

**In\$ite®**  
**An Essential Accountability Tool  
for Nevada**

**The Finance Analysis Model  
for Education™**

EXHIBIT L Education

Document consists of 25 pages.

X Entire document provided.

Due to size limitations, pages \_\_ provided. A copy of the complete document is available through the Research Library (775/684-6827) or e-mail [library@lcb.state.nv.us](mailto:library@lcb.state.nv.us).

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## In\$ite Theme

*“What works, for which students,  
at what cost, year after year”*

## Overview of In\$ite

- Patented Financial Analysis Tool
- Developed by PricewaterhouseCoopers
- Allocates & Segregates Costs to School Level
- Reporting system, not an Accounting system
- Decision-Quality Data
  - Consistent, Comparable, and Understandable
- Costs Analyzed and Reported
  - Per School and Per Pupil
  - By State, District and School

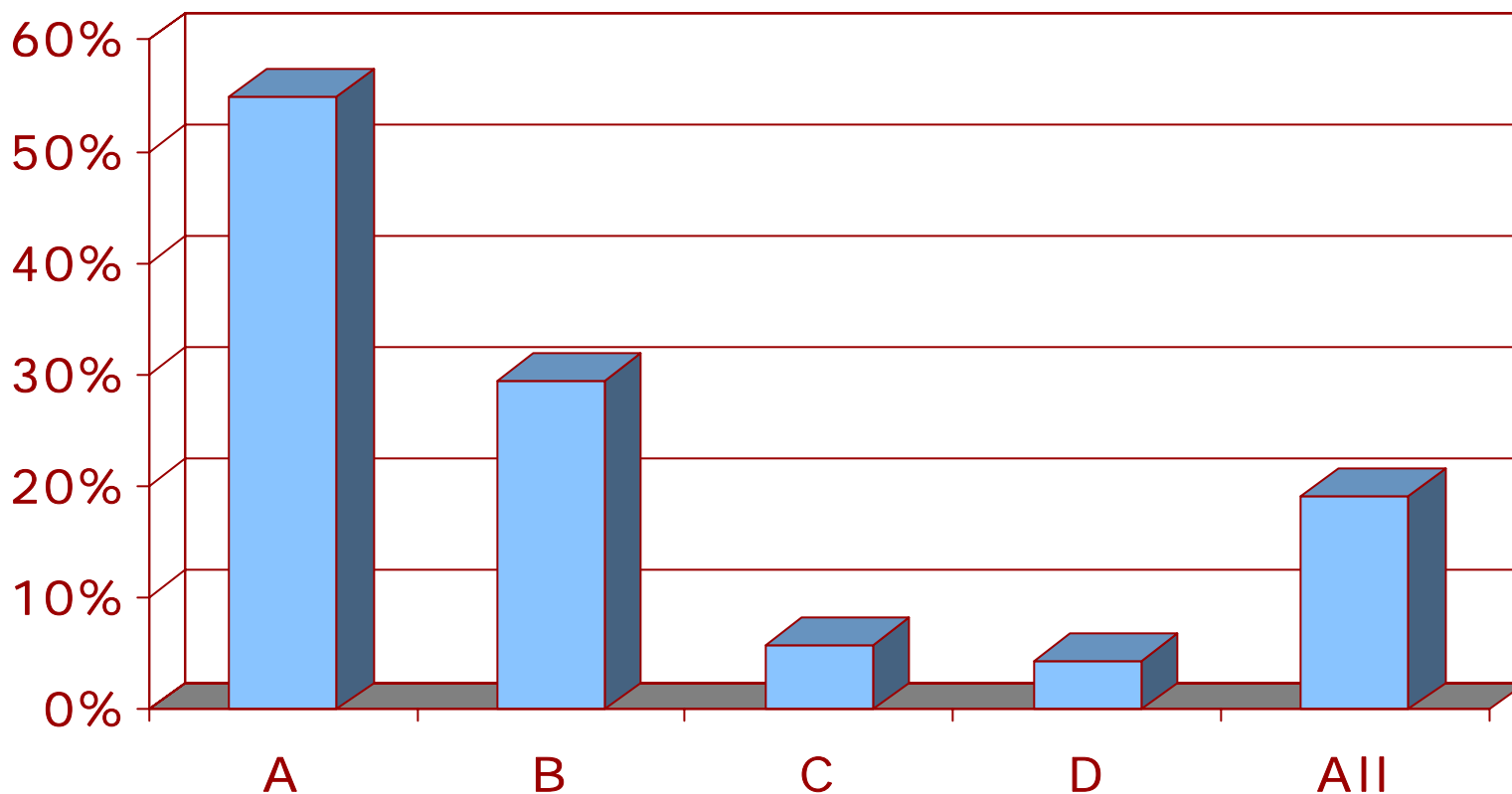
## Strengths of School District Accounting Systems

