



**Akron Public
Schools®**

Monthly Financial Report

*For the F.Y. 2017 Month Ending: June
7/17/2017*

Ryan Pendleton, CFO

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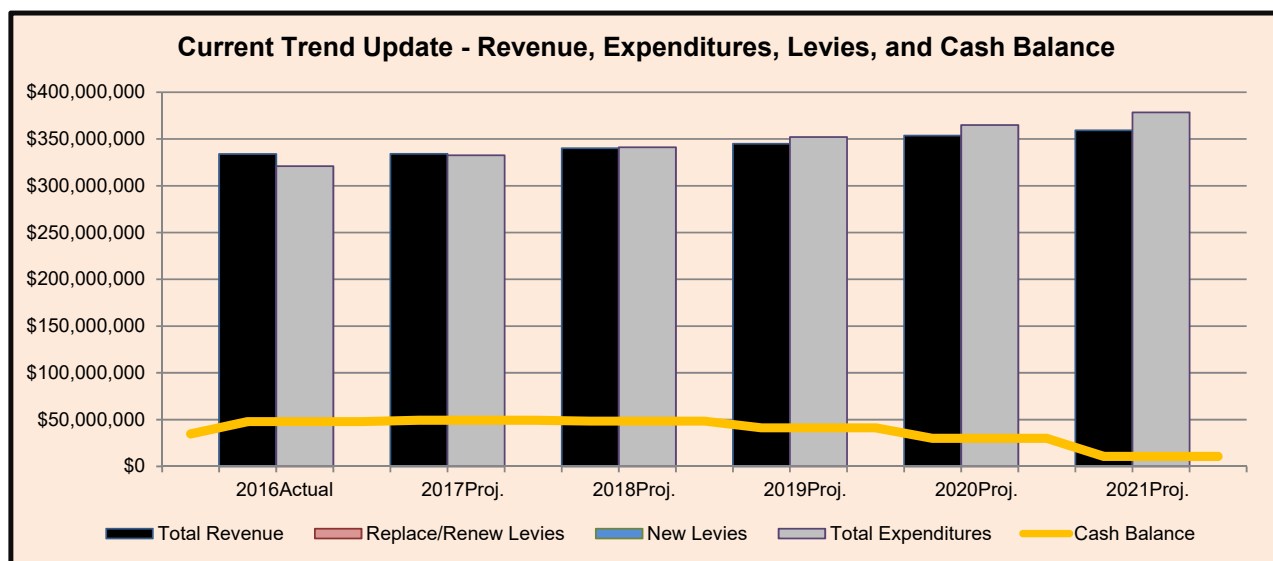
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Overview

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



Projected Revenue Surplus/(Shortfall) by Year					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenue Surplus/ (Shortfall)	\$1,469,587	(\$973,626)	(\$7,184,648)	(\$11,339,264)	(\$19,197,453)

Forecast Updated Trend			
Compared to Updated Trend Forecast as of 7/17/2017			
Variance between Prior and Current Forecast:	2017	2018	2019
Current Forecast Revenue Trend OVER/ UNDER Prior	-0.56%	-0.93%	-0.34%
Current Forecast Expenditure Trend OVER/ UNDER Prior	-0.58%	0.02%	0.02%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	\$72,444	(\$3,161,518)	(\$4,397,197)

What are the current forecast trends?

