



Akron Public Schools.

Monthly Financial Report

*For the F.Y. 2017 Month Ending: March
4/21/2017*

Ryan Pendleton, CFO

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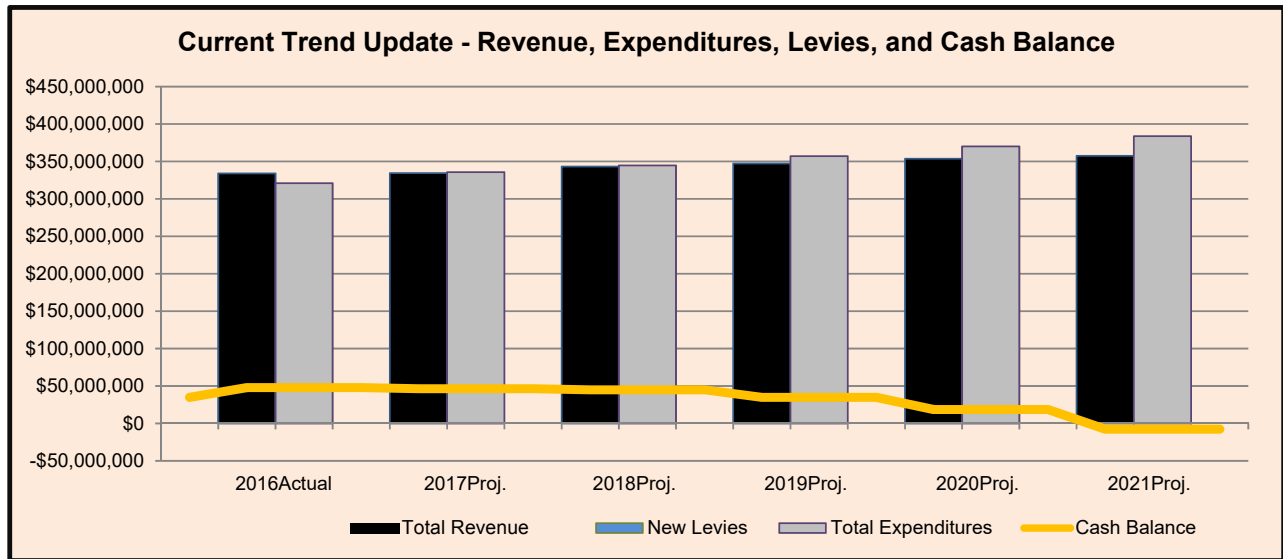
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Overview

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Updated Forecast Trend For The Month of March, F.Y. 2017



Projected Revenue Surplus/(Shortfall) by Year

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenue Surplus/ (Shortfall)	(\$1,407,936)	(\$1,635,252)	(\$9,895,550)	(\$16,340,784)	(\$26,279,587)

Forecast Updated Trend
Compared to Updated Trend Forecast as of 4/21/2017

Variance between Prior and Current Forecast:	2017	2018	2019
Current Forecast Revenue Trend OVER/ <u>UNDER</u> Prior	-0.14%	0.42%	-0.11%
Current Forecast Expenditure Trend OVER/ <u>UNDER</u> Prior	0.00%	0.00%	0.00%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	(\$466,304)	\$974,386	\$588,156

What are the current forecast trends?

The monthly cash flow estimates for April through June plus the actual cash flow to-date reflect positive variance in the salary, purchased services, and capital categories. The supplement of this report provides further detail and the potential impact on the district's FY 2017 results.

