



Akron Public Schools®

Monthly Financial Report

For the F.Y. 2016 Month Ending: June

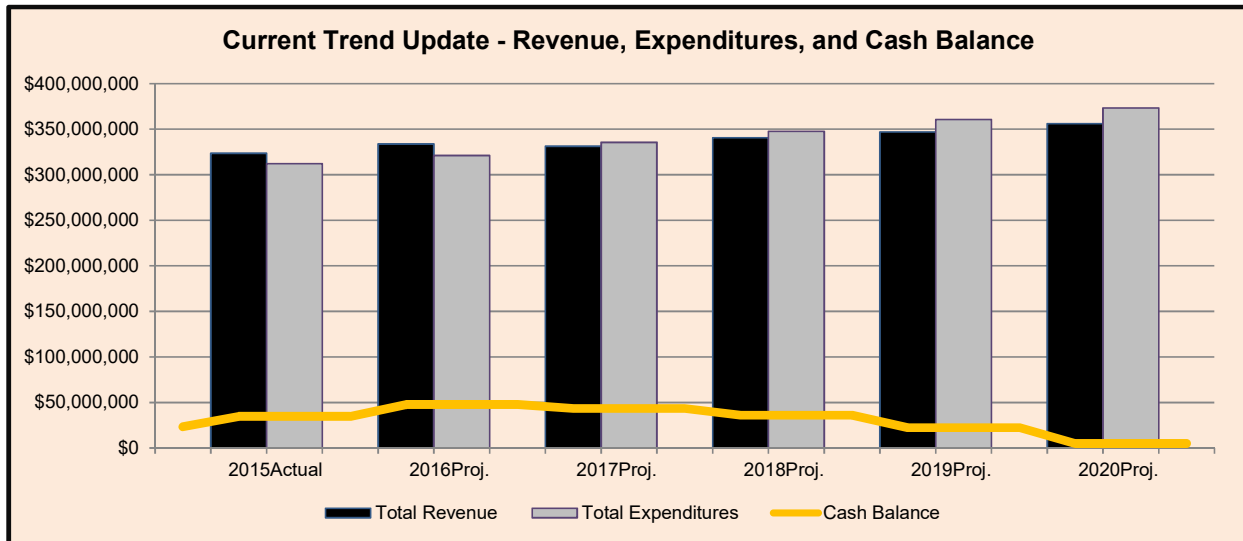
7/12/2016

Ryan Pendleton, CFO

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



Projected Revenue Surplus/(Shortfall) by Year

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue Surplus/ (Shortfall)	\$12,911,010	(\$4,377,832)	(\$7,315,722)	(\$13,495,139)	(\$17,538,155)

Forecast Updated Trend
Compared to Updated Trend Forecast as of 7/12/2016

Variance between Prior and Current Forecast:	2016	2017	2018
Current Forecast Revenue Trend OVER/ UNDER Prior	0.13%	0.11%	0.11%
Current Forecast Expenditure Trend OVER/ UNDER Prior	-0.37%	-0.03%	-0.04%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	\$1,607,628	\$2,057,512	\$2,551,987

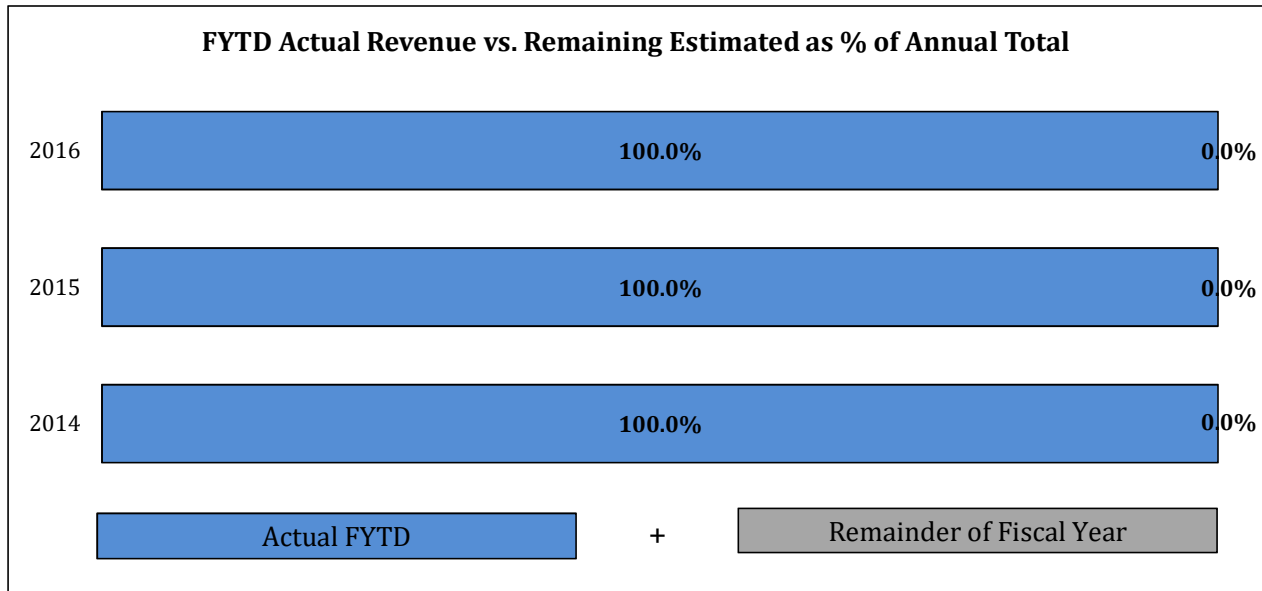
What are the current forecast trends?

The district continues to trend toward a growing revenue shortfall that could reach -\$17,538,155 by FY 2020.

The forecast was updated last month to reflect trends since October. The district's actual FY 2016 activity is finalized now and modest favorable impact has occurred. The district's Medicaid reimbursement was more than estimated and the tuition paid for Excess Cost special needs students was less than estimated. These categories are specifically identified in the supplement. The cumulative impact over the next three years is an increased cash balance of \$2,551,987. FY 2016 cash balance ended within 0.5% of budget estimates as identified in the supplement of this report.

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. 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%
59.0%	State Aid (Formula + Rest)	164,810,401	181,731,672	193,191,916	\$ 11,460,244	6.3%
5.2%	State Tax Reimb.	20,713,036	21,041,722	17,486,398	\$ (3,555,324)	-16.9%
4.1%	Other Revenue	11,384,577	9,636,227	13,671,094	\$ 4,034,867	41.9%
0.0%	Other Sources	58,134	708,036	34,338	\$ (673,698)	-95.2%
100%	Total Revenue	309,610,287	323,600,400	334,009,831	\$ 10,409,431	3.2%
Total YOY Percentage Change					3.2%	

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

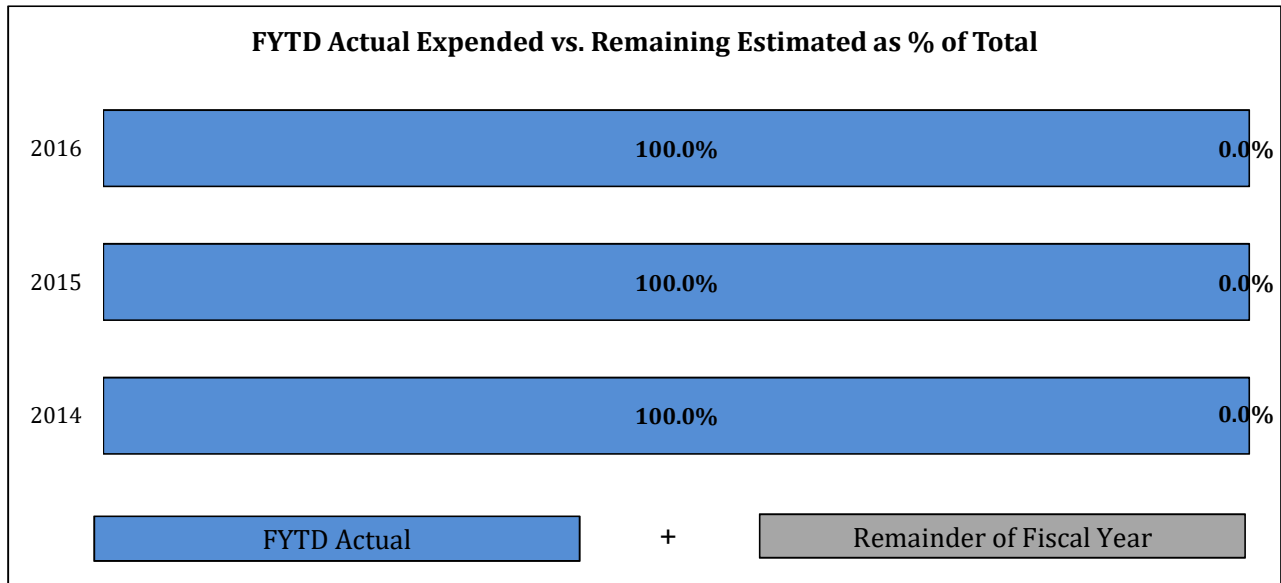
Revenue is up 3.2% over last year.

