



Akron Public Schools.

Monthly Financial Report

For the F.Y. 2017 Month Ending: January

2/22/2017

Ryan Pendleton, CFO

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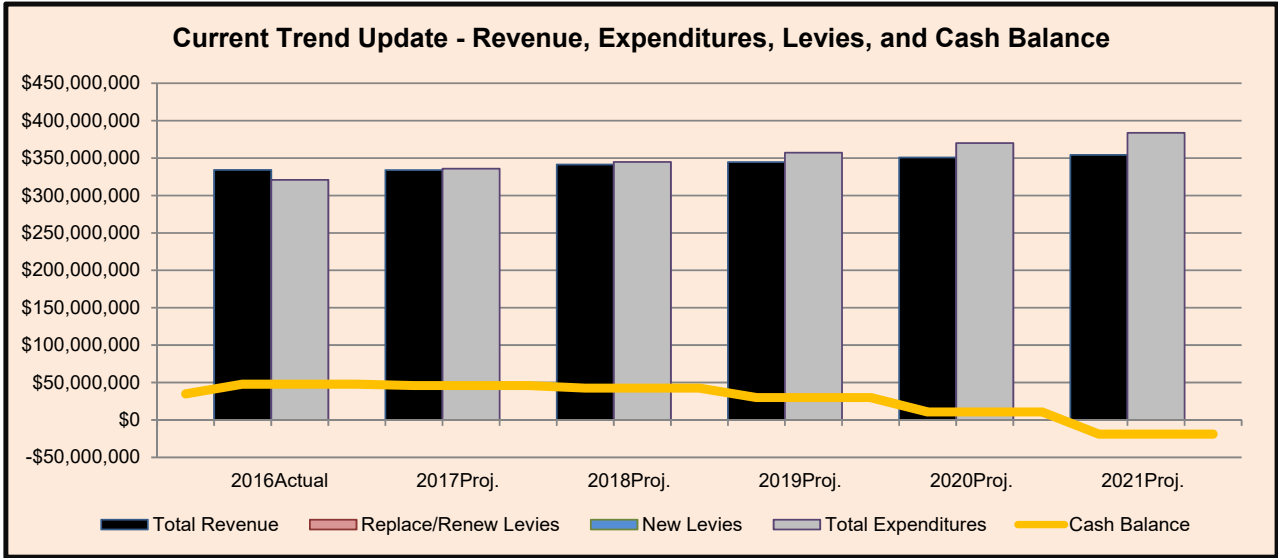
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Overview

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



	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenue Surplus/ (Shortfall)	(\$2,007,367)	(\$3,351,518)	(\$12,487,284)	(\$19,416,761)	(\$29,461,276)

Variance between Prior and Current Forecast:	2017	2018	2019
Current Forecast Revenue Trend OVER/ UNDER Prior	-0.32%	-0.08%	-0.86%
Current Forecast Expenditure Trend OVER/ UNDER Prior	0.00%	0.00%	0.00%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	(\$1,065,735)	(\$1,341,311)	(\$4,319,275)