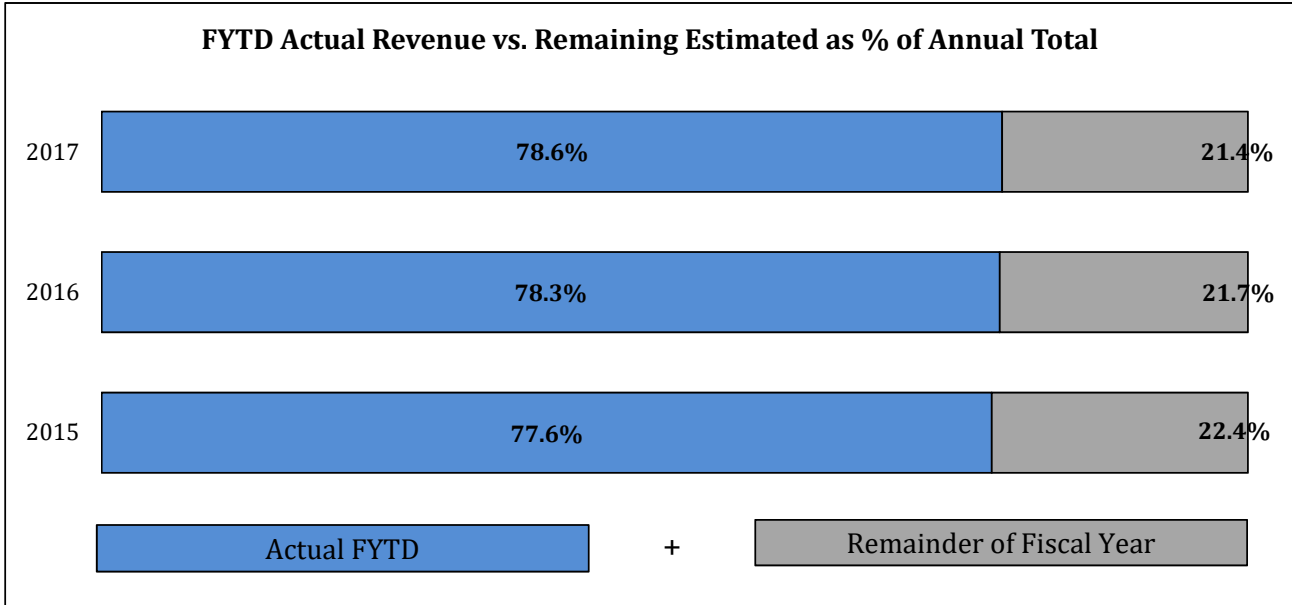
Consistent with previous forecast the trend is toward revenue shortfall.

State funding is modeled using the state's current formula methodology. The forecasted state revenue is reconciled to the state's current state funding calculations based upon current enrollment files. The enrollment indicators through February are essentially the same as year-end 2016. State funding has declined for FY 2017 because of \$1,264,000 in reductions for FY 2016 corrections.

The executive budget submitted by the governor is in line with prior forecast state funding estimates which project a \$7.0 million increase in FY 2018 and zero growth in FY 2019.

Fiscal Year To Date -- Year-Over-Year Revenue Comparison

Analysis of actual revenue for the fiscal year period July - March.



