



# CAFR Preparation

WITH MD&A FOCUS



# CAFR Preparation Agenda

- CAFR vs. AFR
- CAFR Sections and Preparation Tips
- MD&A content
- MD&A Sections and Preparation Tips

## CAFR vs. AFR

- CAFR items included in AFR ESE 145:
  - Financial Section
- CAFR items not included in AFR ESE 145:
  - Introductory Section
  - Statistical Section
  - Independent' Auditors Reports



## CAFR Sections

- Introductory Section
- Financial Section
- Combining and Individual Fund Financial Statements and Schedules  
(Supplemental Information)
- Statistical Section
- Single Audit Report

## CAFR - Time consuming items to avoid

- Rounding
  - Most school districts use AFR to compile CAFR to minimize rounding differences since AFR is due first
- Last minute changes
  - Start early
  - Communicate with senior management



## CAFR Preparation Tips

- Set a realistic timeline with your Auditors for them to receive a first draft of the CAFR
- Create preparation instructions and get others involved
- Establish a review timeline and plan
- Submit for GFOA and/or ASBO Award Reviews



## MD&A Content

- A discussion of the basic financial statements
- Condensed comparative data
- An analysis of the government's overall financial position and results of operations
- An analysis of the balances and transactions of individual funds

## MD&A Content (continued)

- An analysis of budgetary variations
- A description of capital asset and long-term debt activity
- A discussion of infrastructure (if the modified approach is used)
- A discussion of currently known facts, decisions, or conditions of future significance





## MD&A Sections

- Financial Highlights
- Overview of the Financial Statements
  - Governmental-wide financial statements
  - Fund financial statements
    - Governmental Funds / Proprietary Funds / Fiduciary Funds
  - Notes to Financial Statements
  - Other Information



## MD&A Sections (continued)

- Government-Wide Financial Analysis
- Financial Analysis of the Governmental Funds
  - General Fund
  - Any other Major Fund
- General Fund Budgetary Highlights



## MD&A Sections (continued)

- Capital Asset and Debt Administration
- A discussion of currently known facts, decisions, or conditions of future significance
- Requests for Information



## MD&A Preparation Tips

- Create a Compilation Instruction Guide
- Get others involved
- Review several prior years' MD&A explanations as needed