop C revenue, not originally budgeted. As noted, there was a \$386K swing in 02/23 reported revenue due to DESE prior year adjustments.
Expenses	\$14.4m	\$13.6m	-\$751k	-751k	While expenses are still ahead of budget, we were able to reduce YE forecast outlooks for several expense categories, reducing the overage from (\$1.4M) to (\$751K).
Net Income	\$1m	\$78k	\$956k	956k	
Cash Flow Adjustments	256.39	0	256.39	+0k	
Change in Cash	\$1m	\$78k	\$956k	956k	As of 2/28/23, we are projecting that Kipp will improve its YE cash reserves by \$956K.

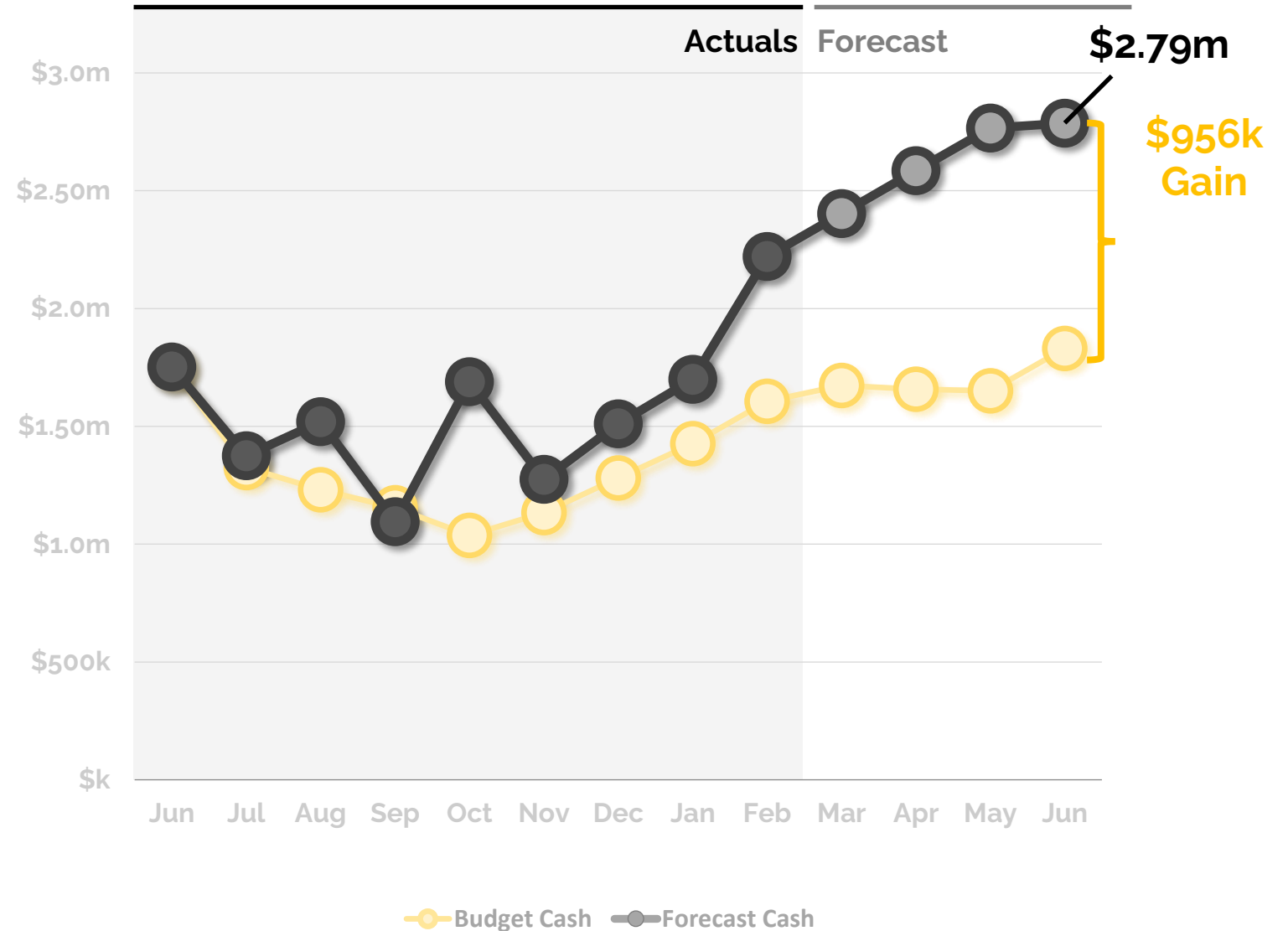
Key Forecast Changes This Month

The February forecast **increased** the year-end cash expectation by **\$235k**. *Key changes:*



71 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$2.8m**, **\$956k** above budget.



