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# Grosse Pointe Public School System

For the year ended June 30, 2020

Overview of Financial Results

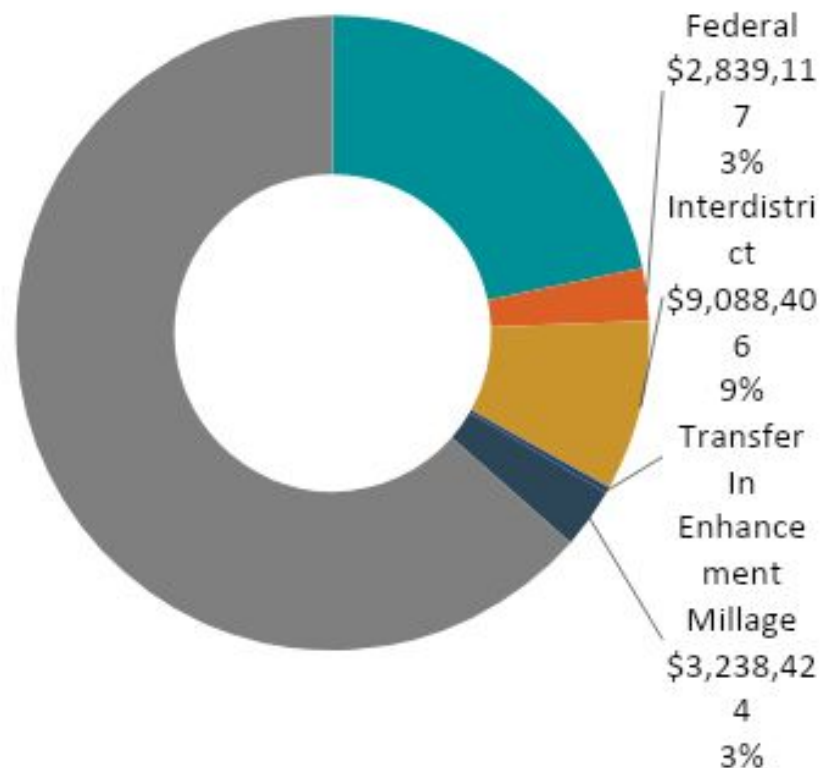


# Grosse Pointe Public Schools Audit Results

- Audit done to comply with State law
- Audit verifies that accounting is done accurately by District
- Audit considers District internal controls over financial transactions
- Unmodified or “clean” opinion on basic financial statements
- Adoption of GASB 84 – “Fiduciary Activities” effective July 1, 2019
- No findings or questioned costs on either the basic financial statements or the federal program audit