- Captures financial data effectively
- Reports Cost Categories (e.g. Salaries, Benefits, Textbooks, Fuel)
- Provides management reporting for District operations
- Reports expenditures by Source (Fund), Department or Manager (*Managerial Accountability*)

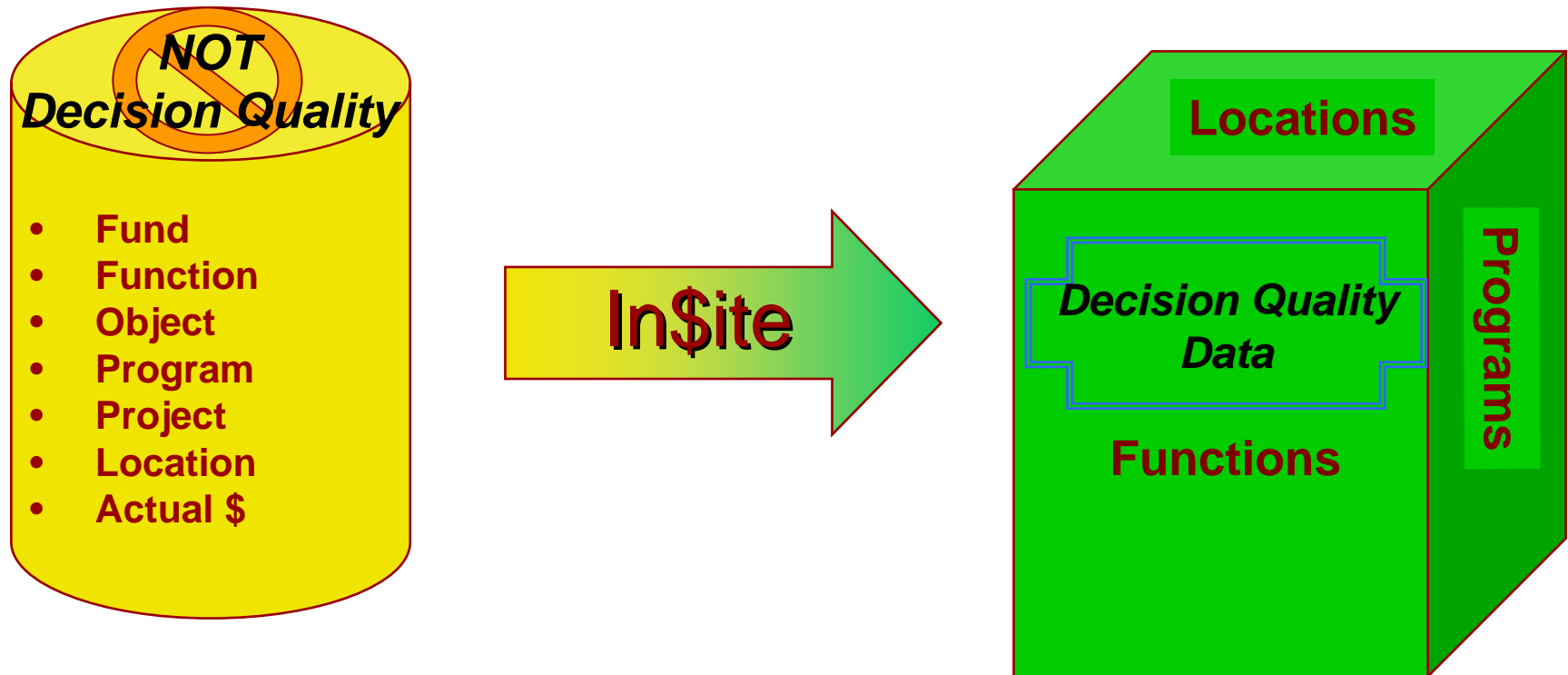
## Weaknesses of School District Accounting Systems