	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
Revenue							
Local Revenue	703,818	663,518	40,301	1,052,130	975,761	76,369	348,312
State Revenue	6,296,153	4,831,285	1,464,869	9,044,225	7,759,435	1,284,790	2,748,072
Federal Revenue	1,965,462	2,412,262	(446,799)	3,833,890	3,814,501	19,389	1,868,428
Private Grants and Donations	697,138	1,010,700	(313,562)	1,198,000	1,123,000	75,000	500,862
Earned Fees	270,522	12,832	257,690	270,522	19,248	251,274	-
Total Revenue	9,933,094	8,930,596	1,002,498	15,398,767	13,691,945	1,706,823 ①	5,465,674
Expenses							
Salaries	4,560,625	4,347,379	(213,246)	6,979,076	6,521,069	(458,007)	2,418,451
Benefits and Taxes	1,119,462	1,119,239	(223)	1,740,001	1,678,858	(61,143)	620,540
Staff-Related Costs	44,358	43,400	(958)	60,765	65,100	4,335	16,407
Rent	21,000	48,000	27,000	72,000	72,000	-	51,000
Occupancy Service	737,472	841,275	103,803	1,250,490	1,261,912	11,422	513,018
Student Expense, Direct	1,094,121	864,632	(229,490)	1,382,203	1,296,948	(85,255)	288,081
Student Expense, Food	422,750	426,667	3,917	646,000	640,000	(6,000)	223,250
Office & Business Expense	538,069	462,405	(75,664)	696,526	693,607	(2,919)	158,457
Transportation	402,167	415,333	13,166	557,090	623,000	65,910	154,923
Total Ordinary Expenses	8,940,023	8,568,329	(371,694)	13,384,151	12,852,494	(531,657)	4,444,127
Net Operating Income	993,071	362,267	630,804	2,014,617	839,451	1,175,166	1,021,546
Extraordinary Expenses							
Interest	353,352	507,333	153,981	761,000	761,000	(0)	407,648
Facility Improvements	219,227	-	(219,227)	219,227	-	(219,227)	-
Total Extraordinary Expenses	572,579	507,333	(65,245)	980,227	761,000	(219,227)	407,648
Total Expenses	9,512,602	9,075,662	(436,939)	14,364,377	13,613,494	(750,884) ②	4,851,775
Net Income	420,492	(145,067)	565,559	1,034,390	78,451	955,939 ③	613,898
Cash Flow Adjustments	48,414	-	48,414	256	-	256	(48,157)
Change in Cash	468,906	(145,067)	613,973	1,034,647	78,451	956,195 ⑤	565,741

① **REVENUE: \$1.7M AHEAD**
 Primarily due to Prop C and funding equity; prior year adjustment as noted

② **EXPENSES: \$751K BEHIND**
 Reduced the YE expense forecast in several categories, resulting in an improvement to the full YE expense forecast, from (\$1.4M) to (\$751K).