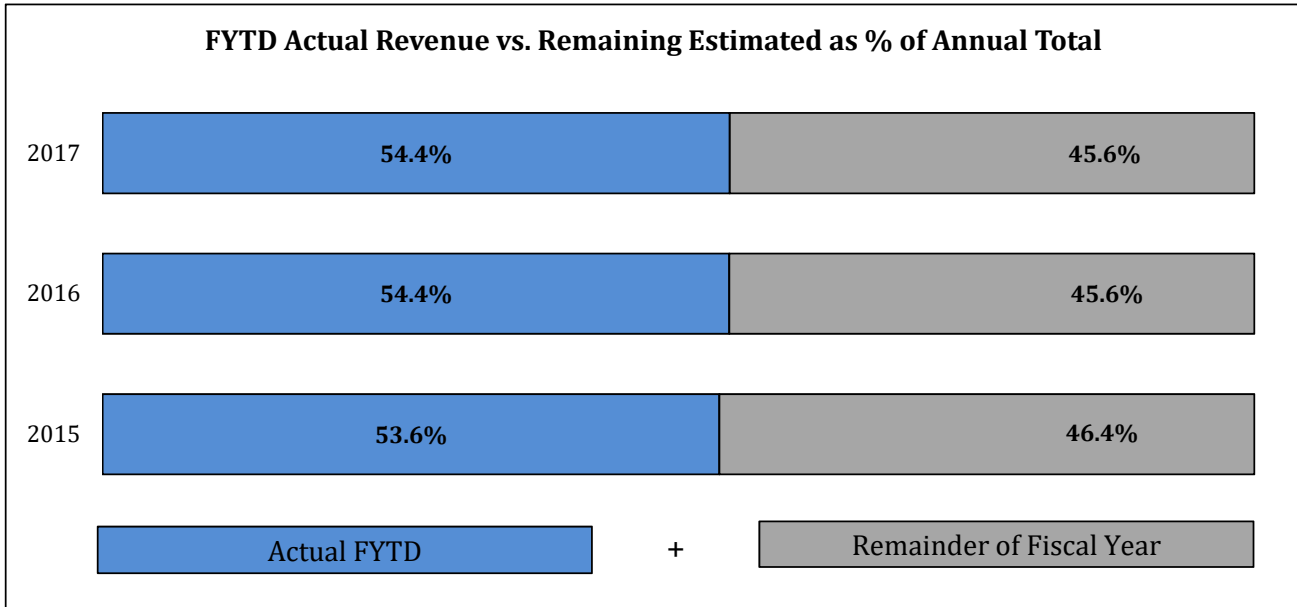
What are the current forecast trends?

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 are lower than originally estimated. The mid-year review of enrollment is underway and will provide insight as to the accuracy of the state's calculated state funding. If the enrollment is down as much as currently reflected then the forecasted revenue will be reduced as indicated in the middle table above.

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

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



Percent of Annual Total		Actual Fiscal Year To Date Revenue, July - January			F.Y. 2017	
		2015 FYTD	2016 FYTD	2017 FYTD	YOY Change	
30.9%	Real Estate Taxes	48,751,304	48,389,843	49,409,779	\$ 1,019,936	2.1%
0.0%	Public Utility PP Taxes	4,043,994	4,175,142	4,404,571	\$ 229,429	5.5%
0.0%	Income Tax	-	-	-	\$ -	0.0%
58.2%	State Aid (Formula + Rest)	106,289,235	113,577,661	115,679,074	\$ 2,101,413	1.9%
4.4%	State Tax Reimb.	10,622,285	8,791,384	7,324,485	\$ (1,466,899)	-16.7%
3.7%	Other Revenue	3,574,322	6,792,160	5,007,034	\$ (1,785,127)	-26.3%
0.0%	Other Sources	10,926	19,518	14,477	\$ (5,042)	-25.8%
100%	Total Revenue	173,292,066	181,745,709	181,839,419	\$ 93,710	0.1%
					Total YOY Percentage Change	0.1%

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

Total revenue is nearly even with last year at this time. Increases in real estate, public utility and state aid are being largely offset by decreases in state tax reimbursement and other revenue.