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 - June

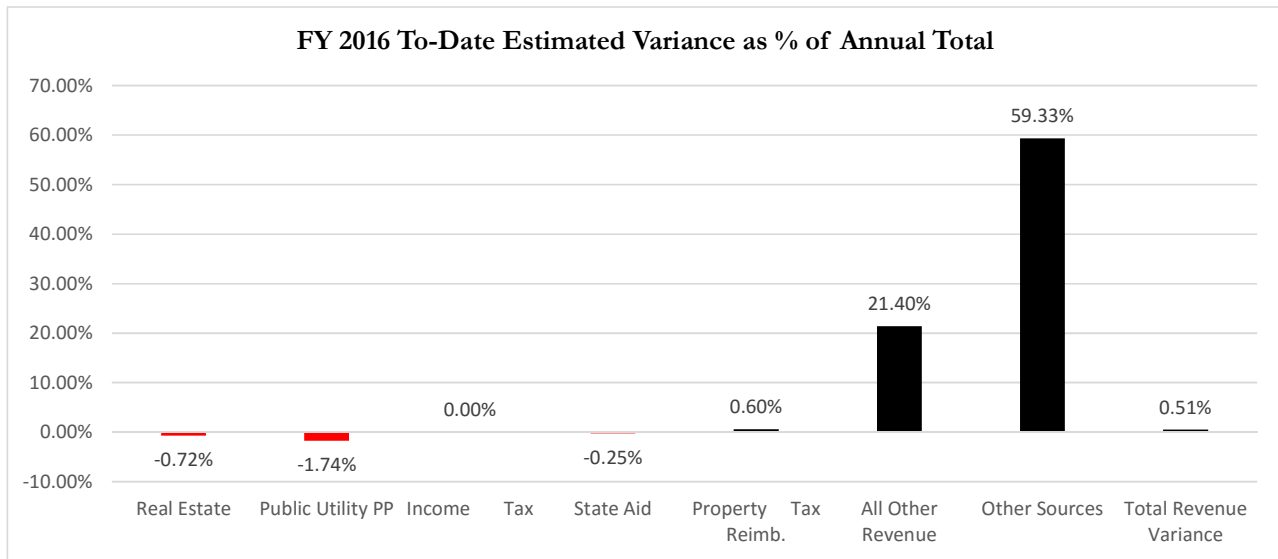


Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - June			F.Y. 2016	
		2014 FYTD	2015 FYTD	2016 FYTD	YOY Change	
50.0%	Salaries	147,305,015	156,996,619	160,458,970	\$ 3,462,352	2.2%
21.2%	Benefits	64,168,552	62,065,153	67,982,119	\$ 5,916,966	9.5%
24.4%	Purchased Services	70,322,170	79,362,124	78,363,424	\$ (998,700)	-1.3%
2.0%	Supplies	9,059,729	6,807,083	6,485,915	\$ (321,168)	-4.7%
1.2%	Capital	5,510,358	3,473,008	3,924,688	\$ 451,680	13.0%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	3,288,403	3,063,060	3,246,927	\$ 183,867	6.0%
0.1%	Other Uses	278,751	311,818	446,278	\$ 134,460	43.1%
100%	Total Expenditures	299,932,978	312,078,865	320,908,322	\$ 8,829,457	
					Total YOY Percentage Change	2.8%

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

Actual fiscal year-to-date expenditures are up 2.8% over last year.

