



**Akron Public
Schools®**

Monthly Financial Report

*For the F.Y. 2016 Month Ending: May
6/17/2016*

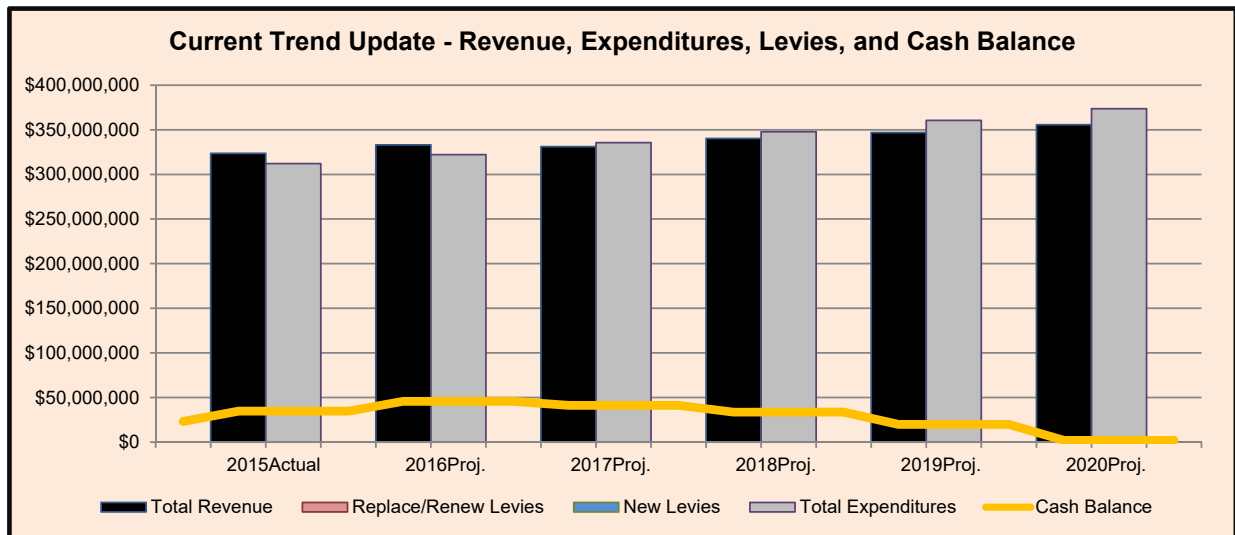
Ryan Pendleton, CFO



Table of Contents

Updated Forecast Trend For The Month of May, F.Y. 2016	3
Fiscal Year To Date -- Year-Over-Year Revenue Comparison	4
Fiscal Year To Date -- Year-Over-Year Expenditure Comparison	5
Fiscal Year To Date (July - May) Actual Revenue Compared to Estimates	6
Fiscal Year To Date (through) Actual Expenditures Compared to Estimates	7
Monthly Cash Balance Estimates Fiscal Years 2016 and 2017	8

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



Projected Revenue Surplus/(Shortfall) by Year					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue Surplus/					
(Shortfall)	\$10,980,678	(\$4,578,379)	(\$7,547,004)	(\$13,758,527)	(\$17,835,594)

Forecast Updated Trend			
Compared to Updated Trend Forecast as of 6/17/2016			
Variance between Prior and Current Forecast:	2016	2017	2018
Current Forecast Revenue Trend OVER/UNDER Prior	-0.04%	-0.27%	-0.05%
Current Forecast Expenditure Trend OVER/UNDER Prior	-0.11%	-0.15%	-0.28%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	\$211,794	(\$177,451)	\$643,015

What are the current forecast trends?