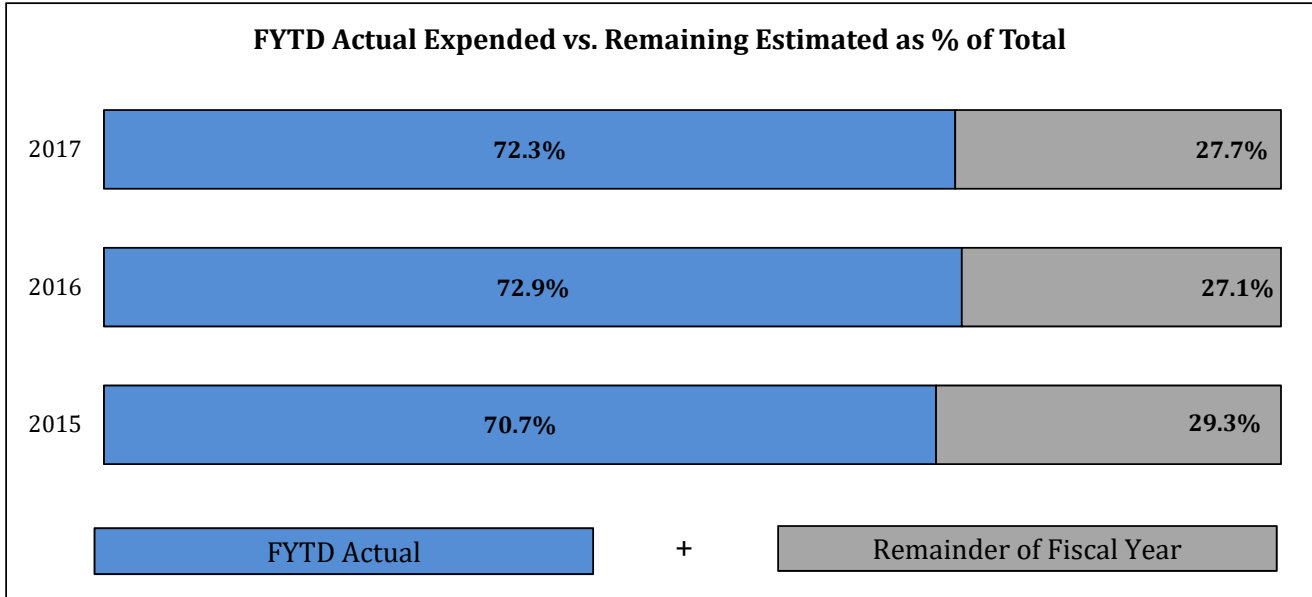
Percent of Annual Total		Actual Fiscal Year To Date Revenue, July - March			F.Y. 2017	
		2015 FYTD	2016 FYTD	2017 FYTD	YOY Change	
30.9%	Real Estate Taxes	93,923,871	92,385,678	96,173,028	\$ 3,787,351	4.1%
0.0%	Public Utility PP Taxes	4,059,798	4,175,142	4,404,571	\$ 229,429	5.5%
0.0%	Income Tax	-	-	-	\$ -	0.0%
58.4%	State Aid (Formula + Rest)	137,314,348	147,168,687	147,766,740	\$ 598,052	0.4%
4.4%	State Tax Reimb.	10,622,285	8,791,384	7,324,485	\$ (1,466,899)	-16.7%
3.5%	Other Revenue	5,311,658	9,109,848	7,044,087	\$ (2,065,762)	-22.7%
0.0%	Other Sources	10,926	27,847	20,317	\$ (7,530)	-27.0%
100%	Total Revenue	251,242,885	261,658,587	262,733,228	\$ 1,074,641	0.4%
Total YOY Percentage Change						0.4%

How does fiscal year-to-date revenue compare to prior years?

Total revenue is nearly even with last year with a variance of just 0.4%. As referenced in past reports, other revenue is down because of the timing of Tax Incentive Financing (TIF) payments from the city. The treasurer's office has confirmed with the city the last remaining payment which will occur this fiscal year.

Fiscal Year To Date -- Year-Over-Year Expenditure Comparison

Analysis of Actual Expenditures for the fiscal year period July - March.



Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - March			F.Y. 2017 YOY Change	
		2015 FYTD	2016 FYTD	2017 FYTD		
48.8%	Salaries	114,815,282	117,609,106	119,017,868	\$ 1,408,762	1.2%
21.9%	Benefits	46,105,954	50,561,426	54,413,308	\$ 3,851,883	7.6%
24.7%	Purchased Services	52,084,068	56,741,360	58,449,904	\$ 1,708,544	3.0%
2.2%	Supplies	4,627,685	4,562,641	5,456,648	\$ 894,007	19.6%
1.3%	Capital	1,505,884	2,760,401	1,260,281	\$ (1,500,120)	-54.3%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	1,365,452	1,592,879	1,543,869	\$ (49,010)	-3.1%
0.1%	Other Uses	82,828	20,475	266,269	\$ 245,795	1200.5%
100%	Total Expenditures	220,587,153	233,848,288	240,408,148	\$ 6,559,860	
					Total YOY Percentage Change	2.8%

How do fiscal year-to-date expenditures compare to prior years?

