



**Akron Public  
Schools®**

## **Monthly Financial Report**

*For the F.Y. 2016 Month Ending: February*

3/11/2016

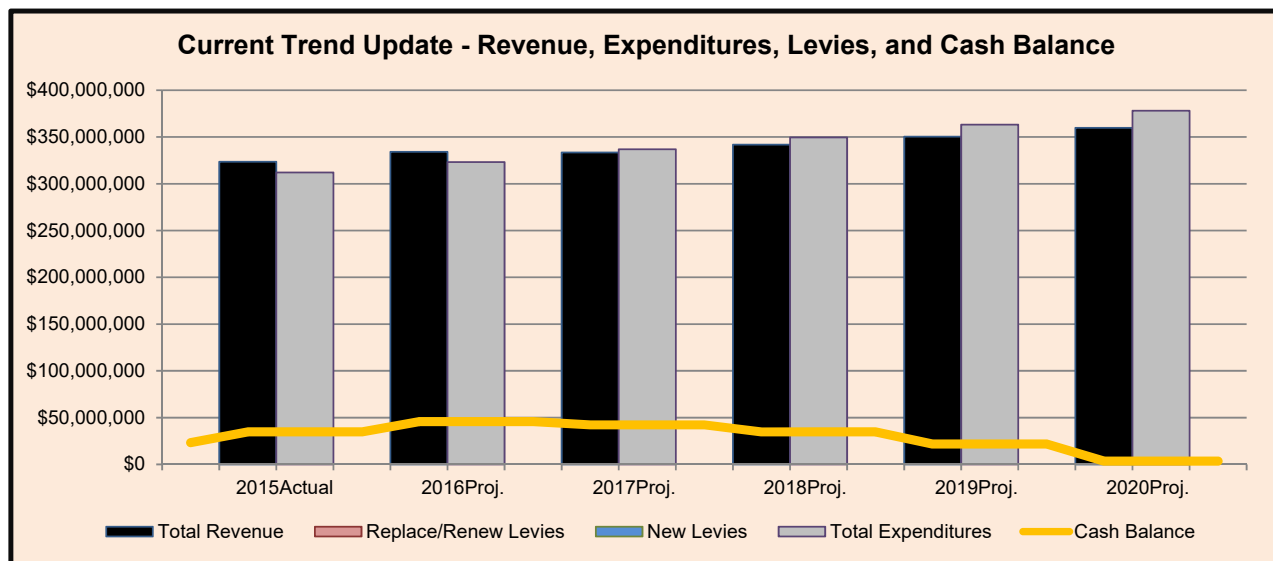
Ryan Pendleton, CFO



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



Projected Revenue Surplus/(Shortfall) by Year					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue Surplus/ (Shortfall)	\$10,926,180	(\$3,389,534)	(\$7,642,341)	(\$12,918,254)	(\$18,312,083)

Forecast Updated Trend			
Compared to Updated Trend Forecast as of 3/11/2016			
Variance between Prior and Current Forecast:	2016	2017	2018
Current Forecast Revenue Trend OVER/ <b>UNDER</b> Prior	0.55%	-0.61%	-0.36%
Current Forecast Expenditure Trend OVER/ <b>UNDER</b> Prior	-1.18%	-0.16%	0.28%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	\$5,686,539	\$4,201,260	\$1,985,394