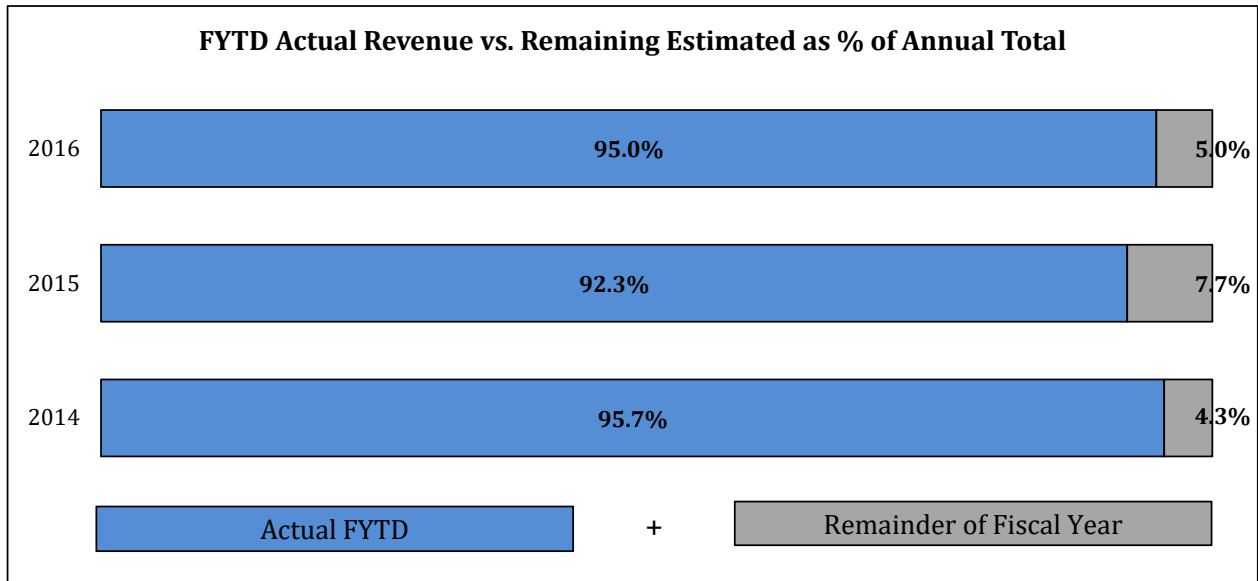
The district continues to trend toward a growing revenue shortfall that could reach -\$17,835,594 by FY 2020.

The forecast was updated last month to reflect trends since October, and the current forecast remains very much in alignment. Enrollment loss has negatively impacted state funding since the district is a 'formula' district. Also, the district has lost some level of economic disadvantaged funding because of a reduction in the number of children qualifying. Cumulatively the trend changes since May result in a very small net variance.

Expenditures are trending slightly better in FY 2016 through FY 2018 because of purchased services and discretionary spending in supplies.

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. 2016	
		2014 FYTD	2015 FYTD	2016 FYTD	YOY Change	
30.3%	Real Estate Taxes	104,944,683	102,149,605	101,059,345	\$ (1,090,259)	-1.1%
0.0%	Public Utility PP Taxes	7,699,457	8,333,138	8,566,739	\$ 233,602	2.8%
0.0%	Income Tax	-	-	-	\$ -	0.0%
58.2%	State Aid (Formula + Rest)	152,107,294	166,720,821	178,128,082	\$ 11,407,261	6.8%
5.2%	State Tax Reimb.	20,713,036	13,699,194	17,486,398	\$ 3,787,205	27.6%
3.7%	Other Revenue	10,747,522	7,215,637	11,719,889	\$ 4,504,252	62.4%
0.0%	Other Sources	34,169	708,036	27,847	\$ (680,189)	-96.1%
100%	Total Revenue	296,246,160	298,826,431	316,988,302	\$ 18,161,871	6.1%
Total YOY Percentage Change					6.1%	

