



**Akron Public  
Schools.**

# **Monthly Financial Report**

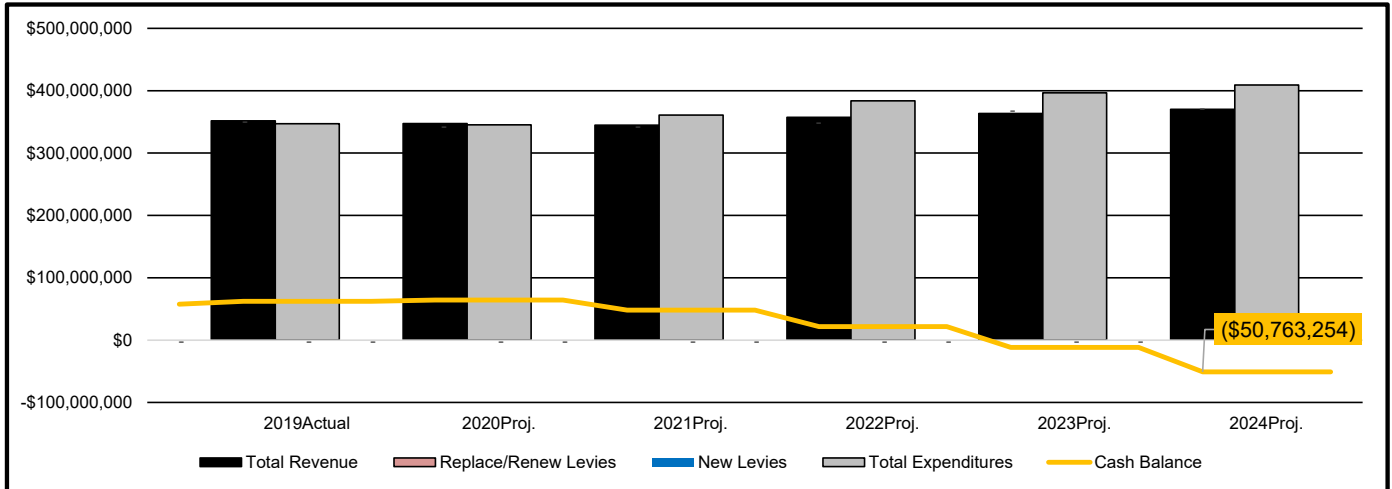
**FY 2020 Cash Flow Activity Through: June**

**Ryan Pendleton, CFO**

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### Current Forecast Results through June Total Revenue, Total Expenditures, Cash Balance



The district's cash balance at the end of FY 2019 was \$62,100,702 and is projected to decline -\$112,863,956 to -\$50,763,254 by FY 2024. The district's revenue shortfall is expected to be -\$39,102,676 in FY 2024. Revenue cash flow for the current fiscal year is trending favorable (see page 4). Expenditure cash flow for the current year is trending favorable.

The COVID-19 crisis has constrained year-end operations and in some cases reduced cost. The forecast results are updated to reflect the full favorable impact from FY 2020. Pages 8, 9, and 10 explain in detail the comparison to the May forecast as approved by the board of education. It is expected that the forecast will reflect significant change as the FY 2021 operating decisions are finalized, cost impact calculated, and the forecast updated.

#### Current Forecast -- Projected Revenue Surplus/(Shortfall) by Year

	Includes Applicable Renewal Levies		Does not include proposed new levies.		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue Over/(Under)					
Expenditures (Line 6.01)	2,127,246	(16,223,387)	(26,434,346)	(33,230,792)	(39,102,676)

Note: The above forecast may reflect updates due to actual cash flow results or other internal/external variables.

The district is projected to spend \$112,863,956 more than its revenue through FY 2024.

