

**CBO Mentor Project
Supplemental Materials
Session #3
June 2008**

Trend Analysis Exercise

Trend Analysis

□ Trend Analysis

- Break into 5 working groups
- Three year summary of historical data for a sample district is provided
- Data shows estimated budget data compared to final actual data.
- Primary focus should be on unrestricted changes.

CBO Leadership Role

- As CBO, your Director of Fiscal Services will be bringing you data to review**
- At a minimum, this type of summary review should be done by CBO prior to taking information to the board and variances reviewed**
- Further recommendation: this same type of summary be taken by CBO to Superintendent to keep them apprised of budget.**
- As part of AB1200 COE review process, we (El Dorado COE) prepare this comparative information and provide annually to Superintendents.**

Year 1

□ District A 1999-00

- 2nd interim budget compared to final end of year close
- Column L – unrestricted variance comparison
 - Conclusions & questions
 - Example, unrestricted revenue limit income was \$246,722 higher than 2nd interim reported to board (good news) but surprising this income wasn't recognized earlier
- Column M – restricted variance comparison
 - Line 9 – other state income – decreased \$250,281
 - Probably due to deferred income – and not surprising

Year 1 -Your Task

- Prepare a list of questions you have after reviewing the variances (unrestricted/restricted)**
- Prepare a list of conclusions you might have reached**
- Make a determination of the fiscal health of the district**

District A - 1999-00

1	District A - 1999-00									
2	b	f	g	h	i	j	k	l	m	n
3		2nd Interim Update to board			final end of year close					
4		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	unrestricted Variance i-f	Restricted Variance j-g	Total Variance k-h
5										
6	Revenue Detail									
7	Revenue Limit	26,816,756	608,342	27,425,098	27,063,478	624,614	27,688,092	246,722	16,272	262,994
8	Federal Revenue	122,545	673,390	795,935	173,940	736,150	910,090	51,395	62,760	114,155
9	Other State Revenue	1,742,999	4,697,823	6,440,822	1,921,286	4,447,542	6,368,828	178,287	(250,281)	(71,994)
10	Other Local Revenue	1,041,994	2,033,890	3,075,884	1,273,935	2,087,957	3,361,892	231,941	54,067	286,008
11	Total Revenue	29,724,294	8,013,445	37,737,739	30,432,639	7,896,263	38,328,902	708,345	(117,182)	591,163
12				-			-		-	-
13	Expenditure Detail			-			-		-	-
14	Certificated	15,486,722	2,230,460	17,717,182	16,221,400	2,151,555	18,372,955	734,678	(78,905)	655,773
15	Classified	4,274,785	1,427,581	5,702,366	4,290,998	1,458,157	5,749,155	16,213	30,576	46,789