- Does not determine or report Effectiveness of Educational activities (*Financial Accountability*)
- Does not effectively capture costs for Educational Functions and Programs
- Costs attributed to Schools differs from District to District

## Costs Attributed to Schools by Accounting Systems

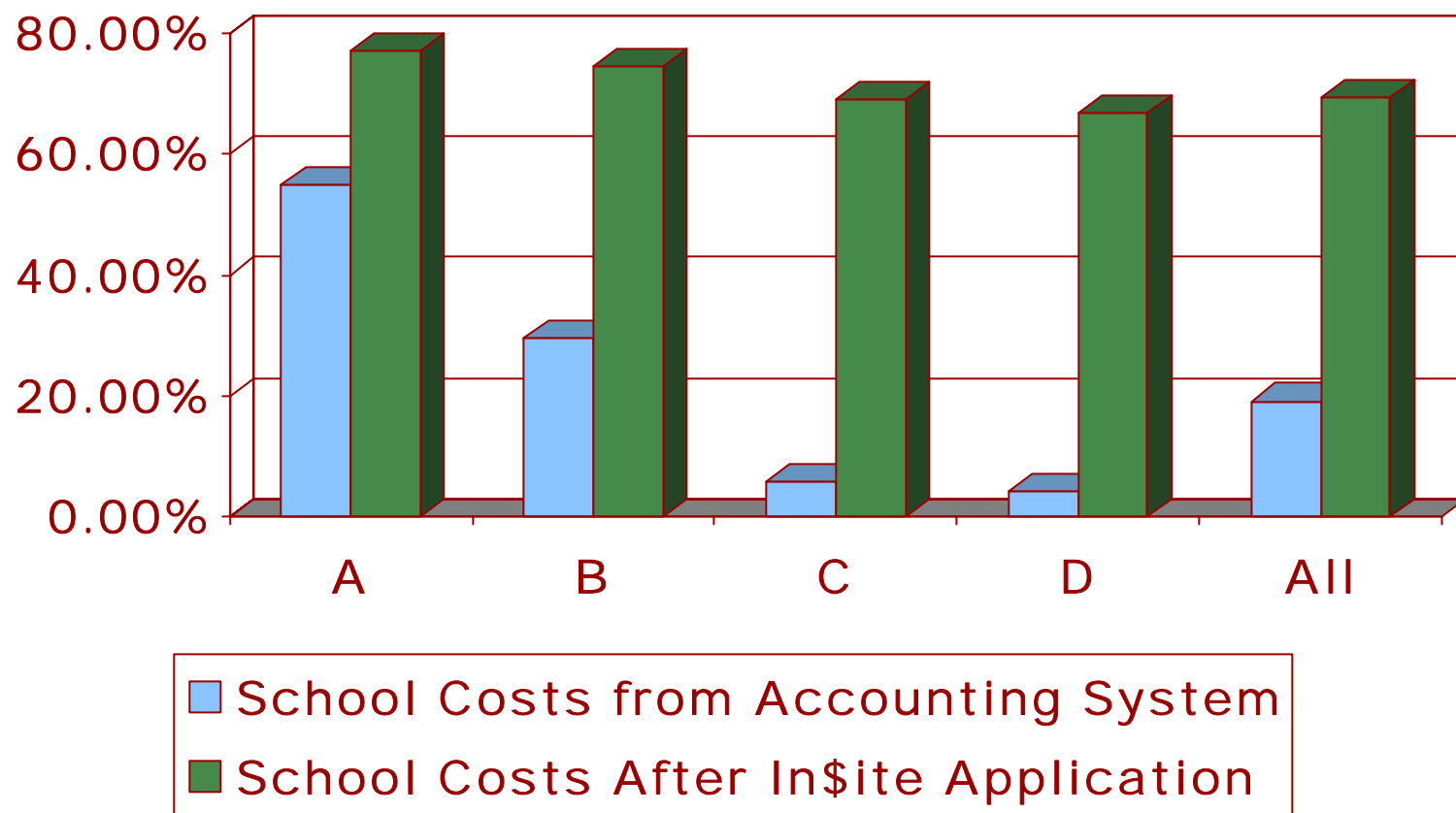


