

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #128 (2005-2006)

November 28, 2005

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: TREASURER'S REPORT/FINANCIAL RECAP:
OCTOBER 31, 2005

ASD Goal: Ensure public accountability through 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; effective communication with students, staff, parents, community and government at all levels.

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 October 31, 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 as of October 31, 2005, and a summary of the investment transactions completed October 1 through October 31, 2005.

The demand deposits in the General Fund as of October 31, 2005 reported negative funds available of (\$2,905,853). 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 October 31, 2005 was \$184,414,057 and the combined total of these liquid assets consisting of

the demand deposits and investments were \$181,508,204. A schedule of investments is presented on pages 2 and 3.

The District transacted 89 investments during the month of September. The specific investments purchased are presented commencing with page 4 of the Treasurer's Report. The anticipated earnings for these new investments are \$348,778, 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 2005-2006 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 October 31, 2005. The Annualized End-of-Month Portfolio Yield was 3.35 percent.
- 2) The Weighted Average Interest Rate for investments purchased during October was 4.56 percent and is noted on page 6.
- 3) The Year-to-Date Cumulative Yield, noted on page 7, represents the weighted average yield of all investments purchased by the District since July 1, 2005. On October 31, the Year-to-Date Cumulative Yield was 3.79 percent.

III. FINANCIAL RECAP

The Financial Recap is a summary of revenues, expenditures and encumbrances for the current fiscal year through October 31, 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 year of approximately \$10.094 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 2005-2006 totals \$433.004 million which includes approximately \$2.79 million increase approved by the School Board (ASD Memorandum #338) and the Anchorage Assembly (AR No. 2005-162) on June 27, 2005 and July 26, 2005, respectively. This budget increase was mainly a result of the passage of House Bill 1, which provided for an increase in the Alaska Public School Funding Program. This bill increased the base student allocation used in the Alaska Public School Funding formula an additional \$39 above the \$4,880 amount used in the District's original calculations in developing the budget. The base student allocation increased from \$4,576 in fiscal year 2004-2005 to \$4,919 in fiscal year 2005-2006 for an overall increase of \$343. This \$433.004 million is compared to the revised budget of \$398.107 million for the prior year. The cumulative actual GAAP expenditures and encumbrances for the four-month period ended October 31, 2005 were \$103.355 million or 23.3 percent of the \$443.098 million working budget (revised budget plus encumbrance budget).

On page 29 is the Cumulative Expenditures by Month for Four Fiscal Years which provides information concerning the actual and projected expenditures for fiscal year 2005-2006 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 30 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