

Webinar Series

Take Uncertainty out of Revenue and Expenditure Analysis

Session #2: Expenditure Analysis & Modeling

July 9, 2020



Disclaimer: The material presented in this webinar is general in nature and is intended for informational purposes only. It is not municipal advisory advice nor a call to action. Please contact your registered municipal advisor to discuss the impact to your organization.

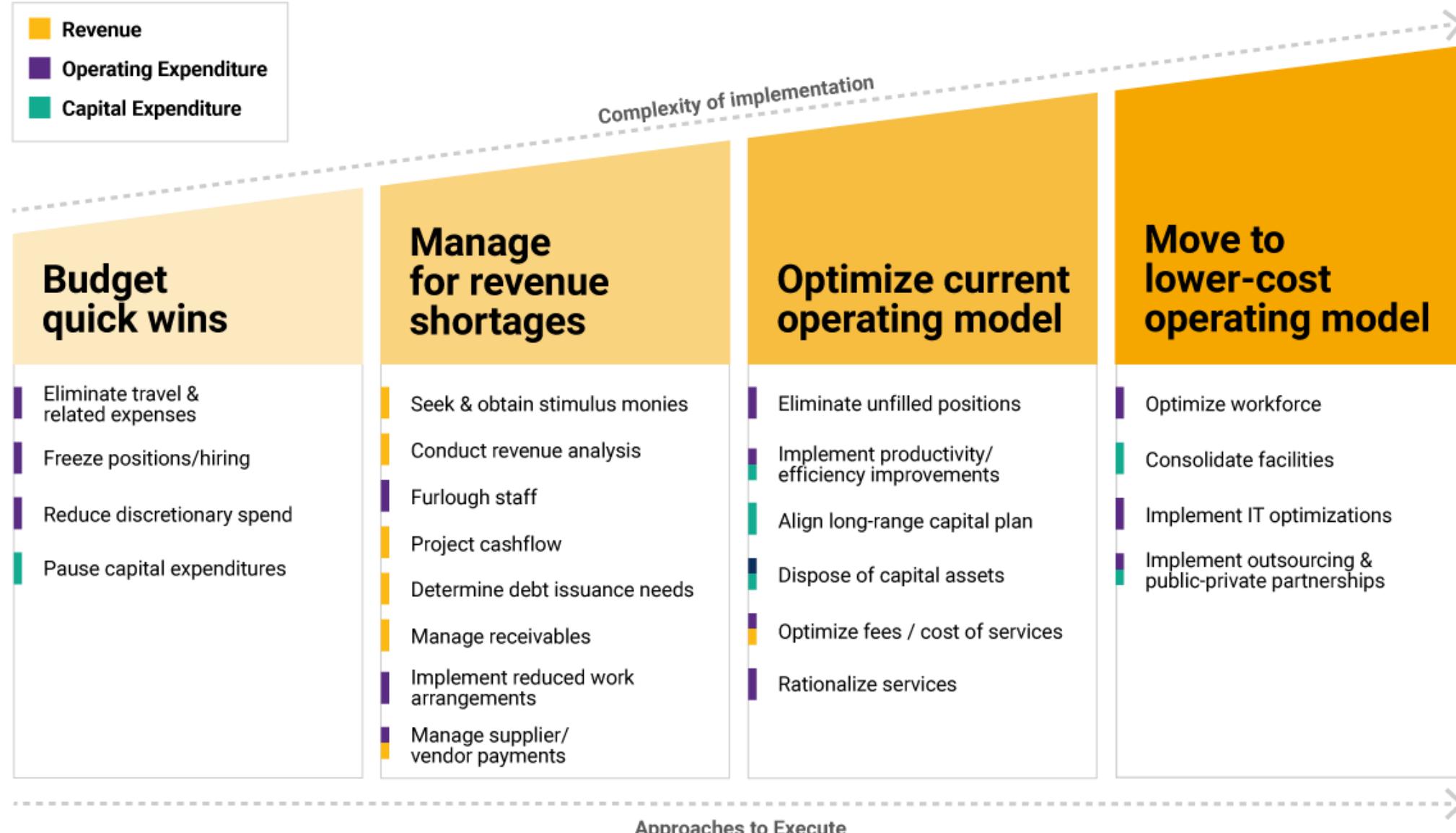
Meet Your Panelists



**Alicia Antonetti-
Tricker**

Tim Berry

Public Sector Revenue + Expenditure Roadmap



3-Part Webinar Series

Webinar Series Focus

The importance of scenario modeling and tools

Adjusting revenue expectations

Controlling cost to reduce expenditures

Aligning revenues and expenditures to manage your cash flow and budgets

Modeling highlights for each area of focus

Webinar Dates

June 18

- Revenue Analysis & Modeling

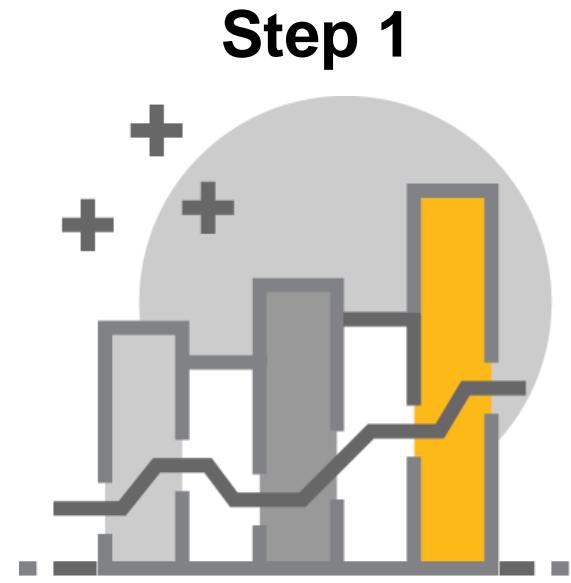
July 9

- Expenditure Analysis & Modeling