### FY 20 Analysis of Month of June Actual and Estimated

June		Revenue	
Actual Cash Flow For the Month	Actual Compared to Last Year	Estimated For the Month	Actual Compared to Estimated
17,577,556	▼ (4,004,002)	-18.6%	<b>Total Revenue</b> 17,678,299 ▼ (100,743)

0	▲ 0	Real Estate Taxes	0	-
-	-	Public Utility PP Taxes	-	-
-	-	Income Tax	-	-
15,047,889	▼ (1,784,936)	State Revenue	14,994,258	▲ 53,631
-	-	Prop Tax Allocation	-	-
2,524,990	▼ (2,221,097)	Other Revenue	2,683,342	▼ (158,352)
4,678	▲ 2,031	Other Sources	700	▲ 3,978

June		Expenditures	
Actual Cash Flow For the Month	Actual Compared to Last Year	Estimated For the Month	Actual Compared to Estimated
28,343,947	▼ (3,025,686)	-9.6%	<b>Total Expenditures</b> 30,597,441 ▼ (2,253,494)

15,045,438	▼ (128,316)	Salaries	16,250,000	▼ (1,204,562)
5,465,761	▼ (340,259)	Benefits	6,135,553	▼ (669,793)
6,920,704	▼ (1,120,516)	Purchased Services	7,100,000	▼ (179,296)
405,067	▼ (506,145)	Supplies	500,000	▼ (94,933)
158,288	▼ (620,592)	Capital	450,000	▼ (291,712)
121,031	▼ (175,915)	Other Expenses	161,888	▼ (40,857)
227,659	▼ (133,944)	Other Uses & Debt	-	▲ 227,659

#### Year-Over-Year Cash Balance Comparison

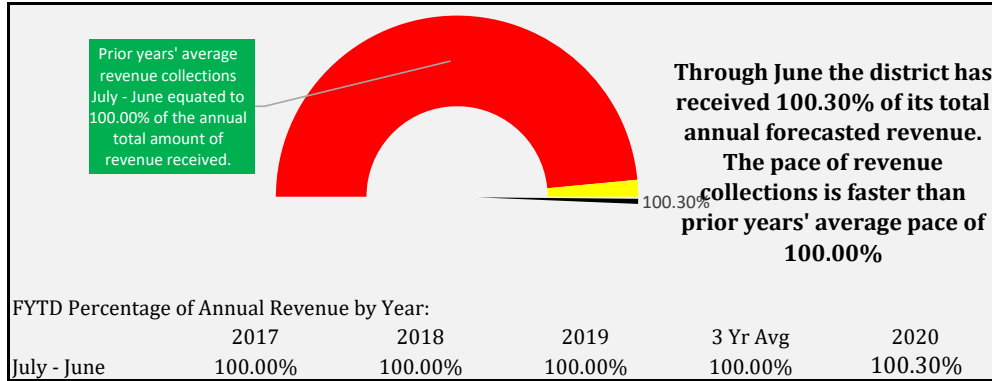
	FY 2019	FY 2020	Yr-Over-Yr Change
June, End of Month Cash Balance	62,100,702	64,227,947	2,127,245

Actual revenue for the month was down -\$4,004,002 compared to last year. While actual revenue for the month was under the estimated. Actual expenditures for the month were down -\$3,025,686 compared to last year. Actual expenditures for the month were under the estimate. The district's cash balance is up \$2,127,245 compared to last year.

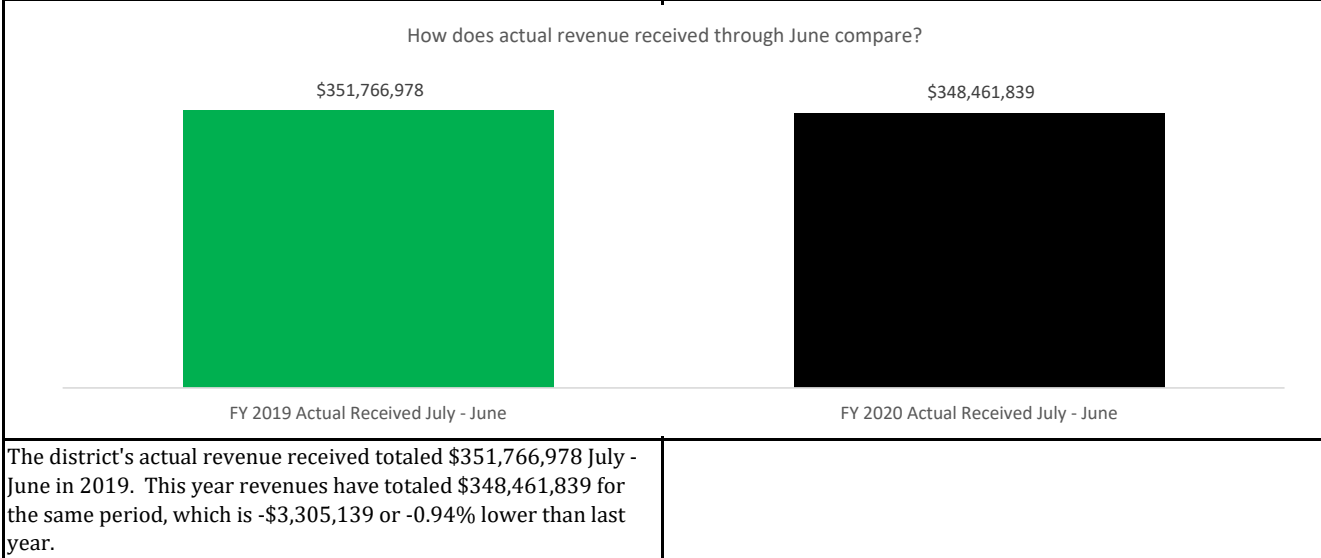
Other revenue exceeded estimated due tax incentive (TIF) payments from the county/city.