16	Employee benefits	4,876,559	804,663	5,681,222	4,856,958	799,574	5,656,532	(19,601)	(5,089)	(24,690)
17	Books & Supplies	2,101,063	1,406,560	3,507,623	1,540,224	919,642	2,459,866	(560,839)	(486,918)	(1,047,757)
18	Service, Other Operating	2,558,685	743,490	3,302,175	2,436,233	749,557	3,185,790	(122,452)	6,067	(116,385)
19	Capital Outlay	850,220	966,010	1,816,230	489,329	743,892	1,233,221	(360,891)	(222,118)	(583,009)
20	Other Outgo	515,980	1,043,480	1,559,460	538,874	1,197,932	1,736,806	22,894	154,452	177,346
21	Direct Support/Indirect	(225,288)	149,943	(75,345)	(292,764)	178,069	(114,695)	(67,476)	28,126	(39,350)
22	Total Expenditures	30,438,726	8,772,187	39,210,913	30,081,252	8,198,378	38,279,630	(357,474)	(573,809)	(931,283)
23				-			-		-	-
24	Excess/(Deficiency)	(714,432)	(758,742)	(1,473,174)	351,387	(302,115)	49,272	1,065,819	456,627	1,522,446
25				-			-		-	-
26	Other Financing Sources/uses			-			-		-	-
27	Transfers In	-	-	-	-	-	-	-	-	-
28	Transfers Out	182,739	-	182,739	181,143	-	181,143	(1,596)	-	(1,596)
29	Other Sources	-	-	-	-	-	-	-	-	-
30	Other Uses	66,264	79,601	145,865	132,527	79,601	212,128	66,263	-	66,263
31	Contributions	(853,656)	853,656	-	(852,677)	852,677	-	979	(979)	-
32	Total Other Sources/Uses	(1,102,659)	774,055	(328,604)	(1,166,347)	773,076	(393,271)	(63,688)	(979)	(64,667)
33				-			-		-	-
34	Net Inc/Dcr to Fund Balance	(1,817,091)	15,313	(1,801,778)	(814,960)	470,961	(343,999)	1,002,131	455,648	1,457,779
35				-			-		-	-
36	Beginning Balance	4,607,493	360,045	4,967,538	4,643,970	323,568	4,967,538	36,477	(36,477)	-
37	Ending Balance	2,790,402	375,358	3,165,760	3,829,010	794,529	4,623,539	1,038,608	419,171	1,457,779
38				-			-		-	-
39	Components of Ending Fund Balance									
40	Revolving Cash	5,000	-	5,000	7,500	-	7,500	2,500	-	2,500
41	Stores	35,125	-	35,125	48,189	-	48,189	13,064	-	13,064
42	Prepaid Expend.	-	-	-	8,566	-	8,566	8,566	-	8,566
43	Reserve for Economic Uncertai	1,695,310	-	1,695,310	1,695,310	-	1,695,310	-	-	-
44	Other restricted	1,054,967	375,358	1,430,325	1,678,415	794,529	2,472,944	623,448	419,171	1,042,619
45	Undesignated	-	-	-	391,030	-	391,030	391,030	-	391,030
46	Total	2,790,402	375,358	3,165,760	3,829,010	794,529	4,623,539	1,038,608	419,171	1,457,779
47	EUR as % of Expenditures + transfer Out + other uses			4.29%			4.38%			
48	Restricted balance projections change - for comparison - should compare Reserve for Economic Uncertainty and Undesignated funds:									
49	EUR & Undesignated	1,695,310	-	1,695,310	2,086,340	-	2,086,340			
50	Change						391,030			

