

# FY 2009 Audit Results

January 20, 2010



# FY2009 Recap

## At the beginning...

\$456M of the FY09 State Motor Fuel budget was used to cover FY08 expenditures

## Options to avoid a State Motor Fuel shortfall for FY09:

1. Cut the FY09 budget by at least \$456M.
2. Identify sufficient PY Advance Construction (AC) expenses funded with 100% Motor Fuel that could be converted to Federal funds.
  - *The conversion of PY AC expenditures would enable the Department to recognize PY Motor Fuel in FY09 to increase budget capacity.*
3. Implement cost reduction initiatives and convert eligible Advance Construction expenditures to Federal fund source.



# Balancing the FY2009 Budget

What we did during the year....

## Action #1: Cost Reductions and Savings

- Lost 412 employees through attrition
- Reduce funding for contracts (including mowing & IT)
- Funded only emergency equipment and motor vehicle purchases
- Cancelled inactive purchased orders

## Results:

Budget Shortfall at the beginning of FY09	\$456M
(Less) Cost Reductions & Savings	(\$121M)
<b>Remaining Budget Shortfall</b>	<b>\$335M</b>

# Balancing the FY2009 Budget

What we did during the year....

## Action #2: Converted PY AC Expenditures

- GDOT Staff worked to identify approximately \$717M of Prior Year AC expenditures that were eligible to be reimbursed by Federal funds. This freed up Prior Year Motor Fuel funds.

## Results:

AC Conversion to Federal Funds	717M
Less Budget Shortfall	(\$335M)
<b>Prior Year Motor Fuel Tax Available</b>	<b>\$382M</b>

# Balancing the FY2009 Budget

## Audit Results:

Excess Prior Year Motor Fuel Taxes after Conversions	\$382M
Audit Adjustments	\$11M
Fund Balance	\$394M
(Less) Reserve for Contingencies	(\$62M)
<b>Balance of Prior Year Motor Fuel Taxes</b>	<b>\$331M</b>

# FY 2009 Final Budget

Budget Programs:	Final Motor Fuel Budget	Final Motor Fuel Expenditures	Variance	Prior Year Motor Fuel Amendment
Administration	\$46,434,722	\$75,595,253	(\$29,160,531)	\$29,160,531
Data Collections	\$1,072,557	\$2,072,481	(\$999,924)	\$999,925
Local Road Assistance	\$99,354,042	\$120,160,058	(\$20,806,016)	\$20,806,016
Construct State Hwy	\$397,714,327	\$633,289,542	(\$235,575,215)	\$235,575,215
Maintain State Hwy	\$182,106,870	\$212,786,268	(\$30,679,398)	\$30,679,398
Operate State Hwy	\$7,496,221	\$25,704,502	(\$18,208,281)	\$18,208,281
Payments to SRTA	\$106,630,353	\$104,203,116	\$2,427,237	
<b>Total</b>	<b>\$840,809,092</b>	<b>\$1,173,811,221</b>	<b>(\$333,002,129)</b>	<b>\$335,429,366</b>

“The legal level of budgetary control per the 2009 Amended Appropriations Acts is by fund source within program level.”