

Washington State Auditor's Office
Accountability Audit Report

Anacortes School District No. 103
Skagit County

Report Date
May 6, 2009

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May 18, 2009



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

May 18, 2009

Board of Directors
Anacortes School District No. 103
Anacortes, Washington

Report on Accountability

Please find attached our report on Anacortes School District No. 103's accountability and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the District's financial statements and compliance with federal laws and regulations. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Skagit County
May 6, 2009**

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Audit Summary

**Anacortes School District No. 103
Skagit County
May 6, 2009**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Anacortes School District No. 103.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also examined District management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from September 1, 2007, through August 31, 2008.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

RELATED REPORTS

Our opinion on the District's financial statements and compliance with federal program requirements is provided in a separate report, which includes the District's financial statements. That report includes a federal finding regarding the lack of adequate internal controls and compliance with federal requirements over its Safety Net funds. We are questioning costs of \$39,197.

CLOSING REMARKS

We thank District officials and personnel for their assistance and cooperation during the audit.

Description of the District

Anacortes School District No. 103 Skagit County May 6, 2009

ABOUT THE DISTRICT

Anacortes School District No. 103, located in Skagit County on Fidalgo Island, provides educational services for approximately 2,796 students in grades kindergarten through 12. The District has one high school, one middle school and four elementary schools.

An elected, five-member Board of Directors governs the District. The Board appoints a Superintendent to oversee the District's day-to-day operations as well as its staff of 194 certificated and 185 classified employees. The District's general fund expenditures exceeded \$27 million for the year ended August 31, 2007.

AUDIT HISTORY

We audit the District annually and have reported four findings in the last five audits. Audit recommendations have been positively acknowledged by District officials and steps have been taken to correct all issues.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Directors:

Mitch Everton
Barbara Cooper (through December 2007)
Carol Pyke
Chris Anderson
Kris Lytton
Jeannette Papadakis (effective December 2007)

APPOINTED OFFICIALS

Superintendent

Chris Borgen

ADDRESS

District

2200 M Avenue
Anacortes, WA 98221
(360) 293-1200
(360) 293-1222 (fax)
www.asd103.org

Audit Areas Examined

Anacortes School District No. 103 Skagit County May 6, 2009

In keeping with general auditing practices, we do not examine every portion of Anacortes School District No. 103's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

ACCOUNTABILITY

We evaluated the District's accountability in the following areas:

- Cash receipting
- Contracts/agreements
- Open public meetings/records laws
- Special Education enrollment
- Conflict of interest/ethics laws
- Restricted funds
- Associated Student Body
- Software review

FEDERAL PROGRAMS

We evaluated internal controls and tested compliance with federal program requirements, as applicable, for the District's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.

FINANCIAL AREAS

Our opinion on the District's financial statements is provided in a separate report. That report includes the District's financial statements and other required financial information. We examined the financial activity and balances of the District including:

- Cash and investments
- Revenue
- Expenditures/expenses
- Financial condition
- Long-term debt
- Overall presentation of the financial statements
- Financial statement preparation



ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver our services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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