

ANCHORAGE SCHOOL DISTRICT

ANCHORAGE, ALASKA

ASD MEMORANDUM #246 (98-99) March 22, 1999

TO: SCHOOL BOARD  
FROM: OFFICE OF THE SUPERINTENDENT  
SUBJECT: TREASURER'S REPORT--DECEMBER 31, 1998

PERTINENT FACTS:

The attached report for the month ended December 31, 1998 consists of two parts: Graphic Overview and Treasurer's Report. Previously, this report consisted of the Graphic Overview, the Treasurer's Report, and a Financial Recap Report. The School Board requested the Treasurer's Report be submitted on a quarterly basis and the Financial Recap be submitted on a monthly basis. The Financial Recap Report is not provided at this time due to difficulties encountered in creating the report to the Board's specifications on the new IFAS system. It is anticipated that both of these reports will be available in April 1999. This will include the next quarterly update of the Treasurer's Report (3<sup>rd</sup> quarter) and the monthly update to the Financial Recap Report.

I. GRAPHIC OVERVIEW

District investments are primarily made through the Municipality of Anchorage. Overnight repurchase agreements are made through the District's banking services and 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 2 of the report is a graph representing the types of investment instruments held by the District as of December 31, 1998 except for the Student Activity Fund. In addition, a monthly comparison of cumulative interest

earnings for fiscal years 1997-98 and 1998-99 is presented on page 3. The cumulative interest earnings for the 6-month period ended December 31, 1998, were \$1,933,176 as compared to \$2,424,263 for the same period of time in the prior year. The decrease is due to the declining amount of bond proceeds available for investment in the capital projects fund and lower interest rates. Earnings should begin to increase, however, due to the \$55.9 million G.O. School Bond sale in February 1999.

The graph on page 4 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 fiscal year 1997-98. Interest rates have declined considerably in the past few months overall although rates have begun to increase again in November and December.

## II. TREASURER'S REPORT

The Anchorage School District Treasurer's Report includes a summary of the total demand deposits and investments which are at hand December 31, 1998, and a summary of the investment transactions completed during the period December 1 through 31, 1998.

The demand deposits in the General Fund reported a deficit of (\$204,167) due to three investments made on December 31, 1998, which total \$6,616,655, that mature after month-end. 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 December 31, 1998 was \$62,026,035 and the combined total of these liquid assets consisting of the demand deposits and investments was \$61,821,868. A schedule of investments is presented on pages 7 and 8.

The District transacted 81 investments during the month of December. The specific investments purchased are presented commencing with page 9 of the Treasurer's Report. The anticipated earnings for these investments are \$919,680 which will be recorded in the General, Capital Projects, 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 1998-99 is shown by the following three-portfolio yield calculations:

- 1) The annualized End-of-Month Portfolio Yield, noted on page 8, represents the weighted average yield on investments outstanding with the District on December 31, 1998. The Annualized End-of-Month Portfolio Yield was 5.26 percent.
- 2) The Weighted Average Interest Rate for investments purchased during December was 4.99 percent and is noted on page 12.
- 3) The Year-to-Date Cumulative Yield, noted on page 12, represents the weighted average yield of all investments purchased by the District since July 1, 1998. On December 31, 1998, the Year-to-Date Cumulative Yield was 5.28 percent.

BC/JS/BM

Attachment

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Approved by: Janet Stokesbary, Chief Financial Officer