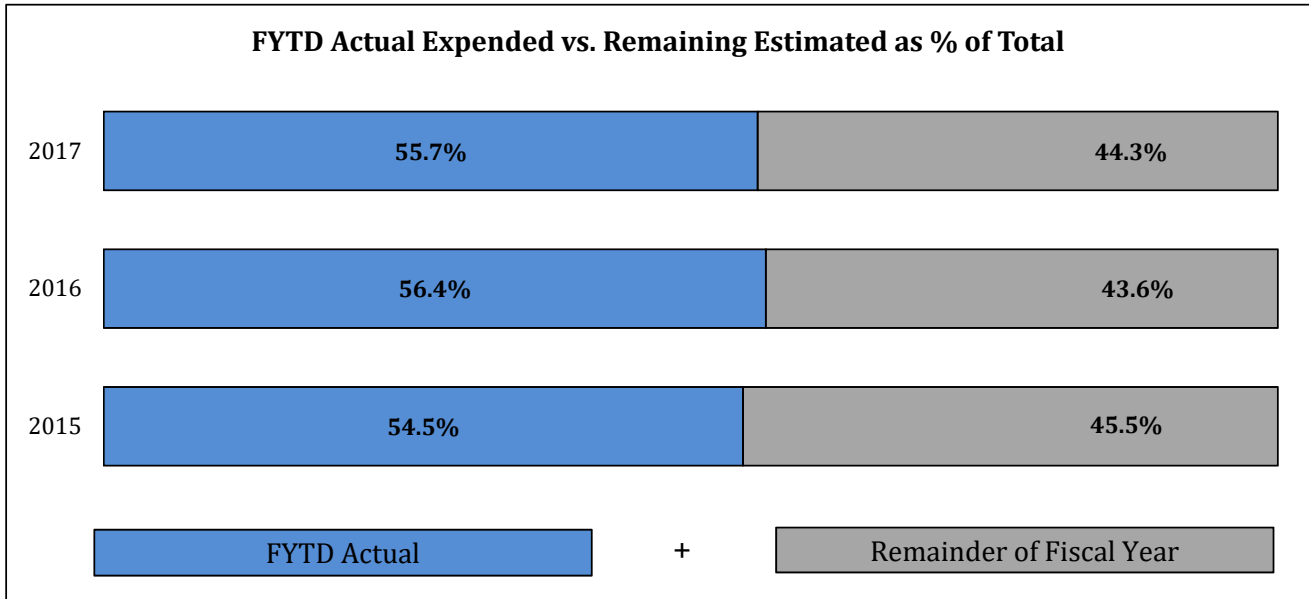
State tax reimbursements are down because the district is no longer receiving levy reimbursement for tangible personal property tax law changes. FY 2016 was the last year of revenue in this category.

Other revenue is down because the payments in lieu of property taxes is down about \$1.5 million. This is a payment to be received from the city; it has not been received as of January 31, 2017. However, the district has confirmation of the amount (\$1,509,000).

Other revenue will be the most volatile because special education reimbursements that will be received over the remaining five months.

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

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



Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - January			F.Y. 2017	
		2015 FYTD	2016 FYTD	2017 FYTD	YOY Change	
48.8%	Salaries	88,458,494	90,906,752	91,781,086	\$ 874,334	1.0%
21.9%	Benefits	35,350,605	38,880,363	41,695,255	\$ 2,814,892	7.2%
24.7%	Purchased Services	39,597,135	43,657,786	45,122,122	\$ 1,464,336	3.4%
2.2%	Supplies	3,805,730	3,837,137	4,322,202	\$ 485,065	12.6%
1.3%	Capital	1,328,098	2,271,303	(121,580)	\$ (2,392,882)	-105.4%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	1,322,502	1,437,111	1,388,372	\$ (48,739)	-3.4%
0.1%	Other Uses	82,828	18,485	261,130	\$ 242,644	1312.6%
100%	Total Expenditures	169,945,391	181,008,937	184,448,588	\$ 3,439,651	
					Total YOY Percentage Change	1.9%

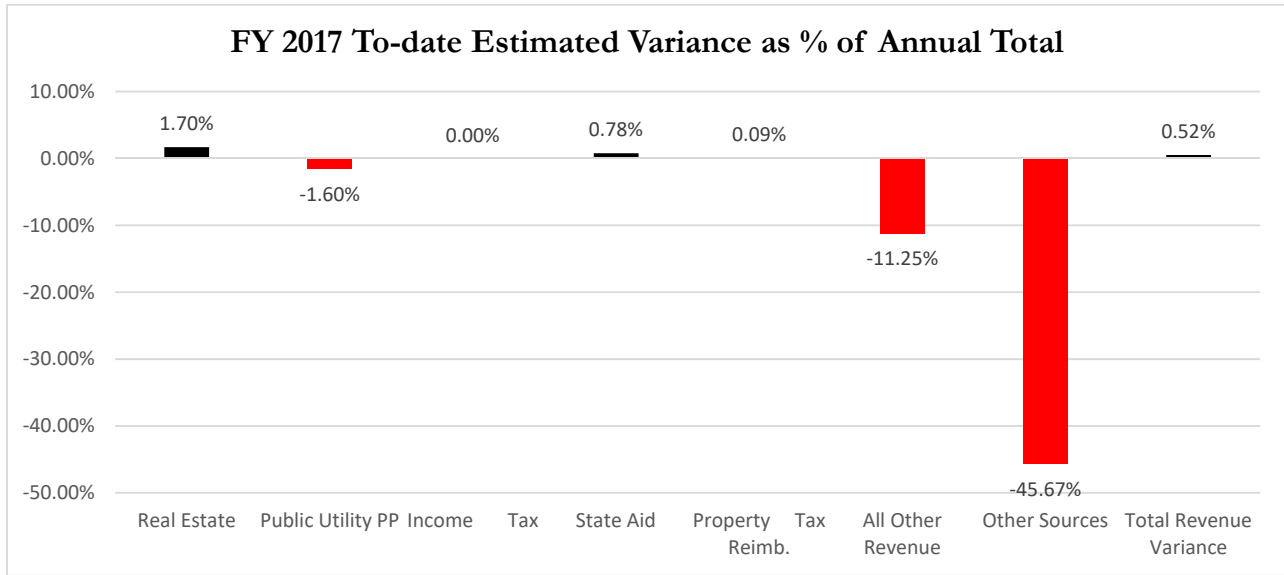
How do fiscal year-to-date expenditures compare to prior years?

