

How to Create a PAFR

Hillsborough County Public Schools
Stephanie Heaton, Manager of Accounting Services

Identify your goals based on what is currently happening with your district:

- What is happening at board meetings?
 - What is happening to parents?
 - Are there concerned tax payers?

 - Goal #1 - Provide clear information about district finances.
 - Goal #2 - Create a pathway to explain complex financial information to the community.
-

Identify your audience:

- Board Members
 - Teachers
 - Parents
 - Tax Payers
-
- What is happening at board meetings: frustration of employees regarding raises.
 - What is happening to parents: elimination of courtesy busing.
 - Are there concerns amongst other tax payers: frustration over contract disputes.
-

How do you begin?

- Review articles in the Government Finance Review from GFOA.
 - There is one called: Creating an Excellent Popular Financial Report, and it had 10 tips:
 1. Have a theme.
 2. Lead with a letter and photograph.
 3. Use clear prose – no technical language.
 4. Make the layout open and inviting.
-

How do you begin?

- There is one called: **Creating an Excellent Popular Financial Report**, and it had 10 tips:
 5. Make good use of charts and graphs.
 6. Use photos.
 7. Include only relevant, meaningful information.
 8. Know your material and adopt an educational and informative tone.
 9. Avoid feel-good posturing.
 10. Interdependence with other entities.
-

How do you begin?

- Review prior PAFR award recipients – both county and school districts.
 - Establish a great relationship with your Communications and/or Marketing Department.
 - Create a story board to outline information?
 - Identify what type of software you will use?
 - Make sure it aligns to the CAFR, use both publications (PAFR and CAFR) to tell the story.
-

Prepare your PAFR and get it out there!

- Leverage other areas of expenditures so that you can print it in color.
 - Meet with your Board and provide them a copy.
 - Post it on your district Website, and announce it via press release, twitter, facebook, or any other communication forum.
-

Evaluate your efforts

- Were there errors?
 - Were the sections and graphs consistent?
 - Did it present well?
 - Should I have included additional information?
 - Should I exclude information next year?
-

My pitfalls!

- Using Microsoft Word with columns and embedded Excel graphs and tables created a challenge.
 - Allow enough time to deal with formatting issues. They are not difficult, but are very time consuming.
 - Spell check in Word does not catch spelling errors in Excel graphs and tables – run those spell checks separately.
 - Consistency with graphs that presented historical information – past to present versus present to past.
 - Roll-up account information consistently from one year to the next for the Statement of Net Position and the Statement of Activities.
 - Proof over and over – use a variety of staff to help with this.
-

Become the Expert

- Know your PAFR, be prepared to discuss or present it.
 - Be able to cross-reference the numbers on the PAFR to the pages in the CAFR.
 - Submit your PAFR to GFOA for the “Award for Outstanding Achievement in Popular Annual Financial Reporting” program.
 - The comments from the PAFR reviewer are very helpful.
 - Apply to become a PAFR reviewer with GFOA.
-

POPULAR ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED
JUNE 30, 2017

TAMPA, FL

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED
JUNE 30, 2017

TAMPA, FL

About Hillsborough County Public Schools

Hillsborough County Public Schools (HCPS) is the eighth largest school district in the nation. The county is so expansive or large, it covers 1,000 square miles.



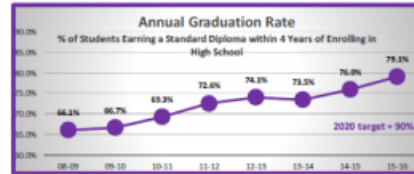
There are 144 elementary schools, 44 middle schools, 28 high schools, 9 specialty schools, and 19 other programs.

As of April 2017, we have 25,900 employees and a student population that totals 212,038.



The mission of our district is to provide an education and the supports that enable each student to excel as a successful and responsible citizen.

The targeted goal for every employee in our district is to help students achieve a graduation rate of 90% in the year 2020. This has become our culture and way of work.



Accounting and Reporting

Accounting Terminology

Net invested in capital assets is the difference between the value of capital assets and the unpaid portion of debt that is financing those capital assets.

Net Position is the difference between assets and deferred outflow of resources and liabilities and deferred inflow of resources for the district as a whole.

Restricted net position is the amount of assets or resources limited for a specific purpose.

Unrestricted net position is the difference between assets and liabilities not already included in net investments in capital assets, and restricted net position.

Government-wide is the district as a whole.

Governmental activities is the district's basic services funded by property, sales tax, and the Florida Education Finance Program (FEFP).

Deferred outflows of resources are a consumption of net position that is applicable to a future reporting period.

Deferred inflows of resources are an acquisition of net position that is applicable to a future reporting period.

Capital assets are assets that the district intends to hold or continue to use over a long period of time.

Appropriation is setting aside of budget for specific use.

Estimated Revenue is setting aside budget for expected revenue.

Fund is a fiscal and accounting entity that are segregated for the purpose of carrying on a specific activity.

Function is a classification that indicates the overall purpose or object of an expenditure.

Object is an indication of the type of goods or services obtained as a result of the expenditure.

Budget

Under state law, the district is required to prepare an annual budget. The budget is prepared by each governmental fund type prescribed by law and State Board of Education rules. Original budgets are submitted to the Florida Department of Education for approval.

