

# Grosse Pointe Public School System

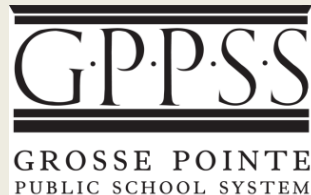
## *Financial Transparency Series*



### **PUTTING THE 2009-10 FISCAL YEAR AUDIT INTO CONTEXT**

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# What the Audit tell us (among other things)

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Provides 3<sup>rd</sup> party validation of our financial condition and associated controls

Establishes actual final numbers for the most recently closed financial year

- As opposed to the adopted budget that projects what the numbers should be

# How the Audit can vary from the Budget

## *Some examples to highlight*

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### State Aid

- At time of adoption, 2009-10 budget anticipated 20J and higher Foundation Allowance revenue.

### Federal Aid

- Significant shift of aid from ARRA and other Federal funds. (Often passed after budget.)

### County and Act 18

- Special Ed reconciles past expenditures with revenues. (Flows opposite from General Ed aid.)

### Other Expenses

- In response to these variances, other expenditures are often affected. Others simply variable.

# Putting 2009-10 into Context

## *Year over Year Changes (\$'s in 000's)*

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	Audited Actual		Projected	3 Year Totals
	2007/8 to 2008/9	2008/9 to 2009/10	2009/10 to 2010/11*	
Revenue				
Local Sources	(\$350)	(\$678)	(\$537)	(\$1,565)
State and County Sources	(\$3,527)	(\$5,540)	\$1,537	(\$7,530)
Federal Sources	\$3,504	\$1,637	(\$2,351)	\$2,790
Other	(\$907)	(\$1,238)	\$300	(\$1,845)
<b>Total Revenue</b>	(\$1,280)	(\$5,819)	(\$1,051)	(\$8,150)
Expenditures				
Instructional	\$1,556	(\$1,811)	(\$5,090)	(\$5,345)
Support Services	\$635	(\$429)	(\$98)	\$108
Community Services	\$307	(\$43)	(\$704)	(\$440)
<b>Total Expenditures</b>	\$2,498	(\$2,283)	(\$5,892)	(\$5,677)
<i>Change in Ending Fund Balance</i>	(\$87)	(\$3,246)	\$1,587	(\$1,746)
<i>Ending Fund Equity as % of Exp.</i>	19.0%	16.4%	18.9%	

\* Reflects changes anticipated based on 2010-11 GAAA #1.

# In Summary

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7.6% loss of revenue (all sources) since 2007

- 71% of that loss came in 2009-10

Majority of structural expense reduction lagged

- \$5.9 million reduction from '09/'10 to '10/'11

Special Ed funding offset is not a structural issue

- Actuals are stable, but reporting needs improvement

Federal funds softened state aid reductions

- We are preparing now for expiration of ARRA after June, 2011