July 30

- Cash Flow Analysis & Modeling

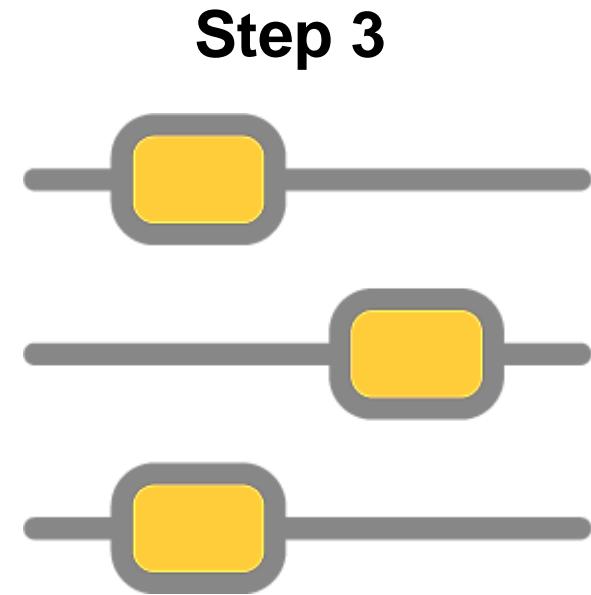
How to Develop an Expenditure Analysis Model: 3 Steps



**Historical Expenditure
Actuals & Future
Budgets**
(3 – 10 years historical and
3 – 5 years into future)



**Expenditure Type
Breakdown**
(based on historical
3 – 5 years)



Scenario Levers
(monthly or yearly)

How to Breakdown Expenditures by Type: Framework



Operations



Capital Outlay



Interest on Debt



Assistance & Subsidies



Insurance Benefits & Repayments

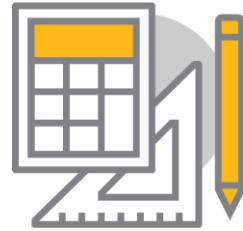


Breakdown by Type: Operations

Potential option to categorize by operational type, in addition to your jurisdiction specific classifications (if any):



Personnel



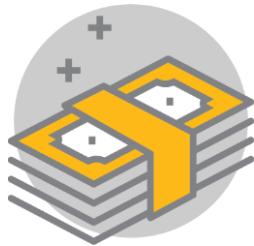
Supplies & materials



Contractual services



Other



Breakdown by Type: Capital Outlay

Potential option to categorize by capital outlay type, in addition to your jurisdiction specific classifications (if any):