The budget is prepared by fund, function, object, and department. Management may make budget transfers between departments and objects; however, the function level is the legal level of budgetary control and may only be amended by resolution of the Board. The original budget is amended monthly based upon transfers at the function level.

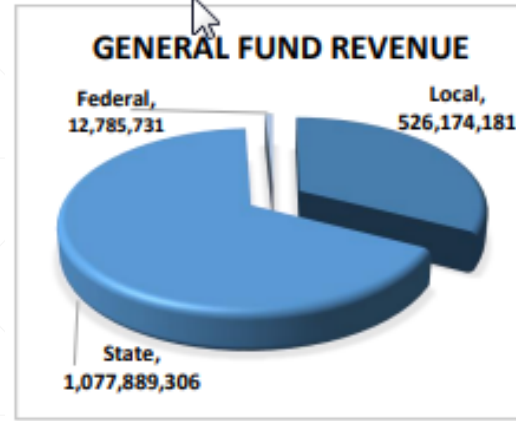
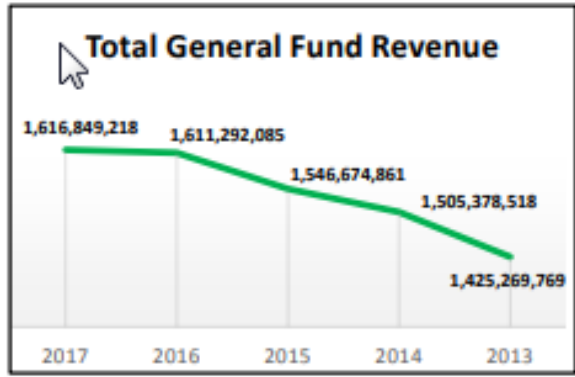
The initial board approved budget is referred to as the original budget. At fiscal year end, the final amended budget contains all of the adjustments for legally authorized revisions of the original budget throughout the year.

The district prepares a "budget to actual" comparison for School Board review on a monthly basis.

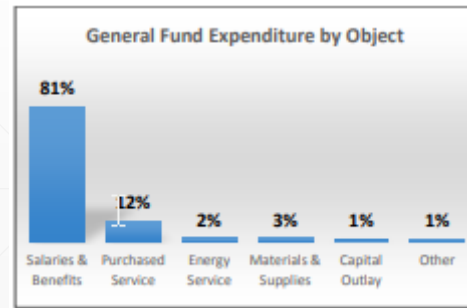
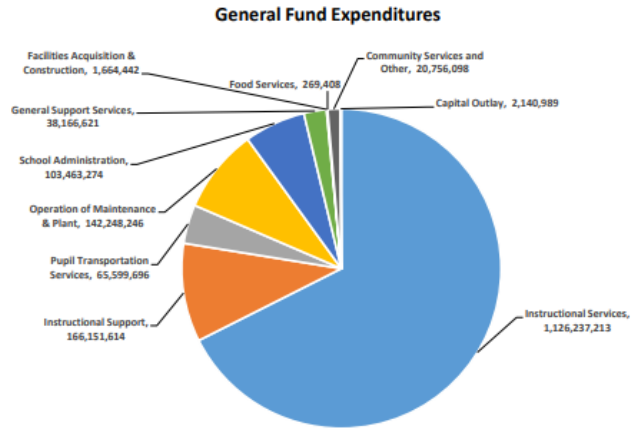
Budgets are prepared using the modified accrual basis, which is the method used to account for actual transactions in the governmental funds. In modified accrual, revenue is recorded in the period it becomes available and measurable whereas expenditures are recognized in the period the liability is incurred.



Where The Money Comes From



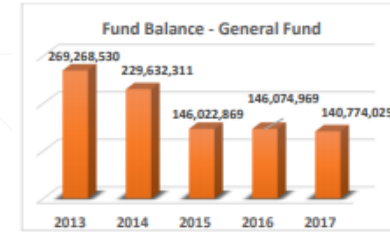
How The Money is Spent



Fund Balance - General Fund

Fund Balance

Fund balance is the net worth of a fund measured by assets minus liabilities. At the end of each fiscal year, the difference between revenue minus expenditures will affect fund balance. If revenue is higher, it will increase fund balance. If expenditures are higher, it will decrease fund balance. For example, when expenditures exceed revenue at the end of a fiscal year, cash (which is an asset) is reduced. This results in having less assets available for use.



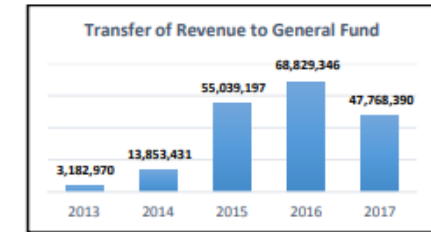
District expenditures have been exceeding the operating revenue year after year. The General Fund has been paying expenses that belong to other funds such as maintenance, repair, and improvements of school sites.

To offset these costs, there have been transfers of revenue from other funds. This form of non-operating revenue is called "Other Financing Sources (Uses)".



Even with these transfers, the fund balance has consistently declined over the years.

Transfers to the General Fund reduces the availability of monies from the fund it was transferred from. For example, revenue transferred to the General Fund from a Capital Fund would reduce the monies needed for capital projects. The Capital Fund will have less funding available to maintain, improve, or repair existing sites.



Questions?

