Centennial School District

Monthly Financial Statements

COLLABORATING IN COMMUNITY | CULTIVATING EQUITY | INSPIRING EXCELLENCE

What are Monthly Financial Statements?

- Monthly reports provide a point-in-time view of the District's Financial Position
  - Prepared +/- 45 days after month end
  - Provide an update on the District's finances
  - Allows for the Board and Administration to be informed and make adjustments mid-year if needed
  - Reports Recognized Revenue and Expenditures for all Funds during the time period
  - Results are Separated by Fund, just like the adopted budget
    - General Fund
    - Grants
    - Transportation, Dining, Board reserve, Risk Management, Etc

Monthly Financial Statements: Components of Each Fund

Each Fund statement has three distinct layers:

1. Resources = beginning fund balance + current-year revenue. This includes:
   a. All the money in the fund
   b. Revenue recognized for for the time period reported
   c. Fund balance for future years and emergencies

2. Expenditures = spending by major function
   a. Instruction = in the classroom
   b. Support Services = Principals, Libraries, Speech Path, School Psys, Safety, Office staff, Bus Drivers, Custodians, Admin, etc.
   c. Enterprise & Community Services = Summer pool operations and in the Dining Service Fund, meals for students

3. Ending fund balance = resources less expenditures recorded through the reporting date
   a. An Ending Fund Balance of at least 5-15% is required by School Board Policy
      i. Reduced funding due to declining enrollment
      ii. Funding shortfalls, state budget cuts, federal cuts
      iii. Funding grants until reimbursed
      iv. Emergency savings
      v. Planned Saving for Future Years

Components of Each Fund: Revenue

ADOPTED BUDGET APPROPRIATION	MTD ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL BUDGET AMOUNT REMAINING	PY - MTD ACTUAL REVENUE	PY - YTD ACTUAL REVENUE

Headings for each Fund: <u>Revenue</u>

- **Adopted Budget Appropriation:**How much money was anticipated /approved by the School Board in June (when Budget was Adopted)
- MTD Actual Revenue: Month to date (MTD) actual revenue received for that individual month
- YTD Actual Revenue: Year to date (YTD) actual revenue received since July 1 of the current year
- Annual Budget Amount Remaining: Adopted revenue budget less YTD actual revenue
- PY MTD Actual revenue: Prior Year (PY) Month to date (MTD) actual revenue received for this month **last year**
- PY YTD Actual revenue: Prior Year (PY) Year to date (YTD) actual revenue received since July 1 of the **prior** year

Columns 1-4 inform the Board how we are doing according to the adopted budget plan.

Columns 5 and 6 inform the Board of the year or year trend

Components of Each Fund: Expenditures

ADOPTED BUDGET APPROPRIATION	MTD ACTUAL EXP	YTD ACTUAL EXP	ANNUAL BUDGET AMOUNT REMAINING	PY - MTD ACTUAL EXP	PY - YTD ACTUAL EXP

Headings for each Fund: <u>Expense</u>

- **Adopted Budget Appropriation:**How much money was anticipated /approved by the School Board in June (when Budget was Adopted)
- MTD Actual Expense: Month to date (MTD) actual expenses for the month
- YTD Actual Expense: Year to date (YTD) actual expenses for the since July 1 of the current year
- Annual Budget Amount Remaining: Remaining Expenditure Authority based on Adopted budget
- PY MTD Actual Expense: Prior Year (PY) Month to date (MTD) actual Expense incurred for this month **last year**
- PY YTD Actual Expense: Prior Year (PY) Year to date (YTD) actual Expense incurred since July 1 of the **prior** year

Columns 1-4 inform the Board how we are doing according to the adopted budget plan.