Construction



**Purchase of
land or
structure**



**Purchase of
equipment**



Other



Breakdown by Type: Interest on Debt

Potential option to categorize by interest on debt by type, in addition to your jurisdiction specific classifications (if any):



**Interest on
loans**



**Interest on
bonds**



**Interest on
notes**

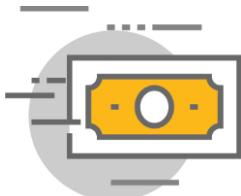


**Interest on
other debt**



Breakdown by Type: Assistance and Subsidies

Potential option to categorize by assistance and/or subsidies type, in addition to your jurisdiction specific classifications (if any):



**Intergovernmental
transfers**



**Non-governmental
organizations**



**Other cash
assistance**



Breakdown by Type: Insurance Benefits & Repayments

Potential option to categorize by insurance benefits and repayments type, in addition to your jurisdiction specific classifications (if any):



Payments to beneficiaries

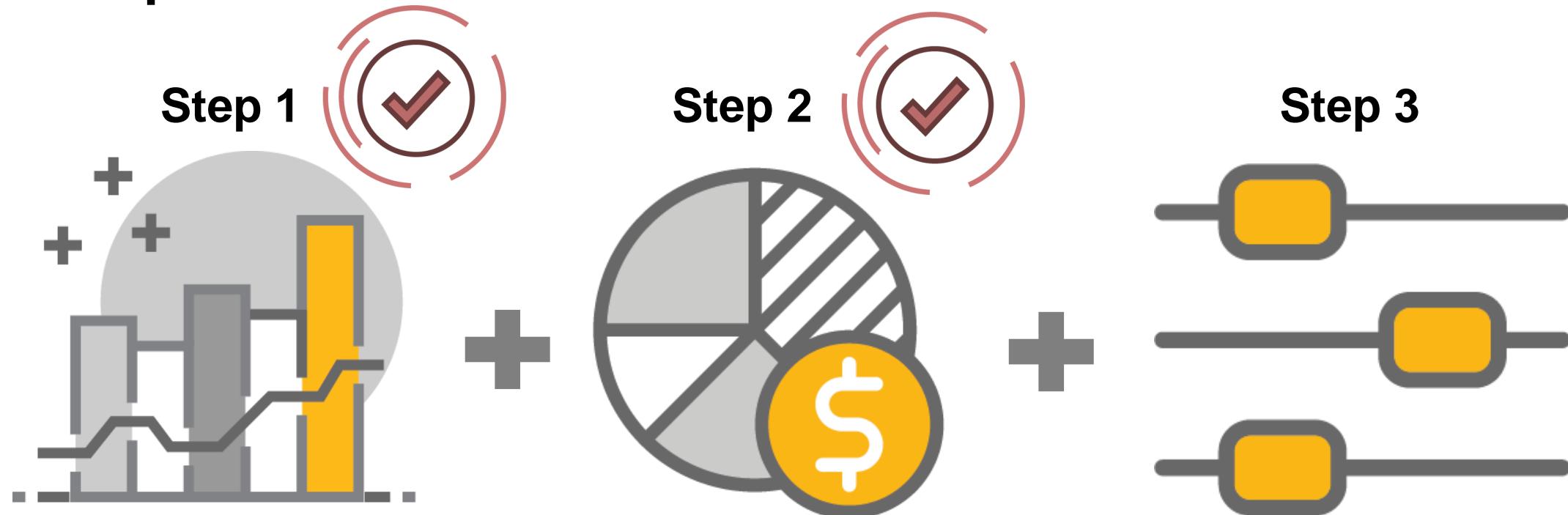


Retirement annuities



Withdrawals of insurance or retirement contributions

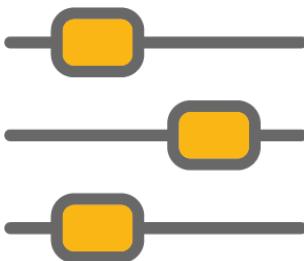
How to Develop an Expenditure Analysis Model: 3 Steps



**Historical Expenditure
Actuals & Future
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Scenario Levers
(monthly or yearly)



Scenario Levers: How to Build a Model

- Use expenditure categories, and sub-categories if available, to make assumptions based on operational decisions and market conditions
- Determine potential reduction requirements to align with expected revenues
- Estimate potential impact to expenditures on a percentage basis, by type and sub-categorization
 - *Example: Assume operations – supplies and materials may be reduced to 80% of expected / budgeted expenditures for months 8-12.*
 - Estimate for each period (month or annually) by expenditure type and sub-category; update model as you uncover more information (actuals, new initiatives, etc.).