### What are the current forecast trends?

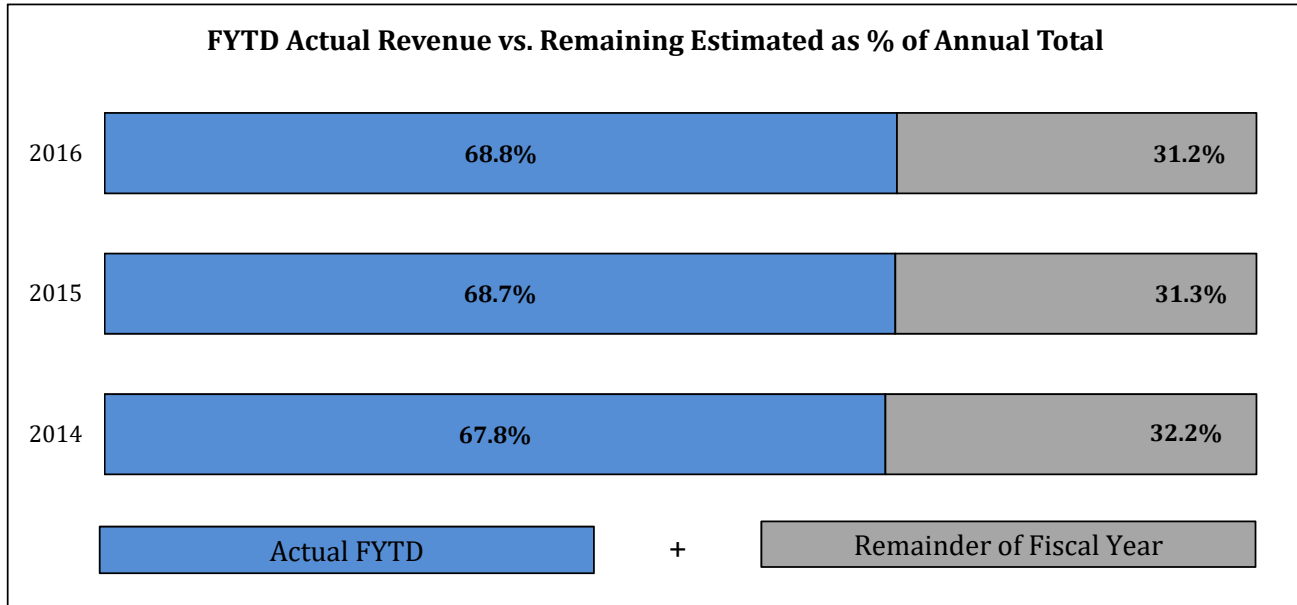
The current forecast updated trend shows a slight increase in FY 2016 revenue of 0.55% because of state funding, and a slight decrease in revenue (-0.61% in FY 2017, and -0.36% in FY 2018) because of an update to the forecast for actual 2015 property values (taxes). The current forecast trend also shows a (1.18%) reduction in FY 2016 expenditures because tuition expense is less than expected. Tuition expense includes community school and scholarship cost and was just reported by the Ohio Department of Education in March, 2016. The costs will continue to be monitored now that ODE is using the district's current data rather than last year's. By FY 2018 the expenditures increase slightly because of updated estimates for health insurance costs.

The cumulative impact of the combined variance is a slight positive gain of \$1,985,394 in the district's cash balance through FY 2018. The continued trend is toward growing revenue shortfalls through FY 2020. The revenue shortfall could grow to \$19,207,308 by FY 2020.



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

Analysis of actual revenue for the fiscal year period July - February



Percent of Annual Total		Actual Fiscal Year To Date Revenue, July - February			F.Y. 2016	
		2014 FYTD	2015 FYTD	2016 FYTD	YOY Change	
30.3%	Real Estate Taxes	74,947,258	81,499,474	79,328,584	\$ (2,170,891)	-2.7%
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)	113,083,595	121,633,346	130,076,684	\$ 8,443,338	6.9%
5.2%	State Tax Reimb.	10,379,111	10,622,285	8,787,802	\$ (1,834,483)	-17.3%
3.5%	Other Revenue	7,810,389	4,364,890	7,462,513	\$ 3,097,624	71.0%
0.0%	Other Sources	27,278	10,926	19,518	\$ 8,592	78.6%
100%	<b>Total Revenue</b>	<b>209,900,464</b>	<b>222,174,915</b>	<b>229,850,242</b>	<b>\$ 7,675,328</b>	<b>3.5%</b>
		<b>Total YOY Percentage Change</b>			<b>3.5%</b>	

