Finances

State Transportation Board Workshop

August 18, 2010

Kate Pfirman, Treasurer

Georgia Department of Transportation

BUDGET

- Budget- Measures current year expenses to current year budget authority
  - Programmatic Budgeting instituted in FY2005
  - Prior to that budgeting was done by object classes, e.g. personal services, regular operating, contractual services, capital outlay.
  - Shift to Program Budgeting has been very challenging from a systems perspective.

Fund Sources in GDOT's Budget

- State Motor Fuel (Net of GO Bond Debt Service)
- Federal Funds (FHWA, FTA, FAA)
- State General Funds
- Other Funds (Fees, permits, rail leases, etc)
- Bond Funds
  - General Obligation Bonds
  - GARVEE Bonds

FY2011 Budget
Program Allocation

FY2011 Budget	State Motor Fuel	Federal Funds	State General Funds	Other	Total
Administration	51,083,000	10,839,823		898,970	62,821,793
Planning	3,756,074	14,683,804			18,439,878
Data Collection	2,804,774	8,270,257		62,257	11,137,288
Local Road Assistance	36,476,968	32,758,670		595,233	69,830,871
Construct State Hwy	24,357,642	64,892,990		165,000	89,415,632
Maintain State Hwy	137,786,300	24,886,452		642,602	163,315,354
Operate State Hwy	19,640,861	35,670,542		4,026,240	59,337,643
LRA Special Proj. 3 (LMIG)	96,347,303	-			96,347,303
Construct Special Project	185,791,214	823,408,900			1,009,200,114
Maintain Special Project	26,154,596	128,218,385			154,372,981
Payments to SRTA	91,051,946				91,051,946
Airport Aid (Aviation)		6,500,000	2,081,947	6,350	8,588,297
Transit		20,000,000	3,987,821	6,000	23,993,821
Rail			106,233	88,239	194,472
Ports & Waterways			685,812		685,812
GDOT Total	**675,250,678**	**1,170,129,823**	**6,861,813**	**6,490,891**	**1,858,733,205**
GO Bond Debt Service	**185,438,322**				**185,438,322**
Total Budget	**860,689,000**	**1,170,129,823**	**6,861,813**	**6,490,891**	**2,044,171,527**

Georgia Department of Transportation

Rules of the Budget "Game"

- Must balance by **fund source** by program- CANNOT balance by overspending one fund source and under spending another in the same program
- Can only move state funds(motor fuel or general) from one program to another when initial budget or amended budget request is submitted in September or at Fiscal Affairs in May.
- Federal funds can be amended in (with appropriate supporting documentation) or moved to another program with OPB approval of a budget amendment.
- Expenses must be coded to the program for which the expense is incurred (cannot simply charge expense to where funding is available)

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Budget Amendments

- We amend in Federal grant funds (e.g. Transit, Airport Aid) as Federal awards are received
- “Other” funds are amended in as received, e.g. fees, local participation funds, etc
- FHWA funds are estimated at the time of budget submission, can be adjusted later.
- Motor Fuel funds- if we have a “fund balance”, we amend all of these funds, prior to year end.
- In FY10, we did 15 amendments.

Financial Statements

Combined Statement of Funds Available, Expenditures and Changes in Fund Balance

- Also known as an "Income Statement"
- For the year ended with the Fiscal year– only one year's transactions
- How revenue is recognized:
  - State General Funds: Recorded when funds become available through the appropriation, allotment and warrant process. Any funds not expensed prior to fiscal year end lapse back to State treasury.
  - State Motor Fuel: The annual amount of state motor fuel appropriated (net of GO bond debt service) is recognized as revenue on July 1st. Funds do NOT lapse at year end.

Combined Statement of Funds Available, Expenditures and Changes in Fund Balance

– How revenue is recognized (continued):

- Federal funds: Revenue is recognized as expenditures are incurred since our grants are expenditure-driven
- G.O. Bond proceeds are recorded as revenue when qualifying expenditures are recorded.
- GARVEE bonds can be recorded as revenue by agreement with SRTA for a PLANNED issuance.
- Other funds (fees, leases, etc) revenue is recognized when cash is received.

Combined Statement of Funds Available, Expenditures and Changes in Fund Balance

- How expenses are recognized:
  - Full expense is recognized at the time a contract is signed and purchase order issued.
  - Expenses for travel, monthly utility bills, and other items not requiring purchase orders are recorded when presented for payment.