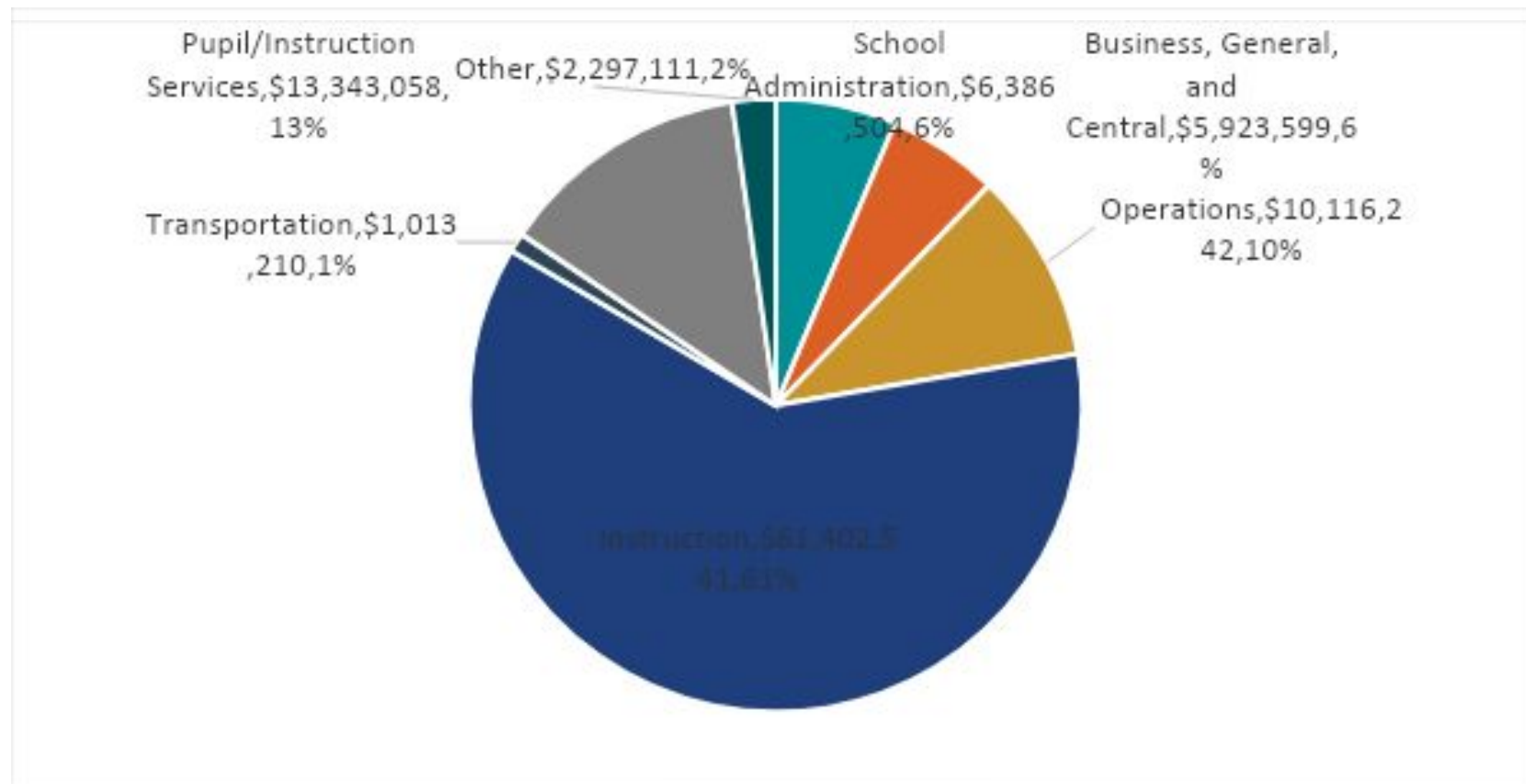
# Grosse Pointe Public Schools General Fund Revenue Year Ended June 30, 2020



