

Monthly Financial Review Worksheet

Profit and Loss Statement

- Response
- Further inquiry needed
- Action needed

Reviewing the Budget:				
1.	Does my budget match the budget from the previous month's report?		No ●	If no, see question 1a.
1a	If it does not match, I know why.		No ●	Budgets only change when the school board adopts a new budget via board resolution. The budget should be changed to reflect the most recent board-approved budget.
Evaluating the forecast:				
2	What is my forecasted net income?	\$	Negative ●	If this is negative, you are forecasting to spend more than you are expecting to receive. Ensure this deficit is in the budget.
3	What is my forecasted total ending fund balance?	\$	Negative ●	If this is negative you aren't planning to meet the TABOR reserve requirement, and expenditures should be adjusted.
3a	What is my forecasted unreserved ending fund balance?	\$	Negative ●	If this is negative you aren't planning to meet the TABOR reserve requirement, and expenditures should be adjusted.
4	Is my forecast revenue less than my budgeted revenue?		Yes ●	If below, you are planning on not earning as much revenue as budgeted, and need to ensure expenditure reductions are not needed.
5	Are my forecasted expenditures more than my budgeted expenditures?		Yes ●	You are planning to exceed your budget, which is a statutory violation. Need to cut costs or request a budget amendment or supplemental budget from board.
Testing the forecast:				
6	My YTD actual activity benchmark is:	%		
7	My actual YTD revenue as a % of year-end forecasted revenue is:	%	Below benchmark ●	If YTD revenue is below the YTD activity benchmark, forecasted revenues may need to be adjusted downward.
8	My actual YTD expenditures as a % of year-end forecasted expenditures are:	%	Above benchmark ●	If YTD expenditures are below the YTD activity benchmark, forecasted revenues may need to be adjusted downward.

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Balance Sheet

Reviewing Assets:					
1.	What is my total cash Balance?	\$	Low	●	If materially lower than the previous month, review the cash flow forecast to ensure there is not an ongoing deficit.
2	Is my cash balance close to the sum of the cash balances in bank accounts?		No	●	The cash balance on the Balance Sheet won't match the bank statement balances exactly due to timing differences in accounting and bank posting, but it should be reasonably close.
3	How many months of cash on hand do I have? Divide cash on hand by the monthly expenditure amount in 3a.		Less than 1 month	●	If less than one month, school is at risk for not being able to pay for expenses. Review cash flow forecast to ensure costs are being managed to avoid running out of cash.
3a	Calculate monthly expenditures				$\frac{\text{Total YTD expenditures on balance sheet}}{\text{Number of months passed (ex: 9 for YTD through March 31)}}$
4	Do I recognize my other assets and what they are for?		No	●	This will usually be comprised of unpaid fees, and grant revenue earned but not received. If anything is unfamiliar, inquire further.
5	How do my accounts receivable compare to previous months?		Higher than normal	●	If accounts receivable (AR) is higher than normal, request to see an AR Aging report. If AR aging is more than 60 days, collection activities should be examined
Reviewing Liabilities:					
6	Do I recognize my liabilities and what they are for?		No	●	This will usually be comprised of expenses incurred, but not yet paid.
7	How do my accounts receivable compare to previous months?		Higher than normal	●	If accounts payable (AP) is higher than normal, request to see an AP Aging report. If AP aging is more than 60 days, invoice payment processes should be examined, or cash flow should be managed more effectively.
Reviewing Equity:					
7	What is my equity?		Negative	●	Equity should equal the YTD ending fund balance on the Profit and Loss statement. If it does not, it could signal a reporting error. If equity is negative, the school is at risk for not meeting the TABOR reserve requirement at year-end, and may need to reduce expenditures.

3a	What is my forecasted unreserved ending fund balance?	\$	Negative 	If this is negative you aren't planning to meet the TABOR reserve requirement, and expenditures should be adjusted.
4	Is my forecast revenue less than my budgeted revenue?		Yes 	If below, you are planning on not earning as much revenue as budgeted, and need to ensure expenditure reductions are not needed.
5	Are my forecasted expenditures more than my budgeted expenditures?		Yes 	You are planning to exceed your budget, which is a statutory violation. Need to cut costs or request a budget amendment or supplemental budget from board.
Testing the forecast:				
6	My YTD actual activity benchmark is:	%		
7	My actual YTD revenue as a % of year-end forecasted revenue is:	%	Below benchmark 	If YTD revenue is below the YTD activity benchmark, forecasted revenues may need to be adjusted downward.
8	My actual YTD expenditures as a % of year-end forecasted expenditures are:	%	Above benchmark 	If YTD expenditures are below the YTD activity benchmark, forecasted revenues may need to be adjusted downward.

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Cash Flow Forecast

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Reviewing Actual Activity:				
1.	Do the monthly actuals tie to the bank statement?		No	<input type="radio"/> Actual activity must tie to bank account statement. Revisions are needed if it does not.
1a	Receipts		No	<input type="radio"/> See number 1
1b	Disbursements (withdrawals, checks, debits)		No	<input type="radio"/> See number 1
1c	Beginning Cash Balance		No	<input type="radio"/> See number 1
1d	Ending Cash Balance		No	<input type="radio"/> See number 1
Reviewing Forecasted Activity:				
2	What is my lowest forecasted cash balance?	\$	Negative	<input type="radio"/> If negative, you are planning to not be able to pay your expenses. This is an urgent issue that must be addressed immediately.
3	Do I recognize all forecasted receipts and disbursements?		No	<input type="radio"/> Any irregular forecasted receipts or disbursements warrant further inquiry. Be particularly mindful of unspecified local sources as those may be uncommitted funds that may overstate the forecasted cash position.
4	Are my monthly forecasted receipts reasonably close to the actual receipts received in previous months?		No	<input type="radio"/> Of particular concern are forecasted receipts that are HIGHER than previous months. Pay close attention to forecasted PPR and local revenues (donations and fee revenue)
5	Are my monthly forecasted disbursements reasonably close to the actual disbursements made in previous months?		No	<input type="radio"/> Of particular concern is if forecasted disbursements are LOWER than previous months. Pay close attention to salaries, taxes, benefits, facility, and utility disbursements. If payroll disbursements materially vary from what is expected, examine the payroll detail by employee to verify.