



**Akron Public
Schools®**

Monthly Financial Report

*For the F.Y. 2017 Month Ending: May
6/21/2017*

Ryan Pendleton, CFO



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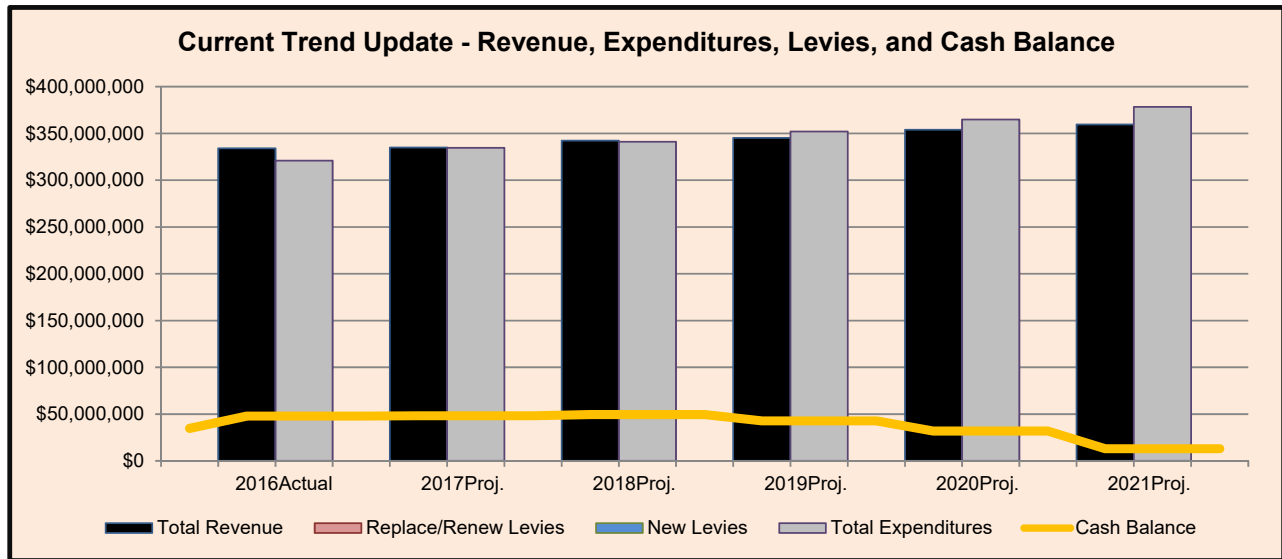
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Updated Forecast Trend For The Month of May, F.Y. 2017



Projected Revenue Surplus/(Shortfall) by Year					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenue Surplus/ (Shortfall)	\$404,602	\$1,217,423	(\$6,804,186)	(\$10,944,771)	(\$18,772,994)

Forecast Updated Trend			
Compared to Updated Trend Forecast as of 6/21/2017			
Variance between Prior and Current Forecast:	2017	2018	2019
Current Forecast Revenue Trend OVER/ UNDER Prior	-0.30%	-0.30%	-0.25%
Current Forecast Expenditure Trend OVER/ UNDER Prior	0.00%	0.00%	0.00%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	(\$992,541)	(\$2,035,455)	(\$2,890,673)