Scenario Levers: How to Build a Model – Example

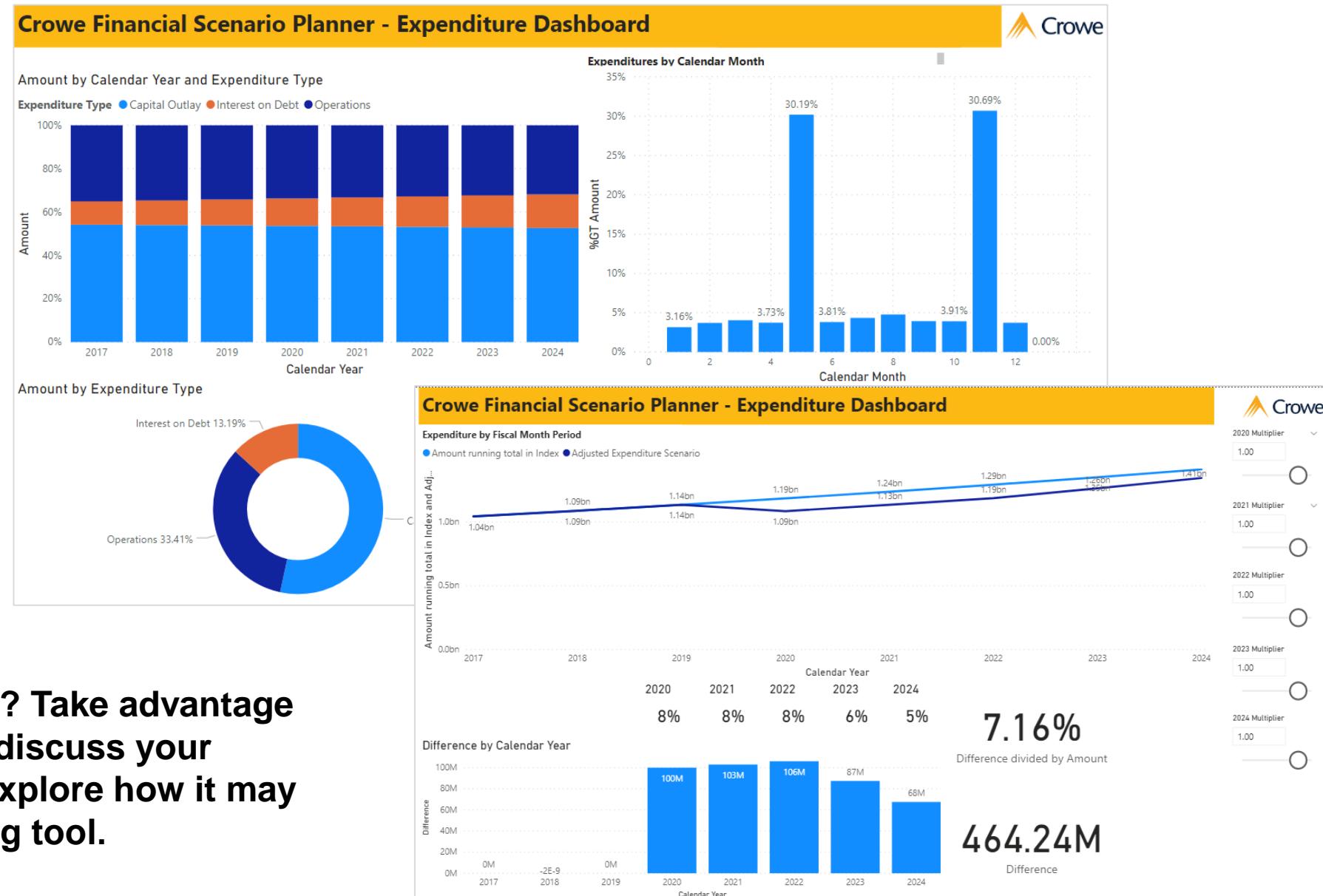
How to Develop a Revenue Analysis Model: 3 Steps



Crowe Financial Scenario Planner

Scenario Modeling Tool Benefits:

- Powered by Microsoft PowerBI
- Online & fully hosted
- Excel-based import templates
- Consulting and technical support available



Interested in learning more? Take advantage of our free consultation to discuss your expenditure analysis and explore how it may work with Crowe's modeling tool.