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

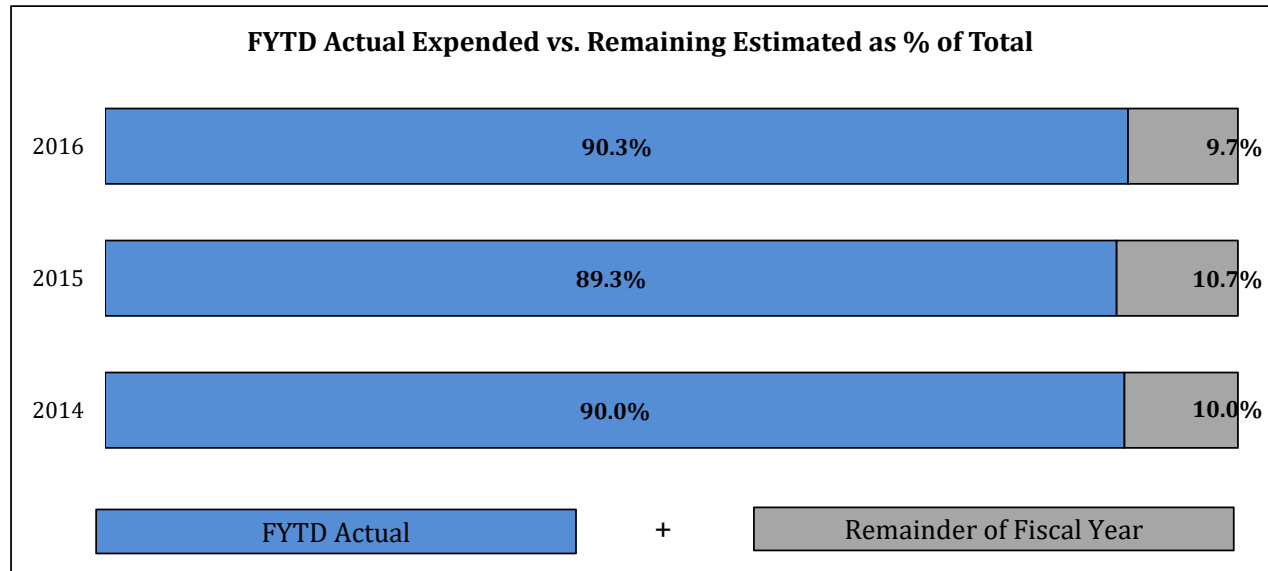
Revenue is up 6.1% over last year.

The primary contributors to the revenue increase are state funding (Formula) and local payments in lieu of taxes (Other Revenue). Revenue for these alternative tax payments was down considerably in FY 2015.

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 through January, it also reduced its reimbursements by \$1.8 million.

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. 2016	
		2014 FYTD	2015 FYTD	2016 FYTD	YOY Change	
49.8%	Salaries	133,453,983	141,872,719	145,322,688	\$ 3,449,968	2.4%
21.0%	Benefits	58,693,117	56,643,542	62,092,185	\$ 5,448,643	9.6%
24.8%	Purchased Services	63,171,124	69,760,157	71,622,830	\$ 1,862,673	2.7%
2.2%	Supplies	6,273,541	5,590,268	5,796,987	\$ 206,719	3.7%
1.2%	Capital	5,087,769	1,852,694	3,147,784	\$ 1,295,089	69.9%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	3,160,232	2,857,970	3,086,194	\$ 228,224	8.0%
0.0%	Other Uses	78,663	93,884	26,815	\$ (67,069)	-71.4%
100%	Total Expenditures	269,918,429	278,671,235	291,095,483	\$ 12,424,248	
Total YOY Percentage Change					4.5%	

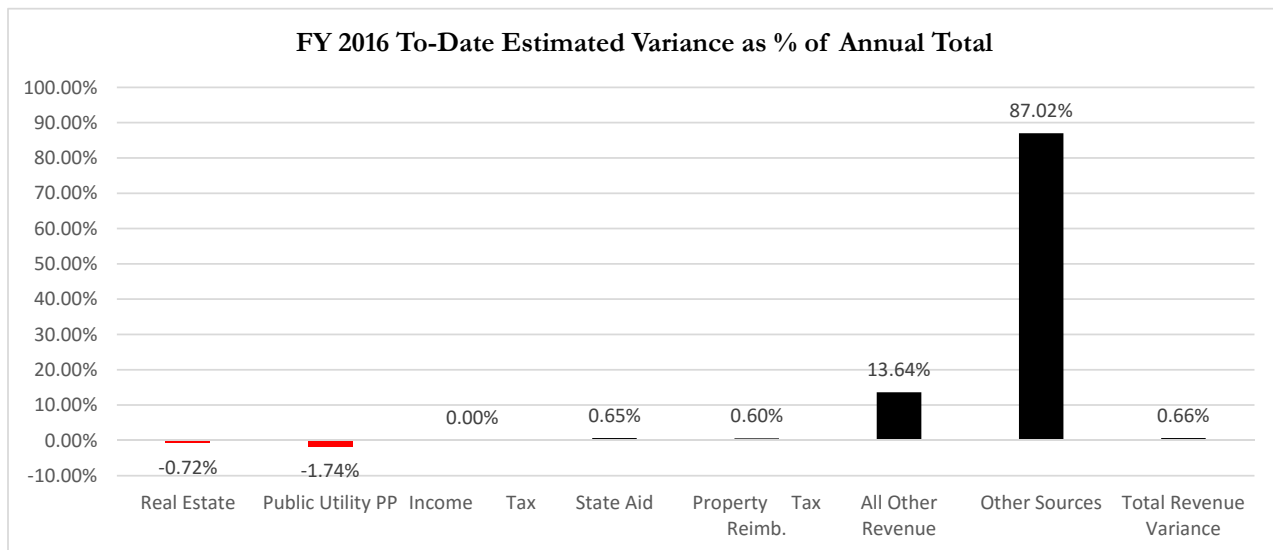
How do fiscal year-to-date expenditures compare to prior years?