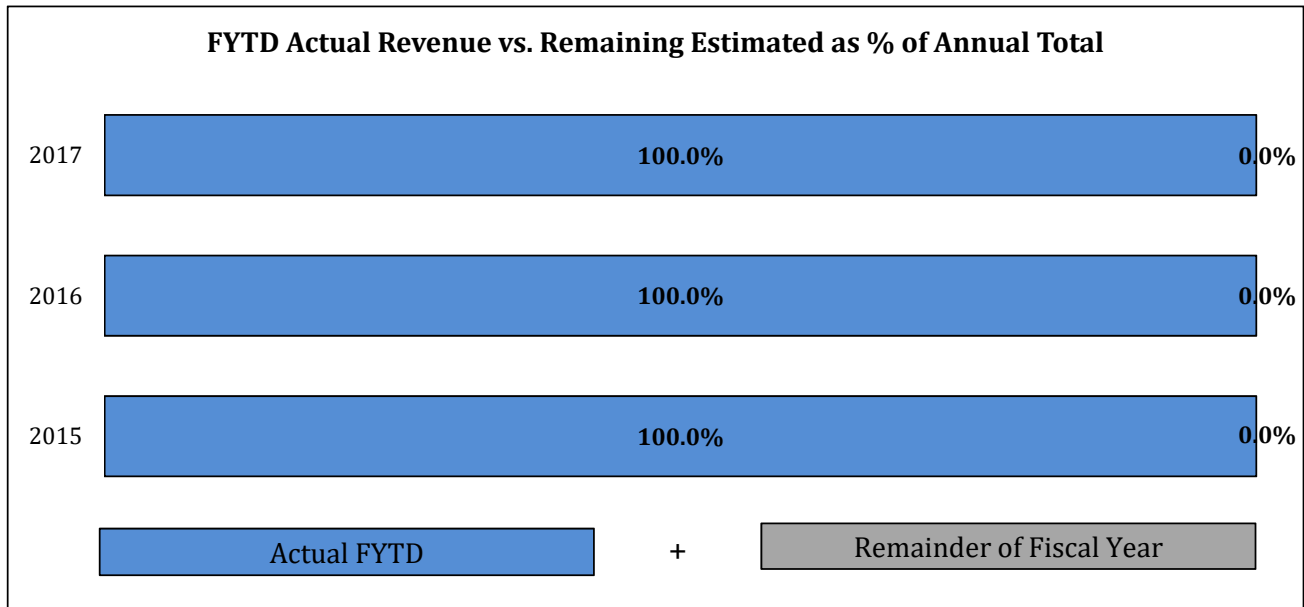
Consistent with the previous forecast, the trend continues to be toward revenue shortfall.

The forecast above reflects the FY 2017 actual results. Revenue and expenditures were down similarly with minimal impact on the cash balance (+\$74,444). A detailed comparison of FY 2017 actual results with the May forecast is provided on page 10 of this report.

In addition to the actual FY 2017 the State of Ohio finished its budget deliberations. The forecast had been modeling a 4.0% year-over-year cap in the assumptions. The actual budget results reflect a 3.0% year-over-year growth cap. This reduction will cost the district about \$2.0 million annually. In addition, economic disadvantaged funding was reduced by \$600,000. This explains why the current forecast estimates have revenue down by 0.93% in FY 2018 and -0.34% in FY 2019.

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

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



Percent of Annual Total		Actual Fiscal Year To Date Revenue, July - June			F.Y. 2017	
		2015 FYTD	2016 FYTD	2017 FYTD	YOY Change	
31.0%	Real Estate Taxes	102,149,605	101,059,345	103,507,373	\$ 2,448,028	2.4%
0.0%	Public Utility PP Taxes	8,333,138	8,566,739	9,355,002	\$ 788,263	9.2%
0.0%	Income Tax	-	-	-	\$ -	0.0%
58.6%	State Aid (Formula + Rest)	181,731,672	193,636,552	196,144,477	\$ 2,507,925	1.3%
4.4%	State Tax Reimb.	21,041,722	17,486,398	14,561,203	\$ (2,925,196)	-16.7%
3.1%	Other Revenue	9,636,227	13,225,385	10,498,673	\$ (2,726,712)	-20.6%
0.0%	Other Sources	708,036	34,338	13,849	\$ (20,489)	-59.7%
100%	Total Revenue	323,600,400	334,008,759	334,080,577	\$ 71,819	0.0%
Total YOY Percentage Change					0.0%	

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

Total revenue is nearly even with last fiscal year.