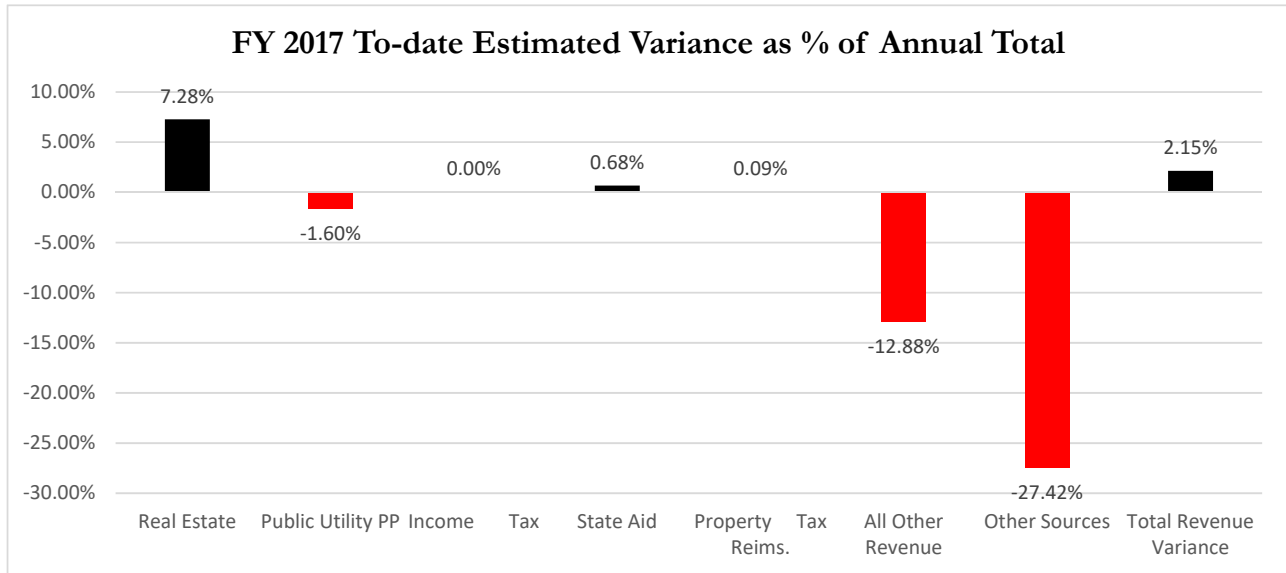
Fiscal year to-date expenditures are up 2.8% over last year at this time. The variance would be higher except that capital outlay expenses are down significantly as a result of timing. It is believed that the year-over-year increase is in-line with annual projections.

Salaries are up just 1.2% for the first nine months of the fiscal year. The forecasted increase for this year is 2.19%. The first nine months indicate that salaries may actually end less than forecasted by about 1.0%; naturally this would improve the district's operating position.

Benefits are up 7.6% for the first nine months of the fiscal year and are projected to be up 8.3% for the full year.

Purchased services, while up 3.0% year-over-year are actually trending less than projections. This category could also improve the district's operating position by June 30, 2017.