Combined Statement of Funds Available, Expenditures and Changes in Fund Balance
Year Ended June 30, 2009

	Governmental Fund Types		
	Budget Fund	State Revenue Collections Fund	Totals (Memorandum Only)
Funds Available			
Revenues			
State Appropriations			
General Funds	$ [illegible]		$ [illegible]
Motor Fuel Funds	[illegible]		[illegible]
Total State Appropriations	$ [illegible]		$ [illegible]
Federal Revenues	$ [illegible]		$ [illegible]
American Recovery and Reinvestment Act of 2009	$ [illegible]		$ [illegible]
Other Revenues			
[illegible]	$ [illegible]		$ [illegible]
SRTA	[illegible]		[illegible]
Other	[illegible]	$ [illegible]	[illegible]
Total Other Revenues	$ [illegible]	$ [illegible]	$ [illegible]
Total Revenues	$ [illegible]	$ [illegible]	$ [illegible]
Carry Over From Prior Year	[illegible]		[illegible]

Combined Statement of Funds Available, Expenditures and Changes in Fund Balance
Year Ended June 30, 2009

	Governmental Fund Types		
	Budget Fund	State Revenue Collections Fund	Totals (Memorandum Only)
Total Funds Available	[illegible]	[illegible]	[illegible]
Expenditures			
Personal Services	[illegible]		[illegible]
Regular Operating Expenses	[illegible]		[illegible]
Motor Vehicle Purchases	[illegible]		[illegible]
Equipment	[illegible]		[illegible]
Computer Charges	[illegible]		[illegible]
Real Estate Rentals	[illegible]		[illegible]
Telecommunications	[illegible]		[illegible]
Capital Outlay	[illegible]		[illegible]
Contracts	[illegible]		[illegible]
Transfers	[illegible]	[illegible]	[illegible]
Grants and Benefits	[illegible]		[illegible]
Other	[illegible]		[illegible]
Total Expenditures	[illegible]	[illegible]	[illegible]
Excess Funds Available over Expenditures	[illegible]	[illegible]	[illegible]
Fund Balance - July 1	[illegible]	[illegible]	[illegible]
Adjustments to Fund Balance			
Unreserved, Undesignated Surplus Returned to Treasury	[illegible]		[illegible]
Prior Year Payables Expenditures	[illegible]		[illegible]
Federal Revenue Recognized for Prior Year Converted Motor Fuel and Advanced Construction Expenditures	[illegible]		[illegible]
Prior Year Receivables Revenues	[illegible]		[illegible]
Other Adjustments	[illegible]		[illegible]
Fund Balance - June 30	[illegible]	[illegible]	[illegible]

Combined Balance Sheet

Shows Assets, Liabilities and Fund Balance

Historical view– includes all transactions from "beginning of time" through the fiscal year end

Fund Balance is required to be positive– means that Assets must exceed Liabilities.

Combined Balance Sheet- All Fund Types
June 30, 2009

	Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Budget Fund	Special Revenue Collection Fund	Agency	
Assets				
Cash and Cash Equivalents	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
Accounts Receivable				
State Appropriations				
General Funds	[illegible]			[illegible]
Motor Fuel Funds	[illegible]			[illegible]
Federal Financial Assistance	[illegible]			[illegible]
[illegible]				
[illegible]	[illegible]			[illegible]
[illegible]	[illegible]			[illegible]
Other	[illegible]			[illegible]
Inventories	[illegible]			[illegible]
Other Assets	[illegible]			[illegible]
Total Assets	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]

Georgia Department of Transportation

Combined Balance Sheet- All Fund Types
June 30, 2009

	Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Budget Fund	State Revenue Collections Fund	Agency	
Liabilities and Fund Equity				
Liabilities				
Accounts Payable	[illegible]			[illegible]
[illegible]	[illegible]			[illegible]
[illegible]	[illegible]			[illegible]
Payroll Withholdings	[illegible]			[illegible]
Deferred Revenue	[illegible]			[illegible]
Funds Held for Others			[illegible]	[illegible]
Other Liabilities	[illegible]			[illegible]
Total Liabilities	[illegible]		[illegible]	[illegible]
Fund Equity				
Fund Balance				
Reserved				
[illegible]	[illegible]			[illegible]
[illegible]				
[illegible]	[illegible]			[illegible]
Inventories	[illegible]			[illegible]
Other Reserves	[illegible]			[illegible]
[illegible]		[illegible]		[illegible]
Unreserved, Undesignated				
Surplus - State General Fund	[illegible]			[illegible]
Total Fund Equity	[illegible]	[illegible]		[illegible]
Total Liabilities and Fund Equity	[illegible]	[illegible]	[illegible]	[illegible]

Financial Audit

State Department of Audits and Accounts (DOAA) audits GDOT’s books after fiscal year end close.

DOAA may make adjustments, therefore statements we provide prior to the completion of the audit are always marked “UNAUDITED”

DOAA reviews our processes, procedures and may issue findings that we then work to resolve.