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Board of Directors and Management
KIPP New York Charter Schools
New York, New York

In planning and performing our audits of the financial statements of KIPP Academy Charter School and KIPP NYC Public Charter Schools (the Schools) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of one matter that is an opportunity for strengthening internal control and operating efficiency. Our comments and suggestions regarding this matters are summarized below. This letter does not affect our communication dated October 29, 2019.

Current Year Comment:

Adjustments and Year-End Closing

During the performance of our audit engagement procedures, client proposed adjustments were provided to adjust the initial trial balance that was provided. Proposed adjustments were subsequently provided by management relating to prepaid expenses, other receivables, accounts payable and accrued expenses. Timely and accurate account reconciliations are a necessary step in ensuring that financial statements are fairly stated.

Management is responsible for the accuracy and completeness of all financial records and related information. Their responsibilities include adjusting the financial statements to correct material misstatements. We recommend that management work to adjust all general ledger account balances to reflect appropriate interim and year-end balances.

Management Response:

Our standard internal procedures already provide for multiple level of general ledger review. However, in fiscal year 2019, SST experienced turnover in key personnel that attributed to the delay in timely reporting. Currently, key positions have been replaced with qualified personnel to oversee the accuracy and completeness of financial transactions. We will make a concerted effort to increase efficiencies in our processes to mitigate such risk in the future.

Prior Year Comment

Self-Funded Insurance Plan

During 2018, the Organization and the Charter Schools entered into a new insurance plan - Cigna Minimum Premium self-funded benefit plan. The plan details noted the premiums and year-end liability are based on calculations provided by Cigna (administrator of the plan), as well as management's assessment of the subsequent claims. The plan is capped at maximum monthly deposit liability determined by Cigna. We noted a year-end adjustment was required to accrue to the maximum monthly deposit liability. We recommend management annually evaluate the plan activity and maximum monthly deposit liability for outstanding incurred claims/liability and to properly record this accrual to the appropriate entities, as needed.

Current Year Update:

Management tracked and reviewed the insurance plan activity in FY2019 and noted no year-end accrual was required. The item has been resolved in the current year.

Management's Response:

Management's written response to the recommendations identified in our audit was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 29, 2019