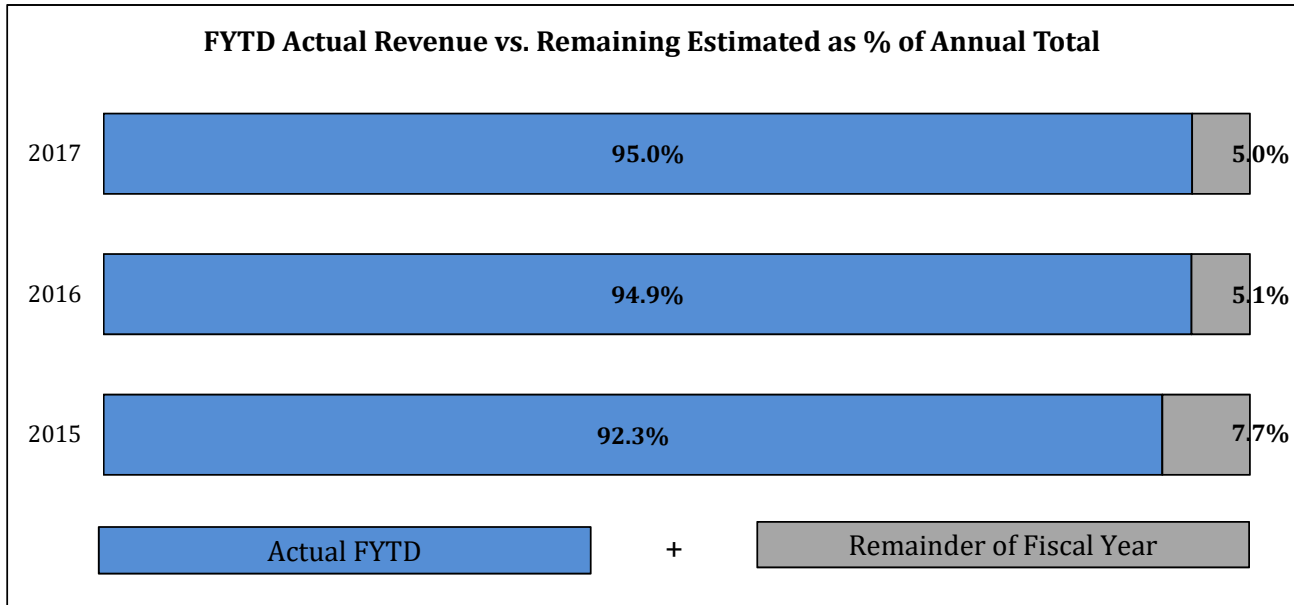
What are the current forecast trends?

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

The forecast above reflects the May forecast update, however, there has been some reduction in revenue which is explained in more detail on the revenue comparison page. The biggest part of the reduction is in state aid, which was a \$600,000 loss in economic disadvantaged funding due to statewide enrollment changes.

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

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



Percent of Annual Total		Actual Fiscal Year To Date Revenue, July - May			F.Y. 2017	
		2015 FYTD	2016 FYTD	2017 FYTD	YOY Change	
30.9%	Real Estate Taxes	102,149,605	101,059,345	104,085,484	\$ 3,026,138	3.0%
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%
58.4%	State Aid (Formula + Rest)	166,720,821	178,128,082	180,201,438	\$ 2,073,355	1.2%
4.4%	State Tax Reimb.	13,699,194	17,486,398	14,561,203	\$ (2,925,196)	-16.7%
3.5%	Other Revenue	7,215,637	11,718,817	9,837,221	\$ (1,881,595)	-16.1%
0.0%	Other Sources	708,036	27,847	20,317	\$ (7,530)	-27.0%
100%	Total Revenue	298,826,431	316,987,229	318,060,665	\$ 1,073,436	0.3%
Total YOY Percentage Change					0.3%	