Most expenditures trended under estimated because of the school building closure.

**A. How does revenue received through June compare to the average of the three prior year average?**

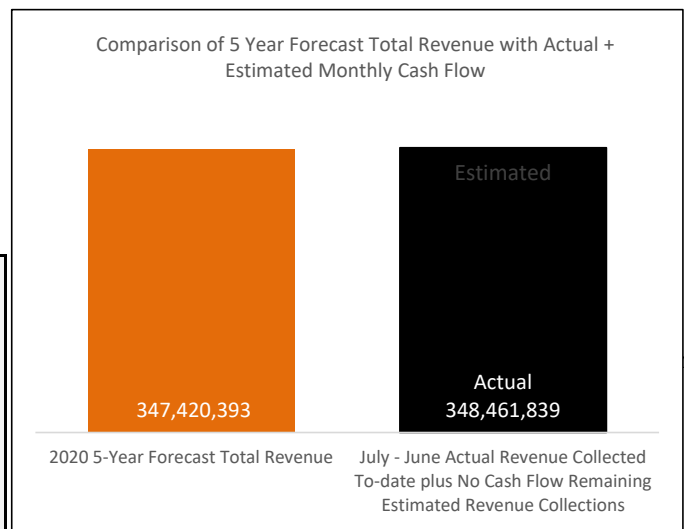
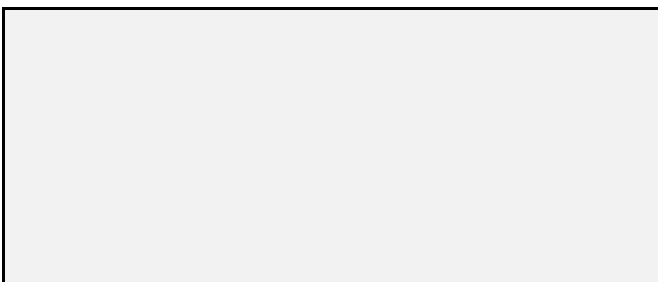


**B. How does actual revenue collections through June compare to last year?**

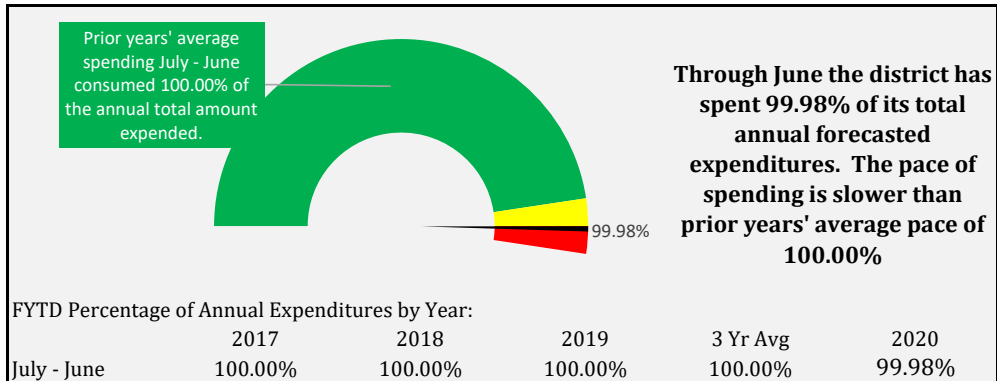


**C. Does through June actual revenue collections plus No Cash Flow Remaining estimated to be collected support the current FY 2020, 5-Year Forecast total revenue amount?**