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Fund Balance

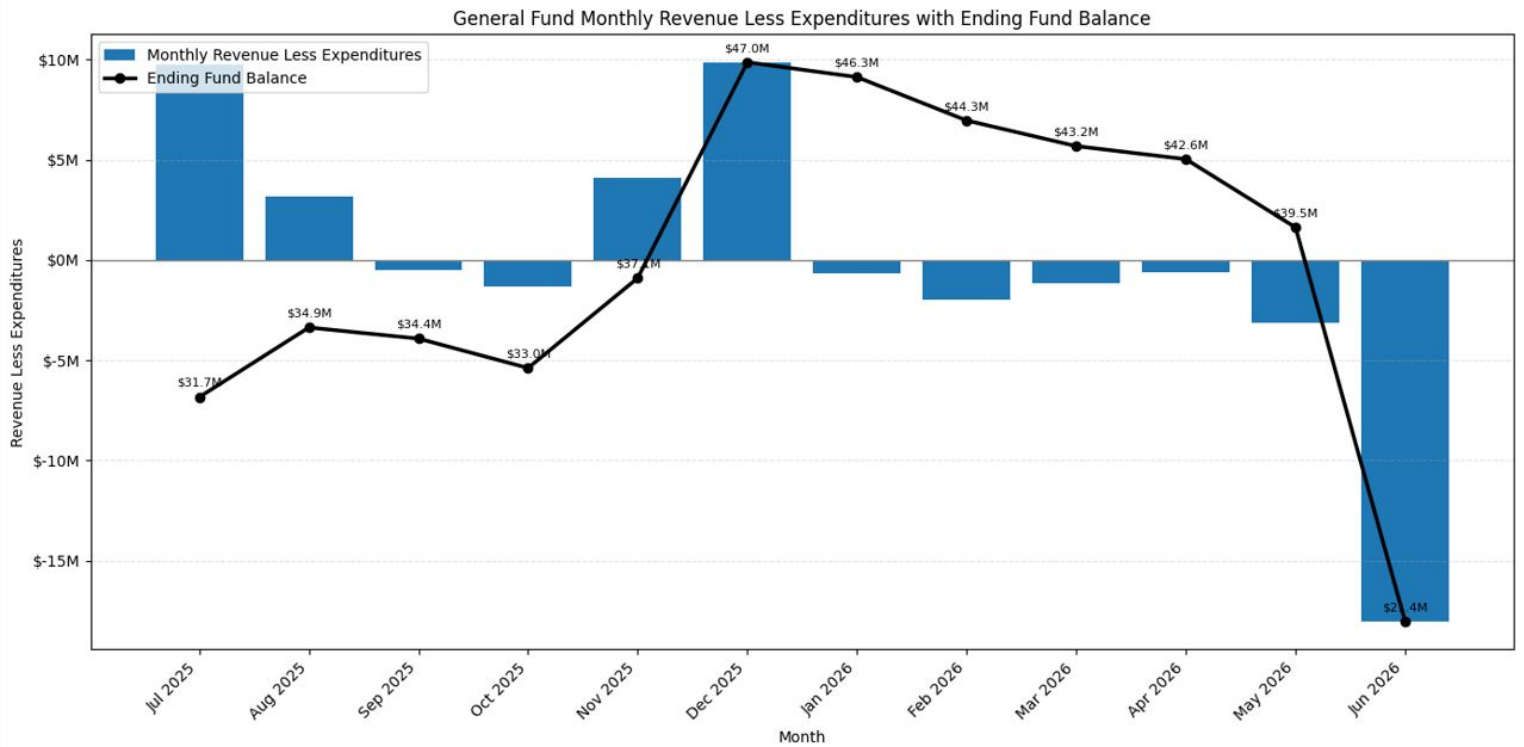
Expenses and revenue are not equal throughout the year

- **Revenue**
  - SSF provides 2 months of support in July and no support in June
  - Property taxes largely paid in October, November and December each year, with comparatively little revenue collected in other months.