Year 2 2000-01

- Document contains the June Budget update to the board compared to final end of year close**
- Prepare a list of questions you have after reviewing the variances (unrestricted/restricted)**
- Prepare a list of conclusions you might have reached**
- Make a determination of the fiscal health of the district**

District A - 2000-01

1	b	f	g	h	i	j	k	l	m	n
2										
3		June Budget Update to Board			final end of year close					
4		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	unrestricted Variance i-f	Restricted Variance j-g	Total Variance k-h
5										
6	Revenue Detail									
7	Revenue Limit	30,637,122	608,342	31,245,464	30,519,421	608,342	31,127,763	(117,701)	-	(117,701)
8	Federal Revenue	170,026	1,032,211	1,202,237	170,026	912,179	1,082,205	-	(120,032)	(120,032)
9	Other State Revenue	2,653,094	7,858,251	10,511,345	3,002,556	6,917,103	9,919,659	349,462	(941,148)	(591,686)
10	Other Local Revenue	789,538	2,014,036	2,803,574	1,045,538	2,725,889	3,771,427	256,000	711,853	967,853
11	Total Revenue	34,249,780	11,512,840	45,762,620	34,737,541	11,163,513	45,901,054	487,761	(349,327)	138,434
12				-			-		-	-
13	Expenditure Detail									
14	Certificated	16,384,464	3,118,352	19,502,816	17,752,988	3,292,227	21,045,215	1,368,524	173,875	1,542,399
15	Classified	4,059,588	2,325,237	6,384,825	4,462,071	2,372,184	6,834,255	402,483	46,947	449,430
16	Employee benefits	5,573,790	1,622,282	7,196,072	5,738,622	1,583,417	7,322,039	164,832	(38,865)	125,967
17	Books & Supplies	1,131,747	2,403,410	3,535,157	959,112	1,435,719	2,394,831	(172,635)	(967,691)	(1,140,326)
18	Service, Other Operating	2,691,684	2,207,693	4,899,377	2,599,066	1,266,708	3,865,774	(92,618)	(940,985)	(1,033,603)
19	Capital Outlay	1,327,530	3,471,289	4,798,819	724,579	2,917,002	3,641,581	(602,951)	(554,287)	(1,157,238)
20	Other Outgo		1,127,990	1,127,990		984,292	984,292	-	(143,698)	(143,698)
21	Direct Support/Indirect	(207,899)	207,899	-	(330,568)	227,631	(102,937)	(122,669)	19,732	(102,937)
22	Total Expenditures	30,960,904	16,484,152	47,445,056	31,905,870	14,079,180	45,985,050	944,966	(2,404,972)	(1,460,006)
23				-			-		-	-
24	Excess/(Deficiency)	3,288,876	(4,971,312)	(1,682,436)	2,831,671	(2,915,667)	(83,996)	(457,205)	2,055,645	1,598,440
25				-			-		-	-
26	Other Financing Sources/uses									
27	Transfers In	-	-	-	-	-	-	-	-	-
28	Transfers Out	20,926	192,653	213,579	391,789	214,348	606,137	370,863	21,695	392,558
29	Other Sources	-	-	-	-	-	-	-	-	-
30	Other Uses	-	145,865	145,865	-	212,127	212,127	-	66,262	66,262
31	Contributions	(4,515,300)	4,515,300	-	(3,926,476)	3,926,476	-	588,824	(588,824)	-
32	Total Other Sources/Uses	(4,536,226)	4,176,782	(359,444)	(4,318,265)	3,500,001	(818,264)	217,961	(676,781)	(458,820)
33				-			-		-	-
34	Net Inc/Dcr to Fund Balance	(1,247,350)	(794,530)	(2,041,880)	(1,486,594)	584,334	(902,260)	(239,244)	1,378,864	1,139,620
35				-			-		-	-
36	Beginning Balance	3,829,005	794,530	4,623,535	3,829,005	794,529	4,623,534	-	(1)	(1)
37	Ending Balance	2,581,655	-	2,581,655	2,342,411	1,378,863	3,721,274	(239,244)	1,378,863	1,139,619
38										
39	Components of Ending Fund Balance									
40	Revolving Cash	7,500		7,500	7,500		7,500	-	-	-
41	Stores	40,150		40,150	9,174		9,174	(30,976)	-	(30,976)
42	Prepaid Expend.	19,696		19,696	19,921		19,921	225	-	225
43	Reserve for Economic Uncertai	1,427,028		1,427,028	1,290,795		1,290,795	(136,233)	-	(136,233)
44	Other restricted	479,100		479,100	955,066	1,378,863	2,333,929	475,966	1,378,863	1,854,829
45	Undesignated	608,181		608,181			-	(608,181)	-	(608,181)
46	Total	2,581,655	-	2,581,655	2,282,456	1,378,863	3,661,319	(299,199)	1,378,863	1,079,664
47				2.99%			2.76%			
48	Restricted balance projections change - for comparison - should compare Reserve for Economic Uncertainty and Undesignated funds:									
49	EUR & Undesignated	2,035,209	-	2,035,209	1,290,795	-	1,290,795			
50	Change						(744,414)			

Year 3 2001-02

- 2nd interim budget update compared to June budget update to board
- Prepare a list of questions you have after reviewing the variances (unrestricted/restricted)
- Prepare a list of conclusions you might have reached
- Make a determination of the fiscal health of the district

