

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #187 (2001-2002)

January 28, 2002

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: TREASURER'S REPORT/FINANCIAL RECAP:
December 31, 2001

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 Treasurer's Report and the Financial Recap are presented on a monthly basis. The Graphic Overview is for the quarter ending December 31, 2001 and the Treasurer's Report and Financial Recap are year-to-date as of December 31, 2001.

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, 2001 except for the Student Activity Fund. In addition, a monthly comparison of cumulative interest earnings for fiscal years 2000-2001 and 2001-2002 is presented on page 3. The cumulative interest earnings for the six-month period ended December 31, 2001, were \$5,105,402 as compared to \$3,600,450 for the same period of time in the prior year. The increase is due to more funds being invested even though interest rates this year are lower.

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 2000-2001. Interest rates have decreased considerably in the past few months and appears to be the continuing trend.

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, 2001, and a summary of the investment transactions completed December 1 through 31, 2001.

The demand deposits in the General Fund reported a deficit of (\$) due to three investments made on December 31, 2001, which total \$31,917,031.42 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, 2001 was \$156,113,551 and the combined total of these liquid assets consisting of the demand deposits and investments were \$. A schedule of investments is presented on page 3.

The District transacted 90 investments during the month of December. The specific investments purchased are presented commencing with page 4 of the Treasurer's Report. The anticipated earnings for these investments are \$32,926 which will be recorded in the General, Capital Projects, Internal Service Fund, 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 2001-2002 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 December 31, 2001. The Annualized End-of-Month Portfolio Yield was 5.85 percent.
- 2) The Weighted Average Interest Rate for investments purchased during December was 1.7 percent and is noted on page 6.

- 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, 2001. On December 31, 2001, the Year-to-Date Cumulative Yield was 2.7 percent.

III. FINANCIAL RECAP

The Financial Recap is a summary of revenues, expenditures and encumbrances for the current fiscal year through December 31, 2001. The funds presented are the General Fund; Debt Service Fund; Food Service and Local/State/Federal Projects Special Revenue Fund; and Capital Projects Funds. 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 expenditures budget includes the current year's revised budget plus the prior year encumbrances of approximately \$11.9 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 totals \$355.9 million as compared to the revised budget of \$342.8 million for the prior year. The cumulative actual GAAP expenditures and encumbrances for the six-month period ended December 31, 2001 were \$144.6 million or 39.3 percent of the \$367.8 million working budget (revised budget plus encumbrance budget).

Summary and detailed budget reports are available to 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/CM/RJW
Attachment

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