

# The Comprehensive Annual Financial Report of the Granite School District

for the fiscal year ending June 30, 2015

(a.k.a. the CAFR)

presented by  
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Director of Accounting



2014-15

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

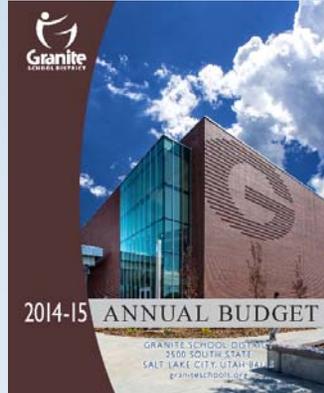
For the fiscal year ending June 30, 2015

GRANITE SCHOOL DISTRICT  
2500 SOUTH STATE  
SALT LAKE CITY, UTAH 84115  
[graniteschools.org](http://graniteschools.org)

# Budget Book

“The Plan”

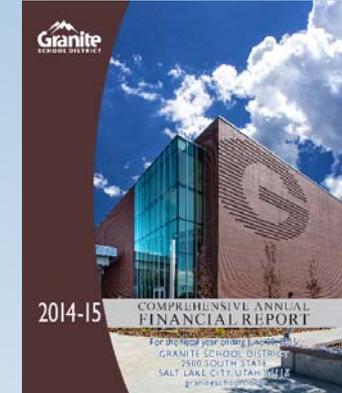
The Board adopted the budget for the 2014-2015 year in **June of 2014.**



# CAFR

“The Results”

***This is what actually happened.***



- Focuses on planned operations by fund:
  - Planned Revenues
  - Planned Expenditures/Expenses
  - Planned Fund Balances

- Reports the results of operations by fund and in total:
  - Actual Revenues
  - Actual Expenditures/Expenses
  - Actual Fund Balances
- Reports the balance sheet by fund and in total:
  - What the District owns
  - What the District owes
  - What’s left (the District’s ‘reserves’)

## Budget vs. Actual

# There Are Three Sections to the CAFR

- **Section I – Introductory**

- Transmittal Letter (pg. 1)
- Other Information (pg. 2-10)

- **Section II – Financial**

- Independent Auditor's Report (pg. 11)
- Management's Discussion and Analysis (pg. 14)
- Basic Financial Statements and Notes (pg. 23-56)
- Required Supplementary Information (pg. 57-58)
- Combining and Individual Fund Statements & Schedules (pg. 59-74)

- **Section III – Statistical**

- Various Schedules (pg. 75-110)

# Highlights of the 2015 CAFR

- **Awards for Excellence in Financial Reporting**
  - Government Finance Officer's Association (GFOA) (pg. 8)
  - Association of School Business Officials (ASBO) (pg. 8)
- **Clean Audit Opinion**
  - Audit Report (pg. 11-13)
- **An Executive Summary**
  - Management's Discussion & Analysis (pg. 14-22)

# Highlights of the 2015 CAFR (continued)

- **A New Accounting Requirement**

- Background

- The District offers post-employment benefits to its contract employees.
  - The District continues to set aside money to fund 100% of those future obligations.
- Such is not the case for the Utah Retirement System pension plans.
  - As of December 31, 2014, the URS pension plan was 81.6% funded, meaning that 18.4% of the future obligations state wide were unfunded (\$5.3 billion).

- In the 2015 CAFR, for the first time, the District is required to recognize a special liability for its proportionate share of the \$5.3 billion unfunded future obligations of the URS.

The District's proportionate share as of June 30, 2015 was \$203 million.

# Impact of the New Accounting Requirement

- The District is required to present two distinct types of financial reports:

## Fund Based (pg. 26-74)

- Focus is on:
  - Near-term sustainability
  - Stewardship and compliance
- All of the District's budgets and associated financial planning uses this fund based information.
- All legal requirements are founded in this fund based information
- **The fund financial statements are not affected by the new accounting requirement.**

## Government-wide (pg. 24-25)

- Focus is on:
  - Long-term sustainability
  - Profitability as a whole
- The new \$203 million liability is recognized only in the government-wide financial statements.
  - Caused a restatement of beginning total net position (Note 7 beginning on pg. 44)
  - Caused an unrestricted net position deficit of \$90.1 million (pg. 24)
- URS took steps in 2008 to address.

# Highlights of the 2015 CAFR (continued)

## Fund Financial Statements

### **The District is financially stable.**

- Fund Balances are healthy
  - Pg. 26, 64, and 72
- Stable financial leadership
  - Supportive Board
  - Knowledgeable and interested Superintendent
  - Business Administrator (50 yrs.)
  - Director of Accounting (22 yrs.)
  - Director of Budgeting (26 yrs.)

## Government-wide Statements

### **Interesting information, but there is general disagreement nation-wide about its usefulness.**

- Capital assets and long-term debt.
- Relative functional costs and how each is financially supported.
- Positive total net position even with the impact of the new \$203 million liability.

Required Annual Audits	Auditor's Purpose	In Accordance With
<b>Basic Financial Statements and Notes</b>	Determine whether or not the basic financial statements present fairly, in all material respects, the financial position of the District.	Generally accepted accounting principles. <i>(GAAP)</i>
<b>Each Major Federal Program</b> <ul style="list-style-type: none"> <li>• <i>Special Education</i></li> <li>• <i>Improving Teacher Quality</i></li> <li>• <i>School Leadership</i></li> </ul>	Determine whether or not the District complied, in all material respects, with the requirements of laws, regulations, contracts, and grant agreements applicable to its federal programs.	OMB Circular A-133 Compliance Supplement. <i>(Single Audit)</i>
<b>Each General State Compliance Requirement</b> <ul style="list-style-type: none"> <li>• <i>Budgetary Compliance</i></li> <li>• <i>Fund Balance</i></li> <li>• <i>Utah Retirement Systems</i></li> <li>• <i>Tax Levy Revenue Recognition</i></li> <li>• <i>School District Tax Levies</i></li> <li>• <i>Open and Public Meetings Act</i></li> <li>• <i>Nepotism</i></li> </ul>	Determine whether or not the District complied, in all material respects, with the various applicable general compliance requirements.	State of Utah Legal Compliance Audit Guide. <i>(State Compliance)</i>
<b>Each Major State Program</b> <ul style="list-style-type: none"> <li>• <i>Minimum School Program</i></li> <li>• <i>Driver Education Program</i></li> </ul>	Determine whether or not the District complied, in all material respects, with the compliance requirements for each of its major state programs.	State of Utah Legal Compliance Audit Guide. <i>(State Compliance)</i>

Agreed-Upon Procedures	Auditor's Purpose	In Accordance With
Adult Education	Report on the District's compliance with specified requirements for <i>contact hours, diplomas, general education development, level gains, credits earned, proof of residency, and fees and tuition collected.</i>	Administrative Rule R277-733.
Fall Enrollment	Report on the District's compliance with specified requirements for <i>fall enrollment count and transfer student documentation.</i>	Administrative Rule R277-419.
Aggregate Student Membership	Report on the District's calculation and reporting of <i>aggregate student membership.</i>	Administrative Rule R277-419.

- The District is subject to and undergoes various other audits:
  - Specific federal program audits by federal auditors (e.g. Title I, Title III)
  - Specific state program audits by USOE auditors (e.g. Student Transportation, School Lunch Program)
  - Specific audits by the State Auditor
  - Specific audits by the Legislative Auditor

If you have any questions about the finances of the District, any of the District's financial reports, or this presentation...

Please feel free to contact us:

