



**Akron Public
Schools.**

Monthly Financial Report

*For the F.Y. 2016 Month Ending: January
2/15/2016*

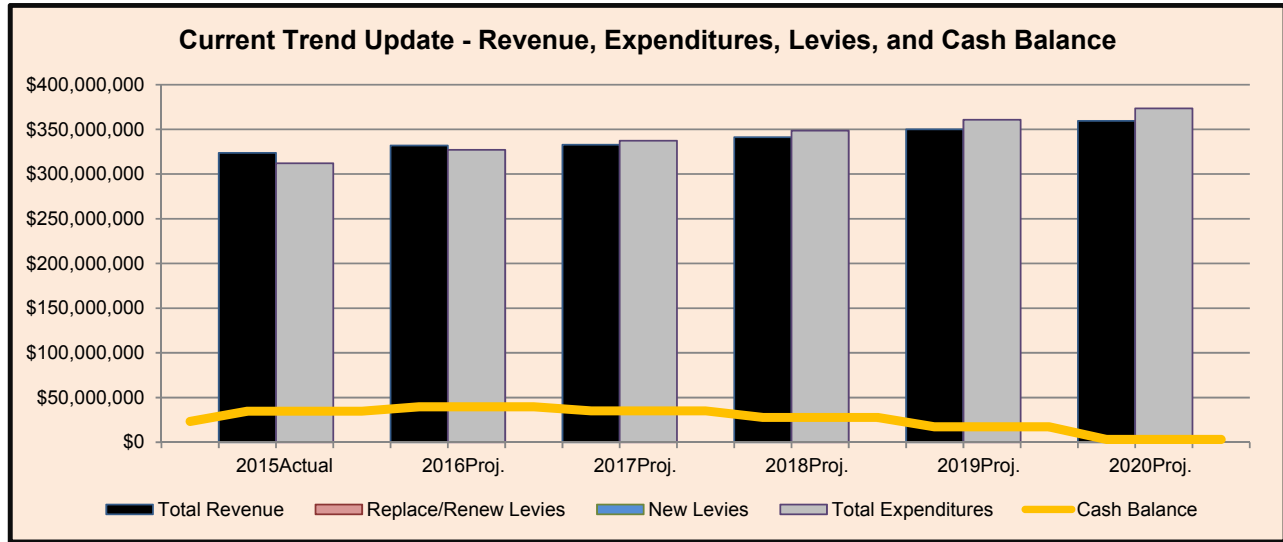
Ryan Pendleton, CFO



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Updated Forecast Trend For The Month of January, F.Y. 2016



Projected Revenue Surplus/(Shortfall) by Year

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue Surplus/ (Shortfall)	\$4,806,762	(\$4,510,021)	(\$7,266,266)	(\$10,696,905)	(\$14,022,731)

Forecast Updated Trend
Compared to Updated Trend Forecast as of 2/15/2016

Variance between Prior and Current Forecast:	2016	2017	2018
Current Forecast Revenue Trend OVER/ UNDER Prior	-0.13%	-0.78%	-0.54%
Current Forecast Expenditure Trend OVER/ UNDER Prior	0.00%	0.00%	0.00%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	(\$432,879)	(\$3,038,646)	(\$4,878,437)

What are the current forecast trends?

Current forecast trends show a slight decrease in revenue (-0.78% in FY 2017, and -0.54% in FY 2018). The cumulative impact of this decrease is \$4,878,437 through FY 2018. The change is in response to updated state funding formula adjustments going forward. The district has received payments in lieu of taxes that could offset the reductions in other areas; data is needed to confirm, and an adjustment will be considered as part of the May forecast.

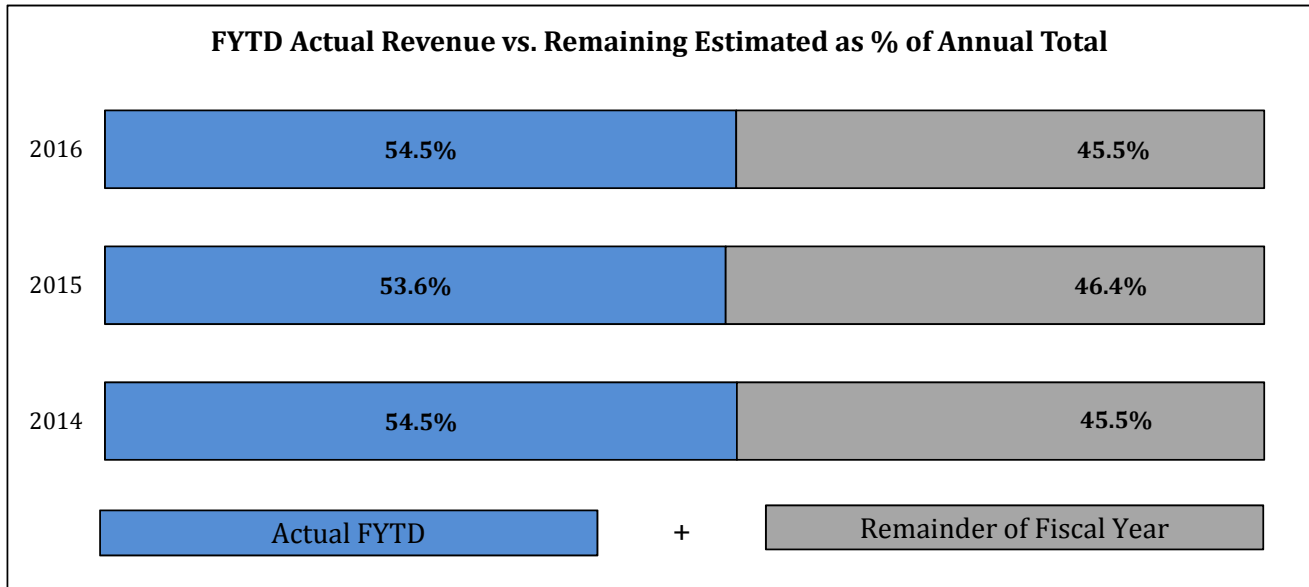
The state of Ohio is still using FY 2015 enrollment data for state funding revenue calculations and community school deductions. The Ohio Department of Education has reported they will begin using current enrollment with the February #2 payment. The situation is being monitored, and state funding will be updated when data is released.

The district's forecast continues to trend toward revenue shortfalls that could grow to \$14,022,731 in FY 2020.



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. 2016		
	2014 FYTD	2015 FYTD	2016 FYTD	YOY Change		
30.6%	Real Estate Taxes	49,860,433	48,751,304	48,389,844	\$ (361,460)	-0.7%
0.0%	Public Utility PP Taxes	3,652,833	4,043,994	4,175,142	\$ 131,148	3.2%
0.0%	Income Tax	-	-	-	\$ -	0.0%
58.3%	State Aid (Formula + Rest)	98,995,116	106,289,235	113,577,661	\$ 7,288,426	6.9%
5.2%	State Tax Reimb.	10,379,111	10,622,285	8,787,802	\$ (1,834,483)	-17.3%
3.2%	Other Revenue	5,864,248	3,574,322	6,795,743	\$ 3,221,421	90.1%
0.0%	Other Sources	25,237	10,926	19,518	\$ 8,592	78.6%
100%	Total Revenue	168,776,978	173,292,066	181,745,709	\$ 8,453,644	4.9%
					Total YOY Percentage Change	4.9%

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

Revenue is up 4.9% over last year.