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

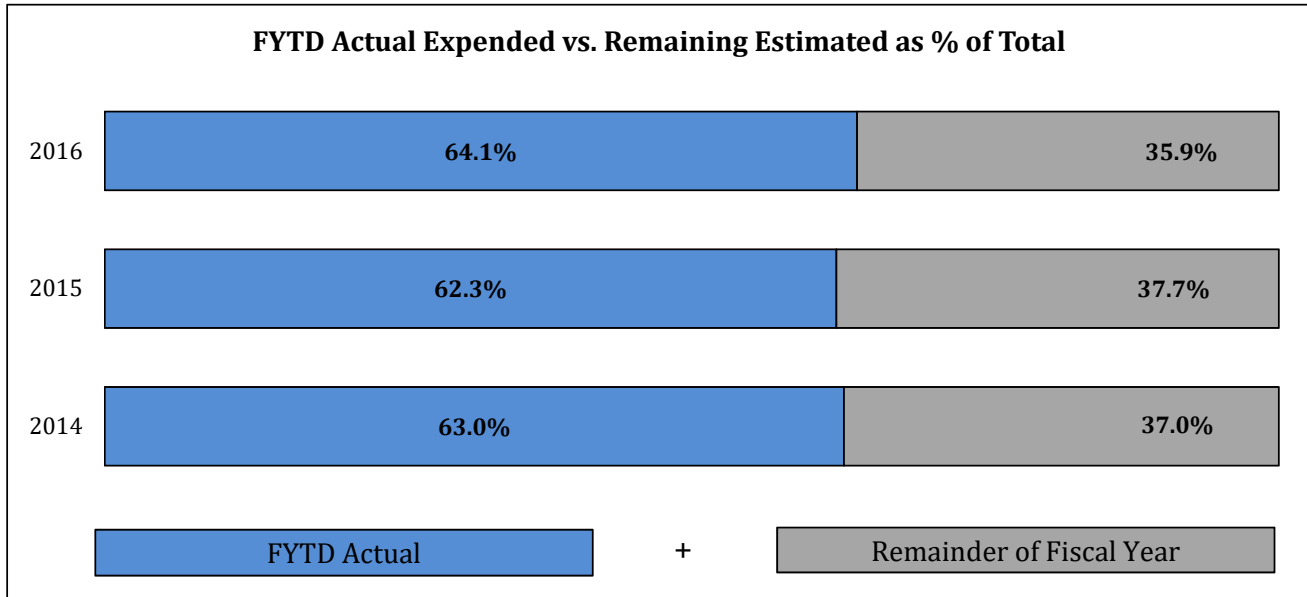
Revenue is up 3.5% over last year.

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 - February



Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - February			F.Y. 2016 YOY Change	
		2014 FYTD	2015 FYTD	2016 FYTD		
49.5%	Salaries	94,945,532	101,649,410	104,227,063	\$ 2,577,653	2.5%
20.9%	Benefits	42,260,790	40,816,782	44,621,934	\$ 3,805,152	9.3%
25.0%	Purchased Services	42,064,577	44,942,808	49,664,399	\$ 4,721,591	10.5%
2.4%	Supplies	4,388,311	4,224,816	4,139,089	\$ (85,727)	-2.0%
1.2%	Capital	3,626,492	1,442,314	2,370,108	\$ 927,794	64.3%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	1,490,016	1,340,189	1,563,119	\$ 222,930	16.6%
0.0%	Other Uses	76,343	82,828	18,485	\$ (64,342)	-77.7%
100%	<b>Total Expenditures</b>	<b>188,852,062</b>	<b>194,499,147</b>	<b>206,604,197</b>	<b>\$ 12,105,050</b>	
<b>Total YOY Percentage Change</b>					<b>6.2%</b>	