Actual fiscal year-to-date expenditures are up 4.5% 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.

Purchased services are up because of the timing of tuition payments in FY 2015 versus FY 2016. This occurred because in FY 2015 the Ohio Department of Education concentrated most of the payments in the last quarter of the fiscal year. In FY 2016 the ODE has spread this cost more evenly over the months, and therefore the first part of FY 2016 is experiencing higher cost. The last quarter, however, is expected to be lower than FY 2015. Purchased services are not growing as originally expected in October because year-over-year community school enrollment is down.

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

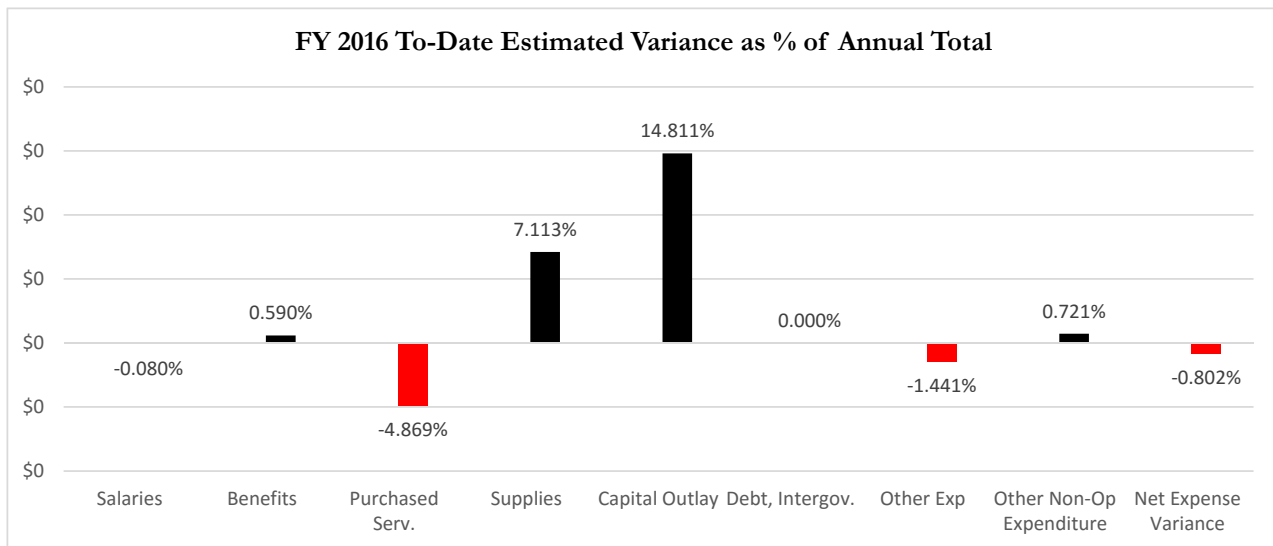


		2016 FYTD	2016 FYTD	2016 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		May	May	Variance
Revenue:				
For the F.Y. 2016 Period: July - May				
K	Real Estate Taxes	101,059,345	101,782,870	(723,524)
L	Public Utility PP Taxes	8,566,739	8,715,799	(149,060)
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	178,128,082	176,864,898	1,263,185
P	State Tax Reimb.	17,486,398	17,382,339	104,059
