

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM # 84 (2009-2010)

October 12, 2009

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)
FISCAL YEAR 2008-2009

ASD Goal: Ensure public accountability through continued participation in the state and federal required testing programs, continued preparation and publication of the Profile of Performance, budget basics, and budget and bond summaries, effective consultation with community to ensure wise use of financial resources and responsible construction and maintenance of facilities; and effective communication with students, staff, parents, community and government at all levels.

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009 and authorize the Superintendent to forward this report to the Commissioner of Education, State of Alaska, and the Anchorage Assembly.

PERTINENT FACTS:

Alaska Statute 14.14.050(a) requires the school board in each school district provide for an audit of all school accounts for the school year ending the preceding June 30. The statute further requires the school board to contract with a public accountant who has no personal interest, direct or indirect, in the fiscal affairs of the district.

To comply with the statute, the annual financial audit for the Anchorage School District for the fiscal year ended June 30, 2009 was completed on October 6, 2009 by the independent firm of certified public accountants, Mikunda, Cottrell & Co., Inc. The annual financial report of the Anchorage School District is presented as the Comprehensive Annual Financial Report (CAFR). The CAFR is prepared to conform to the practices and principles recommended by the Governmental Accounting Standards Board.

The CAFR represents the culmination of all financial and accounting activity that has occurred during the past fiscal year. Accordingly, the fiscal year of the district coincides with the school year and therefore the CAFR is representative of all district-wide activity for the school year 2008-2009. The CAFR is organized into three major sections:

- **Introductory Section:**

The introductory section, which is unaudited, includes a letter of transmittal, a list of elected officials and appointed members of management and two certificates of achievement for excellence in reporting for the fiscal year 2007-08 CAFR.

- **Financial Section:**

Accounting principles generally accepted in the United States of America require management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal in the introductory section is designed to compliment the MD&A and should be read in conjunction with it. The Independent Auditor's Report on the financial statements and schedules, the basic financial statements, additionally required supplementary information and the combining financial statements are all part of the financial section.

Within the basic financial statements, the government-wide financial statements (Exhibits I and II) are designed to provide readers with a broad overview of the Anchorage School District's finances, in a manner similar to a private-sector business. Exhibits IV and VI are provided as reconciliations from the government-wide financial statements to the governmental financials statements.

These governmental statements (Exhibits III, V and VII - XI) are presented and organized on the basis of funds, each of which is considered a separate accounting entity. This is a similar basis to the monthly and quarterly reports submitted to the school board where the operations of each fund are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Budgetary comparison information is provided for the individual funds to demonstrate compliance with the budget in the additionally supplementary schedules (schedules A-1 - E-3).

- **Statistical Section:**

The statistical section includes tables designed to provide a broader picture of the financial condition that is presented in the financial statements and supporting schedules in the financial section. Statistical tables usually cover information over ten years and include information outside the accounting system. The financial section presentations usually cover no more than two years and include data largely derived from the accounting system.

CC/JS/CS
Attachment

Prepared by: Chad Stiteler, Controller
Approved by: Janet Stokesbary, Chief Financial Officer