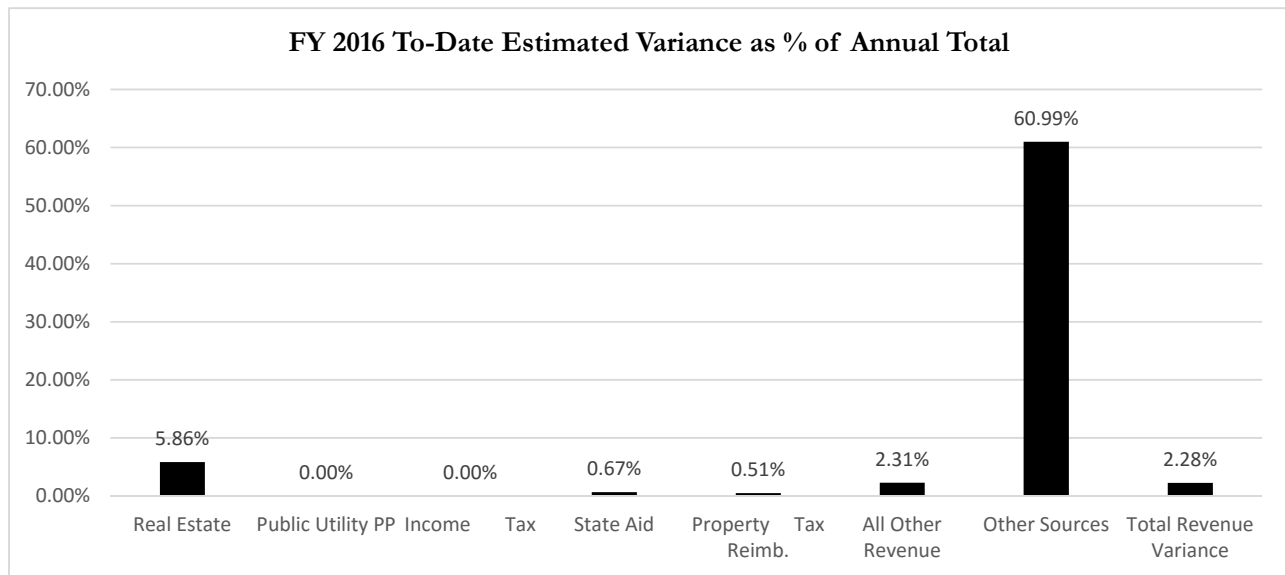
How do fiscal year-to-date expenditures compare to prior years?

Actual fiscal year-to-date expenditures are up 6.2% 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 service 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 but that last quarter is expected to be lower than FY 2015.

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



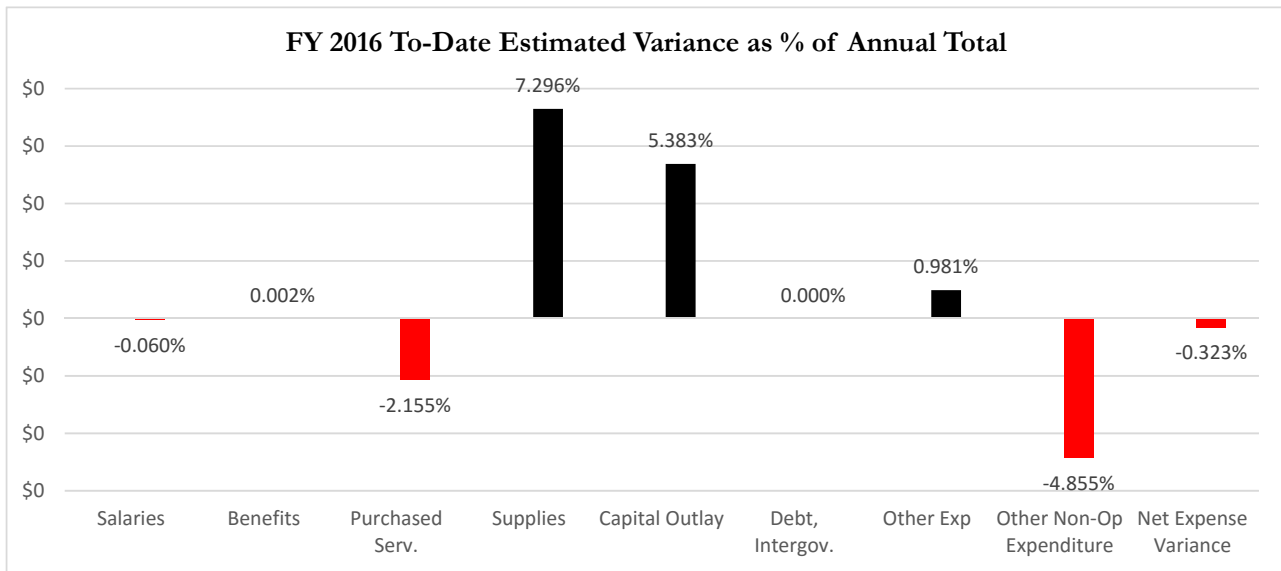
		2016 FYTD	2016 FYTD	2016 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		February	February	Variance
Revenue:				
For the F.Y. 2016 Period: July - February				
K	Real Estate Taxes	79,328,584	73,389,844	5,938,740
L	Public Utility PP Taxes	4,175,142	4,174,991	151
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	130,076,684	128,774,429	1,302,255
P	State Tax Reimb.	8,787,802	8,699,773	88,029
Q	Other Revenue	7,462,513	7,188,645	273,869
R	Total Operating Revenue	229,830,725	222,227,681	7,603,044
S	Other Non-Op Revenue	19,518	-	19,518
T	Total Operating Revenue Plus Other Sources	229,850,242	222,227,681	7,622,562

How do FYTD revenue cash flow estimates compare to actual?

