



# Akron Public Schools®

## Monthly Financial Report

Fiscal Year 2022 Revenue and Expenditure Activity Through January

Ryan Pendleton, CFO/Treasurer

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## FISCAL YEAR 2022 REVENUE AND EXPENDITURE ANALYSIS THROUGH JANUARY

### 1. ACTUAL COMPARED TO FORECAST VARIANCE AND NET FAVORABILITY ANALYSIS

CURRENT YEAR-TO-DATE  
REVENUE COLLECTIONS  
INDICATE A

**\$1,817,448**

FAVORABLE IMPACT  
COMPARED TO FORECAST

CURRENT YEAR-TO-DATE  
EXPENDITURES INDICATE A

**\$8,305,499**

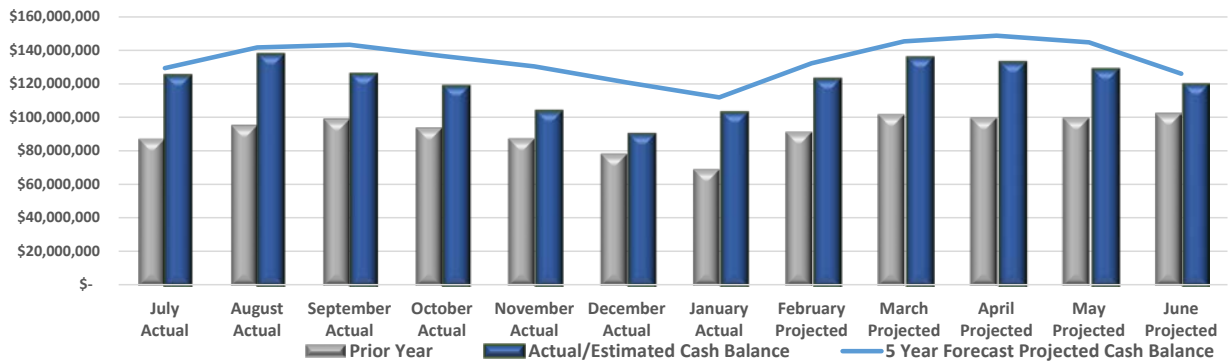
UNFAVORABLE IMPACT  
COMPARED TO FORECAST