Q	Other Revenue	11,719,889	10,039,392	1,680,497
R	Total Operating Revenue	316,960,454	314,785,297	2,175,157
S	Other Non-Op Revenue	27,847	-	27,847
T	Total Operating Revenue Plus Other Sources	316,988,302	314,785,297	2,203,004
				0.70%

How do FYTD revenue cash flow estimates compare to actual?

Actual revenue (on an annual basis) is trending within 0.66% of estimated.

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



		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		May	May	Variance
Expenditures:				
For the F.Y. 2016 Period: July - May				
K	Salaries	145,322,688	145,451,343	(128,655)
L	Benefits	62,092,185	61,693,482	398,703
M	Purchased Services	71,622,830	75,508,256	(3,885,425)
N	Supplies	5,796,987	5,294,719	502,269
O	Capital	3,147,784	2,570,762	577,022
P	Debt, Intergov.	-	-	-
Q	Other Objects	3,086,194	3,132,651	(46,457)
R	Total Operating Expenditures	291,068,668	293,651,212	(2,582,544)
S	Other Non-Op Expenditures	26,815	25,878	937
T	Total Operating Expenditures Plus Other Uses	291,095,483	293,677,090	(2,581,608)

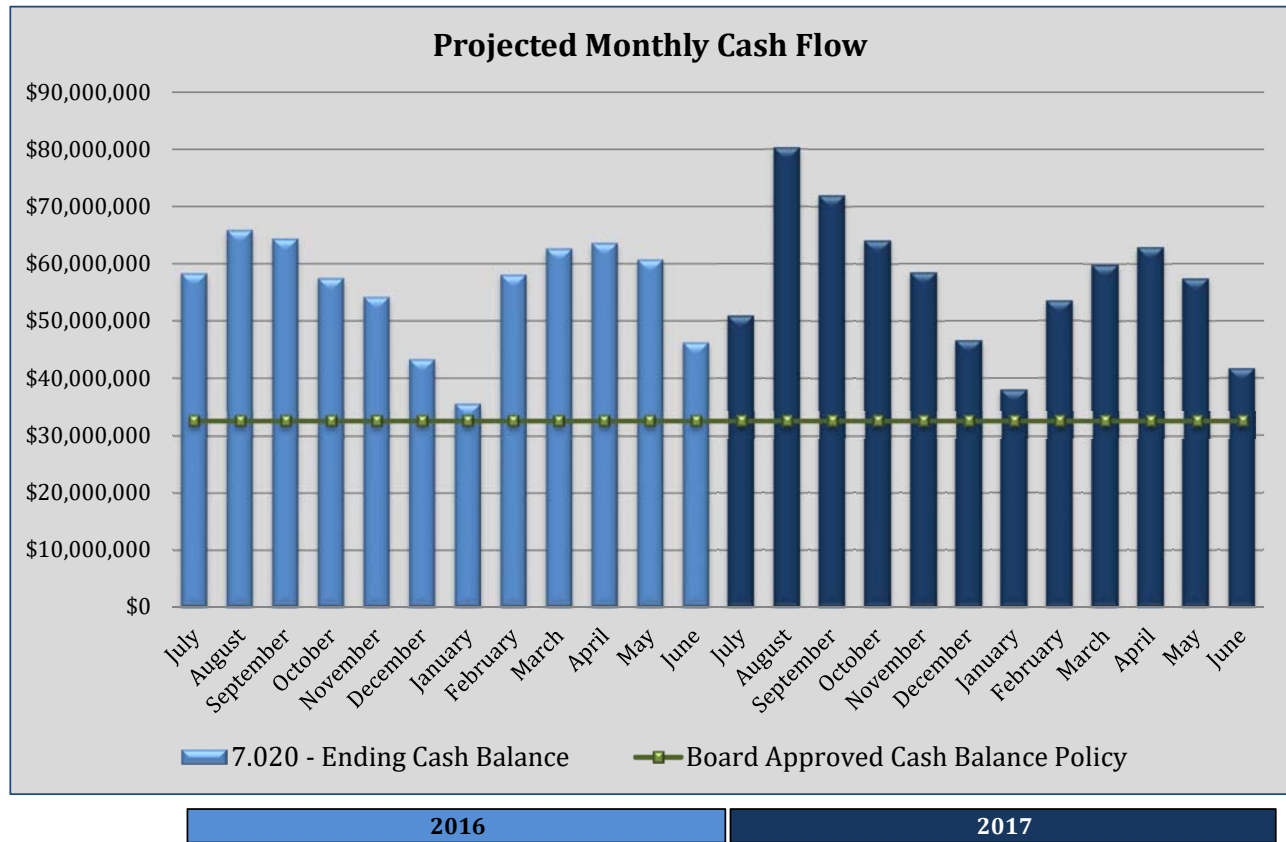
How do FYTD expenditure cash flow estimates compare to actual?