# In\$ite Key Objective



In\$ite transforms accounting data into ***useful*** management information

## Costs Attributed to Schools After Applying In\$ite

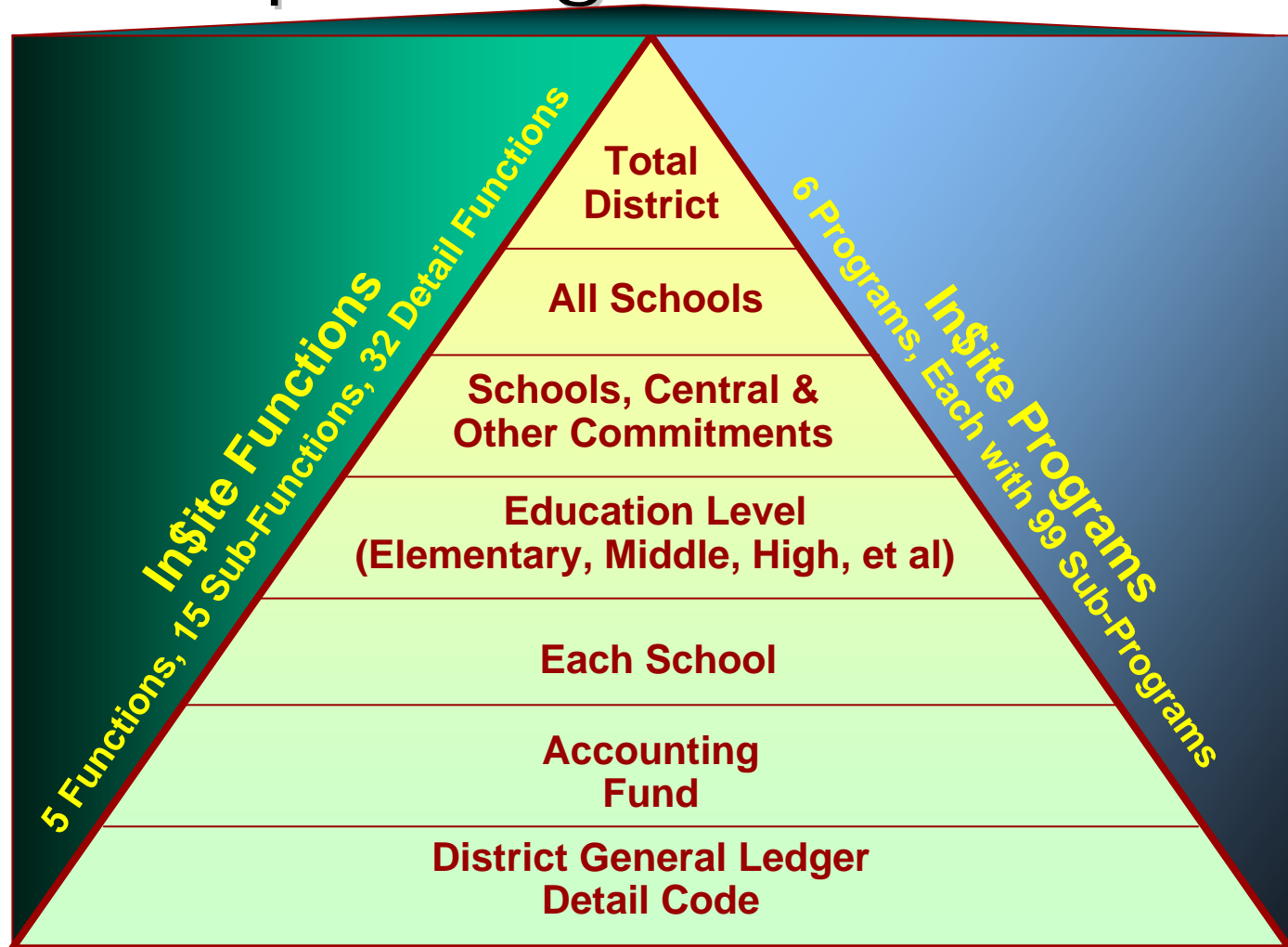




## In\$ite Reports

- 280 Easy to Understand Reports per District
- Costs by Purpose, not Category
- Costs per Pupil and Per School on a basis Comparable to other Schools

