

MINUTES OF THE ANCHORAGE SCHOOL BOARD
SPECIAL MEETING OF NOVEMBER 6, 2006

The Anchorage School Board met in Regular Session on Monday, November 6, 2006, at 5:00 p.m. in Room 320 of the Anchorage School District Administration Building. President, Jeff Friedman, presided.

A. CALL TO ORDER, ROLL CALL, FLAG SALUTE, Jeff Friedman Presiding

Board Members Present: John Steiner, Crystal Kennedy, Macon Roberts, Jeff Friedman, Jake Metcalfe, Mary Marks, and Tim Steele.

Board Members Excused: Jake Metcalfe

Others Present: Carol Comeau, Rhonda Gardner, Janet Stokesbary, Chad Stiteler, Alex Beckman, George Vakalis, Robin Siegfried, and other interested people.

B. CONSENT AGENDA

ASD Memorandum # 89 - Comprehensive Annual Financial Report (CAFR) Fiscal Year 2005 - 2006

It is the Administration's recommendation that the School Board approve the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006 and authorize the Superintendent to forward this report to the Commissioner of Education, State of Alaska, and the Anchorage Assembly.

ACTION:

Moved by: Mary Marks
Seconded by: Macon Roberts

To approve the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006 and authorize the Superintendent to forward this report to the Commissioner of Education, State of Alaska, and the Anchorage Assembly.

Mr. Alex Beckman, Mikunda, Cottrell & Company, reviewed the independent auditor's report which resulted in the issuance an unqualified or clean opinion on the School District's financial statements. Ms. Stokesbary voiced her appreciation for the assistance of the auditors. She noted that the Accounting Department, under the supervision of Mr. Stiteler, did an outstanding job.

Mr. Steiner noted that he felt that it would be useful to include an overall discussion of the health of the District and an explanation of some of the significant changes seen on the Basic Financial Statements under the management discussion. Mr. Beckman explained that there is a prescribed format for the Management Explanation and Analysis including a checklist of information that must be included. Beyond that, as long as the information is factual accurate, any other requested information can be added. Mr. Friedman indicated that it would be very difficult to determine which items need explanation and which don't. It would also be very difficult to say that the District is in a good financial position because the District itself has so very little control over revenue. Mr. Beckman warned against using changes in cash balances as an indicator of financial health. He suggested that it would be much better to look at net assets or fund balances.

Ms. Comeau requested that the Board think about what items they would like to consider adding to this report. She will use that list when she meets with Ms. Stokesbary and Mr. Stiteler to plan for next year.

Ms. Kennedy is concerned about the possibility that the audit, particularly the area indicating unrestricted net assets, could be misleading and allow for the misinterpretation that the District has extra money. Ms. Comeau noted that there is no way to avoid all misinterpretation. It is most important that the District does what is required, what is honest and accurate. The pertinent explanatory facts could be included the Board memorandum rather than in the report itself.

Mr. Steele was pleased to note that the District's long-term debt decreased by approximately \$40 million. He also noted the decrease in outstanding bonds.

During further discussion on bonds, Ms. Stokesbary noted that the CAFR reflects information as of June 30, 2006. The \$48,495,000 available authorized but unissued general obligation bonds indicated in the document were sold in August so currently there are no authorized,

unissued bonds. Ms. Stokesbary reported that a little over \$80 million was also refinanced in August, saving the District \$3,384,000.

Mr. Steiner noted that there is an inconsistency in the base student allocation figures reported on pages 7 and 11. Ms. Comeau clarified that the error is in the notation of the year on page 11. The third line in the second bullet point should read "...2006 to \$5,280 in 2007." In the future, reference will be made to the entire school year (20XX-20XX) rather than just the single fiscal year notation.

Mr. Steele requested some clarification of how the amount of money spent in the classroom is calculated. Ms. Comeau noted that the Chart of Accounts for the State of Alaska defines what is included in the calculation of expenditures for instruction.

VOTE:

Ayes: Steiner, Kennedy,
Roberts, Friedman,
Marks, Steele

Absent: Metcalfe

Nays: None

MOTION PASSED

C. ANNOUNCEMENTS

Ms. Comeau reminded the Board that they have received a draft version of the School Board Goals. The administration would like to take the recommendations forward on November 13. If there are specific issues or questions regarding the goals they should be directed to Ms. Gardner.

Ms. Comeau noted that the Profile of Performance will be posted on the website tomorrow, November 7, 2006. She requested that the discussion on the Profile be added to the Superintendent's Report on the December 11, 2006 agenda.

Ms. Comeau reported that there is a joint meeting with the Assembly scheduled for December 1, 2006 from 10:00 a.m. to 12:00 p.m. at City Hall. The Board will also meet on December 7, 2006 for the Superintendent's Evaluation.

Ms. Comeau noted that the Budget Review Team Presentation Meeting is scheduled for November 30, 2006 at 7:00 p.m. at Wendler Middle School.

She strongly encouraged everyone to attend. Ms. Kennedy requested that the Assembly be invited to attend that meeting as well. Mr. Friedman stated that he also intends to write letters of invitations to the winning legislators inviting them to attend.

D. ADJOURNMENT

The Regular Meeting of November 6, 2006, was adjourned by unanimous consent at 6:03 p.m.

Jeff Friedman, President

Mary Marks, Clerk

Johanna Lee, Recording Secretary

Date Minutes Approved