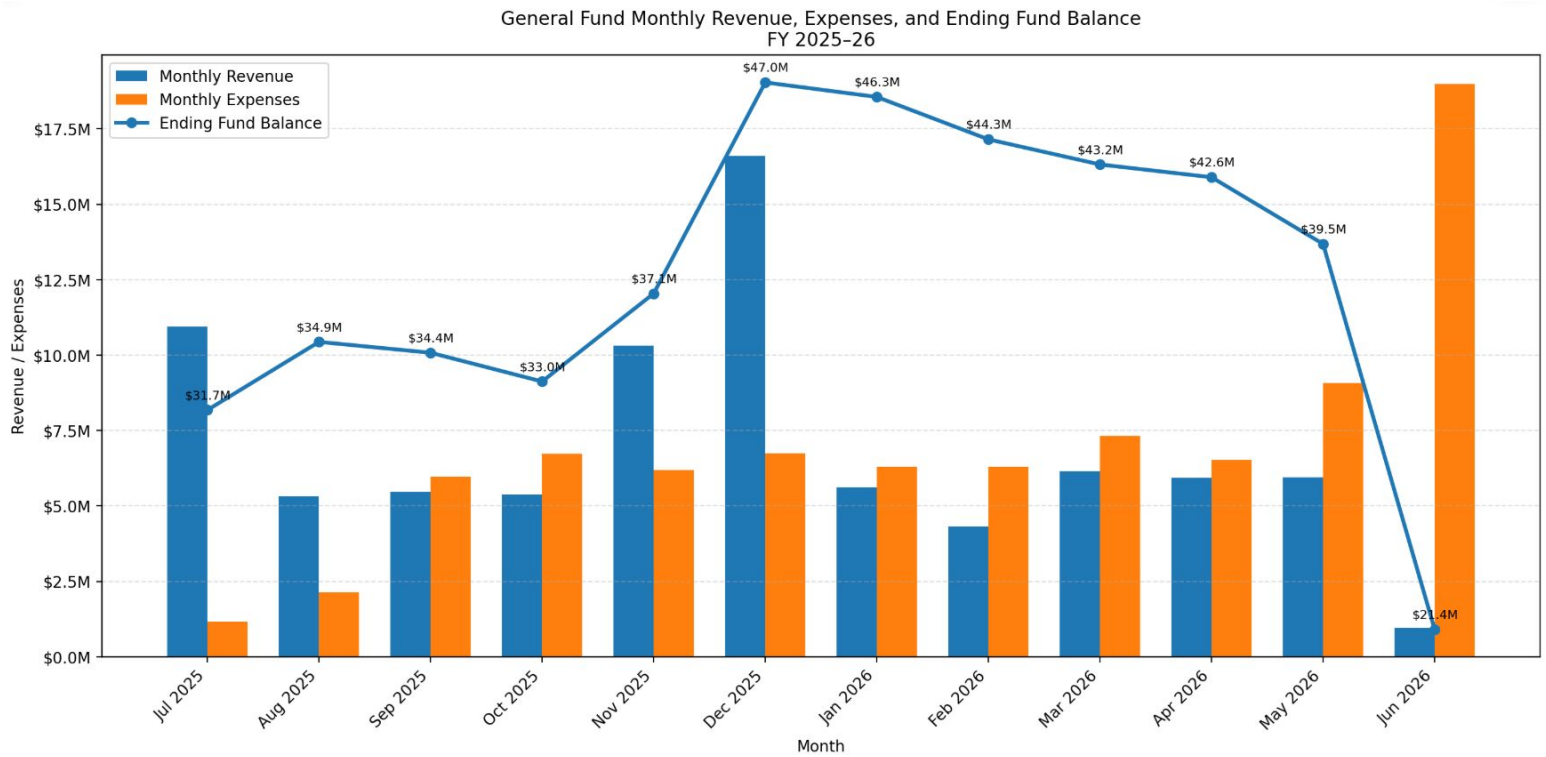
- **Expenses**
  - Lighter in the summer months while the majority of staff is not working
  - “Three paychecks” for licensed staff in June each year

- **Fund Balance**
  - Changes as revenues and expenditures are recorded throughout the year
  - Seasonally elevated during periods of the year because revenue and expenditures occur on different schedules
  - Rapid drawdown in the second half of each year as payment decline and expenses increase

Why General Fund Balance Rises and Falls During the Year
Month Gap between revenue and expenses



General Fund Revenue and Expenditures Timing



August General Fund Statement

- Monthly reports provide a point-in-time view
  - For example: the most recent report, August 2026 is reporting on
    - Fiscal year: July 1, 2026 through June 30, 2027
    - August is month 2 of the fiscal year
    - MTD = August only
    - YTD = July + August
    - Adopted budget = full-year plan and legal appropriation framework
    - Prior-year columns provide same-period comparison for timing and trends

August General Fund Statement: Resources
Beginning Fund Balance

GENERAL FUND

RESOURCES:	ADOPTED BUDGET APPROPRIATION	MTD ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL BUDGET AMOUNT REMAINING	PY - MTD ACTUAL REVENUE	PY - YTD ACTUAL REVENUE
Beginning Fund Balance July 1, 2026	19,900,000.00	0.00	21,417,091.09	1,517,091.09	0.00	21,921,724.43

What is this telling us?

