

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #218 (2004-2005)

March 28, 2005

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: TREASURER'S REPORT/FINANCIAL RECAP
FEBRUARY 28, 2005

PERTINENT FACTS:

The attached report consists of two parts: the Treasurer's Report and the Financial Recap. 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 February 28, 2005.

I. TREASURER'S REPORT

The Anchorage School District Treasurer's Report includes a summary of the total demand deposits and investments, which are on hand February 28, 2005, and a summary of the investment transactions completed February 1 through February 28, 2005.

The demand deposits in the General Fund as of February 28, 2005 were \$(6,253,316). 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 February 28, 2005 was \$191,990,992 and the combined total of these liquid assets consisting of the demand deposits and investments were \$185,737,676. A schedule of investments is presented on pages 2 and 3.

The District transacted 77 investments during the month of February. The specific investments purchased are presented commencing with page 4 of the Treasurer's Report. The anticipated earnings for these new investments are \$114,131.44, 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 3, represents the weighted average yield on investments outstanding with the District on February 28, 2005. The Annualized End-of-Month Portfolio Yield was 2.23 percent.
- 2) The Weighted Average Interest Rate for investments purchased during February was 2.31 percent and is noted on page 5.
- 3) The Year-to-Date Cumulative Yield, noted on page 6, represents the weighted average yield of all investments purchased by the District since July 1, 2004. On February 28, 2005, the Year-to-Date Cumulative Yield was 2.23 percent.

II. FINANCIAL RECAP

The Financial Recap is a summary of revenues, expenditures and encumbrances for the current fiscal year through February 28, 2005. 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 for the General Fund includes the current year's revised budget plus the encumbrances from prior years of approximately \$10.434 million. Year-to-Date (YTD) expenditures, therefore, reflect expenditures from the current fiscal year and expenditures from prior years' 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 \$398.107 million. This includes 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, as a result of the passage of House Bill 233, which provided for an increase in the Alaska Public School Funding Program. In addition, the General Fund revised budget reflects

a decrease of \$605,000 approved by the School Board (ASD Memorandum #166) on January 24, 2005. The General Fund budget was reduced to allow for an increase in the Local/State/Federal Projects Fund without impacting the upper limit spending authority approved by the Anchorage Assembly. This \$398.107 million is compared to the revised budget of \$368.017 million for the prior year. The cumulative actual GAAP expenditures and encumbrances for the seven-month period ended February 28, 2005 were \$230.412 million or 56.3 percent of the \$408.541 million working budget (revised budget plus encumbrance budget).

Beginning with the Financial Recap for the period ending February 28, 2005, two new schedules are being provided. The first schedule, Cumulative Expenditures by Month for Four Fiscal Years found on page 28, provides information concerning the actual and projected expenditures for fiscal year 2004-2005 compared to the actual cumulative expenditures by month for the prior three years. In addition, a Comparative Ratio of Monthly Expenditures to Total Expenditures is presented on page 29 to provide the actual expenditures and relative percentages by month for the current and three prior fiscal years for comparative purposes.

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