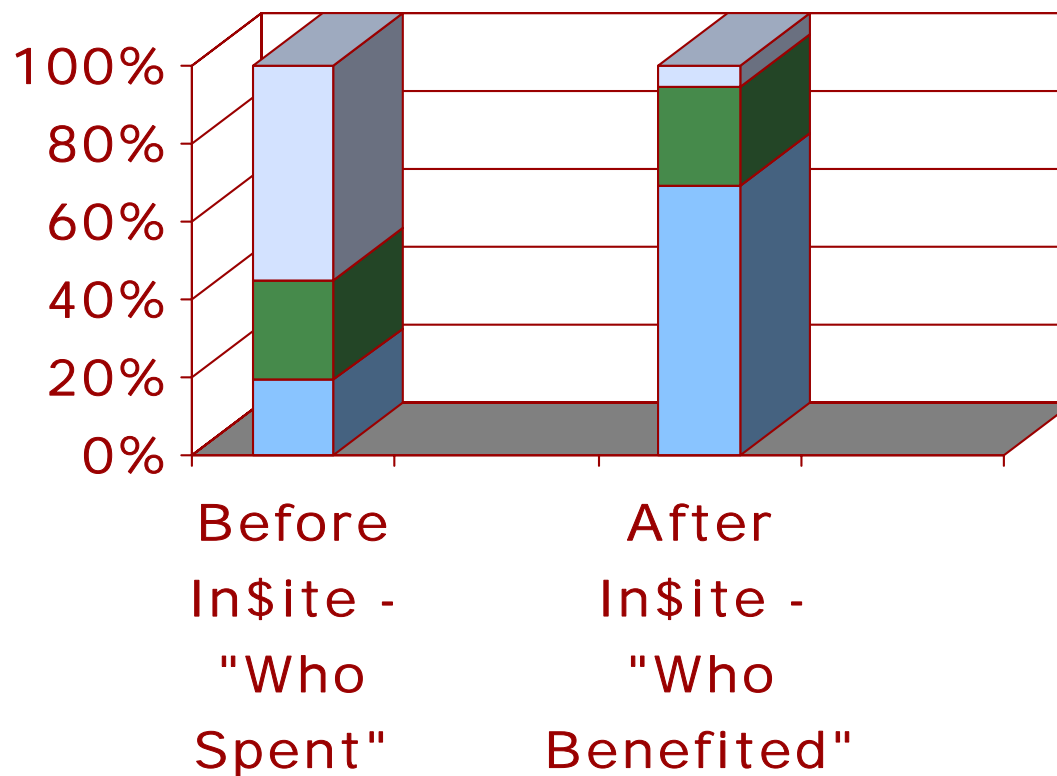
## In\$ite Reporting Tree



## What In\$ite does for Nevada

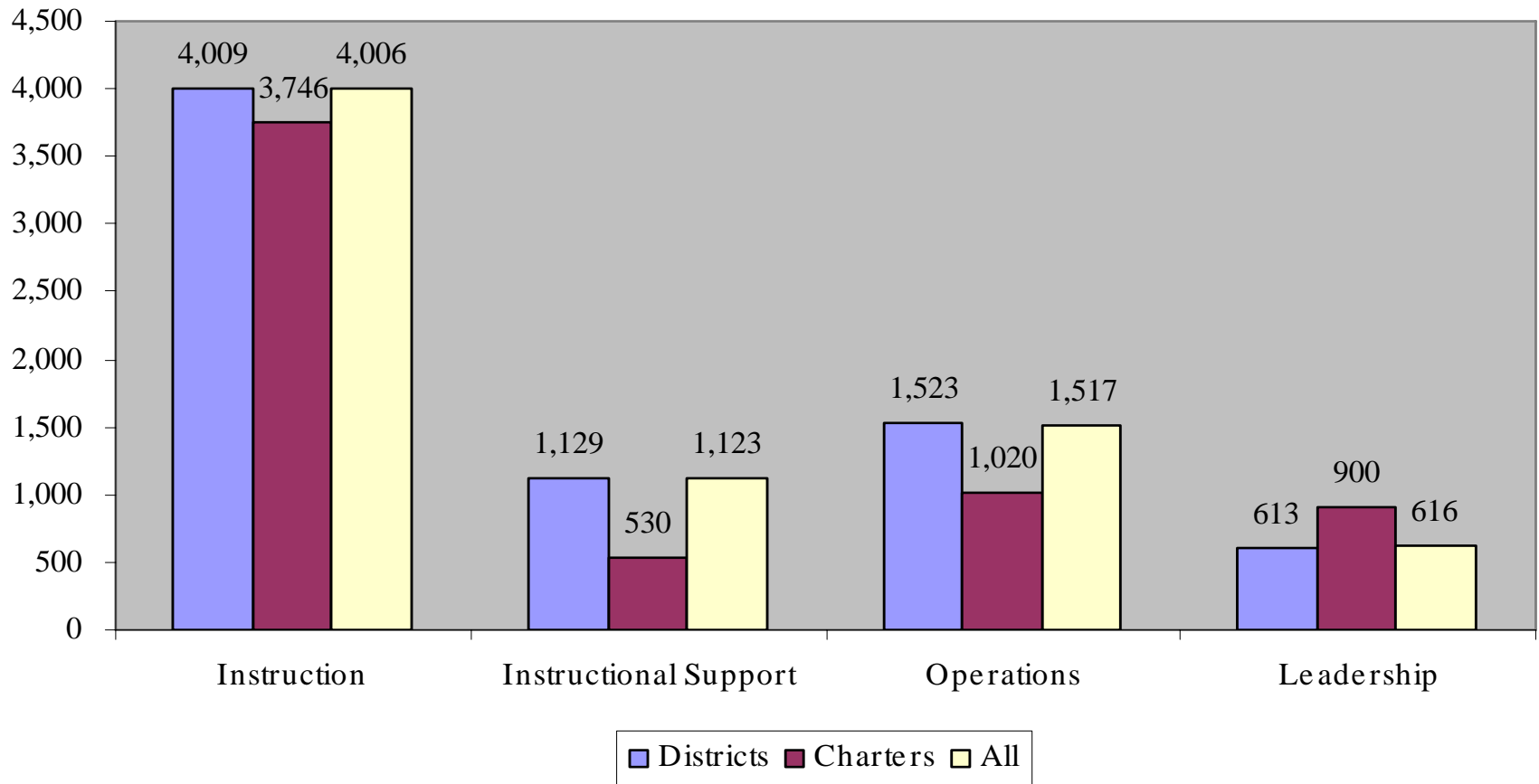
- Fulfills the Financial Accountability requirements of NERA
- Makes complex School District financial data Understandable
- Normalizes different Accounting Methods Used
- Allocates Costs logically – not feasible in Accounting System
- Numerous Reports for each School, District and Program
- Converts “Who Spent” into “Who Benefited”