Actual revenue is trending 2.28% higher than estimated.

The primary contributor to this variance is the timing of real estate tax advances, the actual money received to-date is higher than expected, however the final real estate tax settlement is expected to be in line with the overall forecast. Therefore this fluctuation is only a matter of the timing of payments from the county auditor.

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



		Actual	Estimated	Actual Over/
		July through February	July through February	(Under) Estimated Variance
<b>Expenditures:</b>				
<b>For the F.Y. 2016 Period: July - February</b>				
K	Salaries	104,227,063	104,323,009	(95,946)
L	Benefits	44,621,934	44,620,287	1,647
M	Purchased Services	49,664,399	51,408,256	(1,743,857)
N	Supplies	4,139,089	3,579,715	559,373
O	Capital	2,370,108	2,160,382	209,726
P	Debt, Intergov.	-	-	-
Q	Other Objects	1,563,119	1,531,496	31,623
R	Total Operating Expenditures	206,585,712	207,623,144	(1,037,433)
S	Other Non-Op Expenditures	18,485	24,796	(6,311)
T	Total Operating Expenditures Plus Other Uses	206,604,197	207,647,941	(1,043,744)

How do FYTD expenditure cash flow estimates compare to actual?

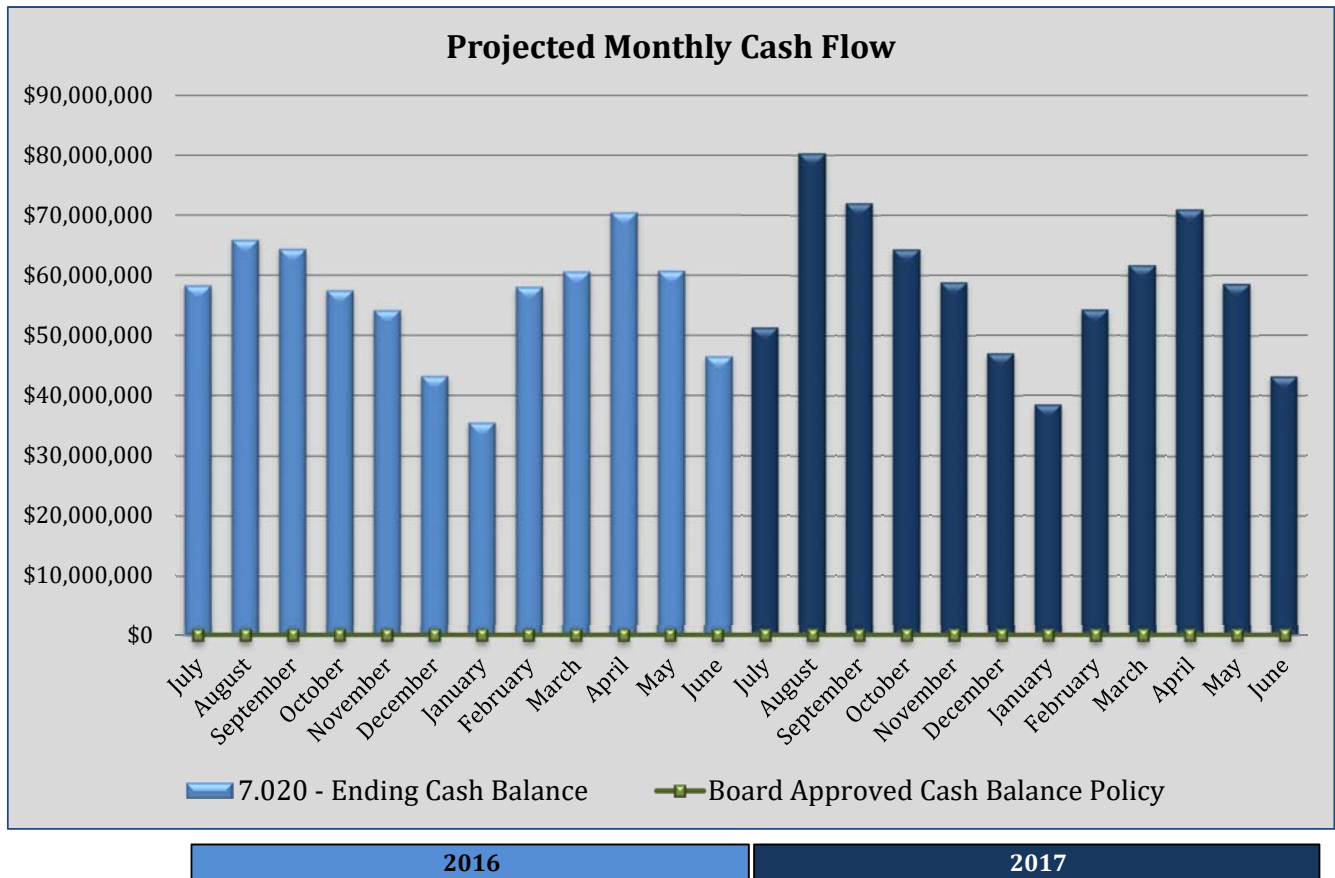
Actual expenditures through January have trended within -0.323% of estimated.