Fiscal Year To Date (July - March) Actual Revenue Compared to Estimates

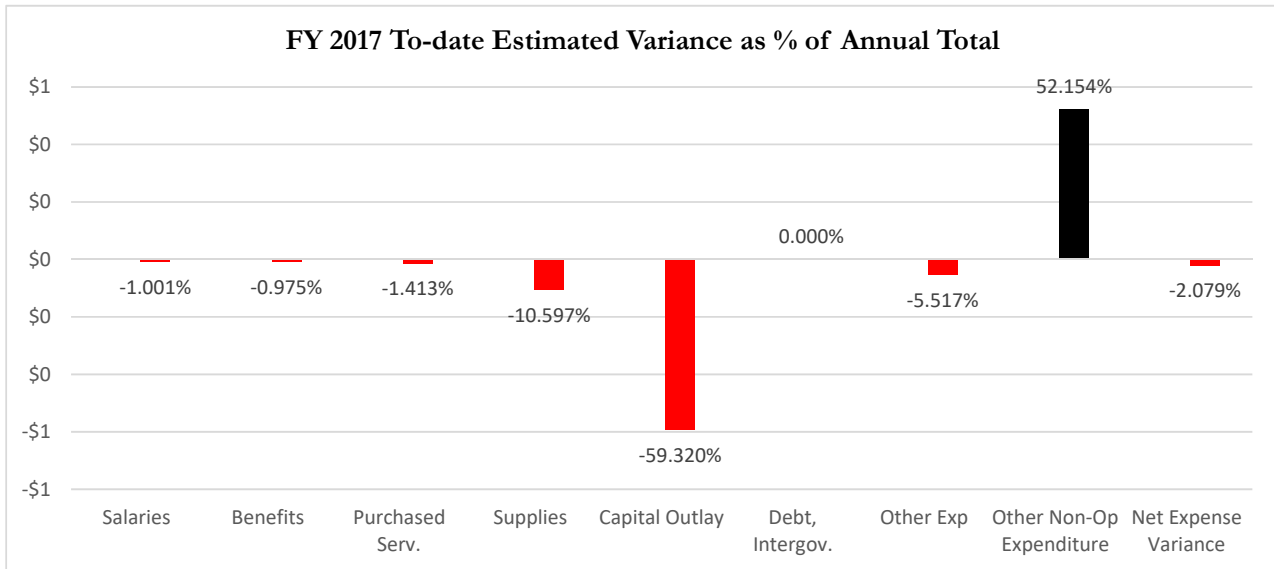


		2017 FYTD	2017 FYTD	2017 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		March	March	Variance
Revenue:				
For the F.Y. 2017 Period: July - March				
K	Real Estate Taxes	96,173,028	88,656,027	7,517,001
L	Public Utility PP Taxes	4,404,571	4,554,090	(149,519)
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	147,766,740	146,435,038	1,331,702
P	State Tax Reimb.	7,324,485	7,310,958	13,527
Q	Other Revenue	7,044,087	8,570,759	(1,526,673)
R	Total Operating Revenue	262,712,911	255,526,872	7,186,039
S	Other Non-Op Revenue	20,317	29,091	(8,774)
T	Total Operating Revenue Plus Other Sources	262,733,228	255,555,963	7,177,265

How do FYTD revenue cash flow estimates compare to actual?

Revenue is within 2.15% of estimated. The actual real estate advances have exceeded cash flow estimates (while down year-over-year) and are a matter of timing. The other revenue category is \$1,526,673 less than estimated because of tax incentive payments from the city and the county. The timing of these receipts are delayed relative to last year but have been confirmed by the APS treasurer's office.

