

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #153 (2004-2005)

January 24, 2005

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: TREASURER'S REPORT/FINANCIAL RECAP:
DECEMBER 31, 2004

PERTINENT FACTS:

The attached report consists of three parts: the Graphic Overview, the Treasurer's Report and the Financial Recap. The Graphic Overview is presented on a quarterly basis and the Treasurer's Report and the Financial Recap are presented on a monthly basis. The Treasurer's report and Financial Recap are year-to-date information as of December 31, 2004.

I. GRAPHIC OVERVIEW

District investments are primarily made through the Municipality of Anchorage. Overnight repurchase agreements are made through the District's banking services, whereas, the Student Activity Fund investments are made by individual schools in insured accounts. The Anchorage School District requires direct investments, in excess of any insured amount, to be collateralized at all times with United States Government guaranteed securities having a market value, plus accrued interest, which equals or exceeds the collateralized amount of the investment. The Municipality invests directly in United States Government guaranteed securities or through collateralized investments that meet District requirements.

Included on page 1 of the report is a graph representing the types of investment instruments held by the District as of December 31, 2004, except for the Student Activity Fund. In addition, a monthly comparison of cumulative interest earnings for fiscal year 2003-2004 and fiscal year 2004-2005 is presented on page 2. The cumulative interest earnings for the three-month period ended December

31, 2004 were \$1,783,599 as compared to \$1,137,627 for the same period of time in the prior year.

The graph on page 3 is titled Weighted Average Interest Rate for Investments Purchased. This graph compares the weighted monthly average yield on investments acquired in the current year with the figures for the fiscal year 2003-2004.

II. TREASURER'S REPORT

The Anchorage School District Treasurer's Report includes a summary of the total demand deposits and investments, which are on hand as of December 31, 2004, and a summary of the investment transactions completed December 1 through December 31, 2004.

The demand deposits in the General Fund as of December 31, 2004 reported positive funds available of \$1,315,533. The District's banking services contract includes the investment of the bank float that provides additional interest revenue to the District. The total amount of investments on hand at December 31, 2004 was \$158,422,157 and the combined total of these liquid assets consisting of the demand deposits and investments were \$159,737,690. A schedule of investments is presented on pages 5 and 6.

The District transacted 87 investments during the month of December. The specific investments purchased are presented commencing with page 7 of the Treasurer's Report. The anticipated earnings for these new investments are \$45,421.84, which will be recorded in the General, Capital Projects, Internal Service, and Debt Service Funds. The interest earnings on investments made by the District are recorded upon receipt of the actual interest earnings on the various dates of maturity. The interest earnings on investments made by the Municipality of Anchorage on behalf of the District are accrued on a monthly basis.

In summary, the District's investment performance for fiscal year 2004-2005 year-to-date is shown by the following three-portfolio yield calculations:

- 1) The annualized End-of-Month Portfolio Yield, noted on page 6, represents the weighted average yield on investments outstanding with the District on December 31, 2004. The Annualized End-of-Month Portfolio Yield was 2.29 percent.

- 2) The Weighted Average Interest Rate for investments purchased during December was 2.11 percent and is noted on page 8.
- 3) The Year-to-Date Cumulative Yield, noted on page 9, represents the weighted average yield of all investments purchased by the District since July 1, 2004. On December 31, the Year-to-Date Cumulative Yield was 2.15 percent.

III. FINANCIAL RECAP

The Financial Recap is a summary of revenues, expenditures and encumbrances for the current fiscal year through December 31, 2004. The funds presented are the General Fund; Debt Service Fund; Food Service and Local/State/Federal Projects Special Revenue Funds; and Capital Projects Fund. The expenditures are on generally accepted accounting principles (GAAP) basis. This means the amount in expenditures include payments on encumbrances from the prior year. For example, the working budget on expenditures includes the current year's revised budget plus the encumbrances from prior year of approximately \$10.434 million. Year-to-Date (YTD) expenditures, therefore, reflect expenditures from the current fiscal year and expenditures from prior year encumbrances that were carried forward. The appropriations from the prior years for these encumbrances were also carried forward.

The General Fund revised budget for fiscal year 2004-2005 totals \$398.712 million including approximately \$21.833 million increase approved by the School Board (ASD Memorandum #326) and the Anchorage Assembly (AR No. 2004-143) on May 24, 2004 and June 22, 2004, respectively. This budget increase was allowed by the passage of House Bill 233, which provided for an increase in the Alaska Public School Funding Program. This \$398.712 million is compared to the revised budget of \$368.017 million for the prior year. The cumulative actual GAAP expenditures and encumbrances for the six-month period ended December 31, 2004 were \$163.347 million or 39.9 percent of the \$409.146 million working budget (revised budget plus encumbrance budget).

Summary and detailed budget reports are available for each school, department, and other budgetary unit on IFAS on-line with current up-to-date data. This information is available to assist in daily operations.

CC/JS

Attachment

Prepared by & approved by: Janet Stokesbary, Chief Financial Officer