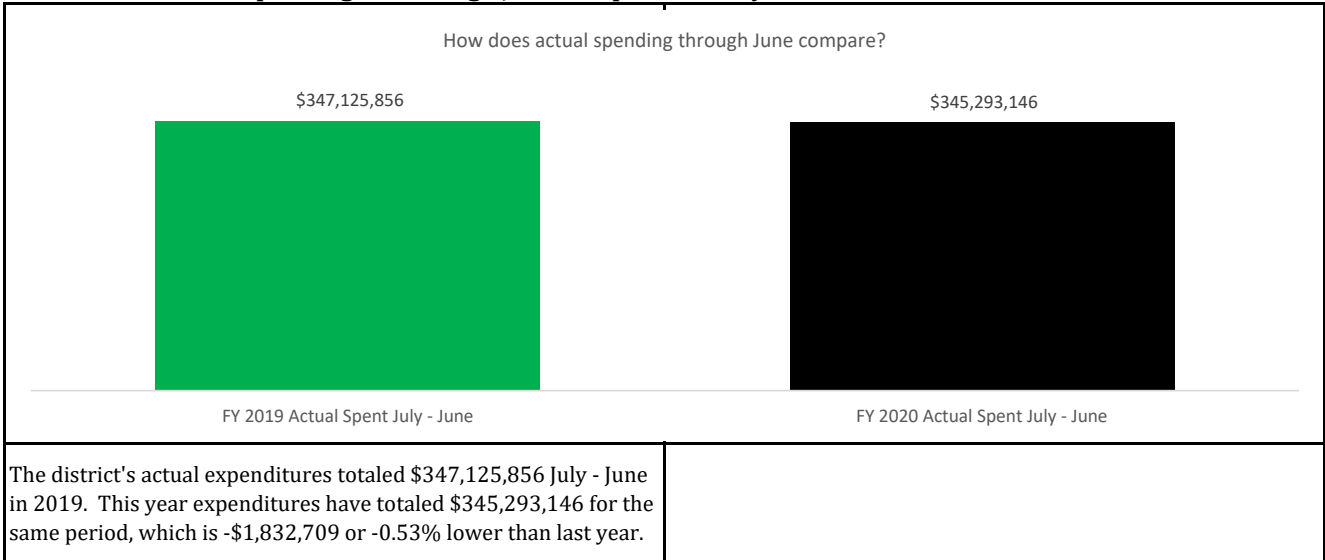
The district's 5-year forecast for FY 2020 total revenue is \$347,420,393 which is -\$1,041,447 under the cash flow total of 348,461,839.



**A. How does the pace of spending through June compare to the three prior year average?**



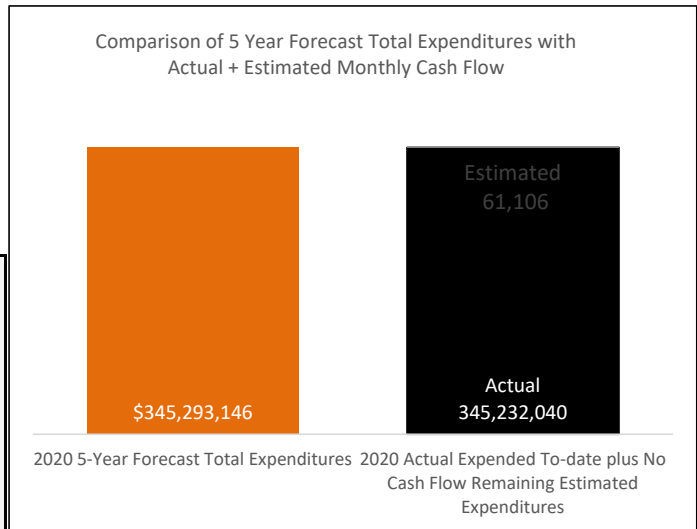
**B. How does actual spending for through June compare to last year?**