Actual expenditures (on an annual basis) is trending within +BI36 -0.802% of estimated.

The supply and capital category variances are due to timing of expenditures compared to last year, and therefore the annual total is expected to be in-line with annual projected amounts.

Purchased services are trending lower than original estimates; this category includes community school and scholarship tuition costs. The Department of Education just started using the district's current year enrollment data in March, 2016. The initial indication is that tuition for community school and scholarship students combined is actually trending less than last year's level rather than meeting the projected increase used in October. This is of course good news in terms of operating costs, and has been incorporated into the current forecast trend update.

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
May 2016

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	147,452,024.78	002 - First Merit Student Activity	626,392.33
Plus Receipts	38,284,248.00	005 - PNC Practical Nursing	-
Less Expenditures	45,886,512.36	007 - PNC Oma Evans	151,939.99
Ending Balance	139,849,760.42	008 - First Merit Schumacher	52.62
		015 - PNC Judy Resnik	5,241.73
		017 - First Merit AP/Payroll/CN	6,501,691.15
		018 - PNC Building Fund	2,011,327.57
Outstanding Checks & Direct Deposits		026 - 5th/3rd	-
002 - First Merit Student Activity Checks	47,121.36	034 - PNC General Fund Money Market	-
002 - FM SA Deposit Outstanding on Munis	-	037 - USBank Construction	43,099,316.11
015 - PNC Judy Resnik Checks	-	038 - USBank PI Fund	15,110,857.11
017 - First Merit Accounts Payable Checks	1,891,512.86	039 - USBank General Fund	20,380,308.59
017 - First Merit Payroll Checks	161,201.63		
017 - FM Deposit Outstanding on Munis	-		
018 - PNC Building Fund Checks	-		87,887,127.20
	2,099,835.85		
		Local Grant/Benefit CD's	
Pending Payroll Deductions		022 - First Merit CD	25,109.72
Federal/Medicare Withholding	714,006.73	029 - First Merit CD	5,000.00
State Tax	128,238.21	030 - First Merit CD	176,376.32
City Tax	357,643.78	032 - First Merit CD	91,782.16
SERS	345,560.01		298,268.20
School District Income Tax	1,590.43		
STRS	750,242.27	Investment Sweeps	
Valic	-	002 - First Merit Student Activity	985,000.00
ING (Voya)	-	017 - First Merit AP/Payroll/CN	55,160,000.00
Lincoln	-	018 - PNC Building Fund	-
Ohio Deferred Comp	-		56,145,000.00
MG Trust (Aspire)	-		
Towpath	-	Miscellaneous Bank Adjustments	
	2,297,281.43	Petty Cash	1,000.00
		Bank Charges to be Refunded	412.81
Miscellaneous Book Adjustments		Student Activity Payroll Deposit to 017	9,163.76
021 - Inventory Allowance	98,742.16	Payroll Reimbursement	239.86
022 - Insurance Accrual	(4,407.06)	Balancing Adj	0.97
	94,335.10		10,817.40
Adjusted Book Balance	\$ 144,341,212.80	Adjusted Bank Balance	\$ 144,341,212.80