Total Revenues  
\$104,666,798



# Grosse Pointe Public Schools General Fund Expenditures (By Function) Year Ended June 30, 2020



Total Expenditures  
\$101,273,106



# Grosse Pointe Public Schools

## General Fund Expenditures (By Function)

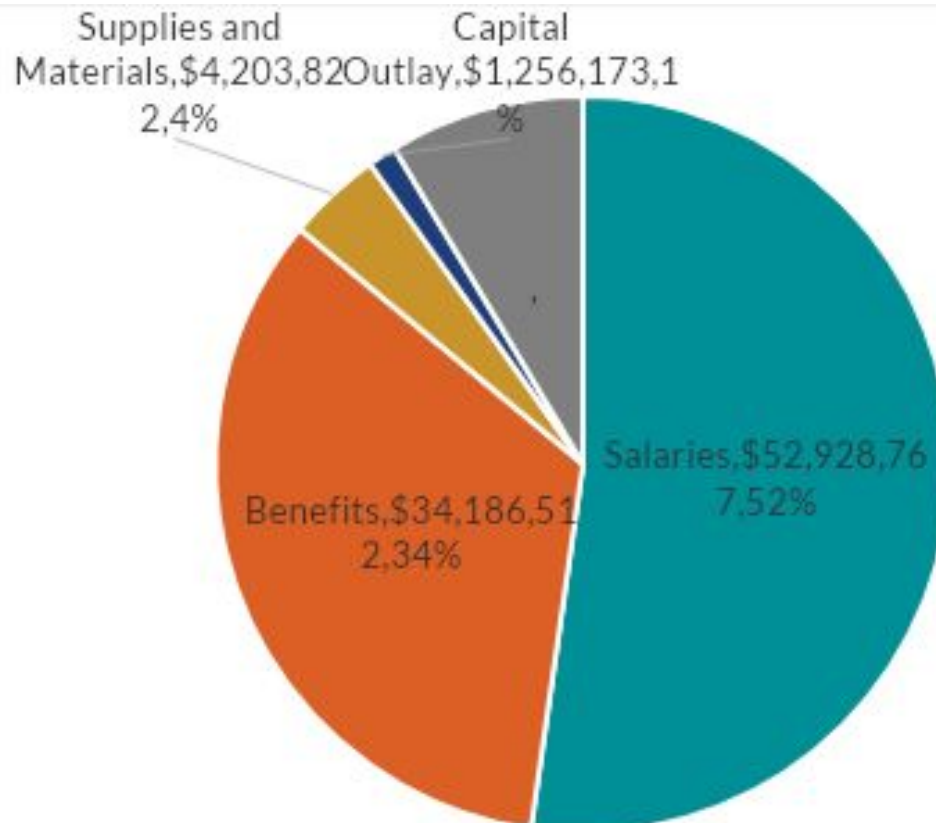
### Year Ended June 30, 2020

Function	Salary	Benefits	Other	Total
Instruction	\$36,031,212	22,802,026	\$2,569,303	\$61,402,541
Pupil/ Instructional Services	\$7,251,672	\$4,606,089	\$1,485,297	\$13,343,058
School Administration	\$3,770,145	\$2,464,861	\$151,498	\$6,386,504
Operations and Maintenance	\$3,009,050	\$2,064,463	\$5,042,729*	\$10,116,242
Business, General, Central Office	\$2,161,454	\$1,893,771	\$1,868,374	\$5,923,599
Transportation	-	-	\$1,013,210	\$1,013,210
Other	\$705,234	\$355,302	\$2,027,416	\$3,087,952
<b>Total Expenditures</b>	<b>\$52,928,767</b>	<b>\$34,186,512</b>	<b>\$14,157,827</b>	<b>\$101,273,106</b>

\*Includes approximately \$1.4 million in repairs and maintenance expenditures (no emergency expenditures in current year)



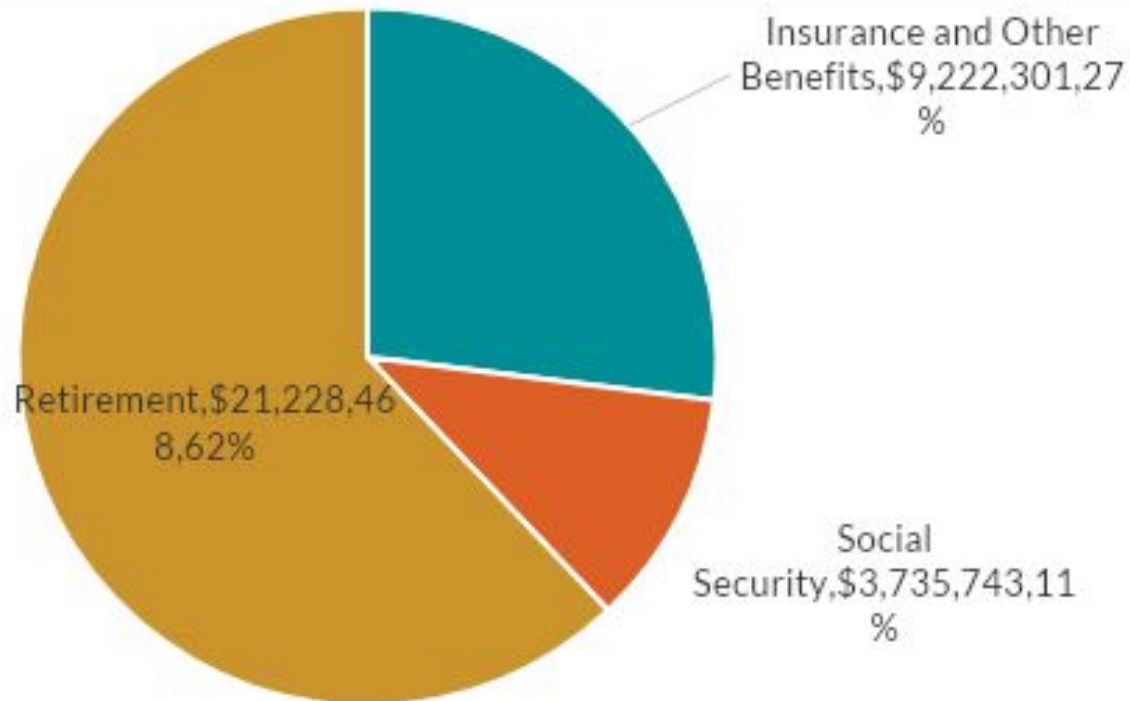
# Grosse Pointe Public Schools General Fund Expenditures (By Object) Year Ended June 30, 2020