Fiscal Year To Date (July - March) Actual Expenditures Compared to Estimates



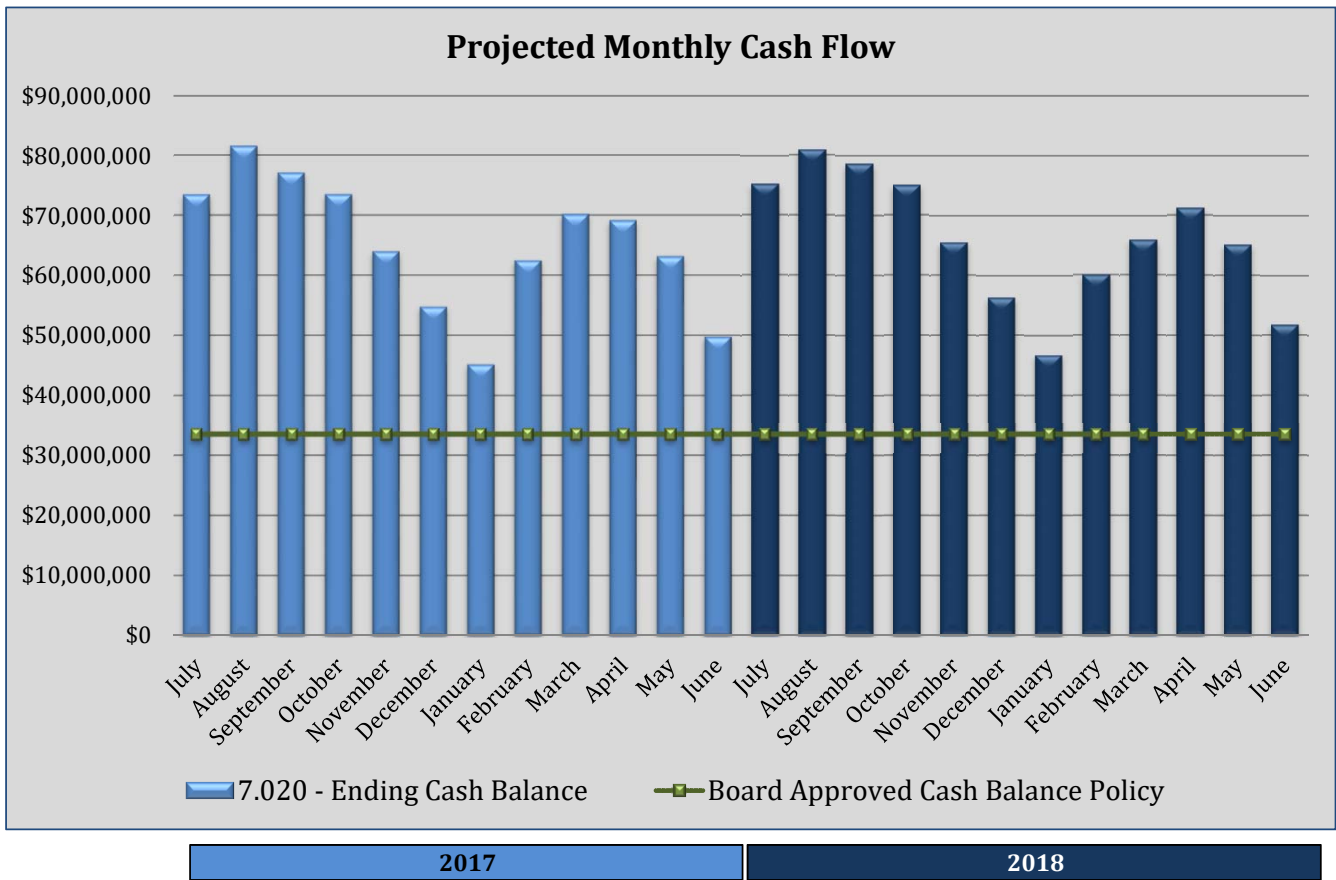
Expenditures:		Actual	Estimated	Actual Over/ (Under) Estimate Variance
For the F.Y. 2017 Period: July - March		July - March	July - March	
K	Salaries	119,017,868	120,658,804	(1,640,937)
L	Benefits	54,413,308	55,131,473	(718,164)
M	Purchased Services	58,449,904	59,621,696	(1,171,792)
N	Supplies	5,456,648	6,244,762	(788,113)
O	Capital	1,260,281	3,829,269	(2,568,988)
P	Debt, Intergov.	-	-	-
Q	Other Objects	1,543,869	1,730,329	(186,459)
R	Total Operating Expenditures	240,141,879	247,216,332	(7,074,454)
S	Other Non-Op Expenditures	266,269	175,000	91,269
T	Total Operating Expenditures Plus Other Uses	240,408,148	247,391,332	(6,983,184)

How do FYTD expenditure cash flow estimates compare to actual?

Total actual expenditures are -2.079% less than estimated which is slightly more favorable than last month's variance. The supply and capital categories are the majority of the variance and these categories are still reflected at the original October forecasted amounts. The supplemental page of this report provides further detail. However, if these category projected budgets are not fully utilized then the district's cash balance and operating position will be improved for June 30, 2017.

Salaries, benefits, and purchased services are trending less than estimated and are expected to contribute positively to the district's year-end cash balance and operating position.

Monthly Cash Balance Estimates Fiscal Years 2017 and 2018



Monthly cash flow estimates

Monthly cash flow reserves are adequate to cover the monthly fluctuation between revenue and expenditure timing.