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

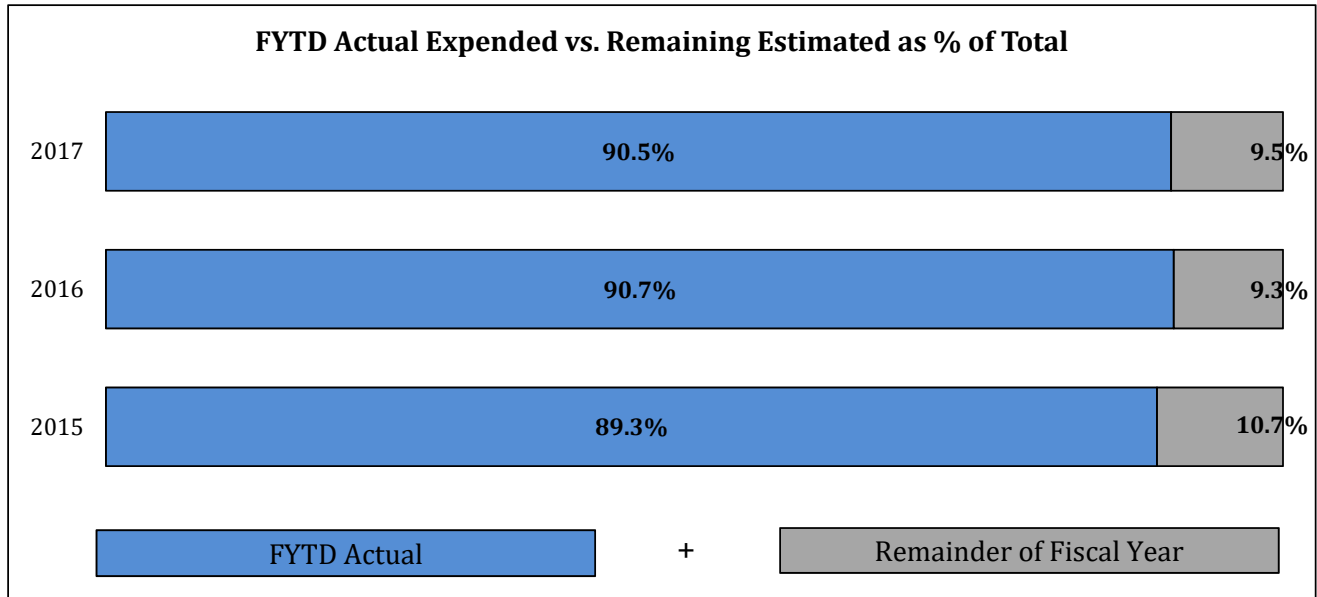
Total revenue is nearly even with last fiscal year with a variance of just 0.3%. The shortfall referenced to Tax Incentive Financing revenue from the city in past reports is now addressed as the revenue has been received. However, Medicaid reimbursement through May is down about \$1.0 million and unless the June reimbursement is up considerably then the revenue category will be down for the year.

The district's 1st half 2017 local property tax settlement is now complete and the revenue 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.

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

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



Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - May			F.Y. 2017 YOY Change	
		2015 FYTD	2016 FYTD	2017 FYTD		
49.1%	Salaries	141,872,719	145,322,688	148,272,233	\$ 2,949,546	2.0%
22.0%	Benefits	56,643,542	62,092,184	66,930,750	\$ 4,838,565	7.8%
24.3%	Purchased Services	69,760,157	71,622,830	72,613,672	\$ 990,841	1.4%
2.2%	Supplies	5,590,268	5,796,988	6,417,824	\$ 620,837	10.7%
1.3%	Capital	1,852,694	3,147,783	1,530,873	\$ (1,616,911)	-51.4%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	2,857,970	3,086,194	3,215,678	\$ 129,484	4.2%
0.1%	Other Uses	93,884	26,815	266,269	\$ 239,455	893.0%
100%	Total Expenditures	278,671,235	291,095,482	299,247,299	\$ 8,151,817	
Total YOY Percentage Change					2.8%	

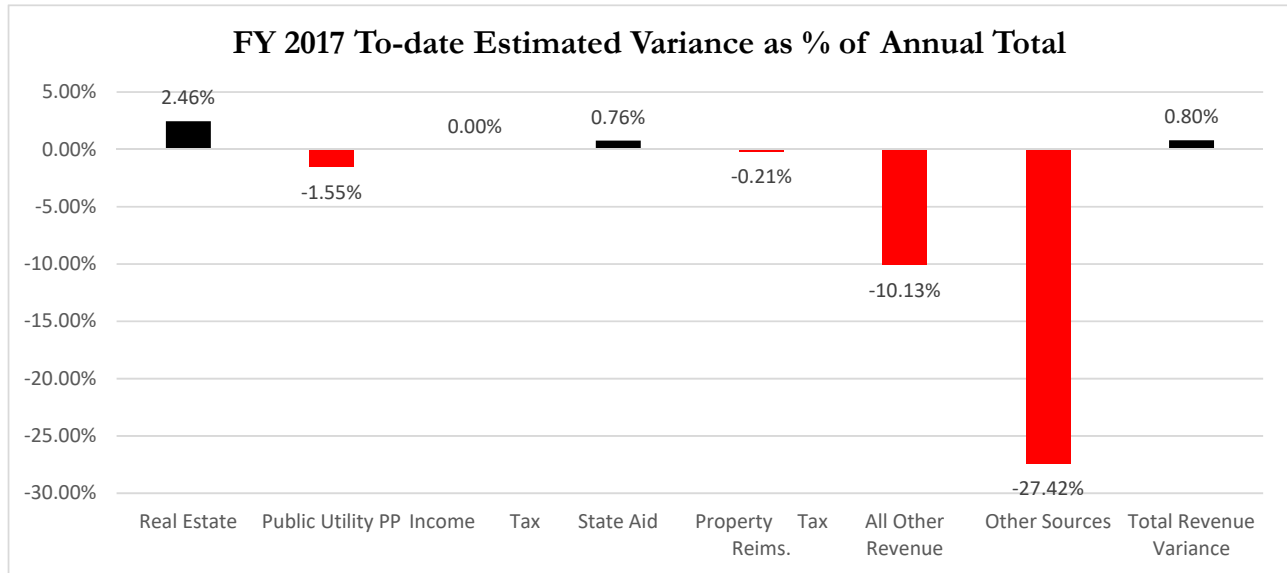
How do fiscal year-to-date expenditures compare to prior years?