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 scholarships students combined is actually trending in line with 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.

All categories will be monitored closely over the next few weeks leading up the May forecast 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  
February 2016**

<b>Book Balance</b>		<b>Bank Balance</b>	
<b>USAS Accounting System</b>		<b>Month End Bank Account Balances</b>	
Beginning Balance	111,621,955.01	002 - First Merit Student Activity	625,945.78
Plus Receipts	60,338,277.79	005 - PNC Practical Nursing	-
Less Expenditures	41,070,285.15	007 - PNC Oma Evans	151,894.17
Ending Balance	130,889,947.65	008 - First Merit Schumacher	52.62
		015 - PNC Judy Resnik	5,241.72
		017 - First Merit AP/Payroll/CN	6,505,406.76
		018 - PNC Building Fund	4,834,654.11
<b>Outstanding Checks &amp; Direct Deposits</b>		026 - 5th/3rd	-
002 - First Merit Student Activity Checks	69,027.87	034 - PNC General Fund Money Market	-
005 - PNC Practical Nursing Checks	-	037 - USBank Construction	33,551,314.66
015 - PNC Judy Resnik Checks		038 - USBank PI Fund	15,078,764.16
017 - First Merit Accounts Payable Checks	874,588.28	039 - USBank General Fund	20,332,659.40
017 - First Merit Payroll Checks	168,748.64		
017 - FM Deposit Outstanding on Munis	1,489.00		
018 - PNC Building Fund Checks	4,380.93		81,085,933.38
	1,118,234.72		
		<b>Local Grant/Benefit CD's</b>	
<b>Pending Payroll Deductions</b>		022 - First Merit CD	25,109.72
Federal/Medicare Withholding	710,967.45	029 - First Merit CD	5,000.00
State Tax	127,875.54	030 - First Merit CD	176,376.32
City Tax	341,455.94	032 - First Merit CD	91,782.16
SERS	345,352.61		298,268.20
School District Income Tax	1,476.20		
STRS	687,131.73	<b>Investment Sweeps</b>	
Valic	-	002 - First Merit Student Activity	1,045,000.00
ING (Voya)	-	017 - First Merit AP/Payroll/CN	51,815,000.00
Lincoln	-	018 - PNC Building Fund	-
Ohio Deferred Comp	9,904.94		52,860,000.00
MG Trust (Aspire)	-		
Towpath	-	<b>Miscellaneous Bank Adjustments</b>	
	2,224,164.41	Petty Cash	1,000.00
		Bank Charges to be Refunded	59.81
<b>Miscellaneous Book Adjustments</b>		Student Activity Payroll Deposit to 017	27,432.59
021 - Inventory Allowance	45,198.53	Building Fund Payroll Deposit to 017	890.43
022 - Insurance Accrual	(3,960.90)		-
	41,237.63		29,382.83
<b>Adjusted Book Balance</b>	<b>\$ 134,273,584.41</b>	<b>Adjusted Bank Balance</b>	<b>\$ 134,273,584.41</b>