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

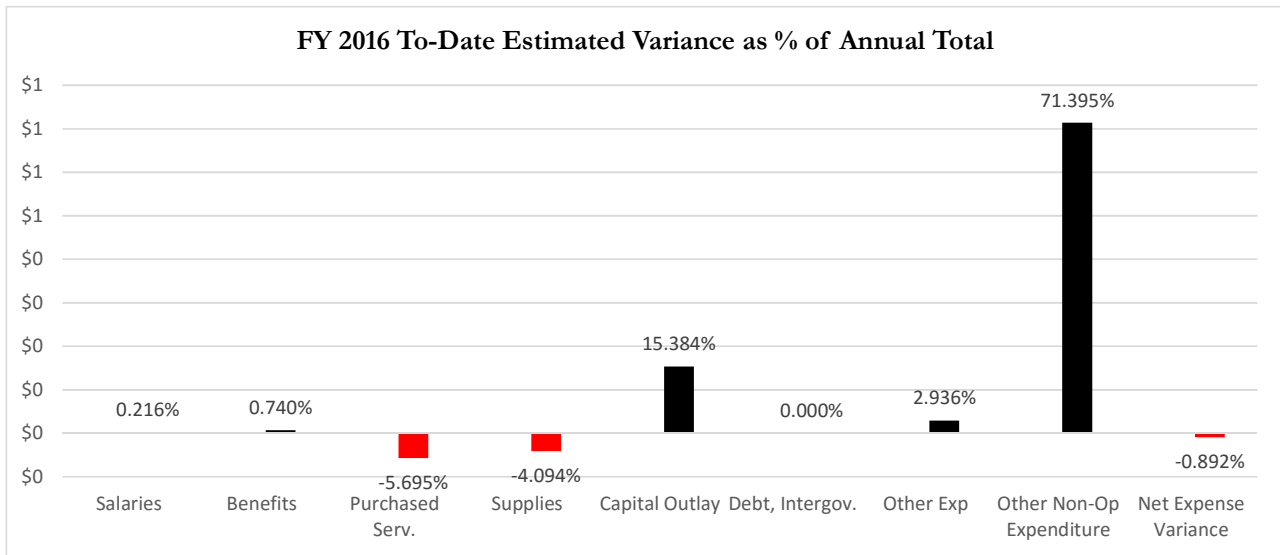


		2016 FYTD	2016 FYTD	2016 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		June	June	Variance
Revenue:				
For the F.Y. 2016 Period: July - June				
K	Real Estate Taxes	101,059,345	101,782,870	(723,524)
L	Public Utility PP Taxes	8,566,739	8,715,799	(149,060)
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	193,191,916	193,667,758	(475,842)
P	State Tax Reimb.	17,486,398	17,382,339	104,060
Q	Other Revenue	13,671,094	10,745,685	2,925,409
R	Total Operating Revenue	333,975,493	332,294,450	1,681,042
S	Other Non-Op Revenue	34,338	13,965	20,373
T	Total Operating Revenue Plus Other Sources	334,009,831	332,308,415	1,701,415
				0.51%

How do FYTD revenue cash flow estimates compare to actual?

Actual revenue (on an annual basis) finished within 0.51% of estimated.