Total Expenditures  
\$101,273,106



# Grosse Pointe Public Schools General Fund Employee Benefits Detail Year Ended June 30, 2020



Total Employee Benefits  
\$34,186,512



# Grosse Pointe Public Schools

## Analysis of General Fund Budget to Actual

### June 30, 2020

#### Final Budget to Actual Comparison

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue	\$ 103,600,901	\$ 105,211,261	\$ 104,666,798	\$ (544,463)
Expenditures	(104,391,442)	(105,173,810)	(101,273,106)	(3,900,704)
Excess of Revenue Over Expenditures	<u>\$ (790,541)</u>	<u>\$ 37,451</u>	<u>\$ 3,393,692</u>	<u>\$ 3,356,241</u>



# Grosse Pointe Public Schools

## Analysis of General Fund Budgeted Expenditures

### June 30, 2020

#### Final Budget to Actual Comparison

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Expenditures	(104,391,442)	(105,173,810)	(101,273,106)	(3,900,704)

#### Reconciliation Between Final Budget and Actual Expenditures (Estimated)

Wages and Benefits	1,600,000
Building Operations (utilities)	700,000
Building and Site Improvements	600,000
Programs (federal programs, performing arts, athletics)	500,000
Substitute Teachers	300,000
Building Repairs and Maintenance	200,000
Total Expenditure Budget Variance Explained	<u>\$ 3,900,000</u>