## Effect of In\$ite on Cost Allocations

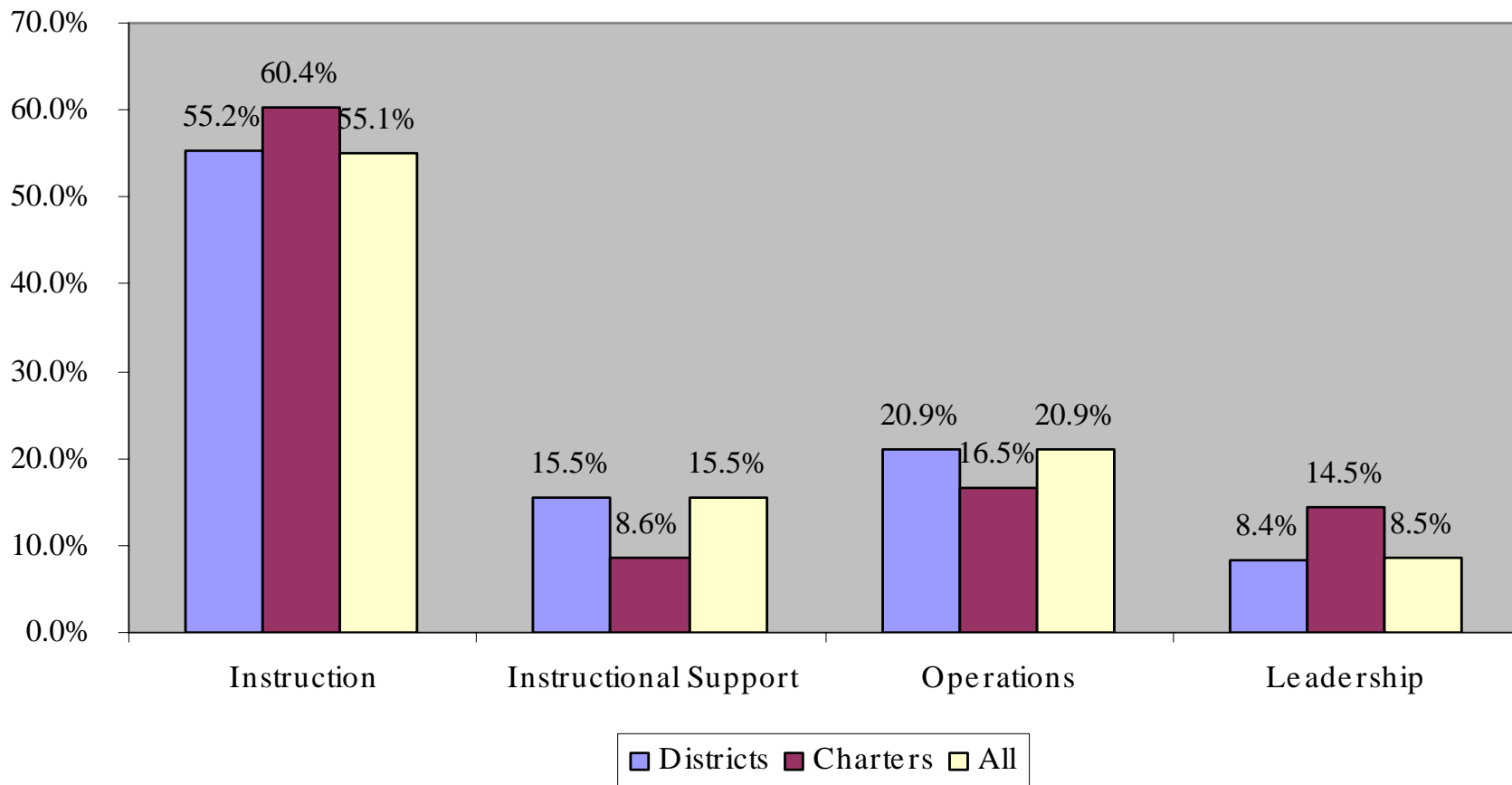


■ School Costs ■ Other Commitments ■ Central Office

### Functional Expenditures in Dollars



### Functional Expenditures in Percentages



## Example Questions Answered by In\$ite

- How much did we spend on Instruction? Per school, per student?
- How much did we spend on each Program?
- How much of our resources were spent on Leadership functions?
- Is education spending in our state optimized?
- Which schools are low cost, high performing?
- What is our ROI for Programs and Policies?

# In\$ite Reports compared to SDE Reports

## ➤ In\$ite Reports

- More accurate costs per School
- More accurate per-Pupil costs
- Costs by Function (e.g. Instruction, Leadership)
- Cost by Program (e.g. General Ed, Special Ed)
- Cost by Education Level (e.g. Elem., Middle)

## ➤ SDE Reports

- Cost by Budget Category ( e.g. Salaries, Benefits, Food Service, etc.) by District only



## Example Questions Answered by Accounting Systems

- How much did we spend for full day kindergarten from State and Federal funds?
- How much did we spend for Office Supplies?
- How much were our fuel costs for bus services?
- How much was paid for interest on debt?
- What were Title IV funds spent on?

## Benefits of In\$ite's Comparable Data

- Essential Decision-Making Information
- Detect Trends
- Highlight and Showcase Best Practices
- Identify and Correct Worst Practices
- Improve Performance
- Sustain Excellence
- Analyze “*Equity*” Expenditures

## In\$ite's Comparable Data is Used By

- State Legislators and Agency Staff
- School Administrators
- School Board Members
- Principals
- Parents and Taxpayers
- Researchers and Consultants