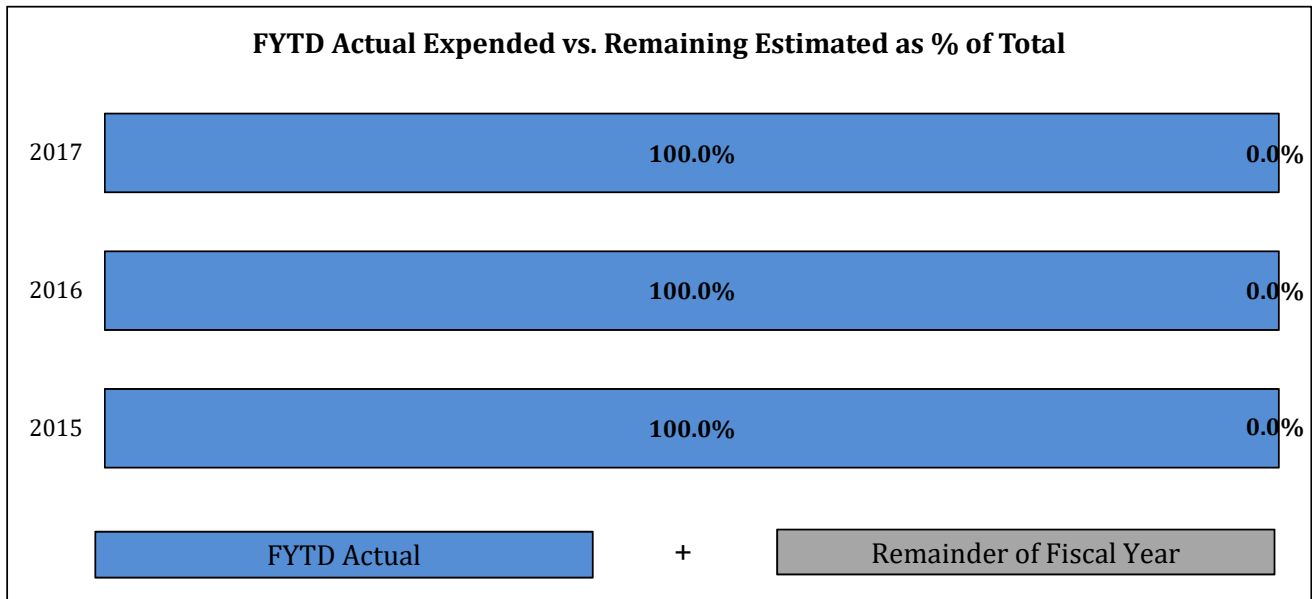
The district's 1st half 2017 local property tax settlement was up about \$1.6 million over last year. This increase is in-line with expectations after the county filed their actual property values in December, 2016. An additional increase is realized because the amount of taxpayer refunds and other auditor adjustments for FY 2017 are down about \$1.1 million over FY 2016.

The state aid revenue variance is attributed to the per pupil funding increases originally forecasted and therefore expected. State tax reimbursements are down only because of the state's elimination this year of tangible personal property tax reimbursement.

Other revenue is down primarily because of Medicaid reimbursements.

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

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



Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - June			F.Y. 2017	
		2015 FYTD	2016 FYTD	2017 FYTD	YOY Change	
49.5%	Salaries	156,996,619	160,458,970	164,645,461	\$ 4,186,490	2.6%
22.1%	Benefits	62,065,153	67,982,119	73,620,028	\$ 5,637,909	8.3%
24.4%	Purchased Services	79,362,124	78,363,424	81,068,677	\$ 2,705,253	3.5%
2.2%	Supplies	6,807,083	6,485,915	7,403,745	\$ 917,830	14.2%
0.5%	Capital	3,473,008	3,924,688	1,753,433	\$ (2,171,255)	-55.3%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	3,063,060	3,246,927	3,343,452	\$ 96,525	3.0%
0.2%	Other Uses	311,818	446,278	776,194	\$ 329,916	73.9%
100%	Total Expenditures	312,078,865	320,908,322	332,610,990	\$ 11,702,669	
Total YOY Percentage Change					3.6%	