POTENTIAL NET IMPACT  
WOULD RESULT IN A

**\$6,488,051**

UNFAVORABLE IMPACT ON THE  
CASH BALANCE

### 2. VARIANCE AND CASH BALANCE COMPARISON



JANUARY CASH BALANCE IS

**\$33,900,356**

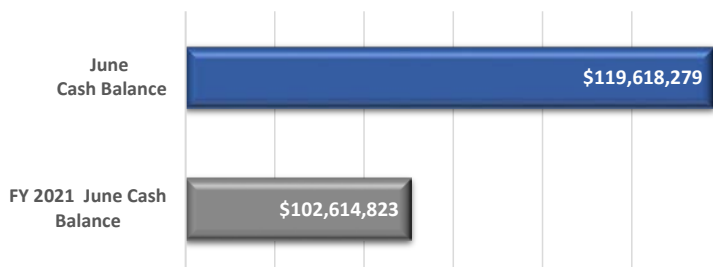
MORE THAN LAST JANUARY

JANUARY CASH BALANCE IS

**\$(6,488,051)**

LESS THAN THE FORECASTED  
AMOUNT

### 3. FISCAL YEAR 2022 REVENUE SHORTFALL/SURPLUS ANALYSIS (BASED UPON ACTUAL/ESTIMATED VARIANCE)



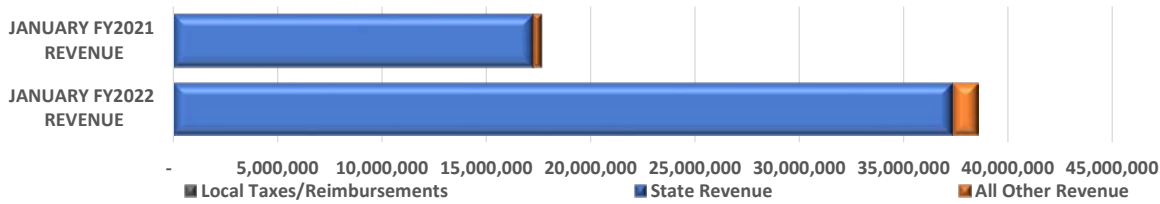
OPERATING SURPLUS OF

**\$17,003,456**

WILL INCREASE THE CASH BALANCE  
BY THE END OF THE FISCAL YEAR

## FISCAL YEAR 2022 MONTHLY REVENUE ANALYSIS - JANUARY

### 1. JANUARY REVENUE COLLECTIONS COMPARED TO PRIOR YEAR



|                            | Actual Revenue Collections For January | Prior Year Revenue Collections | Actual Compared to Last Year |
|----------------------------|--|--------------------------------|------------------------------|
| Local Taxes/Reimbursements | -                                      | -                              | -                            |
| State Revenue              | 37,286,193                             | 17,251,614                     | ▲ 20,034,579                 |
| All Other Revenue          | 1,276,945                              | 432,765                        | ▲ 844,181                    |
| <b>Total Revenue</b>       | <b>38,563,138</b>                      | <b>17,684,378</b>              | <b>▲ 20,878,760</b>          |

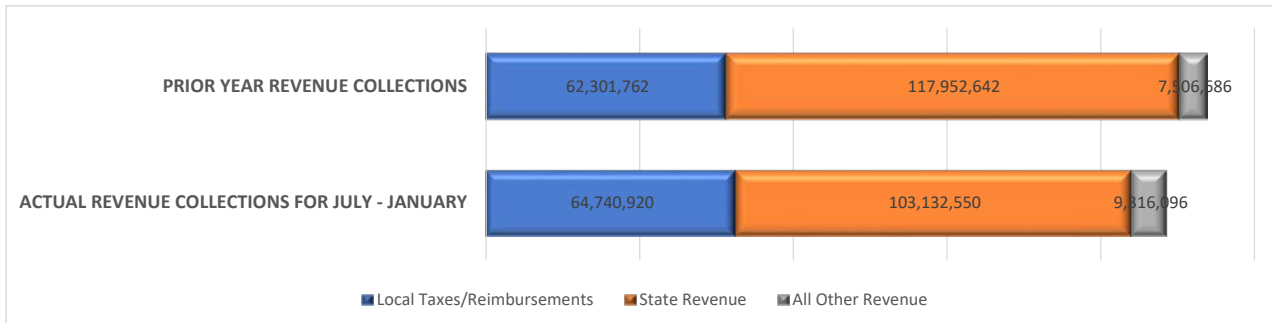
Actual revenue for the month was up

**\$20,878,760**

compared to last year.

State revenue was significantly higher than January 2021 due to the implementation of the Fair School Funding Plan. The first payment received in January 2022 included "catch-up" payments from the state, totalling \$15.8 million.

### 2. ACTUAL REVENUE RECEIVED THROUGH JANUARY COMPARED TO THE PRIOR YEAR



|                            | Actual Revenue Collections For July - January | Prior Year Revenue Collections For July - January | Current Year Compared to Last Year |
|----------------------------|---|---|------------------------------------|
| Local Taxes/Reimbursements | 64,740,920                                    | 62,301,762  | ▲ 2,439,158                        |
| State Revenue              | 103,132,550                                   | 117,952,642                                       | ▼ (14,820,092)                     |
| All Other Revenue          | 9,316,096                                     | 7,506,686   | ▲ 1,809,410                        |
| <b>Total Revenue</b>       | <b>177,189,566</b>                            | <b>187,761,089</b>                                | <b>▼ (10,571,523)</b>              |

COMPARED TO THE SAME PERIOD, TOTAL REVENUES ARE

**\$10,571,523**

LOWER THAN THE PREVIOUS YEAR

Even with the "catch-up" payments from ODE, state revenue trends lower than last year, all due to the FSFP implementation. The reduction in revenue is offset by a reduction in expenditures. All Other Revenue is higher than last year due to the timing of certain payments in lieu of taxes.

**FISCAL YEAR 2022 REVENUE ANALYSIS - JULY - JANUARY**

**3. POSSIBLE CASH FLOW VARIANCE FROM FORECAST DUE TO FYTD ACTUAL RESULTS**

*CURRENT YEAR-TO-DATE REVENUE COLLECTIONS INDICATE A*

**\$1,817,448**

*FAVORABLE COMPARED TO FORECAST*

|                     | Forecast Annual Revenue Estimates | Cash Flow Actual/Estimated Calculated Annual Amount | Current Year Forecast Compared to Actual/Estimated |
|---------------------|-----------------------------------|---|--|
| Loc. Taxes/Reimbur. | 135,318,194                       | 135,318,193   | (1)  |
| State Revenue       | 169,004,552                       | 168,129,466   | (875,086)  |
| All Other Revenue   | 9,940,315                         | 12,632,850  | 2,692,535  |
| Total Revenue       | 314,263,061                       | 316,080,509   | 1,817,448  |