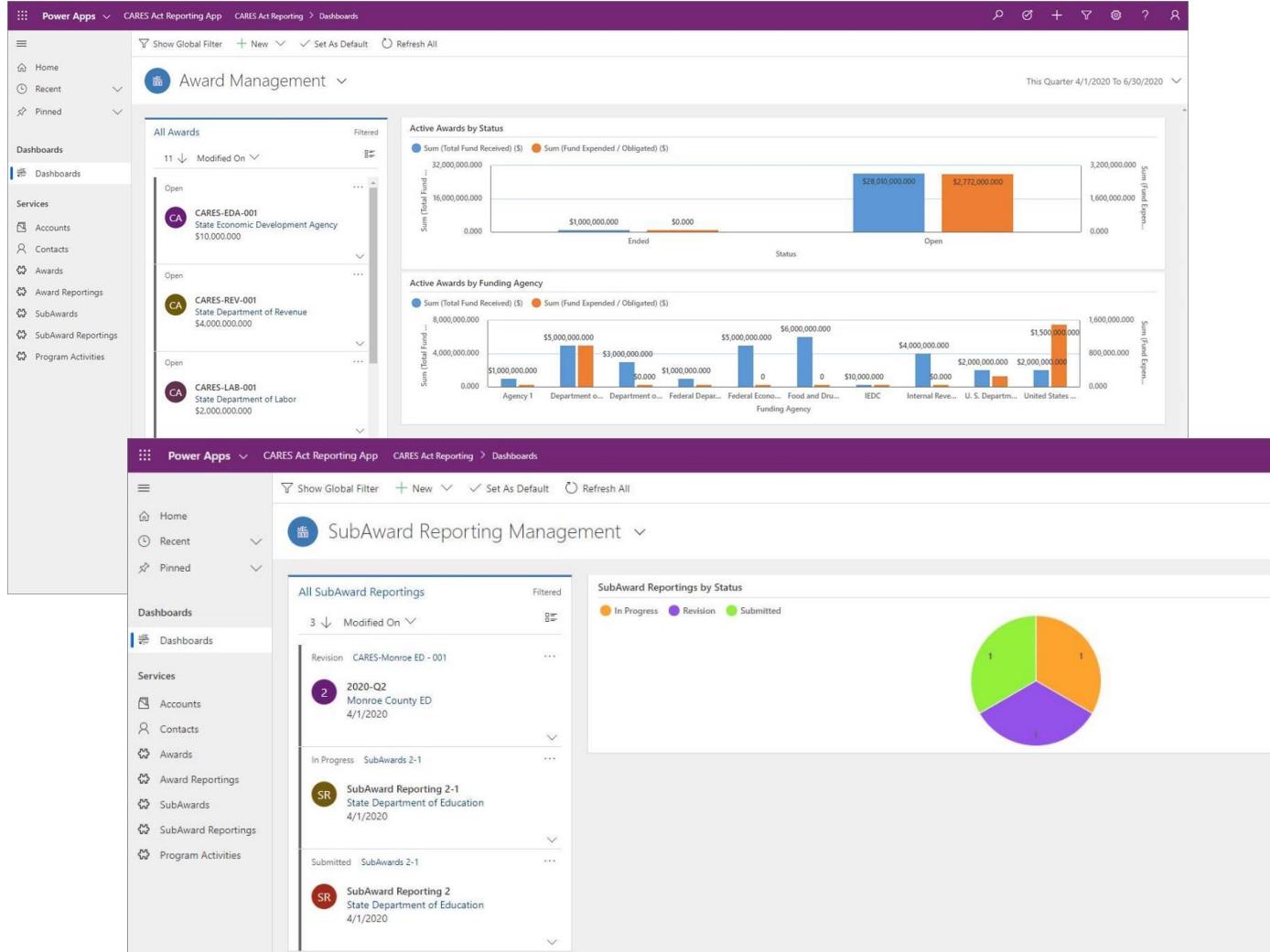
Questions

More from Crowe: CARES Act Reporting Tool

The requirement to begin reporting your CARES Act expenditures will begin as early as July.