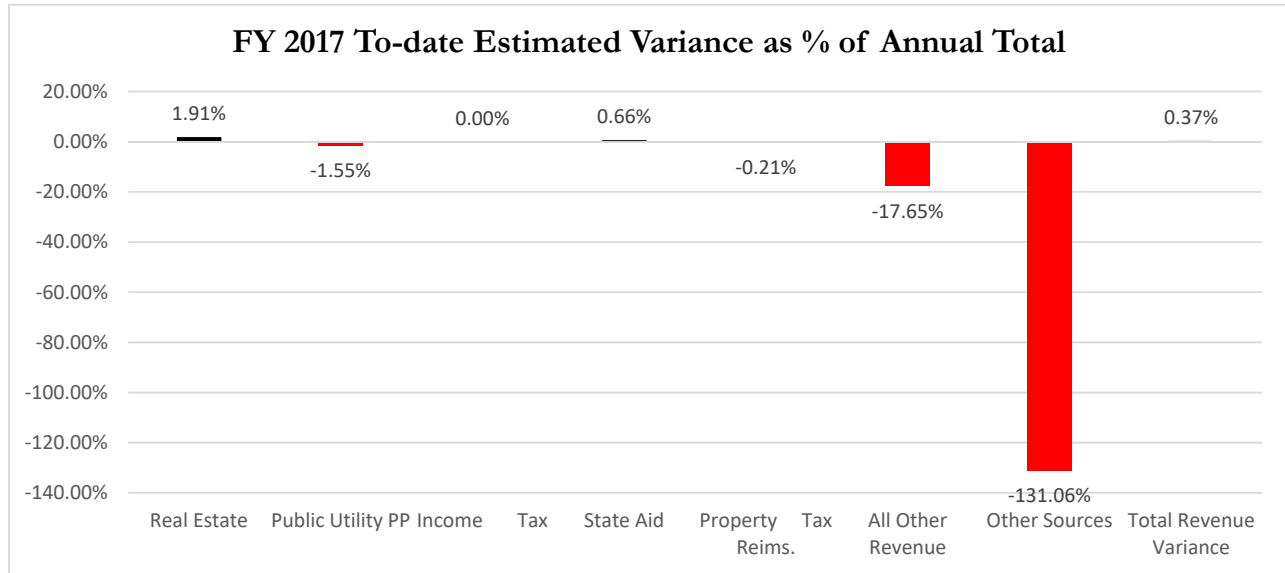
How do fiscal year-to-date expenditures compare to prior years?

Fiscal year to-date expenditures are up 3.6% over last year. The variance would be higher except that capital outlay expenses are down significantly in part because of the timing of actual payment.

Salaries are up just 2.6% for the fiscal year. The forecasted increase for this year is 2.47%. Negotiations are now complete and some retroactive payment occurred. Benefits are up 8.3%, the forecasted increase is 8.22%.

Purchased services, while up 3.5% year-over-year are in line with projections.