# Grosse Pointe Public Schools

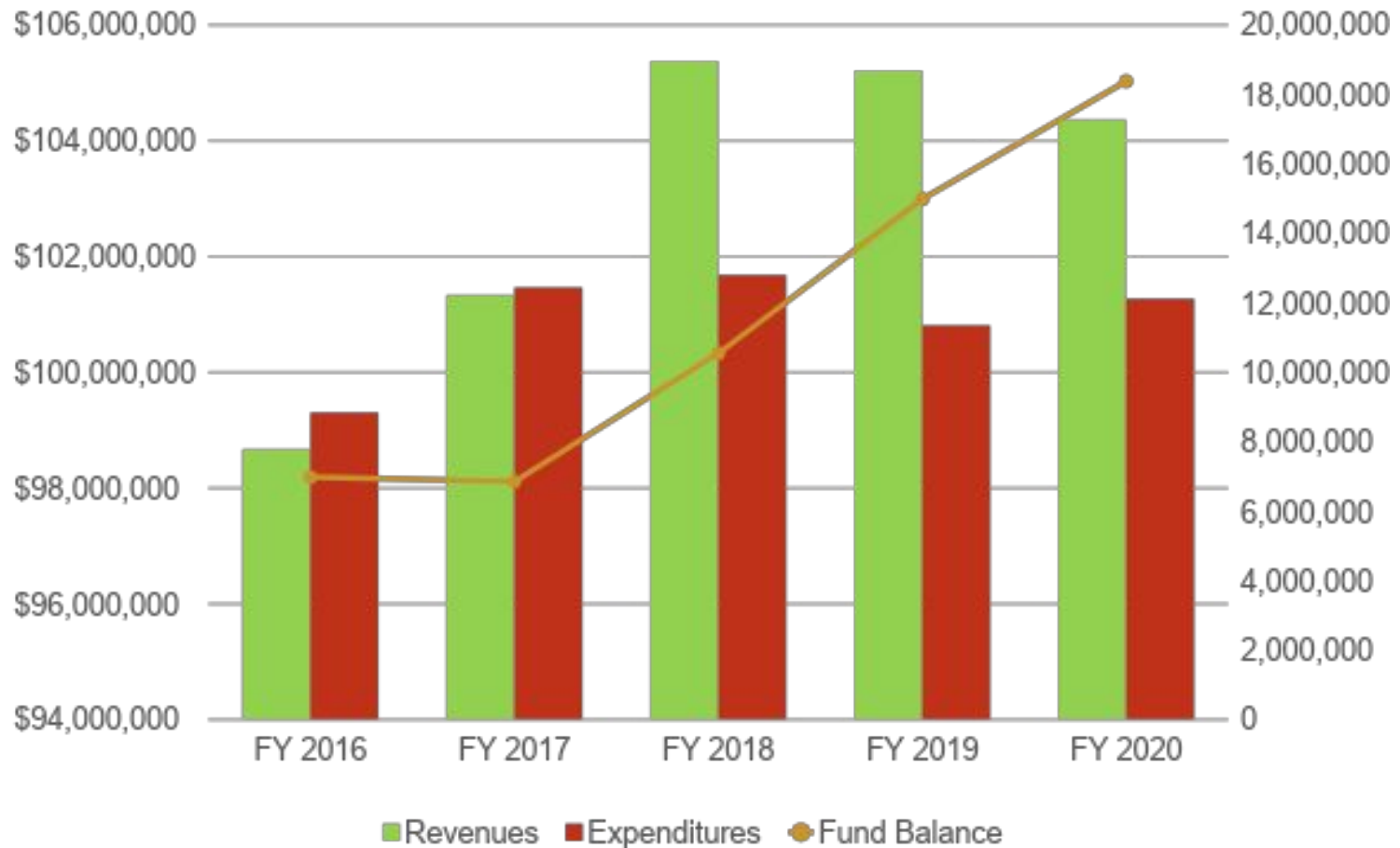
## Analysis of General Fund Balance

### June 30, 2020

Fund Balance - June 30, 2019		\$ 14,989,340
Revenue	104,666,798	
Expenditures	<u>(101,273,106)</u>	
Excess of Revenue over Expenditures		<u>3,393,692</u>
Fund Balance - June 30, 2020		<u>\$ 18,383,032</u>
<b><u>Components of Fund Balance</u></b>		
Nonspendable - Prepaids		\$ 203,502
Assigned - Subsequent year's budget		4,208,516
Unassigned		<u>13,971,014</u>
Total Fund Balance - June 30, 2020		<u>\$ 18,383,032</u>
Fund Balance as a Percentage of Expenditures (District Goal = 15%)		18.2%
Fund Balance - Weeks of Operations		9.4
Fund Balance - Days of Operations		66



# General Fund Revenue, Expenditures and Fund Balance 5 Year Trend Analysis





# Grosse Pointe Public Schools Year End Summary

- Enhancement millage to expire
  - Funds being used in a responsible manner as they could go away
- Fund balance recommendation of 15% -20 % (from Statewide organizations) - takes time to build to such a level
  - State-wide average was 14.2% as of June 30, 2019



# Grosse Pointe Public Schools Things to Watch for the Future

- Continued uncertainty in K12 funding
  - Financial Stability of the State School Aid Fund/State Funding Challenges – increases are not keeping pace with the cost of operations
  - Enrollment challenges
  - Continued resource allocation to retirement system
- Budgeting challenges
- Significant increase in federal funding



# Thank you.