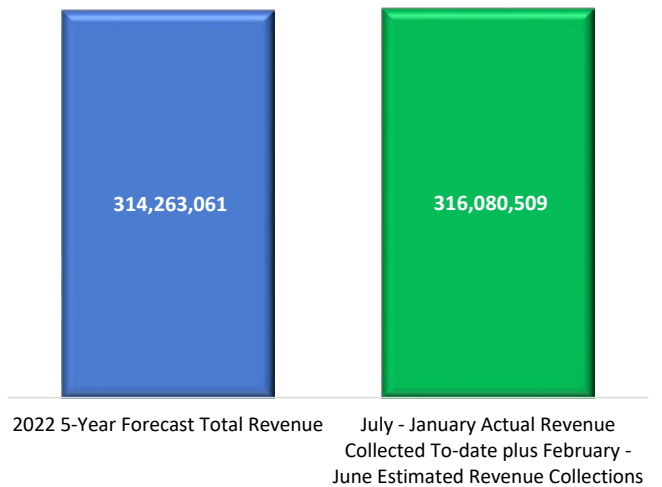
The district's current cash flow, both actual and estimated indicate a favorable variance of \$1,817,448

The District has seen an increase in revenue over the forecast in All Other Revenue due to settlements of Board of Revision cases, resulting in payments in lieu of taxes.

**4. REVENUE VARIANCE ANALYSIS OF POTENTIAL IMPACT**

Results through January indicate that Fiscal Year 2022 actual/estimated revenue could total \$316,080,509, a favorable variance of \$1,817,448 compared to the annual forecast total revenue. This means the forecast cash balance could be improved.

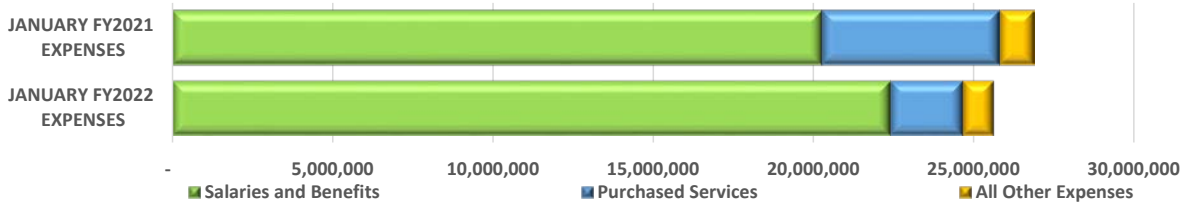
**Comparison of 5 Year Forecast Total Revenue with Actual + Estimated Monthly Cash Flow**



The forecasted revenues are right on track with actual plus estimated amounts, varying by approximately one half of one percent, or \$1.8 million.

## FISCAL YEAR 2022 MONTHLY EXPENDITURE ANALYSIS - JANUARY

### 1. JANUARY EXPENDITURES COMPARED TO PRIOR YEAR



|                           | Actual Expenses For January | Prior Year Expenditure Incurred |   | Actual Compared to Last Year |
|---------------------------|-----------------------------|---------------------------------|---|------------------------------|
| Salaries and Benefits     | 22,391,325                  | 20,261,092                      | ▲ | <b>2,130,233</b>             |
| Purchased Services        | 2,265,899                   | 5,536,445                       | ▼ | <b>(3,270,546)</b>           |
| All Other Expenses        | 963,044                     | 1,083,174                       | ▼ | <b>(120,130)</b>             |
| <b>Total Expenditures</b> | <b>25,620,268</b>           | <b>26,880,710</b>               | ▼ | <b>(1,260,442)</b>           |

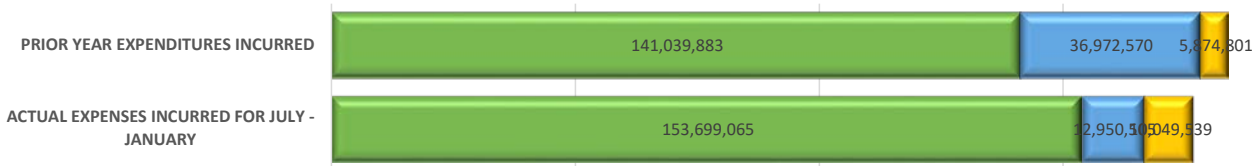
Actual expenses for the month was down

**\$1,260,442**

compared to last year.