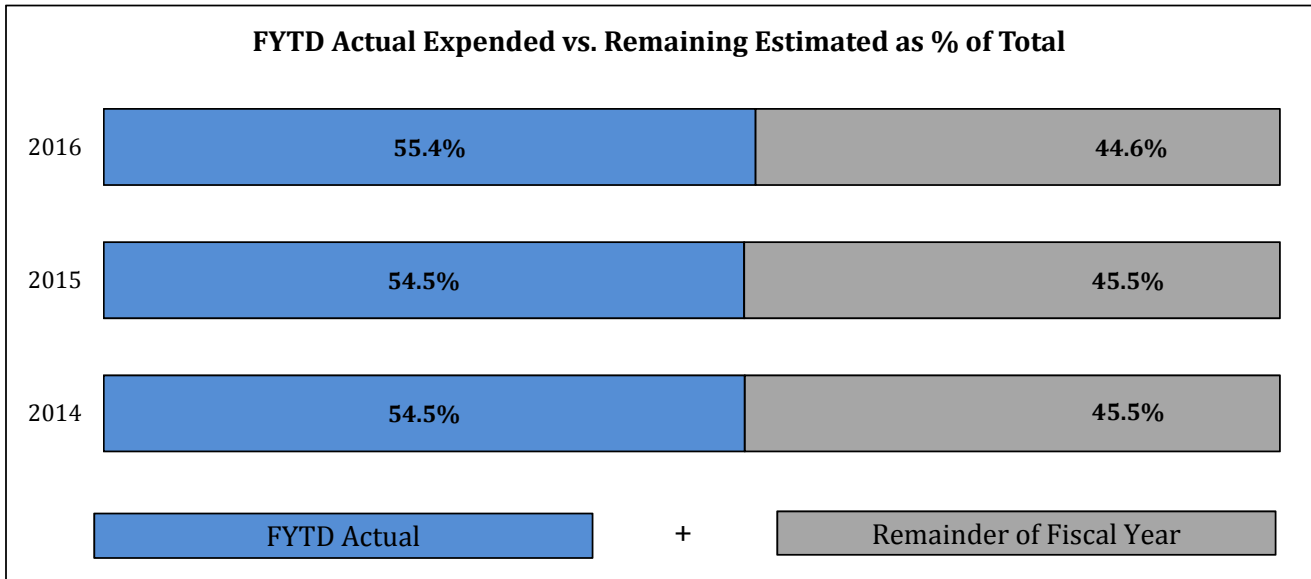
The primary contributors to the revenue increase are state funding (Formula) and local payments in lieu of taxes (Other Revenue). The payments in lieu of taxes are higher than originally estimated in the forecast and could offset other reductions. More data is needed before adjusting the forecasted amounts.

Property tax allocation is down because of the state's reduction in its tangible personal property tax reimbursement payments. These payments are being phased-out with the new, current budget. Visually, the table above shows that while the state increased formula funding \$7.3 million through January, it also reduced its reimbursements by \$1.8 million.

Other revenue is up over last year because of local payments made in lieu of property taxes that were not received in FY 2015.

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

Analysis of actual expenditures for the fiscal year period July - January



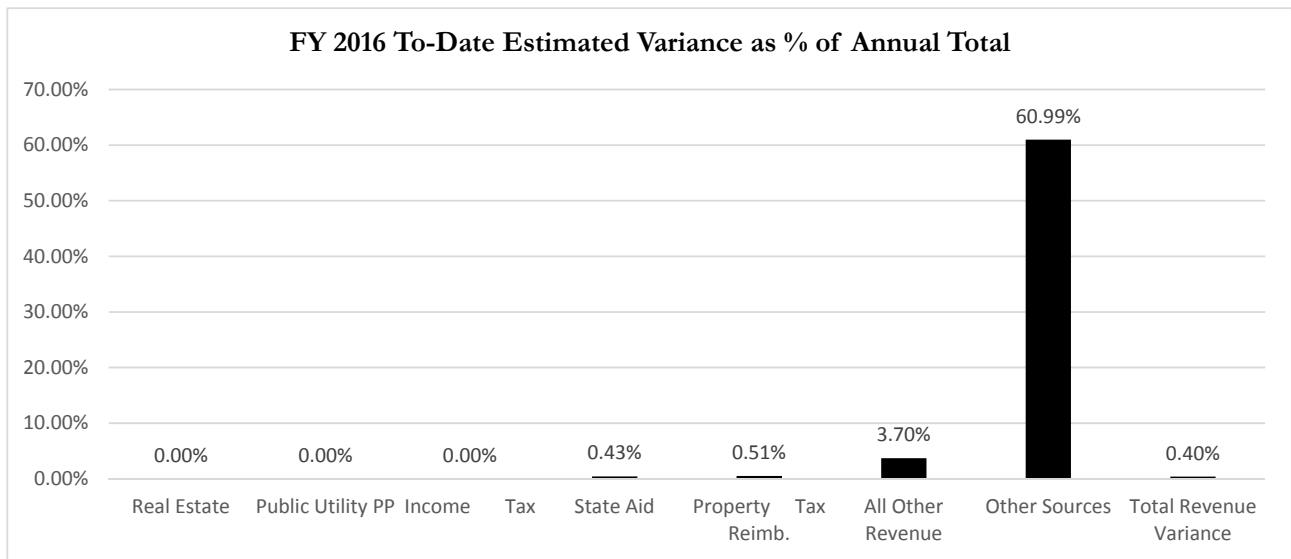
Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - January			F.Y. 2016	
		2014 FYTD	2015 FYTD	2016 FYTD	YOY Change	
49.2%	Salaries	82,596,131	88,458,494	90,907,247	\$ 2,448,753	2.8%
20.7%	Benefits	36,828,445	35,350,605	38,880,363	\$ 3,529,758	10.0%
25.6%	Purchased Services	35,740,709	39,597,135	43,657,787	\$ 4,060,652	10.3%
2.3%	Supplies	4,046,704	3,805,730	3,837,137	\$ 31,407	0.8%
1.2%	Capital	2,771,523	1,328,098	2,271,303	\$ 943,205	71.0%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	1,435,833	1,322,502	1,437,111	\$ 114,609	8.7%
0.0%	Other Uses	76,343	82,828	18,485	\$ (64,342)	-77.7%
100%	Total Expenditures	163,495,689	169,945,391	181,009,433	\$ 11,064,042	
					Total YOY Percentage Change	6.5%