District A - 2001-02

1	District A - 2001-02									
2	b	c	d	e	f	g	h	i	j	k
3		<u>2nd Interim</u>			<u>June Budget Update to Board</u>					
4		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	unrestricted Variance	Restricted Variance	Total Variance
5								f-c	g-d	h-e
6	Revenue Detail									
7	Revenue Limit	32,747,313	701,828	33,449,141	33,033,143	701,828	33,734,971	285,830	-	285,830
8	Federal Revenue	292,906	1,399,285	1,692,191	292,906	1,421,638	1,714,544	-	22,353	22,353
9	Other State Revenue	2,071,703	4,980,679	7,052,382	2,099,789	4,940,399	7,040,188	28,086	(40,280)	(12,194)
10	Other Local Revenue	835,786	2,096,952	2,932,738	935,984	2,098,852	3,034,836	100,198	1,900	102,098
11	Total Revenue	35,947,708	9,178,744	45,126,452	36,361,822	9,162,717	45,524,539	414,114	(16,027)	398,087
12										
13	Expenditure Detail									
14	Certificated	18,860,461	3,376,143	22,236,604	19,303,164	3,458,301	22,761,465	442,703	82,158	524,861
15	Classified	4,351,873	2,557,486	6,909,359	4,519,696	2,557,209	7,076,905	167,823	(277)	167,546
16	Employee benefits	4,288,463	1,572,671	5,861,134	5,224,142	1,572,981	6,797,123	935,679	310	935,989
17	Books & Supplies	1,415,814	2,617,857	4,033,671	600,330	1,179,992	1,780,322	(815,484)	(1,437,865)	(2,253,349)
18	Service, Other Operating	3,348,688	1,636,204	4,984,892	1,973,513	951,188	2,924,701	(1,375,175)	(685,016)	(2,060,191)
19	Capital Outlay	569,548	768,612	1,338,160	301,094	459,443	760,537	(268,454)	(309,169)	(577,623)
20	Other Outgo		1,206,568	1,206,568		1,206,568	1,206,568	-	-	-
21	Direct Support/Indirect	(277,827)	202,482	(75,345)	(355,449)	202,482	(152,967)	(77,622)	-	(77,622)
22	Total Expenditures	32,557,020	13,938,023	46,495,043	31,566,490	11,588,164	43,154,654	(990,530)	(2,349,859)	(3,340,389)
23										
24	Excess/(Deficiency)	3,390,688	(4,759,279)	(1,368,591)	4,795,332	(2,425,447)	2,369,885	1,404,644	2,333,832	3,738,476
25										
26	Other Financing Sources/uses									
27	Transfers In	135,233		135,233	135,233		135,233	-	-	-
28	Transfers Out		213,194	213,194		213,194	213,194	-	-	-
29	Other Sources			-			-	-	-	-
30	Other Uses		145,865	145,865	66,263	145,865	212,128	66,263	-	66,263
31	Contributions	(3,903,091)	3,903,091	-	(3,921,849)	3,921,849	-	(18,758)	18,758	-
32	Total Other Sources/Uses	(3,767,858)	3,544,032	(223,826)	(3,852,879)	3,562,790	(290,089)	(85,021)	18,758	(66,263)
33										
34	Net Inc/Dcr to Fund Balance	(377,170)	(1,215,247)	(1,592,417)	942,453	1,137,343	2,079,796	1,319,623	2,352,590	3,672,213
35										
36	Beginning Balance	2,342,412	1,378,863	3,721,275	2,342,412	1,378,863	3,721,275	-	-	-
37	Ending Balance	1,965,242	163,616	2,128,858	3,284,865	2,516,206	5,801,071	1,319,623	2,352,590	3,672,213
38										
39	Components of Ending Fund Balance									
40	Revolving Cash	7,500		7,500	7,500		7,500	-	-	-
41	Stores	9,174		9,174	9,174		9,174	-	-	-
42	Prepaid Expend.	1,500		1,500	6,203		6,203	4,703	-	4,703
43	Reserve for Economic Uncertainty	1,855,953	3,518	1,859,471	1,911,676		1,911,676	55,723	(3,518)	52,205
44	Other restricted*	91,115	160,098	251,213	795,531	2,516,206	3,311,737	704,416	2,356,108	3,060,524
45	Undesignated			-	554,780		554,780	554,780	-	554,780
46	Total	1,965,242	163,616	2,128,858	3,284,864	2,516,206	5,801,070	1,319,622	2,352,590	3,672,212
	% EUR			3.97%			4.39%			
47	Restricted balance projections change - for comparison - should compare Reserve for Economic Uncertainty and Undesignated funds:									
48	EUR & Undesignated	1,855,953	3,518	1,859,471	2,466,456	-	2,466,456			
49	Change						606,985			

STOP

DO NOT GO ANY FURTHER

WAIT FOR INSTRUCTOR OK TO PROCEED FURTHER



The rest of the story...

- The next page shows the June budget update compare to the final end of year actuals
- Questions?
- Conclusions?