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

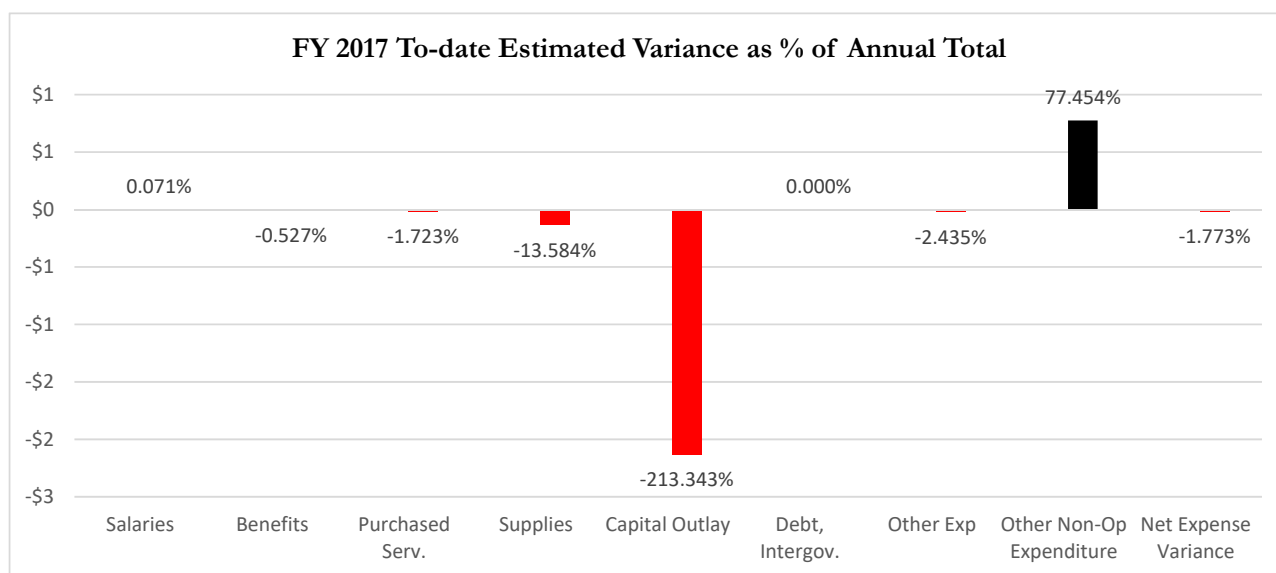


		2017 FYTD	2017 FYTD	2017 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		June	June	Variance
Revenue:				
For the F.Y. 2017 Period: July - June				
K	Real Estate Taxes	103,507,373	101,534,105	1,973,268
L	Public Utility PP Taxes	9,355,002	9,500,000	(144,997)
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	196,144,477	194,841,529	1,302,948
P	State Tax Reimb.	14,561,203	14,591,998	(30,795)
Q	Other Revenue	10,498,673	12,351,416	(1,852,743)
R	Total Operating Revenue	334,066,728	332,819,048	1,247,680
S	Other Non-Op Revenue	13,849	32,000	(18,151)
T	Total Operating Revenue Plus Other Sources	334,080,577	332,851,048	1,229,529

How do FYTD revenue cash flow estimates compare to actual?

Actual revenue cash flow is within +0.37% of estimated. The other revenue category is \$1,852,743 less than estimated because of Medicaid reimbursement. If the Medicaid reimbursement is an issue of timing then next fiscal year's revenue will be higher to compensate for this year's reduction.