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

Actual fiscal year-to-date expenditures are up 6.5% over last year.

All increases are in-line with expectations. Capital is up because of the timing of purchases, but is still trending in-line with expectations for FY 2016.

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



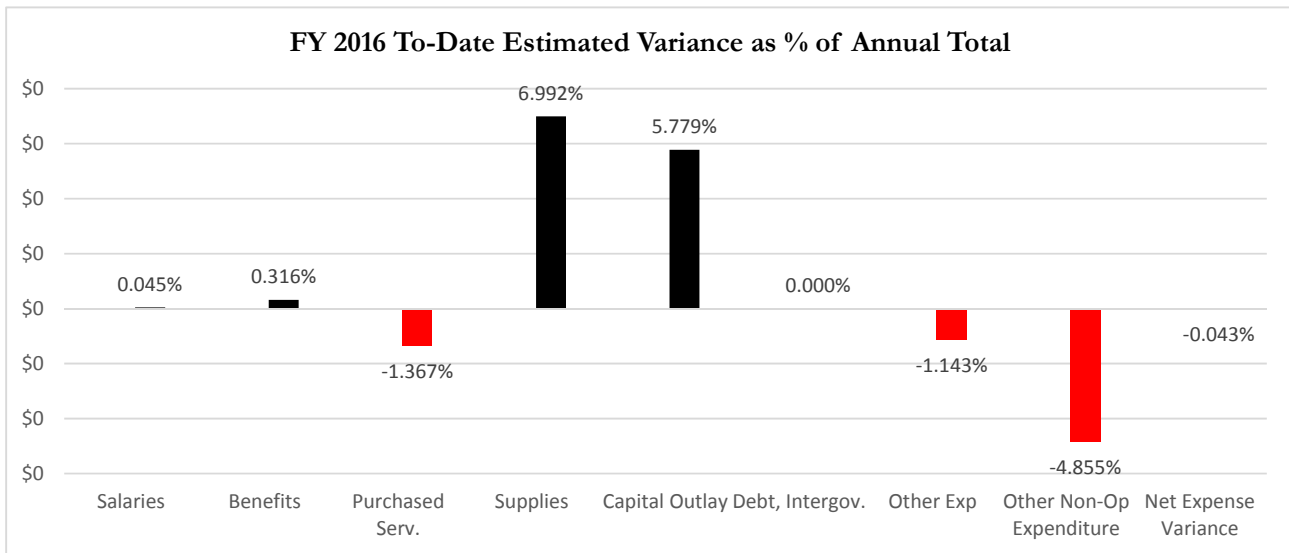
		2016 FYTD	2016 FYTD	2016 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		January	January	Variance
Revenue:				
For the F.Y. 2016 Period: July - January				
K	Real Estate Taxes	48,389,844	48,389,844	-
L	Public Utility PP Taxes	4,175,142	4,174,991	151
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	113,577,661	112,744,272	833,389
P	State Tax Reimb.	8,787,802	8,699,773	88,029
Q	Other Revenue	6,795,743	6,398,077	397,666
R	Total Operating Revenue	181,726,192	180,406,957	1,319,234
S	Other Non-Op Revenue	19,518	-	19,518
T	Total Operating Revenue Plus Other Sources	181,745,709	180,406,957	1,338,752

How do FYTD revenue cash flow estimates compare to actual?