District A - 2001-02



	June Budget Update to Board			Unaudited Actuals			unrestricted Variance	Restricted Variance	Total Variance
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Estimated Total	i-f	j-g	k-h
Revenue Detail									
Revenue Limit	33,033,143	701,828	33,734,971	32,793,237	1,196,628	33,989,865	(239,906)	494,800	254,894
Federal Revenue	292,906	1,421,638	1,714,544	292,907	1,282,322	1,575,229	1	(139,316)	(139,315)
Other State Revenue	2,099,789	4,940,399	7,040,188	2,277,381	4,657,162	6,934,543	177,592	(283,237)	(105,645)
Other Local Revenue	935,984	2,098,852	3,034,836	1,202,371	2,220,064	3,422,435	266,387	121,212	387,599
Total Revenue	36,361,822	9,162,717	45,524,539	36,565,896	9,356,176	45,922,072	204,074	193,459	397,533
Expenditure Detail									
Certificated	19,303,164	3,458,301	22,761,465	19,752,351	3,675,222	23,427,573	449,187	216,921	666,108
Classified	4,519,696	2,557,209	7,076,905	4,766,715	2,742,401	7,509,116	247,019	185,192	432,211
Employee benefits	5,224,142	1,572,981	6,797,123	5,265,308	1,633,718	6,899,026	41,166	60,737	101,903
Books & Supplies	600,330	1,179,992	1,780,322	1,051,746	1,355,825	2,407,571	451,416	175,833	627,249
Service, Other Operating	1,973,513	951,188	2,924,701	2,814,069	1,081,323	3,895,392	840,556	130,135	970,691
Capital Outlay	301,094	459,443	760,537	200,162	496,743	696,905	(100,932)	37,300	(63,632)
Other Outgo		1,206,568	1,206,568	241,001	1,330,985	1,571,986	241,001	124,417	365,418
Direct Support/Indirect	(355,449)	202,482	(152,967)	(367,614)	218,677	(148,937)	(12,165)	16,195	4,030
Total Expenditures	31,566,490	11,588,164	43,154,654	33,723,738	12,534,894	46,258,632	2,157,248	946,730	3,103,978
Excess/(Deficiency)	4,795,332	(2,425,447)	2,369,885	2,842,158	(3,178,718)	(336,560)	(1,953,174)	(753,271)	(2,706,445)
Other Financing Sources/uses									
Transfers In	135,233		135,233	140,809		140,809	5,576	-	5,576
Transfers Out		213,194	213,194	135,049	213,194	348,243	135,049	-	135,049
Other Sources									
Other Uses	66,263	145,865	212,128		212,128	212,128	(66,263)	66,263	-
Contributions	(3,921,849)	3,921,849	-	(3,668,034)	3,668,034	-	253,815	(253,815)	-
Total Other Sources/Uses	(3,852,879)	3,562,790	(290,089)	(3,662,274)	3,242,712	(419,562)	190,605	(320,078)	(129,473)
Net Inc/Dcr to Fund Balance	942,453	1,137,343	2,079,796	(820,116)	63,994	(756,122)	(1,762,569)	(1,073,349)	(2,835,918)
Beginning Balance	2,342,412	1,378,863	3,721,275	2,342,412	1,378,863	3,721,275	-	-	-
Ending Balance	3,284,865	2,516,206	5,801,071	1,522,296	1,442,857	2,965,153	(1,762,569)	(1,073,349)	(2,835,918)
Components of Ending Fund Balance									
Revolving Cash	7,500		7,500	7,500		7,500	-	-	-
Stores	9,174		9,174	11,286		11,286	2,112	-	2,112
Prepaid Expend.	6,203		6,203	79,904		79,904	73,701	-	73,701
Reserve for Economic Uncertainty	1,911,676		1,911,676	516,627		516,627	(1,395,049)	-	(1,395,049)
Other restricted*	795,531	2,516,206	3,311,737	906,979	1,442,857	2,349,836	111,448	(1,073,349)	(961,901)
Undesignated	554,780		554,780				(554,780)	-	(554,780)
Total	3,284,864	2,516,206	5,801,070	1,522,296	1,442,857	2,965,153	(1,762,568)	(1,073,349)	(2,835,917)

% EUR

4.39%

1.10%

Restricted balance projections change - for comparison - should compare Reserve for Economic Uncertainty and Undesignated funds:

EUR & Undesignated Change

2,466,456 - 2,466,456

- 516,627 (1,949,829)

Excerpts from letter to all staff on September 3...

Our district has become aware of a serious economic challenge that will take the efforts of all of us to resolve. On Thursday morning, our District CBO informed me that our 2001-02 end of year budget was over \$2 million short.... As you would, I asked the question, “how did this happen?”

Excerpts continued

- Let me try to explain a very complicated problem in a few words. As personnel positions were entered into position control, the budget code for the position was not entered which gave a false reading of the budget....