The largest factor in the Purchased Service variance comparing to January 2021 is the FSNP changes to transfers out of the District's foundation revenue. Salaries and benefits continue to trend upward, as expected due to annual base and step increases.

### 2. ACTUAL EXPENSES INCURRED THROUGH JANUARY COMPARED TO THE PRIOR YEAR



|                           | Actual Expenses For July - January | Prior Year Expenditures Incurred |   | Actual Compared to Last Year |
|---------------------------|------------------------------------|----------------------------------|---|------------------------------|
| Salaries and Benefits     | 153,699,065                        | 141,039,883                      | ▲ | <b>12,659,182</b>            |
| Purchased Services        | 12,950,505                         | 36,972,570                       | ▼ | <b>(24,022,064)</b>          |
| All Other Expenses        | 10,049,539                         | 5,874,801                        | ▲ | <b>4,174,737</b>             |
| <b>Total Expenditures</b> | <b>176,699,109</b>                 | <b>183,887,254</b>               | ▼ | <b>(7,188,144)</b>           |

Compared to the same period, total expenditures are

**\$7,188,144**

lower than the previous year

As noted above, base and step increases continue to create additional expenditures in salaries and benefits. In addition, the District was still in a remote learning model during July 2020 - January 2021, which inherently reduces costs incurred by the District.

## FISCAL YEAR 2022 EXPENDITURE ANALYSIS - JULY - JANUARY

### 3. POSSIBLE CASH FLOW VARIANCE FROM FORECAST DUE TO FYTD ACTUAL RESULTS

**CURRENT YEAR-TO-DATE  
EXPENDITURES INDICATE A**

**\$8,305,499**

**UNFAVORABLE COMPARED  
TO FORECAST**

|                           | Forecasted<br>Annual<br>Expenses | Cash Flow<br>Actual/Estimated<br>Calculated<br>Annual Amount | Forecasted<br>amount<br>compared to<br>Actual/Estimated |
|---------------------------|----------------------------------|--|---|
| Salaries and Benefits     | 250,513,437                      | 257,619,731  | ▲ 7,106,294   |
| Purchased Services        | 25,145,148                       | 25,861,601   | ▲ 716,453   |
| All Other Expenses        | 15,112,969                       | 15,595,721   | ▲ 482,752   |
| <b>Total Expenditures</b> | <b>290,771,554</b>               | <b>299,077,053</b>   | <b>▲ 8,305,499</b>                                      |

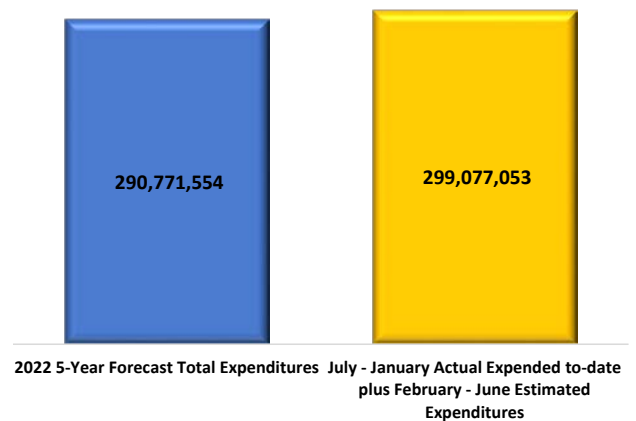
The district's current cash flow, both actual and estimated expenditures indicate a unfavorable variance of \$8,305,499.

Purchased Services and All Other Expenses are trending within acceptable ranges to the forecast. Salaries and Benefits continue to grow against the forecast due to normal base and step increases as well as the additional substitute teacher costs as we returned to in-person learning late in FY21. This will be continuously monitored as we approach the May forecast season.

### 4. EXPENDITURE VARIANCE ANALYSIS OF POTENTIAL IMPACT

Results through January indicate that Fiscal Year 2022 actual/estimated expenditures could total \$299,077,053 which has a unfavorable expenditure variance of \$8,305,499. This means the forecast cash balance could be reduced.