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 possible that some of these projected costs will be paid early in next fiscal year which could improve year-end June 30, 2017 cash balance reserves while having no impact by June 30, 2018 with the deferred payment. It is believed that the year-over-year increase is in-line with annual projections.

Salaries are up just 2.0% 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 7.8% for the period ending May 31, 2017. The forecasted increase is 8.22%.

Purchased services, while up 1.4% year-over-year are actually trending less than projections. Actual costs are lower than projected because of utilities, and repairs and maintenance. If this trend holds in the final month of June then purchased services could be about \$1.0 million less than projected for FY 2017.

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

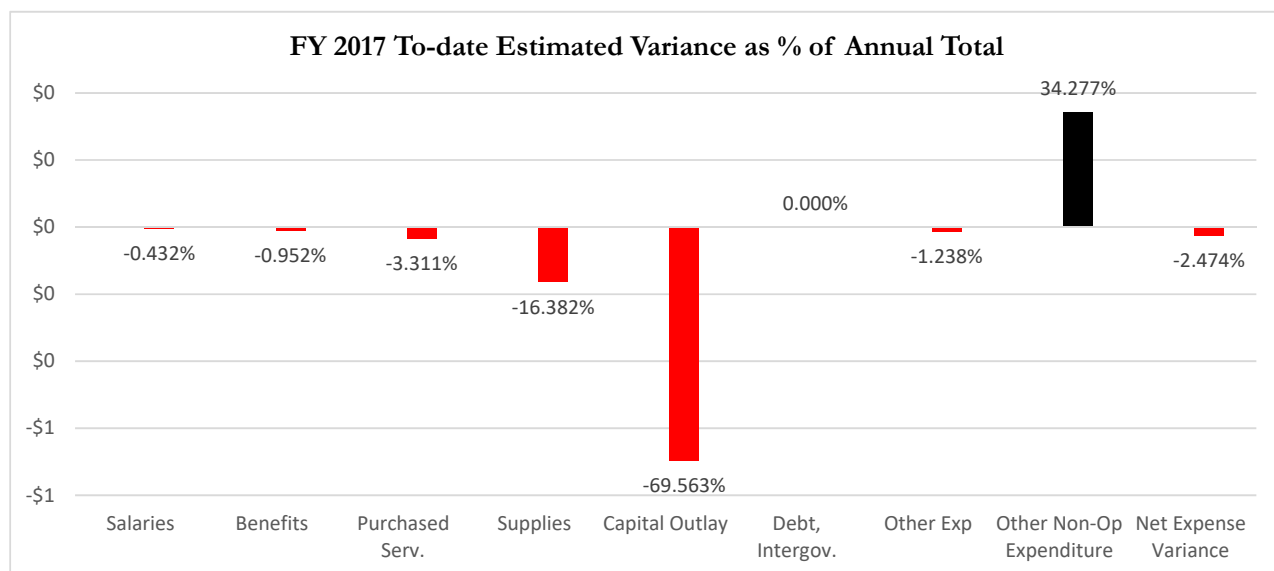


		2017 FYTD	2017 FYTD	2017 FYTD
		Actual	Estimated	Actual Over/
		July through	July through	(Under) Estimated
		May	May	Variance
Revenue:				
For the F.Y. 2017 Period: July - May				
K	Real Estate Taxes	104,085,484	101,534,105	2,551,378
L	Public Utility PP Taxes	9,355,002	9,500,000	(144,997)
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	180,201,438	178,706,032	1,495,405
P	State Tax Reimb.	14,561,203	14,591,998	(30,795)
Q	Other Revenue	9,837,221	11,017,540	(1,180,319)
R	Total Operating Revenue	318,040,348	315,349,675	2,690,672
S	Other Non-Op Revenue	20,317	29,091	(8,774)
T	Total Operating Revenue Plus Other Sources	318,060,665	315,378,767	2,681,898