③ **NET INCOME: \$956K ahead**

④ **CASH ADJ: \$0K AHEAD**

⑤ **NET CHANGE IN CASH: \$956K AHEAD**

Monthly Financials

Income Statement	Actual								Forecast					TOTAL
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
Revenue														
Local Revenue	99,145	95,971	80,396	84,026	77,063	78,912	85,439	102,866	87,078	87,078	87,078	87,078	1,052,130	
State Revenue	513,810	718,615	637,366	1,361,559	657,207	905,113	1,087,014	415,469	687,018	687,018	687,018	687,018	9,044,225	
Federal Revenue	63,986	13,706	10,815	258,475	188,977	147,886	127,571	1,154,046	467,107	467,107	467,107	467,107	3,833,890	
Private Grants and Donations	5,623	363,561	10,000	24,223	25,344	254,294	3,835	10,259	125,215	125,215	125,215	125,215	1,198,000	
Earned Fees	227,862	22,529	2,588	5,489	1,951	365	7,591	2,147	0	0	0	0	270,522	
Total Revenue	910,426	1,214,383	741,165	1,733,771	950,542	1,386,570	1,311,451	1,684,786	1,366,418	1,366,418	1,366,418	1,366,418	15,398,767	
Expenses														
Salaries	591,923	560,000	599,328	570,738	555,594	581,745	546,819	554,478	567,113	567,113	567,113	717,113	6,979,076	
Benefits and Taxes	142,086	136,114	140,282	153,463	137,411	135,802	139,419	134,883	152,266	152,266	152,266	163,741	1,740,001	
Staff-Related Costs	4,934	9,021	4,677	2,790	4,675	3,576	7,272	7,413	4,102	4,102	4,102	4,102	60,765	
Rent	0	0	6,500	5,500	0	9,000	0	0	12,750	12,750	12,750	12,750	72,000	
Occupancy Service	77,446	77,261	96,009	18,874	242,960	80,575	82,150	62,197	128,255	128,255	128,255	128,255	1,250,490	
Student Expense, Direct	279,799	144,494	110,824	162,218	99,999	134,461	69,117	93,210	72,020	72,020	72,020	72,020	1,382,203	
Student Expense, Food	21,607	6,000	79,600	88,926	40,426	77,358	17,190	91,644	55,813	55,813	55,813	55,813	646,000	
Office & Business Expense	88,492	105,012	73,711	40,933	39,389	80,579	65,572	44,380	39,614	39,614	39,614	39,614	696,526	
Transportation	71,048	11,662	25,609	33,822	67,803	26,660	64,913	100,651	38,731	38,731	38,731	38,731	557,090	
Total Ordinary Expenses	1,277,336	1,049,564	1,136,540	1,077,262	1,188,256	1,129,755	992,452	1,088,857	1,070,663	1,070,663	1,070,663	1,232,138	13,384,151	
Operating Income	-366,910	164,819	-395,375	656,508	-237,714	256,815	318,999	595,929	295,755	295,755	295,755	134,280	2,014,617	
Extraordinary Expenses														
Interest	0	40,759	40,759	59,977	40,759	52,878	58,023	60,197	101,912	101,912	101,912	101,912	761,000	
Facility Improvements	1,614	38,943	-6,960	-2,148	130,513	-29,758	71,659	15,363	0	0	0	0	219,227	
Total Extraordinary Expenses	1,614	79,702	33,799	57,829	171,272	23,120	129,682	75,560	101,912	101,912	101,912	101,912	980,227	
Total Expenses	1,278,950	1,129,266	1,170,340	1,135,091	1,359,529	1,152,875	1,122,135	1,164,416	1,172,575	1,172,575	1,172,575	1,334,050	14,364,377	
Net Income	-368,525	85,117	-429,175	598,680	-408,987	233,695	189,316	520,370	193,843	193,843	193,843	32,368	1,034,390	
Cash Flow Adjustments	-8,565	59,997	4,905	-5,427	-4,591	2,133	-430	391	-12,039	-12,039	-12,039	-12,039	256	
Change in Cash	-377,089	145,114	-424,270	593,253	-413,577	235,829	188,886	520,761	181,804	181,804	181,804	20,329	1,034,647	

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
	<i>6/30/2022</i>	<i>2/28/2023</i>	<i>6/30/2023</i>
Assets			
Current Assets			
Cash	1,751,900	2,220,806	2,786,547
Total Current Assets	1,751,900	2,220,806	2,786,547
Total Assets	1,751,900	2,220,806	2,786,547
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	-2,050	46,363	-1,794
Total Current Liabilities	-2,050	46,363	-1,794
Total Long-Term Liabilities	0	0	
Total Liabilities	-2,050	46,363	
Equity			
Unrestricted Net Assets	1,753,950	1,753,950	1,753,950
Net Income	0	420,492	1,034,390
Total Equity	1,753,950	2,174,442	2,788,341