Fiscal year to-date expenditures are up 1.9% over last year at this time. The variance would be higher except that capital outlay expenses are down significantly as detailed in the estimate section of this report, and appear to be a matter of timing. It is believed that the year-over-year increase is in-line with annual projections.

Salaries are up just 1.0% for the first seven months of the fiscal year. The forecasted increase for this year is 2.19%. The first seven months indicate that salaries may actually end less than forecasted by about 1.0%; naturally this would improve the district's operating position by about \$800,000. The costs will be monitored and updated as warranted in the May forecast.

Benefits are up 7.2% for the half year and are projected to be up 8.3% for the full year.

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

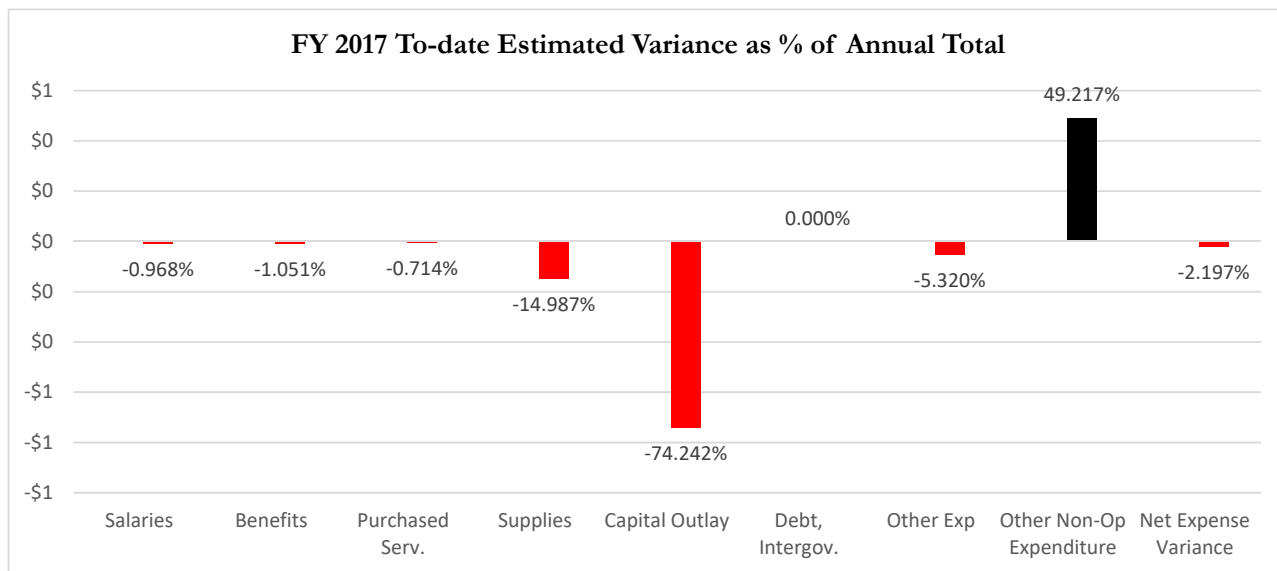


		2017 FYTD	2017 FYTD	2017 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		January	January	Variance
Revenue:				
For the F.Y. 2017 Period: July - January				
K	Real Estate Taxes	49,409,779	47,656,027	1,753,752
L	Public Utility PP Taxes	4,404,571	4,554,090	(149,519)
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	115,679,074	114,164,043	1,515,031
P	State Tax Reimb.	7,324,485	7,310,958	13,527
Q	Other Revenue	5,007,034	6,397,151	(1,390,118)
R	Total Operating Revenue	181,824,943	180,082,269	1,742,674
S	Other Non-Op Revenue	14,477	29,091	(14,615)
T	Total Operating Revenue Plus Other Sources	181,839,419	180,111,360	1,728,059

How do FYTD revenue cash flow estimates compare to actual?