- Actual Beginning Fund Balance = $21.4M vs. Budget (Last Mays Forecast) $19.9M
  - Positive, a little more money that we anticipated having at the end of last year largely due to higher interest on reserves
- Fund Balance lower than the start of last year $21.4M vs $21.9M last year
  - Means we spent more money last year than we received in funding
  - This was intentional, we are spending down over the next 2-3 years until our fund balance in under 15% of annual expenditures

August General Fund Statement: Resources Revenue

REVENUE	ADOPTED BUDGET APPROPRIATION	MTD ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL BUDGET AMOUNT REMAINING	PY - MTD ACTUAL REVENUE	PY - YTD ACTUAL REVENUE
From Local Sources	19,847,000.00	108,458.54	209,478.42	19,637,521.58	127,342.34	240,888.76
From Intermediate Sources	0.00	0.00	0.00	0.00	0.00	0.00
From State Sources	64,993,962.00	5,428,784.00	16,716,692.96	48,277,269.04	5,197,208.00	16,012,724.91
From Federal Sources	116,000.00	0.00	0.00	116,000.00	8,150.04	8,150.04
TOTAL REVENUE	84,956,962.00	5,537,242.54	16,926,171.38	68,030,790.62	5,332,700.38	16,261,763.71
TOTAL RESOURCES	104,856,962.00	5,537,242.54	38,343,262.47	66,513,699.53	5,332,700.38	38,183,488.14

What is this telling us?

- We've only received a fraction of our annual revenue, **as expected**
- Overall revenue is slightly higher than last year
  - Local: Down +/- $31K YTD vs Prior YTD
  - State: Up +/- 700K YTD vs Prior YTD
  - Federal: Essentially flat YTD vs Prior YTD

August General Fund Statement: Expenditures

EXPENDITURES:	ADOPTED BUDGET APPROPRIATION	MTD ACTUAL EXP	YTD ACTUAL EXP	ANNUAL BUDGET AMOUNT REMAINING	PY - MTD ACTUAL EXP	PY - YTD ACTUAL EXP
Instruction	53,379,844.00	107,301.00	299,739.18	53,080,104.82	377,382.55	414,633.36
Support Services	33,612,560.00	1,532,141.29	3,033,701.59	30,578,858.41	1,736,055.87	2,845,050.45
Enterprise & Community Service	129,113.00	28,275.15	38,487.87	90,625.13	27,519.83	39,832.13
Other Uses	368,852.00	0.00	1,876.50	366,975.50	1,885.47	3,033.61
Operating Contingency	1,000,000.00	0.00	0.00	1,000,000.00	0.00	0.00
Unappropriated Ending Fund Balance	16,366,593.00	0.00	0.00	16,366,593.00	0.00	0.00
TOTAL EXPENDITURES	104,856,962.00	1,667,717.44	3,373,805.14	101,483,156.86	2,142,843.72	3,302,549.55

What is this telling us?

- We've only incurred a fraction of our expected annual expenditures
- Support services (Maintenance, Custodial, IT, Administrative) operate extensively throughout the summer
- Overall expenditures are consistent with prior year and on-track

August General Fund Statement: Fund Balance

Fund Balance = $34,969,457

What is this telling us?

- As expected revenues over the summer months (State School Fund Payments) have exceeded expenses
- On-track with financial forecasts

Why the Report Has Multiple Funds

- **A fund is a separate accounting entity used to segregate resources by purpose, restriction or legal requirement.**
  - General Fund: core district operations
  - Dining Services: school nutrition operations
  - Debt Service: bond principal and interest
  - Capital/Technology Funds: Capital improvements, Maintaining assets and replacement needs
  - Student Investment Account: State restricted program resources
  - Grants Fund: restricted grants from multiple sources
  - Risk Management / Early Retirement / Endowment: specific designated purpose funds
- **Key question: not just "How much money is there?" but "What may this fund be used for?"**

What to Look for Each Month

- Are revenues arriving generally as expected for this point in the year?
- Are expenditures within appropriation and consistent with operational timing?
- Are there significant differences from the prior-year YTD?
- Are there large one-time items, delayed invoices or reimbursement timing issues?
- Is projected year-end fund balance materially different from budget?
- Are restricted funds being used only for their intended purposes?
- Does any variance require Board action, budget transfer or a change in forecast?

Key Takeaways

- **Monthly financial statements are a monitoring tool, not a year-end prediction by themselves.**
  - Interpret Adopted Budget + MTD + YTD + Prior Year together
  - Separate current year revenue from beginning fund balance
  - Understand each fund before interpreting its balance
  - Treat August carefully because revenue, payroll, capital and grants are seasonal
  - Focus attention on material variances, forecast changes and appropriation pressure
- **The goal is to confirm financial activity remains aligned with the annual plan and Roadmap 27 priorities**

Thank You!

Centennial
SCHOOL DISTRICT

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