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

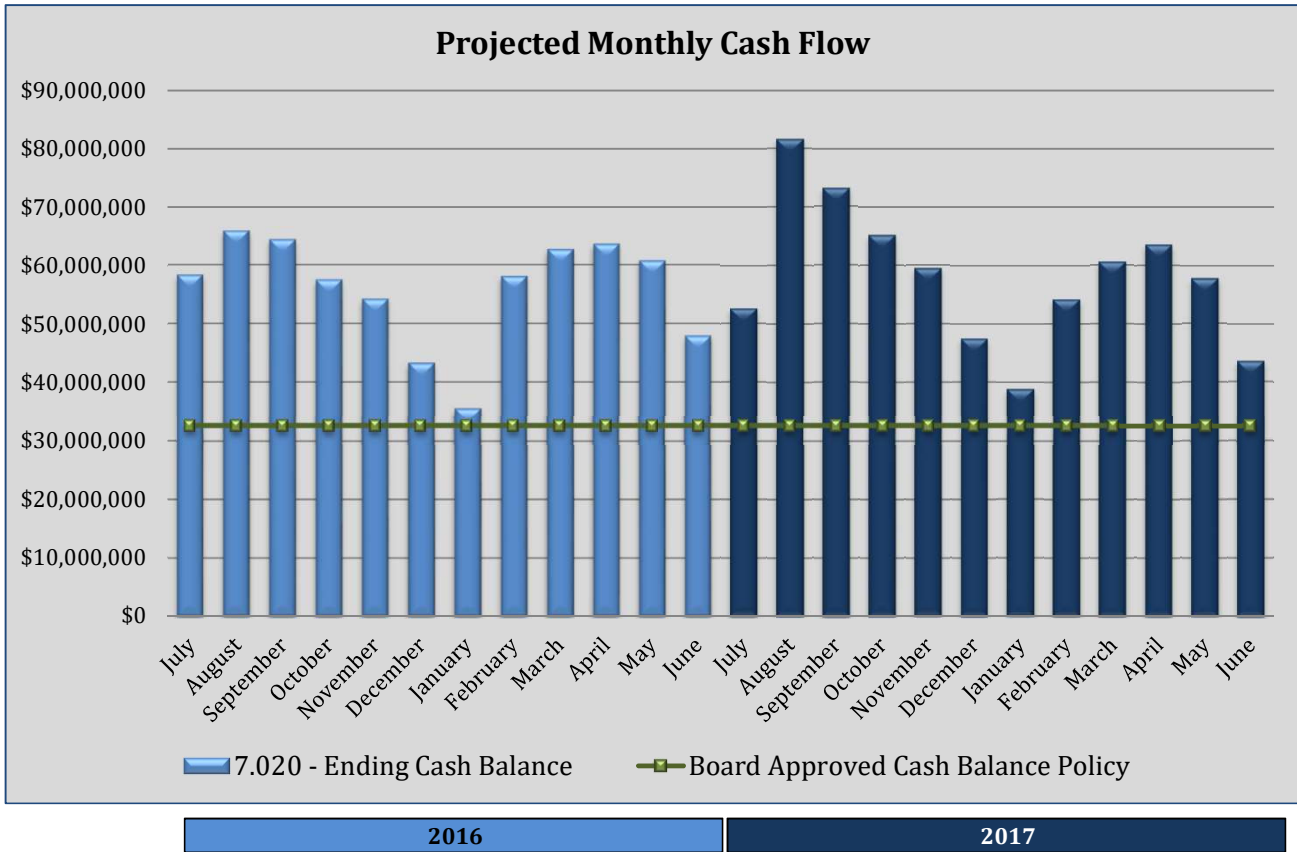


		Actual	Estimated	Actual Over/ (Under)
		July	July	(Under)
		through	through	Estimated
		June	June	Variance
Expenditures:				
For the F.Y. 2016 Period: July - June				
K	Salaries	160,458,970	160,112,692	346,279
L	Benefits	67,982,119	67,479,069	503,050
M	Purchased Services	78,363,424	82,826,289	(4,462,865)
N	Supplies	6,485,915	6,751,434	(265,519)
O	Capital	3,924,688	3,320,912	603,776
P	Debt, Intergov.	-	-	-
Q	Other Objects	3,246,927	3,151,601	95,326
R	Total Operating Expenditures	320,462,043	323,641,996	(3,179,953)
S	Other Non-Op Expenditures	446,278	127,656	318,622
T	Total Operating Expenditures Plus Other Uses	320,908,322	323,769,652	(2,861,330)
				-0.88%

How do FYTD expenditure cash flow estimates compare to actual?

Actual expenditures (on an annual basis) is trending within -0.88% of estimated.