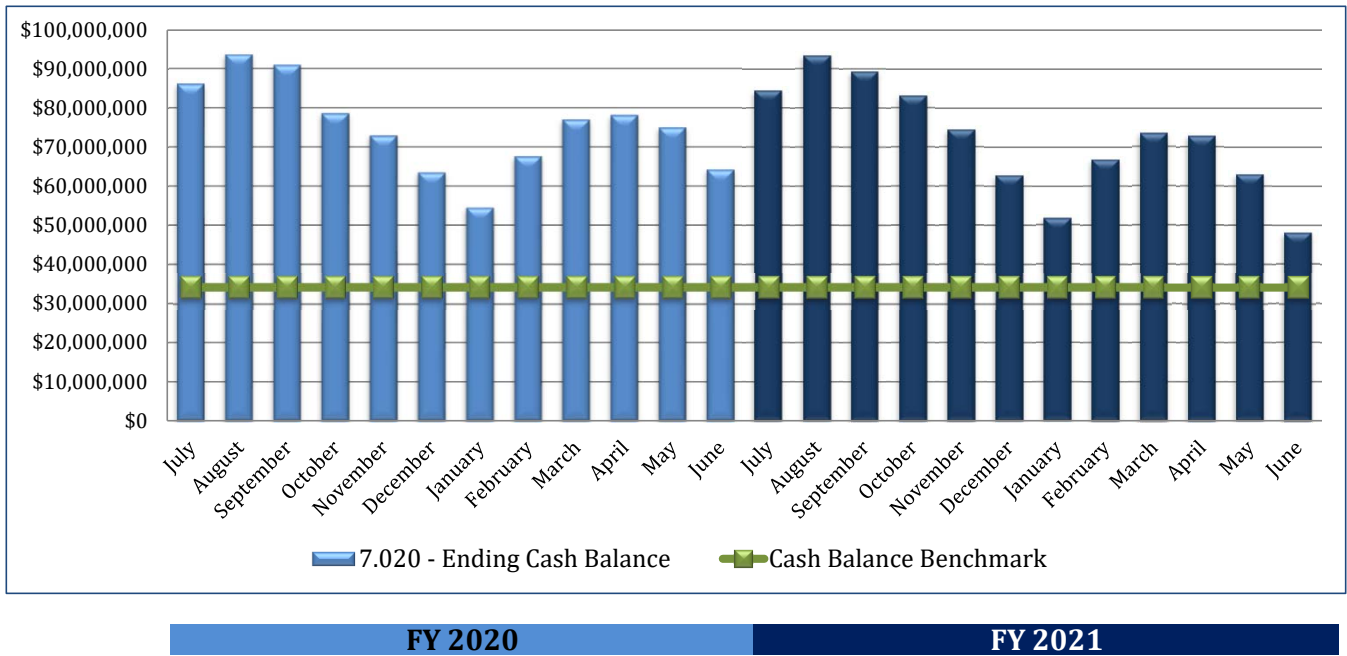
**C. Does through June actual expended plus No Cash Flow Remaining estimated support the current FY 2020, 5-Year Forecast total expenditure amount?**

The district's 5-year forecast for FY 2020 total expenditures is \$345,293,147 which is \$1 over the cash flow total of 345,293,146.

The FY 2020 COVID-19 year-end containment of operations is contributing toward an expected favorable balance for June 30, 2020 year-end.