Revenue is within 0.52% of estimated. The other revenue category is \$1,393,721 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 and are being monitored. For now, it is believed that the payments are still to be received and the variance is a matter of timing.

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

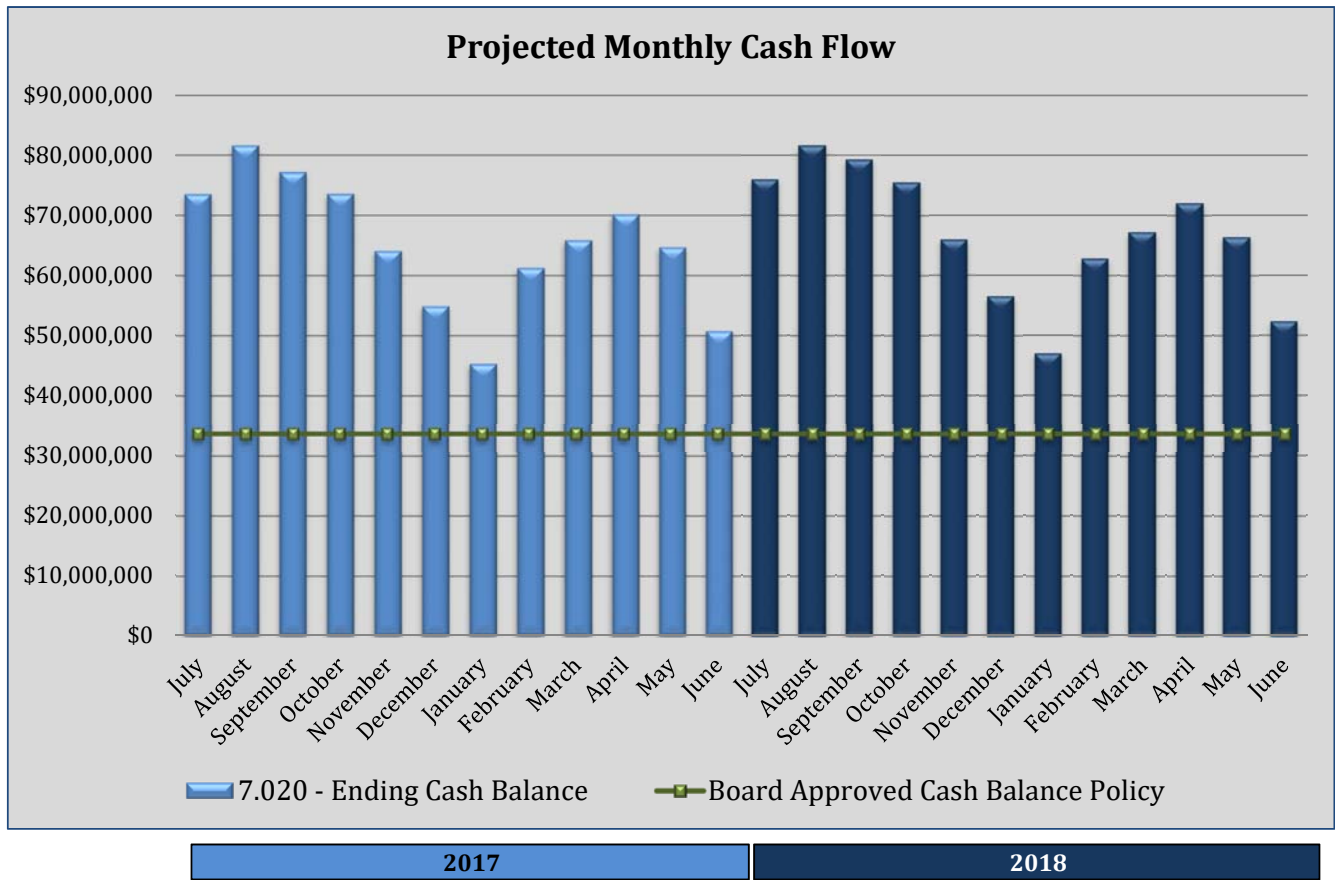


Expenditures:		Actual	Estimated	Actual Over/ (Under) Estimate Variance
For the F.Y. 2017 Period: July - January		July - January	July - January	
K	Salaries	91,781,086	93,368,999	(1,587,913)
L	Benefits	41,695,255	42,469,200	(773,945)
M	Purchased Services	45,122,122	45,713,857	(591,735)
N	Supplies	4,322,202	5,436,844	(1,114,641)
O	Capital	(121,580)	3,093,662	(3,215,241)
P	Debt, Intergov.	-	-	-
Q	Other Objects	1,388,372	1,568,176	(179,804)
R	Total Operating Expenditures	184,187,458	191,650,738	(7,463,280)
S	Other Non-Op Expenditures	261,130	175,000	86,130
T	Total Operating Expenditures Plus Other Uses	184,448,588	191,825,738	(7,377,150)

How do FYTD expenditure cash flow estimates compare to actual?

Total actual expenditures are -2.197% less than estimated. While expenditures to date are less than estimated, the majority of this variance is believed to be the timing of expenses. The supply and capital categories are the majority of the variance and these categories are still expected to total the annual projected amount.

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.

AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
Jan 2017

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	161,745,127.70	002 - First Merit Student Activity	627,357.10
Plus Receipts	28,383,222.30	005 - PNC Practical Nursing	4,888.00
Less Expenditures	39,233,012.65	007 - PNC Oma Evans	150,061.35