How do FYTD revenue cash flow estimates compare to actual?

Revenue is within +0.80% of estimated. The other revenue category is \$1,180,310 less than estimated because of Medicaid reimbursement. If the Medicaid reimbursement is an issue of timing then June's revenue will be higher than in FY 2016.

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



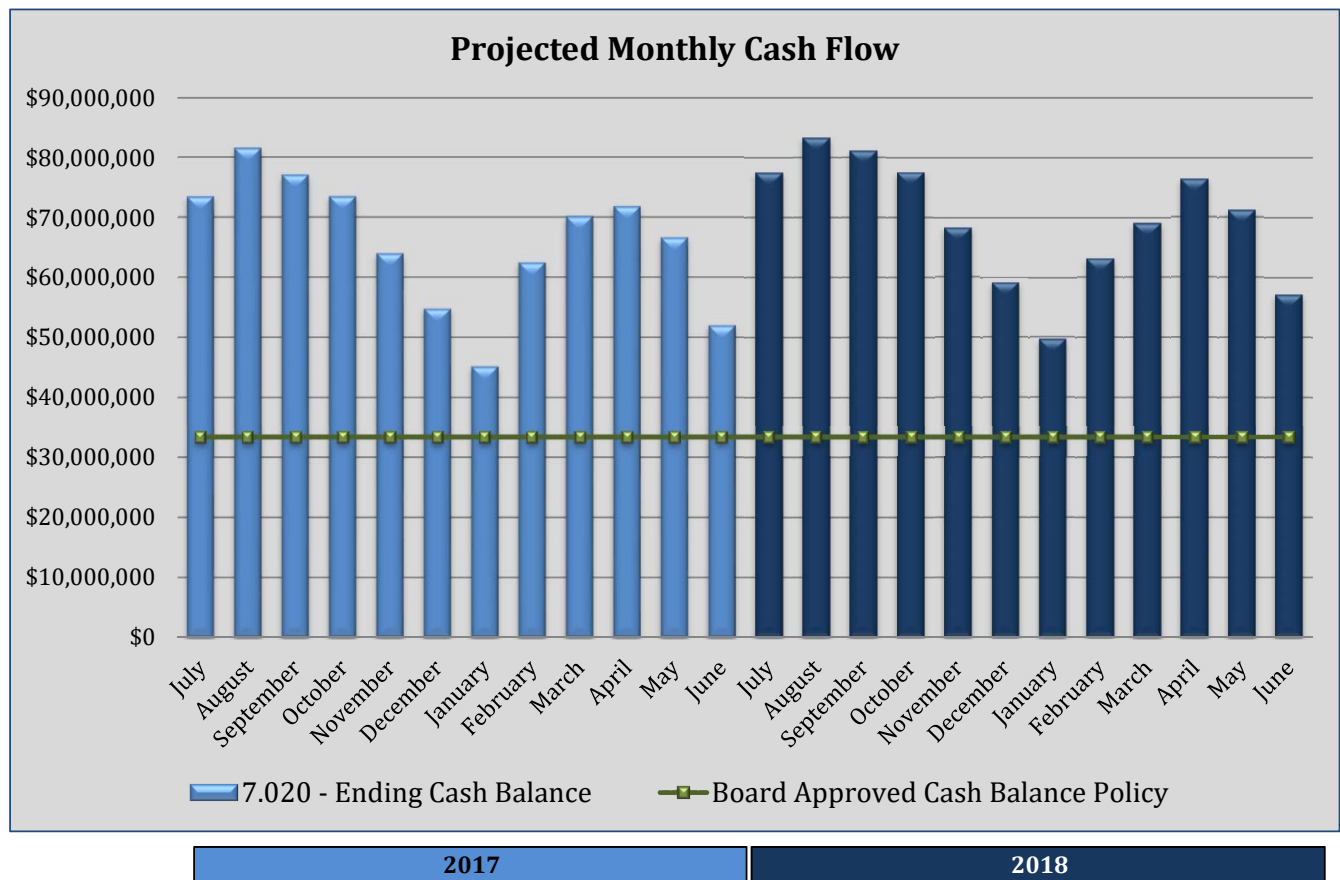
		Actual	Estimated	Actual Over/ (Under) Estimate Variance
		July - May	July - May	
Expenditures:				
For the F.Y. 2017 Period: July - May				
K	Salaries	148,272,233	148,982,085	(709,852)
L	Benefits	66,930,750	67,630,815	(700,065)
M	Purchased Services	72,613,672	75,300,529	(2,686,857)
N	Supplies	6,417,824	7,636,157	(1,218,333)
O	Capital	1,530,873	4,543,480	(3,012,608)
P	Debt, Intergov.	-	-	-
Q	Other Objects	3,215,678	3,257,529	(41,852)
R	Total Operating Expenditures	298,981,029	307,350,595	(8,369,566)
S	Other Non-Op Expenditures	266,269	175,000	91,269
T	Total Operating Expenditures Plus Other Uses	299,247,299	307,525,595	(8,278,297)