Crowe has built a low cost reporting solution which consolidates your subrecipient information and automatically uploads to USASpending.gov.

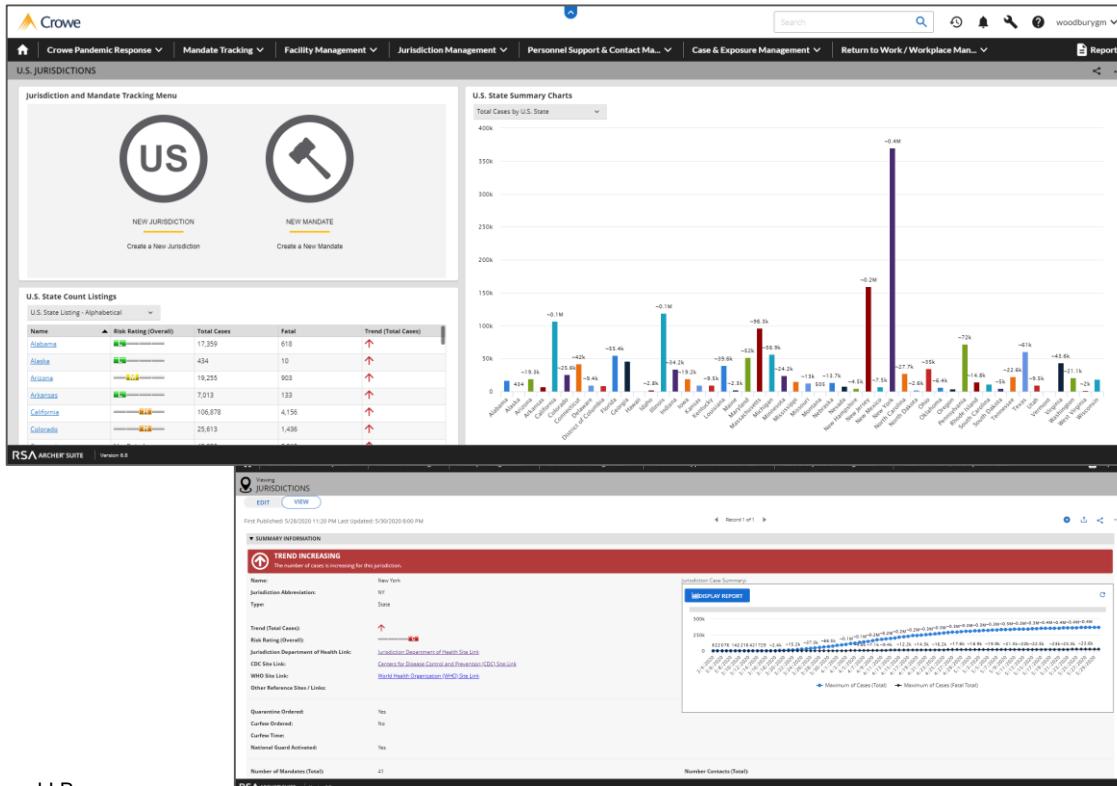
**Interested in learning more?
Contact Bob Dobis at
bob.dobis@crowe.com**



More from Crowe: Pandemic Response & Recovery App

Every Organization Faces the Same Critical Questions

And the answers change every day – making it difficult to risk assess and prioritize your response actions.



What mandates and closures exist in the jurisdictions that affect employees, partners, customers, contractors, suppliers, and facilities?



Who in our ecosystem has been exposed or has contracted the virus?



Where is each employee? How are they affected by mandates? Who is exempt? What do they need to prove their exemption for safe passage?



Are we in compliance with applicable regulations? What do we need to report to state, local, and federal government health departments?



How are employees doing? What do they need from us to stay safe and productive?



How is the pandemic affecting our business? How do we need to adapt workforce structures, policies, supply chains, or customer relationships? When and how do we "return"?

Interested in learning more? Contact Paul Lionikis at paul.lionikis@crowe.com.

Thank you!