Monthly Cash Flow Estimates Compared to Annual Forecast Amount

	Difference	Proj. from Current 5year Forecast 2017	Proj. from Actual/Est. Cash Flow 2017
Revenue:			
1.010 - General Property Tax (Real Estate)	(1)	103,287,857	103,287,856
1.020 - Public Utility Personal Property	(0)	9,344,281	9,344,281
1.030 - Income Tax	-	-	-
1.035 - Unrestricted Grants-in-Aid	(0)	169,550,857	169,550,857
1.040 - 1.045 - Restricted Grants-in-Aid	(0)	25,773,501	25,773,501
1.050 - Property Tax Allocation	(0)	14,595,504	14,595,504
1.060 - All Other Operating Revenues	(0)	11,851,416	11,851,415
1.070 - Total Revenue	(2)	334,403,416	334,403,415
Other Financing Sources:			
2.070 - Total Other Financing Sources	5,840	32,000	37,840
2.080 - Total Revenues and Other Financing Sources	5,839	334,435,416	334,441,255
Expenditures:			
3.010 - Personnel Services	(1,080,901)	163,969,275	162,888,374
3.020 - Employees' Retirement/Insurance Benefits	(0)	73,627,787	73,627,787
3.030 - Purchased Services	(1,629,310)	82,923,298	81,293,988
3.040 - Supplies and Materials	0	7,437,244	7,437,244
3.050 - Capital Outlay	(783,074)	4,330,745	3,547,671
3.060 - 4.060 - Intergovernmental, Debt & Interest	-	-	-
4.300 - Other Objects	(0)	3,380,003	3,380,003
4.500 - Total Expenditures	(3,493,286)	335,668,352	332,175,067
Other Financing Uses:			
5.040 - Total Other Financing Uses	91,269	175,000	266,269
5.050 - Total Expenditures and Other Financing Uses	(3,402,016)	335,843,352	332,441,336
Excess of Rev & Other Financing Uses Over (Under)			
6.010 - Expenditures and Other Financing Uses	3,407,855	(1,407,936)	1,999,919
7.010 - Cash Balance July 1	1,213	47,907,093	47,908,306
7.020 - Cash Balance June 30	3,409,068	46,499,157	49,908,225

With further analysis of remaining cash flow the indication is that three expenditure categories have the potential to make positive contribution to the district's operating position at year-end. The salary and purchased service categories are trending positively. These categories will likely improve the forecasted cash balance on June 30, 2017 and possibly subsequent years.

Capital expenditures are trending less than projected and less than last year at this time. It is possible that some of this variance is a matter of timing of the expenditure within the fiscal year.

All three categories total about a 1.0% variance on total budget. If the positive direction continues then the May forecast update could reflect a more favorable outcome than October's original forecast.

**AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
Mar 2017**

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	168,413,177.32	002 - HNB Student Activity	-
Plus Receipts	50,247,889.26	005 - PNC Practical Nursing	3,711.00
Less Expenditures	41,083,939.47	007 - PNC Oma Evans	150,090.46
Ending Balance	<u>177,577,127.11</u>	008 - HNB Schumacher	62.79
		009 - STAR Ohio	10,002,278.58
Outstanding Checks & Direct Deposits		017 - HNB AP/Payroll/CN/SA	6,510,835.00
005 - HNB Practical Nursing Checks	-	018 - PNC Building Fund	2,012,166.42
017 - HNB Accounts Payable Checks	491,780.79	037 - USBank Construction	58,161,359.12
017 - HNB Payroll Checks	168,292.95	038 - USBank PI Fund	15,234,606.20
017 - HNB Deposit Outstanding on Munis	-	039 - USBank General Fund	35,576,091.91
018 - PNC Building Fund Checks	-		
	<u>660,073.74</u>		<u>127,651,201.48</u>
Pending Payroll Deductions		Local Grant/Benefit CD's	
Federal/Medicare Withholding	778,613.87	022 - HNB CD	30,160.78
State Tax	138,808.25	029 - HNB CD	5,000.00
City Tax	360,484.30	030 - HNB CD	-
SERS	28,484.38	032 - HNB CD	91,968.78
School District Income Tax	1,538.15		<u>127,129.56</u>
STRS	822,423.06	Investment Sweeps	
Valic	-	017 - HNB AP/Payroll/CN/SA	52,592,467.60
ING (Voya)	-		<u>52,592,467.60</u>
Lincoln	-		
Ohio Deferred Comp	11,079.94	Miscellaneous Bank Adjustments	
MG Trust (Aspire)	(300.00)	Petty Cash	1,000.00
Towpath	-	Bank Charges to be Refunded	525.00
	<u>2,141,131.95</u>	Outstanding Payroll Items	1,254.40
Miscellaneous Book Adjustments		Outstanding Deposit	(2,762.55)
021 - Inventory Allowance	124.03	Balancing Adj	11.30
022 - Insurance Accrual	(7,771.04)		<u>28.15</u>
Timing Differences in Accounts Payable	141.00		
	<u>(7,506.01)</u>		
Adjusted Book Balance	<u>\$ 180,370,826.79</u>	Adjusted Bank Balance	<u>\$ 180,370,826.79</u>