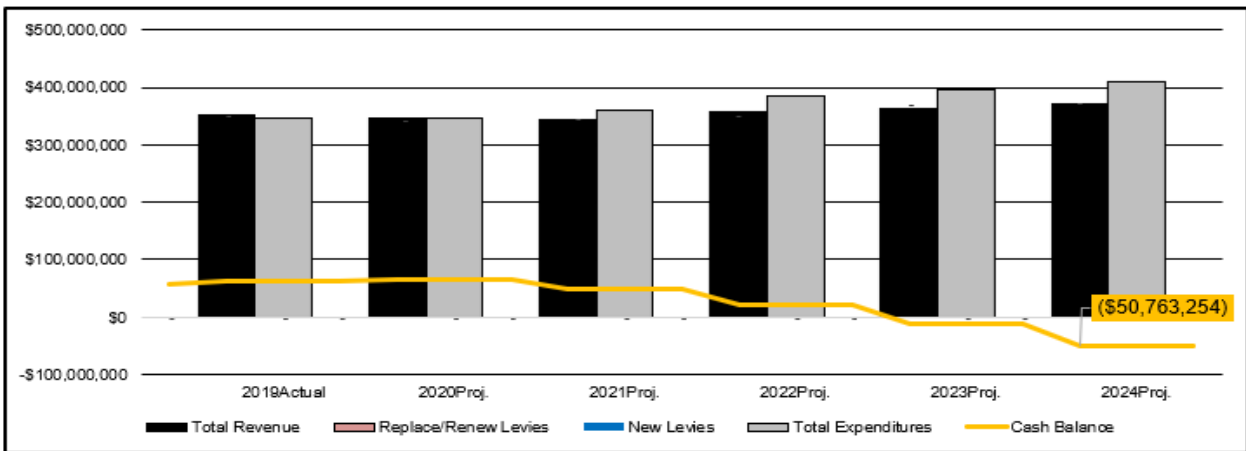
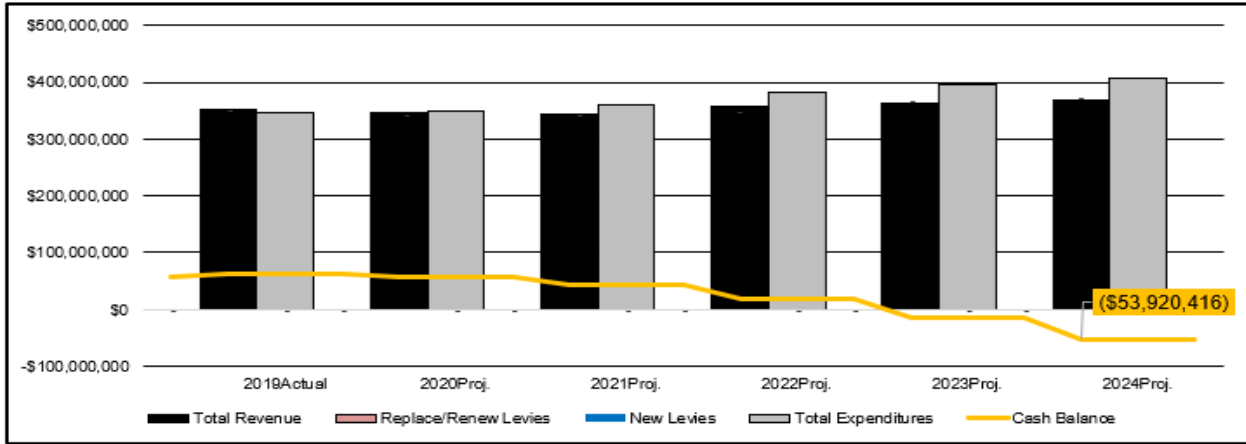


**Monthly Cash Balance Projections**  
**Based on Annual Totals From 5 Year Forecast**



The district's cash balance remains positive through June 30, 2021.

## Forecast Summary Comparison, May, 2020 compared to June 30, 2020 Actual Results



In the May forecast approved by the board of education the district forecast projected an ending cash balance of -\$53,920,416, the actual cash flow results from year-end June 30, 2020 were favorable and the extended impact is an improved, albeit still negative cash balance of -\$50,763,254.

The district is contemplating the extensive impact from the COVID-19 crisis and will be updating the forecast as decisions are finalized for the FY 2021 operating year and beyond. The next two pages of this report detail first, the net impact of FY 2020's favorable actual results relative to forecasted. Then page 10 details the cumulative impact over the remaining four years of the forecast ending June 30, 2024. Much of the favorable results from FY 2020 are interpreted as having a single year impact.

## Detailed Analysis of FY 2020 Favorable Results

Comparison of Current Forecast Amount  
to Updated FYTD Actual + FY Estimated Remaining  
FYTD Through: June

