

231,93343

TABLE 8.3

Variance Analysis for San Jose Operating Budget, 2007-2008

	Annual budget	Actuals		
		First month	Percentage spent	Third month
Expenditures				Percentage spent
Fire	\$134,685,340	\$11,000,000	8.33	25.0
Police	279,740,088	23,500,000		

91,185,340

10,191,704,888

building lease for the departmental office is \$125,000 per month. Net legislative adjustments are \$48.75 million.

23,193

2. Examine and Discuss San Jose's Variance Report

In Table 8.3 we have used San Jose's operating budgets to create a hypothetical variance report. Find the variances for the expenditure side and discuss what you think might prove to be problematic for the agency in the coming months.

3. Examine and discuss the Department of Transportation's Variance Report

Table 8.4 is a hypothetical variance report from the department of transportation in a large city in the Northeast. Find the variances for both the

TABLE 8.4

Variance Report from the Department of Transportation, 2007-2008

	Annual budget	Actuals		
		First month	Percentage spent	Third month
Revenues				Percentage spent
Federal aid	\$30,000,000	\$2,000,000	8.33	25.00
State aid	80,000,000	8,000,000		
Local aid	29,000,000	1,700,000		
Total	\$139,000,000	\$11,700,000		
Expenditures				
Central fleet maintenance	\$2,267,724	\$180,000		
Public works and transportation	1,606,402	130,000		
Public works department	86,176,802	7,300,000		
Snow removal	12,292,072			
Transportation department	97,610,750			

Ms. Aussey

79,740,088

nt. But if these vacancies remain throughout the year, the \$3,000, which is not a small amount of money. It is the smallest differences between what is expected for the actually spent.

se extra dollars are being spent on the NPS side, the surplus which is growing, has been hidden. After three months, the side is three times what it was in the first month. The volume of expenditures must be closely examined when conducted.

sideration. Prices change; therefore, the budgeted price that is used when the supplies are purchased. It is rare, will overspend a line; rather, the staff will reduce the way within its budget.

month fiscal year is the careful monthly examination of revenue and expenditures. Budget staff must pay special attention to quantity, volume, and price.

g plan with the adopted budget. Given what we have actually need to plan how we are going to spend that money. Examine any changes in the legislative funding to ensure accurate operating plan. After we create an operating plan, track our spending. What we plan to spend and what we differ. This difference is the variance, and we need variance throughout the year.

on and an allotment plan. To complete this exercise, use the file on the CD entitled "Budget Tools Chapter 08 Exercise" labeled "Exercise" in the spreadsheet is the proposed care finance program. From this, develop an allocation plan.

hat the \$400 million in object code 2241 is for health care and \$50 million in 2501 is for claims-processing costs. The processing costs for new benefits but no money for the administrative savings. The legislature has also demanded efficiencies. Little guidance has been given for achieving them. Based on past payroll patterns, you may want to