Monthly Cash Balance Estimates Fiscal Years 2016 and 2017



Monthly cash flow estimates

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

Cash Balance Reserve Benchmarks

Fiscal Year 2016 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar Difference Between Previous and Current	Percent Difference Between Previous and Current
		Forecast Amounts For F.Y. 2016 Prepared on: May, 2016	Forecast Amounts For F.Y. 2016 Prepared on: 7/9/2016		
Revenue:					
1	Real Estate & Property Allocation	\$118,434,417	\$118,545,943	\$111,526	0.1%
2	Public Utility Personal Property	\$8,566,739	\$8,566,739	\$0	0.0%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$194,035,349	\$193,001,216	-\$1,034,133	-0.5%
5	Other Revenue	\$12,318,948	\$13,671,094	\$1,352,146	11.0%
6	Other Non Operating Revenue	\$32,000	\$34,338	\$2,338	7.3%
7	Total Revenue	\$333,387,453	\$333,819,330	\$431,877	0.1%
Expenditures:					
8	Salaries	\$160,358,817	\$160,458,970	\$100,153	0.1%
9	Fringe Benefits	\$67,623,454	\$67,982,119	\$358,665	0.5%
10	Purchased Services	\$79,791,375	\$78,363,424	-\$1,427,951	-1.8%
11	Supplies,Debt, Capital Outlay & Other	\$14,180,425	\$13,657,529	-\$522,896	-3.7%
12	Other Non Operating Expenditures	\$130,000	\$446,278	\$316,278	243.3%
13	Total Expenditures	\$322,084,071	\$320,908,321	-\$1,175,751	-0.4%
14	Revenue Over/(Under) Expenditures	\$11,303,382	\$12,911,010	\$1,607,628	0.5%
15	Ending Cash Balance	\$46,110,038	\$47,717,666	\$1,607,628	

Total Revenue (Line 7) is up over estimated primarily because of an increase in the June, 2016 Medicaid reimbursement.

Total expenditures (Line 13) are down relative to estimated by -0.4% primarily due to purchased services (Line 10). The Excess Cost Tuition component of purchased services were down about \$800,000 from estimated and down about \$1.4 million relative to FY 2015. Excess Cost Tuition is billed by other districts educating Akron students and the actual costs these districts invoice are now known and verified by the Ohio Department of Education until year-end.

**AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
June 2016**

Book Balance	Bank Balance
USAS Accounting System	Month End Bank Account Balances
Beginning Balance 139,849,760.42	002 - First Merit Student Activity 627,593.38
Plus Receipts 41,554,467.75	005 - PNC Practical Nursing 813.00
Less Expenditures 45,057,426.97	007 - PNC Oma Evans 151,954.94
Ending Balance <u>136,346,801.20</u>	008 - First Merit Schumacher 52.62
	015 - PNC Judy Resnik 8,241.73
	017 - First Merit AP/Payroll/CN 6,508,678.12
Outstanding Checks & Direct Deposits	018 - PNC Building Fund 2,011,037.03
002 - First Merit Student Activity Checks 26,700.14	026 - 5th/3rd -
002 - FM SA Deposit Outstanding on Munis -	034 - PNC General Fund Money Market -
005 - PNC Pell Practical Nursing Checks 813.00	037 - USBank Construction 43,097,518.29
017 - First Merit Accounts Payable Checks 1,573,488.85	038 - USBank PI Fund 15,126,027.11
017 - First Merit Payroll Checks 216,718.32	039 - USBank General Fund 20,398,129.28
017 - FM Deposit Outstanding on Munis 1,209,704.58	
018 - PNC Building Fund Checks -	<u>87,930,045.50</u>
<u>3,027,424.89</u>	
	Local Grant/Benefit CD's
Pending Payroll Deductions	022 - First Merit CD 25,109.72
Federal/Medicare Withholding 961,581.13	029 - First Merit CD 5,000.00
State Tax 171,445.75	030 - First Merit CD 173,734.95
City Tax 373,098.80	032 - First Merit CD 91,782.16
SERS 429,888.22	<u>295,626.83</u>
School District Income Tax 1,727.65	
STRS 771,598.73	Investment Sweeps
Valic 200.00	002 - First Merit Student Activity 835,000.00
ING (Voya) 812.00	017 - First Merit AP/Payroll/CN 53,070,000.00
Lincoln 150.00	018 - PNC Building Fund -
Ohio Deferred Comp 11,344.94	<u>53,905,000.00</u>
MG Trust (Aspire) 1,085.00	
Towpath 35,117.37	Miscellaneous Bank Adjustments
<u>2,758,049.59</u>	Petty Cash 1,000.00
	Bank Charges to be Refunded 603.35
Miscellaneous Book Adjustments	Student Activity Payroll Deposit to 017 -
021 - Inventory Allowance -	Payroll Reimbursement -
022 - Insurance Accrual -	Balancing Adj -
<u>-</u>	<u>1,603.35</u>
Adjusted Book Balance \$ <u>142,132,275.68</u>	Adjusted Bank Balance \$ <u>142,132,275.68</u>