How do FYTD expenditure cash flow estimates compare to actual?

Total actual expenditures are -2.47% less than estimated. The supply and capital categories are the majority of the variance and these categories are still reflected at the original October forecasted amounts with the expectation that payments will occur by June 30, 2017, or will be obligated by June 30, 2017 and paid in FY 2018.

Purchased services are trending less than originally estimated; they are expected to add to cash reserves and reduce ongoing cost projections in FY 2018 through FY 2021.

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
May 2017

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	178,157,072.21	002 - HNB Student Activity	-
Plus Receipts	36,445,503.01	005 - PNC Practical Nursing	13,275.00
Less Expenditures	47,370,783.46	007 - PNC Oma Evans	150,120.56
Ending Balance	167,231,791.76	008 - HNB Schumacher	62.79
		009 - STAR Ohio	10,018,978.26
Outstanding Checks & Direct Deposits		017 - HNB AP/Payroll/CN/SA	6,500,108.00
005 - HNB Practical Nursing Checks	-	018 - PNC Building Fund	2,012,390.99
017 - HNB Accounts Payable Checks	468,982.48	037 - USBank Construction	58,227,981.74
017 - HNB Payroll Checks	157,699.16	038 - USBank PI Fund	15,256,977.95
017 - HNB Deposit Outstanding on Munis	-	039 - USBank General Fund	35,667,494.13
018 - PNC Building Fund Checks	-		
	626,681.64		127,847,389.42
Pending Payroll Deductions		Local Grant/Benefit CD's	
Federal/Medicare Withholding	720,169.86	022 - HNB CD	30,160.78
State Tax	130,980.54	029 - HNB CD	5,000.00
City Tax	392,878.26	030 - HNB CD	-
SERS	21,511.50	032 - HNB CD	92,388.38
School District Income Tax	1,813.78		127,549.16
STRS	758,549.78	Investment Sweeps	
Valic	11,359.00	017 - HNB AP/Payroll/CN/SA	41,947,186.67
ING (Voya)	27,570.00		41,947,186.67
Lincoln	7,218.00		
Ohio Deferred Comp	9,154.94	Miscellaneous Bank Adjustments	
MG Trust (Aspire)	4,167.50	Petty Cash	1,000.00
Towpath	-	Credit Card Charges to be Refunded	525.00
	2,085,373.16	Outstanding Payroll Items	1,378.29
Miscellaneous Book Adjustments		Outstanding Deposit	(9.20)
021 - Inventory Allowance	7,410.02	Balancing Adj	2.92
022 - Insurance Accrual	(2,879.68)		2,897.01
Timing Differences in Accounts Payable	(23,354.64)		
	(18,824.30)		
Adjusted Book Balance	\$ 169,925,022.26	Adjusted Bank Balance	\$ 169,925,022.26