Comparison of 5 Year Forecast Total Expenditures with Actual + Estimated Monthly Cash Flow



**AKRON PUBLIC SCHOOLS  
MONTHLY RECONCILIATION  
January 2022**

| Book Balance                                    | Bank Balance                           |
|---|--|
| <b>Munis Accounting System</b>                  | <b>Month End Bank Account Balances</b> |
| Beginning Balance                               | 007 - PNC Oma Evans                    |
| 177,943,388.64                                  | 148,385.28                             |
| Plus Receipts                                   | 008 - HNB Schumacher                   |
| 40,862,798.19                                   | 103.35                                 |
| Less Expenditures                               | 017 - HNB AP/Payroll/CN                |
| 41,043,574.74                                   | 51,851,945.07                          |
| Ending Balance                                  | 018 - PNC Building Fund                |
| <u>177,762,612.09</u>                           | 1,048,195.80                           |
| <b>Outstanding Checks &amp; Direct Deposits</b> | 021 - HNB FSA Account                  |
| 017 - HNB Accounts Payable Checks               | 198,256.49                             |
| 924,856.65                                      | 037 - USBank Construction              |
| 017 - HNB Virtual Cards                         | 24,118,298.86                          |
| 804,477.89                                      | 038 - USBank PI Fund                   |
| 017 - HNB Payroll Checks                        | 16,137,726.75                          |
| 30,090.24                                       | 039 - USBank General Fund              |
| 017 - HNB Deposit Outstanding on Munis          | 76,445,567.64                          |
| <u>1,759,424.78</u>                             | 040 - USBank Benefits Fund             |
|   | <u>180,557,229.37</u>                  |
| <b>Pending Payroll Deductions</b>               | <b>Local Grant/Benefit CD's</b>        |
| Federal/Medicare Withholding                    | 029 - HNB CD                           |
| -   | 5,000.00                               |
| State Tax                                       | 032 - HNB CD                           |
| -   | 94,789.73                              |
| City Tax  | <u>99,789.73</u>                       |
| -   | <b>Escrow Accounts</b>                 |
| SERS  | x4897 Mid American Construction - HNB  |
| -   | 5,631.90                               |
| Child Support Payments                          | x2897 Vendrick Construction - HNB      |
| -   | -                                      |
| School District Income Tax                      | x8540 Hammond Construction - PNC       |
| -   | 53.16                                  |
| STRS  | x8839 Martin Public Seating - PNC      |
| -   | 0.13                                   |
| AXA   | x8841 Penn Ohio Electrical Co - PNC    |
| -   | 7.12                                   |
| Valic   | x1301 Lockhart Concrete Co - PNC       |
| -   | 13.45                                  |
| ING (Voya)                                      | x7489 OSMIC Inc - PNC                  |
| -   | -                                      |
| MG Trust  | x3376 Hammond Construction - PNC       |
| -   | 0.74                                   |
| Ameriprise                                      | x7982 Welty Building Co - PNC          |
| -   | 0.12                                   |
| Lincoln   | x6627 Hammond Construction - PNC       |
| -   | 863,155.81                             |
| Ohio Deferred Comp                              | x5262 Hammond Construction - PNC       |
| -   | 0.19                                   |
| Towpath   | x7065 Tom Sexton & Assoc - PNC         |
| -   | 0.18                                   |
| <u>-</u>  | x7069 Tom Sexton & Assoc - PNC         |
|   | 1.15                                   |
|   | <u>868,863.95</u>                      |
| <b>Miscellaneous Book Adjustments</b>           | <b>Flex Spending Account</b>           |
| 021 - Inventory Allowance                       | Prefunded Account                      |
| (35,782.61)                                     | 446,335.06                             |
| 022 - Insurance Accrual                         | Withdrawals (Claims)                   |
| 1,545,884.19                                    | (70,556.34)                            |
| Timing Differences in Accounts Payable          | Settlement Credit                      |
| (1,243.16)                                      | -                                      |
| Timing Differences in Accounts Receivable       | Service Charges                        |
| -   | <u>375,778.72</u>                      |
| HNB Escrow Statement                            | <b>Miscellaneous Bank Adjustments</b>  |
| 5,631.90  | Petty Cash                             |
| PNC Escrow Statement                            | 1,000.00                               |
| 863,217.20                                      | Bank Charges to be Refunded            |
| Escrow Reconciling Item                         | -                                      |
| 14.85   | Outstanding Items                      |
| <u>2,377,722.37</u>                             | (2,902.53)                             |
|   | <u>(1,902.53)</u>                      |
| <b>Adjusted Book Balance</b>                    | <b>Adjusted Bank Balance</b>           |
| \$ 181,899,759.24                               | \$ 181,899,759.24                      |