Akron P

### Five Year Forecast Comparison to Actual Cash Flow

	Difference	Proj. from Current 5year Forecast 2020	Proj. from Actual/Est. Cash Flow 2020	FYTD <u>Actual</u> Through Month Of: July - June	<u>Estimated</u> for Remaining Months
<b>Revenue:</b>					
1.010 - General Property Tax (Real Estate)	0	105,246,024	105,246,024	105,246,024	-
1.020 - Public Utility Personal Property	0	11,077,439	11,077,439	11,077,439	-
1.030 - Income Tax	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	122,480	175,312,587	175,435,066	175,435,066	-
1.040 - 1.045 - Restricted Grants-in-Aid	(66,433)	26,573,116	26,506,683	26,506,683	-
1.050 - Property Tax Allocation	(52,951)	14,132,123	14,079,172	14,079,172	-
1.060 - All Other Operating Revenues	1,540,406	13,483,550	15,023,956	15,023,956	-
1.070 - Total Revenue	1,543,501	345,824,839	347,368,340	347,368,340	-
<b>Other Financing Sources:</b>					
2.070 - Total Other Financing Sources	52,052	-	52,052	52,052	-
2.080 - Total Revenues and Other Financing Sources	1,595,553	345,824,839	347,420,392	347,420,392	-
<b>Expenditures:</b>					
3.010 - Personnel Services	(818,486)	178,134,130	177,315,644	177,315,644	-
3.020 - Employees' Retirement/Insurance Benefits	(1,019,133)	71,186,023	70,166,890	70,166,890	-
3.030 - Purchased Services	(1,232,940)	77,942,825	76,709,885	76,709,885	-
3.040 - Supplies and Materials	(691,127)	11,177,965	10,486,838	10,486,838	-
3.050 - Capital Outlay	(486,740)	5,680,763	5,194,023	5,194,023	-
3.060 - 4.060 - Intergovernmental, Debt & Interest	-	-	-	-	-
4.300 - Other Objects	(142,373)	5,157,367	5,014,994	5,014,994	-
4.500 - Total Expenditures	(4,390,799)	349,279,073	344,888,274	344,888,274	-
<b>Other Financing Uses:</b>					
5.040 - Total Other Financing Uses	228,565	176,308	404,873	404,873	-
5.050 - Total Expenditures and Other Financing Uses	(4,162,235)	349,455,381	345,293,146	345,293,146	-
<b>Excess of Rev &amp; Other Financing Uses Over (Under)</b>					
6.010 - Expenditures and Other Financing Uses	5,757,788	(3,630,542)	2,127,245	2,127,245	-
7.010 - Cash Balance July 1	(0)	62,100,702	62,100,702		
7.020 - Cash Balance June 30	5,757,787	58,470,160	64,227,947		

The June 30, 2020 ending cash balance ended favorable by \$5,757,787. On the revenue side the favorable results were from the district's tax incentive payments (TIF) from the city and county. This category has fluctuated greatly over the past few years and for that reason some ongoing favorable impact is projected (see page 10 for the specific category).

Expenditures ended favorable mostly because of the COVID-19 crisis 'shutdown' of school. These reductions, as such, are not projected to continue. However, the forecast will be changed as FY 2021 operating decisions are made.

## Detailed Analysis of FY 2020 Favorable Results

Akron Public Schools

Current Forecast Compared to Last Filed w/Renewals Above the Line

Forecast Compare \$\$ Variance

0

		Actual	FORECASTED				
		2019	2020	2021	2022	2023	2024
Revenue:	1.01 Real Estate	-	-	-	-	-	-
	1.02 Pub Utility	-	-	-	-	-	-
	1.03 Income Tax	-	-	-	-	-	-
	1.035,1.040 State	-	56,047	-	-	-	-
	1.05 Prop Tax Alloc.	-	(52,951)	-	-	-	-
	1.060 All Other	-	1,540,406	750,000	802,286	856,737	913,428
1.070 - Total Revenue		-	1,543,502	750,000	802,286	856,737	913,428
2.xx Other Sources		-	52,052	-	-	-	-
2.080 - Total Rev & Other Sources		-	1,595,554	750,000	802,286	856,737	913,428

		Actual	FORECASTED				
		2019	2020	2021	2022	2023	2024
Expenditures:	3.01 Salaries	-	(818,486)	(34,978)	(36,568)	(37,971)	(39,427)
	3.02 Benefits	-	(1,019,133)	(6,272)	(6,558)	(6,810)	(7,071)
	3.03 Purchased Serv.	-	(1,232,940)	-	-	-	-
	3.04 Supplies	-	(691,127)	750,000	750,000	750,000	750,000
	3.05 Capital	-	(486,740)	504,742	504,742	504,742	504,742
	4.3 Other Exp	-	(142,373)	(59)	(59)	(59)	(59)
4.5 Total Expenditures		-	(4,390,799)	1,213,433	1,211,557	1,209,902	1,208,185
Intergov + Debt + Other		-	228,565	270,000	270,000	270,000	270,000
5.05 Total Exp and Uses		-	(4,162,234)	1,483,433	1,481,557	1,479,902	1,478,185
6.01 Surplus/(Shortfall)		-	5,757,788	(733,433)	(679,271)	(623,165)	(564,757)
7.01 July 1 Cash Bal.		-	-	5,757,788	5,024,355	4,345,084	3,721,919
7.02 June 30 Cash Bal		-	5,757,788	5,024,355	4,345,084	3,721,919	3,157,162