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

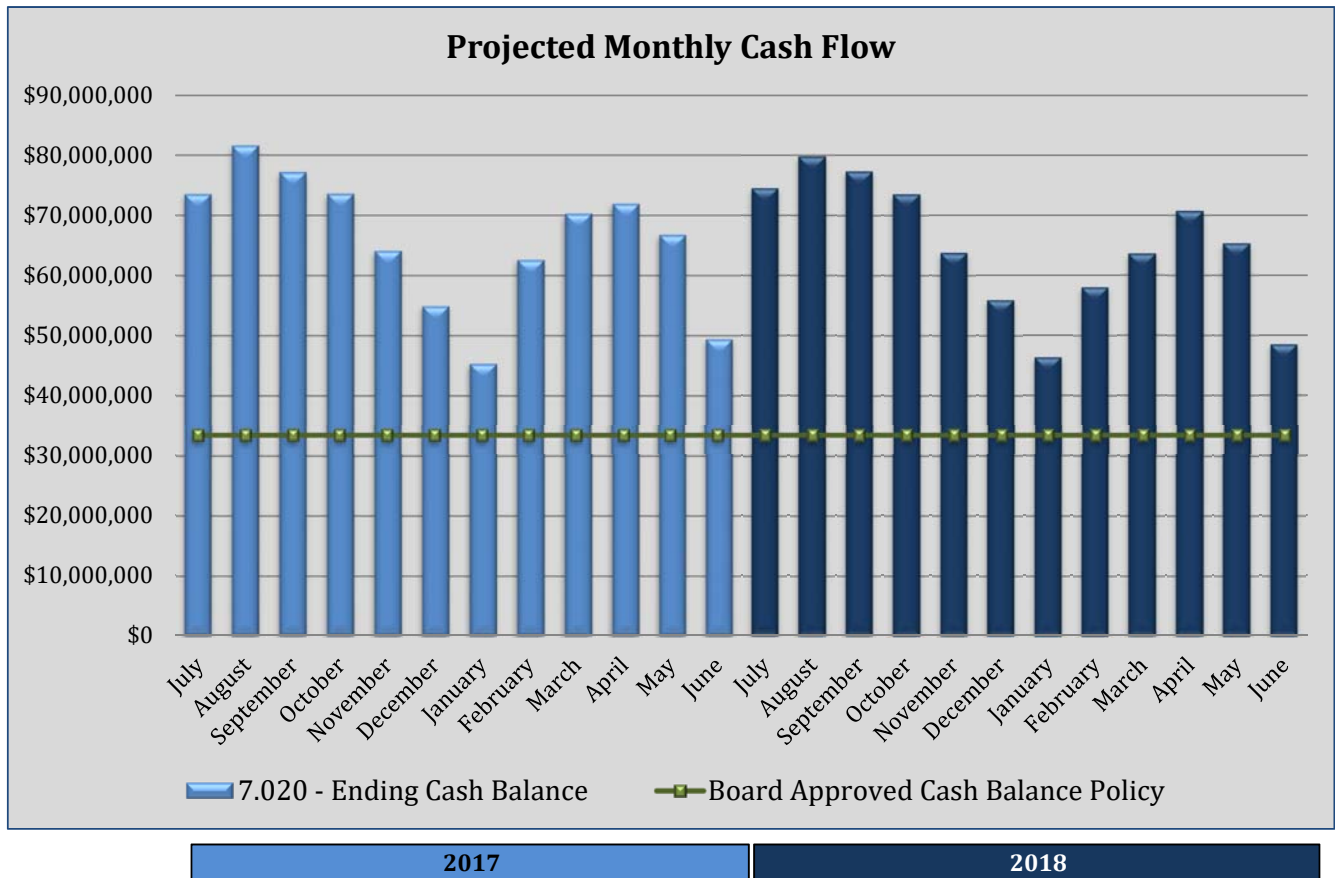


		Actual	Estimated	Actual Over/ (Under) Estimate Variance
		July - June	July - June	
Expenditures:				
For the F.Y. 2017 Period: July - June				
K	Salaries	164,645,461	164,529,311	116,150
L	Benefits	73,620,028	74,008,282	(388,254)
M	Purchased Services	81,068,677	82,465,780	(1,397,103)
N	Supplies	7,403,745	8,409,499	(1,005,754)
O	Capital	1,753,433	5,494,262	(3,740,829)
P	Debt, Intergov.	-	-	-
Q	Other Objects	3,343,452	3,424,851	(81,399)
R	Total Operating Expenditures	331,834,796	338,331,985	(6,497,189)
S	Other Non-Op Expenditures	776,194	175,000	601,194
T	Total Operating Expenditures Plus Other Uses	332,610,990	338,506,985	(5,895,995)

How do FYTD expenditure cash flow estimates compare to actual?

Total actual expenditures ended -1.773% less than estimated. The supply and capital categories are the majority of the variance and these categories could have been influenced by the timing of payments.

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.

FY 2017 Year-end Actual Results Compared to May Forecast Update

Forecasted as of:	May 2017	6/30/2017	Dollar Difference	Percentage Variance
	Fiscal Year 2017	Fiscal Year 2017		
Revenue:				
1.010 - General Property Tax (Real Estate)	103,615,513	103,507,373	(108,140)	-0.10%
1.020 - Public Utility Personal Property	9,355,002	9,355,002	0	0.00%
1.030 - Income Tax	-	-	-	0
1.035 - Unrestricted Grants-in-Aid	170,773,340	170,384,414	(388,926)	-0.23%
1.040 - Restricted Grants-in-Aid	25,926,421	25,419,485	(506,936)	-1.96%
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	340,578	340,578	0
1.050 - Property Tax Allocation	14,595,504	14,561,202	(34,302)	-0.24%
1.060 - All Other Operating Revenues	11,653,547	10,498,672	(1,154,875)	-9.91%
1.070 - Total Revenue	335,919,327	334,066,727	(1,852,600)	-0.55%
2.070 - Total Other Financing Sources	32,000	13,849	(18,151)	-56.72%
2.080 - Total Revenues and Other Financing Sources	335,951,327	334,080,576	(1,870,751)	-0.56%
Expenditures:				
3.010 - Personnel Services	164,427,174	164,645,460	218,286	0.13%
3.020 - Employees' Retirement/Insurance Benefits	73,568,245	73,620,028	51,783	0.07%
3.030 - Purchased Services	81,144,504	81,068,677	(75,827)	-0.09%
3.040 - Supplies and Materials	7,437,244	7,403,745	(33,499)	-0.45%
3.050 - Capital Outlay	4,330,745	1,753,433	(2,577,312)	-59.51%
3.060 - Intergovernmental	-	-	-	0
4.010 - 4.060 - Principal, Interest & Fiscal Charges	-	-	-	0
4.300 - Other Objects	3,380,003	3,343,452	(36,551)	-1.08%
4.500 - Total Expenditures	334,287,915	331,834,795	(2,453,120)	-0.73%
5.040 - Total Other Financing Uses	266,269	776,194	509,925	191.51%
5.050 - Total Expenditures and Other Financing Uses	334,554,184	332,610,989	(1,943,195)	-0.58%
				0
6.010 - Revenue Surplus/(Shortfall) - Line 2.080, Less 5.050	1,397,143	1,469,587	72,444	0%*
7.010 - Cash Balance at Beginning of Year	47,907,093	47,907,093	0	0%*
7.020 - Cash Balance at End of Year [Line 7.010 +/- Line 6.010]	49,304,236	49,376,680	72,444	0%*