Actual revenue is trending within 0.40% of estimated.

Not reflected above is the indication that the district's other revenue category is trending better than expected when the second half of the fiscal year is included. This line item received about \$2.6 million in payments in lieu of local property taxes in September that has already impacted the district. The remaining large category of revenue is related to Medicaid payments received by the district; if these payments are in-line with prior years' then the other revenue category could be as much as \$1.5 million more than originally forecasted. This data will be monitored.

Fiscal Year To Date (through) Actual Expenditures Compared to Estimates



		Actual	Estimated	Actual Over/
		July through January	July through January	(Under) Estimated Variance
Expenditures:				
For the F.Y. 2016 Period: July - January				
K	Salaries	90,907,247	90,835,297	71,950
L	Benefits	38,880,363	38,667,073	213,290
M	Purchased Services	43,657,787	44,802,280	(1,144,493)
N	Supplies	3,837,137	3,301,053	536,084
O	Capital	2,271,303	2,046,165	225,138
P	Debt, Intergov.	-	-	-
Q	Other Objects	1,437,111	1,473,950	(36,839)
R	Total Operating Expenditures	180,990,948	181,125,818	(134,871)
S	Other Non-Op Expenditures	18,485	24,796	(6,311)
T	Total Operating Expenditures Plus Other Uses	181,009,433	181,150,614	(141,181)

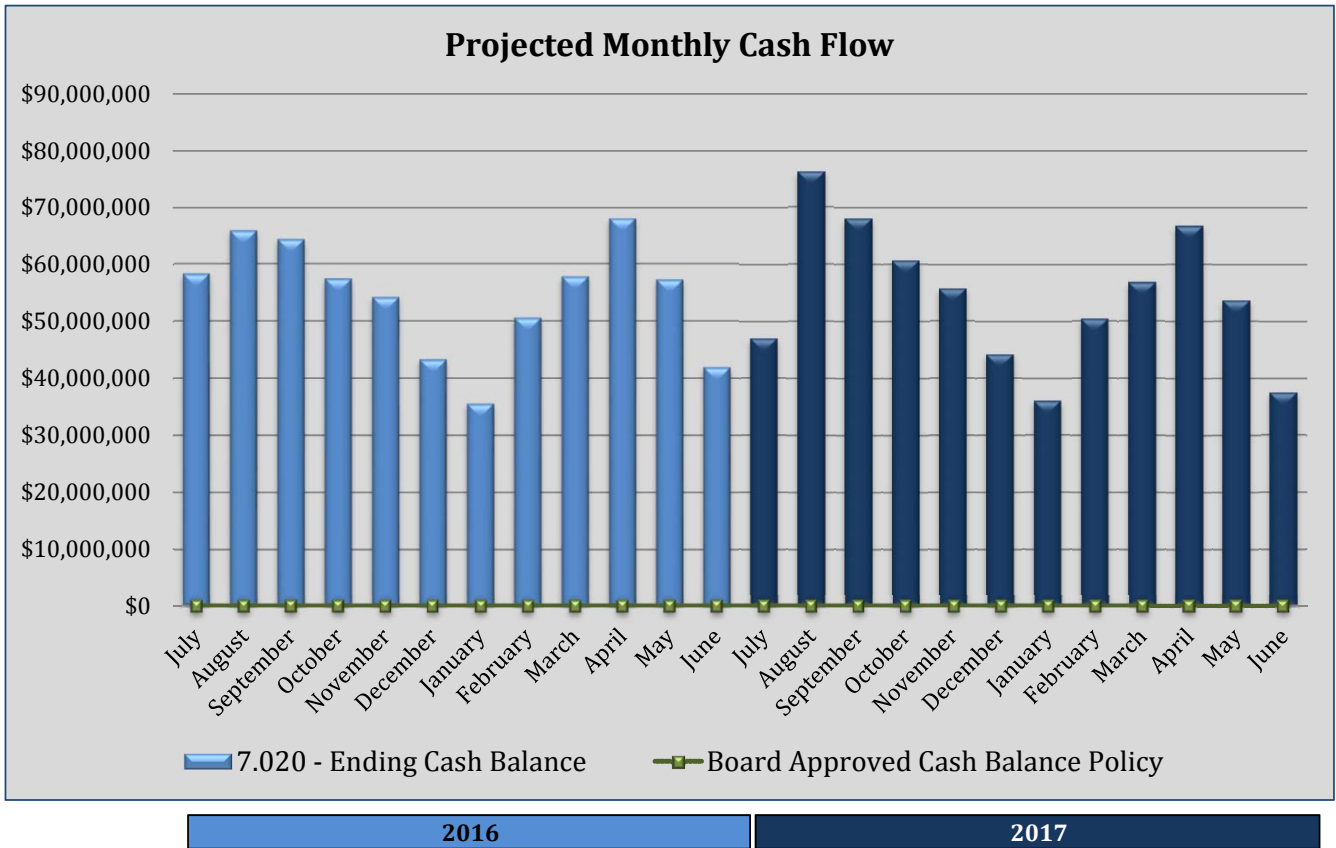
How do FYTD expenditure cash flow estimates compare to actual?