Ending Balance	<u>150,895,337.35</u>	008 - First Merit Schumacher	62.78
		015 - PNC Judy Resnik	259.29
Outstanding Checks & Direct Deposits		017 - First Merit AP/Payroll/CN	6,505,447.81
002 - First Merit Student Activity Checks	-	018 - PNC Building Fund	2,011,928.39
005 - FM Practical Nursing Checks	1,980.00	026 - 5th/3rd	-
007 - PNC Oma Evans Checks	-	034 - PNC General Fund Money Market	-
017 - First Merit Accounts Payable Checks	928,568.77	037 - USBank Construction	58,166,119.02
017 - First Merit Payroll Checks	142,380.37	038 - USBank PI Fund	15,204,524.15
017 - FM Deposit Outstanding on Munis	-	039 - USBank General Fund	35,535,213.47
018 - PNC Building Fund Checks	-		
	<u>1,072,929.14</u>		<u>118,205,861.36</u>
Pending Payroll Deductions		Local Grant/Benefit CD's	
Federal/Medicare Withholding	694,452.83	022 - First Merit CD	30,160.78
State Tax	124,830.69	029 - First Merit CD	5,000.00
City Tax	333,313.25	030 - First Merit CD	173,734.95
SERS	328,634.31	032 - First Merit CD	91,968.78
School District Income Tax	1,610.80		<u>300,864.51</u>
STRS	731,118.46	Investment Sweeps	
Valic	9,310.44	002 - First Merit Student Activity	810,000.00
ING (Voya)	27,558.00	017 - First Merit AP/Payroll/CN	34,965,000.00
Lincoln	7,468.00	018 - PNC Building Fund	-
Ohio Deferred Comp	8,599.94		<u>35,775,000.00</u>
MG Trust (Aspire)	4,067.50		
Towpath	-	Miscellaneous Bank Adjustments	
	<u>2,270,964.22</u>	Petty Cash	1,000.00
Miscellaneous Book Adjustments		Bank Charges to be Refunded	120.00
021 - Inventory Allowance	16,456.46	Payroll Check to be Refunded	1,025.49
022 - Insurance Accrual	(6,453.20)	Outstanding Deposit	(3,822.95)
Timing Differences in Accounts Payable	30,498.95	Balancing Adj	(315.49)
	<u>40,502.21</u>		<u>(1,992.95)</u>
Adjusted Book Balance	<u>\$ 154,279,732.92</u>	Adjusted Bank Balance	<u>\$ 154,279,732.92</u>