The report above compares the actual results for FY 2017 at year-end June 30, 2017 with the forecast update that was prepared in May.

Line 1.060 is the largest revenue variance and is the "other" category. The actual Medicaid reimbursement received was about \$1.0 million less than estimated in May. Research is being conducted to see if this is an issue of timing or a loss of revenue. It should be noted that the original estimate for FY 2017 was already reduced by about \$1.0 million from FY 2016.

Line 3.050 was the largest expenditure variance and is the capital and equipment line item. These costs were reported as trending lower and the final results confirm the trend. However, some of the reduction may be due to timing of payment and will be researched.

Overall revenue was down about -.056% and expenditures were down about -.058%. The net result is a slight increase in the ending cash balance.

AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
June 2017

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	167,231,791.76	002 - HNB Student Activity	-
Plus Receipts	34,435,804.48	005 - PNC Practical Nursing	-
Less Expenditures	47,964,561.75	007 - PNC Oma Evans	150,135.37
Ending Balance	153,703,034.49	008 - HNB Schumacher	85.60
		009 - STAR Ohio	10,027,715.83
Outstanding Checks & Direct Deposits		017 - HNB AP/Payroll/CN/SA	6,505,009.00
005 - HNB Practical Nursing Checks	-	018 - PNC Building Fund	2,012,509.37
017 - HNB Accounts Payable Checks	888,358.85	037 - USBank Construction	58,225,557.34
017 - HNB Payroll Checks	220,827.00	038 - USBank PI Fund	15,274,284.90
017 - HNB Deposit Outstanding on Munis	539,940.60	039 - USBank General Fund	35,720,924.67
018 - PNC Building Fund Checks	-		
	1,649,126.45		127,916,222.08
Pending Payroll Deductions		Local Grant/Benefit CD's	
Federal/Medicare Withholding	1,084,892.95	022 - HNB CD	30,160.78
State Tax	192,256.04	029 - HNB CD	5,000.00
City Tax	402,597.99	030 - HNB CD	-
SERS	149,191.98	032 - HNB CD	92,388.38
School District Income Tax	1,697.05		127,549.16
STRS	904,668.31	Investment Sweeps	
Valic	-	017 - HNB AP/Payroll/CN/SA	30,060,491.46
ING (Voya)	-		30,060,491.46
Lincoln	-		
Ohio Deferred Comp	12,494.94	Miscellaneous Bank Adjustments	
MG Trust (Aspire)	5,302.50	Petty Cash	1,000.00
Towpath	-	Credit Card Charges to be Refunded	-
	2,753,101.76	Outstanding Payroll Items	-
Miscellaneous Book Adjustments		Outstanding Deposit	-
021 - Inventory Allowance	-	Balancing Adj	-
022 - Insurance Accrual	-		1,000.00
Timing Differences in Accounts Payable	-		
	-		
Adjusted Book Balance	\$ 158,105,262.70	Adjusted Bank Balance	\$ 158,105,262.70