Actual expenditures through January have trended within -0.043% of estimated.

The supply and capital category variances are due to timing over last year and increase in the projected amounts.

Purchased services are still dependent upon FY 2015 community school deduction data provided by the state of Ohio (Ohio Department of Education). Updated FY 2016 information is not expected until the end of February, and the results could have impact upon the forecasted numbers. Normally it would be expected to have initial calculations from the state by now, but such is not the case. The information will be analyzed as soon as it is received and proofed.

Monthly Cash Balance Estimates Fiscal Years 2016 and 2017



Monthly cash flow estimates

Monthly ending cash balances are adequate through June 30, 2017.

**AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
January 2016**

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	124,311,305.45	002 - First Merit Student Activity	632,097.69
Plus Receipts	27,530,574.80	005 - PNC Practical Nursing	-
Less Expenditures	40,219,925.24	007 - PNC Oma Evans	151,878.74
Ending Balance	<u>111,621,955.01</u>	008 - First Merit Schumacher	52.62
		015 - PNC Judy Resnik	5,241.73
		017 - First Merit AP/Payroll/CN	6,509,184.17
Outstanding Checks & Direct Deposits		018 - PNC Building Fund	5,925,000.00
002 - First Merit Student Activity Checks	45,640.76	026 - 5th/3rd	-
005 - PNC Practical Nursing Checks	-	034 - PNC General Fund Money Market	-
015 - PNC Judy Resnik Checks	-	037 - USBank Construction	33,552,708.69
017 - First Merit Accounts Payable Checks	994,789.44	038 - USBank PI Fund	15,073,814.29
017 - First Merit Payroll Checks	201,921.36	039 - USBank General Fund	20,323,929.96
017 - First Merit Payroll Direct Deposits	-		
018 - PNC Building Fund Checks	202,073.48		<u>82,173,907.89</u>
	<u>1,444,425.04</u>		
		Local Grant/Benefit CD's	
Pending Payroll Deductions		022 - First Merit CD	25,109.72
Federal/Medicare Withholding	893,090.48	029 - First Merit CD	5,000.00
State Tax	160,666.67	030 - First Merit CD	176,376.32
City Tax	332,062.93	032 - First Merit CD	91,782.16
SERS	323,822.24		<u>298,268.20</u>
School District Income Tax	1,447.06		
STRS	701,554.39	Investment Sweeps	
Valic	-	002 - First Merit Student Activity	980,000.00
ING (Voya)	-	017 - First Merit AP/Payroll/CN	29,580,000.00
Lincoln	-	018 - PNC Building Fund	2,454,375.76
Ohio Deferred Comp	12,584.94		<u>33,014,375.76</u>
MG Trust (Aspire)	-		
Towpath	-	Miscellaneous Bank Adjustments	
	<u>2,425,228.71</u>	Petty Cash	1,000.00
		Bank Charges to be Refunded	46.97
Miscellaneous Book Adjustments		Student Activity Payroll Deposit to 017	11,741.18
021 - Inventory Allowance	13,653.16	Building Fund Payroll Deposit to 017	1,110.16
022 - Insurance Accrual	(4,811.76)	Child Nutrition Deposit - Bank Error	-
	<u>8,841.40</u>	Deposit-in-Transit for Payroll	-
			<u>13,898.31</u>
Adjusted Book Balance	<u>\$ 115,500,450.16</u>	Adjusted Bank Balance	<u>\$ 115,500,450.16</u>