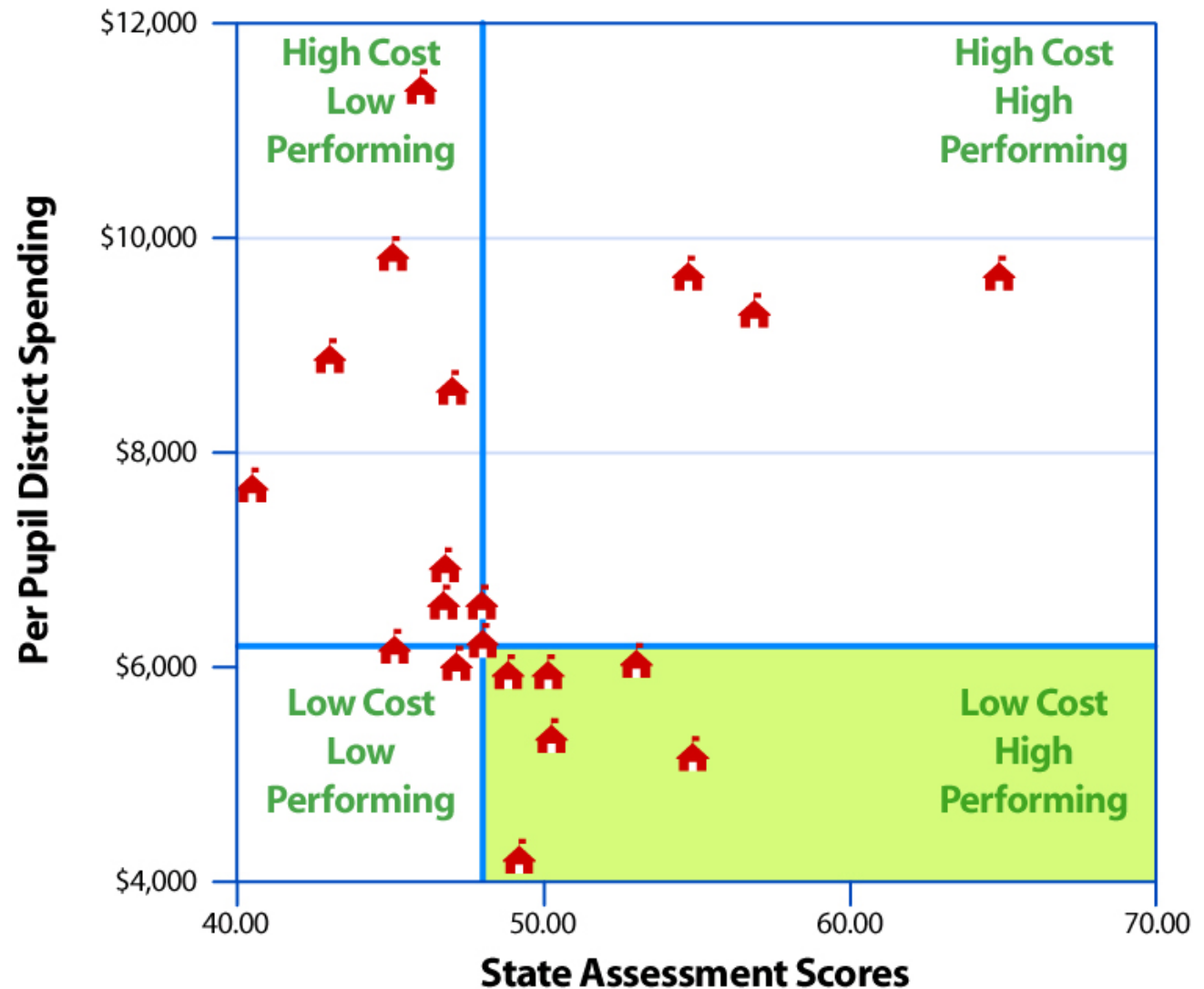
## What else can Nevada do with In\$ite?

- Funding Adequacy Studies
- Local use to make effective decisions  
(training available)
- Streamlined District/Charter Reporting
  - State
  - Federal (F-33, NPEFS)
- ROI Analysis

## ROI Analysis Using In\$ite

- Combined with Assessment Scores
- Determine Low Cost-Higher Performers and High Cost-Low Performers
- Longitudinal Analysis – Multiple Years
- Determine Effective Programs

## Example ROI Analysis



## Summary - The Power of In\$ite

- In\$ite “Levels the Playing Field” for all Districts and Charter Schools
- Provides Quality Data to identify “Fact-based” questions
- Who Benefited, rather than Who Spent
- Purpose of Expenditures, not Categories
- Financial Accountability

# Nevada's In\$ite Reports

- Standard 280 reports for each District and participating Charter School, Charts and Graphs
  - Five Function, Four Function, Accountability
  - Revenue (All Funds, General Fund, Special Education Fund)
  - Full Time Equivalent (FTE) Cost Analysis
- State Level Reports, Charts and Graphs, Access Databases
  - Five Function, Four Function, Accountability
  - District Comparatives
  - Revenue
  - Full Time Equivalent (FTE) Cost Analysis



## Contact

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