

Comprehensive Annual Financial Report Executive Summary

The Comprehensive Annual Financial Report (“CAFR”) contains three sections:

1. Introductory Section
 - a. Table of Contents
 - b. Letter of Transmittal – qualitative discussion of who we are, our history, our programs, our current initiatives, our achievements, the Board, our award for excellence in financial reporting, and our organizational chart
2. Financial Section
 - a. Unmodified (clean) auditors’ opinion
 - b. Management’s Discussion and Analysis – quantitative highlights of the financial statements and discussion of the financial position of the District
 - c. Districtwide financial statements – District operations converted to be comparable to a for-profit business
 - d. Fund financial statements – statements presented in the same format as our budget
 - e. Footnotes
 - f. Supplementary Information
3. Statistical Section
 - a. Ten-year trend data in five areas: financial trends, revenue capacity, debt capacity, demographics and economics, and operations

Highlights of the CAFR:

- The districtwide financial statements (2. c. above) and the governmental fund financial statements (2. d. above) differ largely due to different accounting treatment of bonds and capital assets required by those statements.
- The governmental fund financial statements reflect a net loss in General Fund of \$10.1 million (p. 20) largely due to additional instructional priorities funded during the year including step increases (salaries) and extended learning.
- The governmental fund financial statements reflect a net profit (\$24.5 million) across all funds (p. 20) because the District sold bonds late in the fiscal year for future Board-approved construction projects.

- The districtwide financials reflect a net change in position of \$8 million (page 16). This change in position can largely be attributed to capital assets, specifically renovations at Valley and Eastern High Schools.
- The Grants & Awards Fund (p. 19-20) revenues dipped substantially as federal grants were restricted by Sequestration or as federal stimulus grants ended. These revenue decreases were offset by grant expense budget reductions, and the fund balance of the Grants & Awards Fund dropped by \$1.6 million.
- School Food Services (p. 22) lost \$2 million during the year due to depreciation of equipment and other non-cash transactions. The fund operations saw cash lunchroom sales decreases offset by USDA free and reduced meal subsidies. The USDA requires that the fund maintain three month's operating cash on hand, which it achieved for the year.
- The CAFR includes budget-to-actual statements with explanations of significant variances on pages 48-55.
- Activity fund statements are included on pages 61-62.