### Current Trend Forecast Cash Balance Compared to 05/13/2020 Forecast

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Ending Cash Balance at:					
Previous Forecast	58,470,160	42,980,205	17,225,131	(15,382,497)	(53,920,416)
Updated Forecast as of June	64,227,948	48,004,560	21,570,215	(11,660,578)	(50,763,254)
Change - Favorable/(Unfavorable)	5,757,788	5,024,355	4,345,084	3,721,919	3,157,162
% of Cumulative Annual Budget	1.7%	0.7%	0.4%	0.3%	0.2%

Page 9 of this report reflects the detail analysis of FY 2020. Some of these changes are reflected to continue, others have less, or reverse impact in FY 2021 through FY 2024 because of the COVID-19 crisis (shutdown). With current information the net impact on the forecast through June 30, 2024 is a favorable amount of \$3,157,162 which is just 0.2% of the cumulative budget through FY 2024.

**AKRON PUBLIC SCHOOLS  
MONTHLY RECONCILIATION  
June 2020**

Book Balance	Bank Balance
<b>Munis Accounting System</b>	<b>Month End Bank Account Balances</b>
Beginning Balance	007 - PNC Oma Evans
173,237,806.22	148,803.42
Plus Receipts	008 - HNB Schumacher
30,619,860.95	103.35
Less Expenditures	009 - STAR Ohio
40,357,728.72	11,109,744.47
Ending Balance	017 - HNB AP/Payroll/CN
<u>163,499,938.45</u>	43,058,296.74
<b>Outstanding Checks &amp; Direct Deposits</b>	018 - PNC Building Fund
017 - HNB Accounts Payable Checks	1,053,156.29
2,685,816.33	021 - HNB FSA Account
017 - HNB Virtual Cards	372,702.45
956,366.24	025 - KeyBank
017 - HNB Payroll Checks	5,028,591.07
31,587.95	037 - USBank Construction
017 - HNB Deposit Outstanding on Munis	40,653,448.34
-	038 - USBank PI Fund
<u>3,673,770.52</u>	16,065,503.39
	039 - USBank General Fund
	<u>50,186,678.84</u>
	<u>167,677,028.36</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
-	5,630.04
Child Support Payments	x2897 Vendrick Construction - HNB
-	-
School District Income Tax	x6627 Hammond Construction - PNC
-	144,195.40
STRS	x5262 Hammond Construction - PNC
-	55,062.99
AXA	x7065 Tom Sexton & Assoc - PNC
-	0.18
Valic	x7069 Tom Sexton & Assoc - PNC
-	1.14
ING (Voya)	x8540 Hammond Construction - PNC
-	53.13
MG Trust	x8839 Martin Public Seating - PNC
-	0.13
Ameriprise	x8841 Penn Ohio Electrical Co - PNC
-	7.12
Lincoln	x1301 Lockhart Concrete Co - PNC
-	13.44
Ohio Deferred Comp	x7489 OSMIC Inc - PNC
-	-
Towpath	x3376 Hammond Construction - PNC
-	44,965.58
<u>-</u>	x7982 Welty Building Co - PNC
<u>-</u>	<u>0.12</u>
	<u>249,929.27</u>
<b>Miscellaneous Book Adjustments</b>	<b>Flex Spending Account</b>
021 - Inventory Allowance	Prefunded Account
-	-
022 - Insurance Accrual	Withdrawals (Claims)
-	-
Timing Differences in Accounts Payable	Settlement Credit
-	-
Timing Differences in Accounts Receivable	Service Charges
-	-
HNB Escrow Statement	<u>-</u>
5,628.64	
PNC Escrow Statement	<b>Miscellaneous Bank Adjustments</b>
244,284.54	Petty Cash
Escrow Reconciling Item	1,000.00
16.09	Bank Charges to be Refunded
<u>249,929.27</u>	806.08
	Outstanding Items
	<u>(604,915.20)</u>
	<u>(603,109.12)</u>
<b>Adjusted Book Balance</b>	<b>Adjusted Bank Balance</b>
\$ 167,423,638.24	\$ 167,423,638.24