



**Akron Public
Schools®**

Monthly Financial Report

For the F.Y. 2017 Month Ending: December

1/19/2017

Ryan Pendleton, CFO

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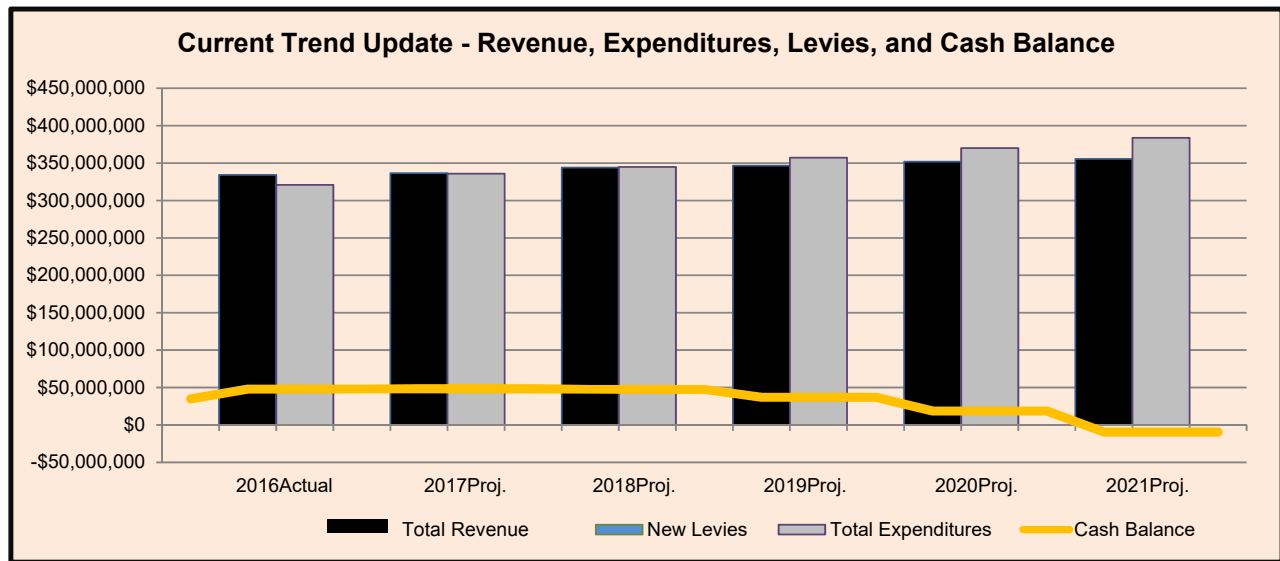
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Overview

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



Projected Revenue Surplus/(Shortfall) by Year					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenue Surplus/ (Shortfall)	\$544,568	(\$878,336)	(\$10,614,303)	(\$18,215,081)	(\$28,251,791)

Forecast Updated Trend			
Compared to Updated Trend Forecast as of 1/19/2017			
Variance between Prior and Current Forecast:	2017	2018	2019
Current Forecast Revenue Trend OVER/ UNDER Prior	0.44%	0.64%	-0.32%
Current Forecast Expenditure Trend OVER/ UNDER Prior	0.00%	0.00%	0.00%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	\$1,486,200	\$3,683,806	\$2,578,823

What are the current forecast trends?

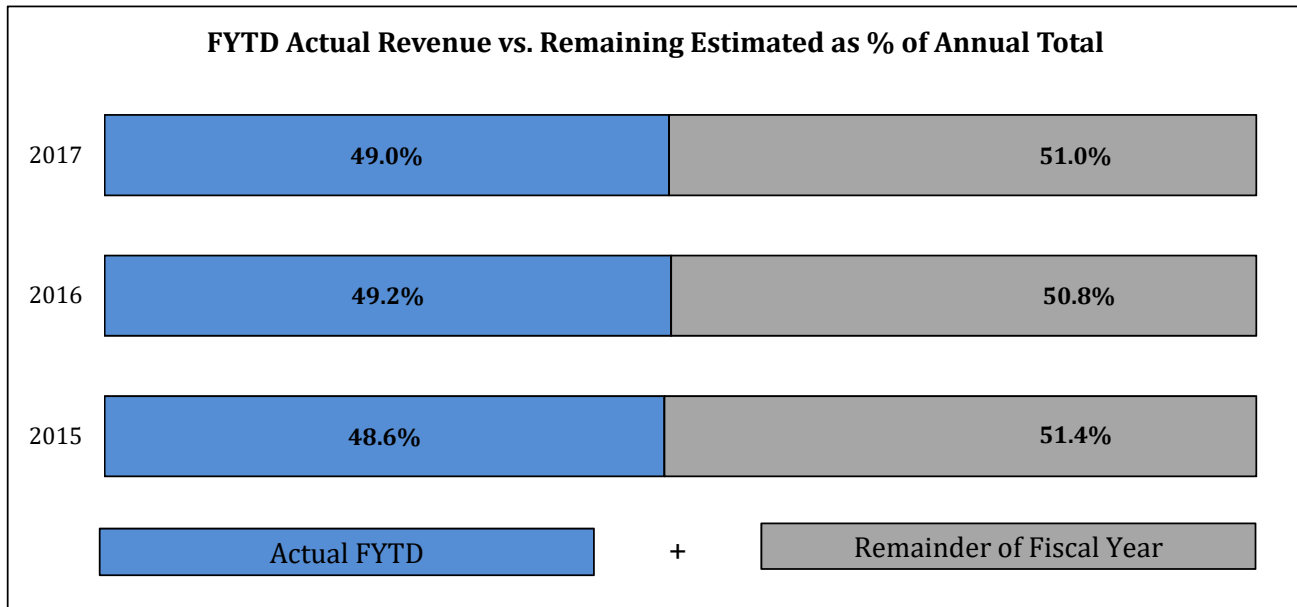
Consistent with previous forecast the trend is toward revenue shortfall.

State funding is modeled using the state's current formula methodology. Ohio's governor will introduce a proposed budget in just a few weeks. The budget as proposed will be the first indicator of state resources and attitude toward funding education. The process will be monitored closely.

The district has received its actual 2016 property values from the county auditor. These values will drive 2017 tax revenue. A detailed analysis is provided in the supplemental portion of this monthly report.

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

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



Percent of Annual Total		Actual Fiscal Year To Date Revenue, July - December			F.Y. 2017	
		2015 FYTD	2016 FYTD	2017 FYTD	YOY Change	
30.7%	Real Estate Taxes	48,751,304	48,389,843	49,409,779	\$ 1,019,936	2.1%
0.0%	Public Utility PP Taxes	4,043,994	4,175,142	4,404,571	\$ 229,429	5.5%
0.0%	Income Tax	-	-	-	\$ -	0.0%
58.5%	State Aid (Formula + Rest)	90,830,958	96,755,094	99,261,707	\$ 2,506,614	2.6%
4.3%	State Tax Reimb.	10,622,285	8,791,384	7,324,485	\$ (1,466,899)	-16.7%
3.7%	Other Revenue	3,048,537	6,172,476	4,422,270	\$ (1,750,207)	-28.4%
0.0%	Other Sources	7,512	19,518	14,477	\$ (5,042)	-25.8%
100%	Total Revenue	157,304,590	164,303,457	164,837,288	\$ 533,831	0.3%
Total YOY Percentage Change					0.3%	

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

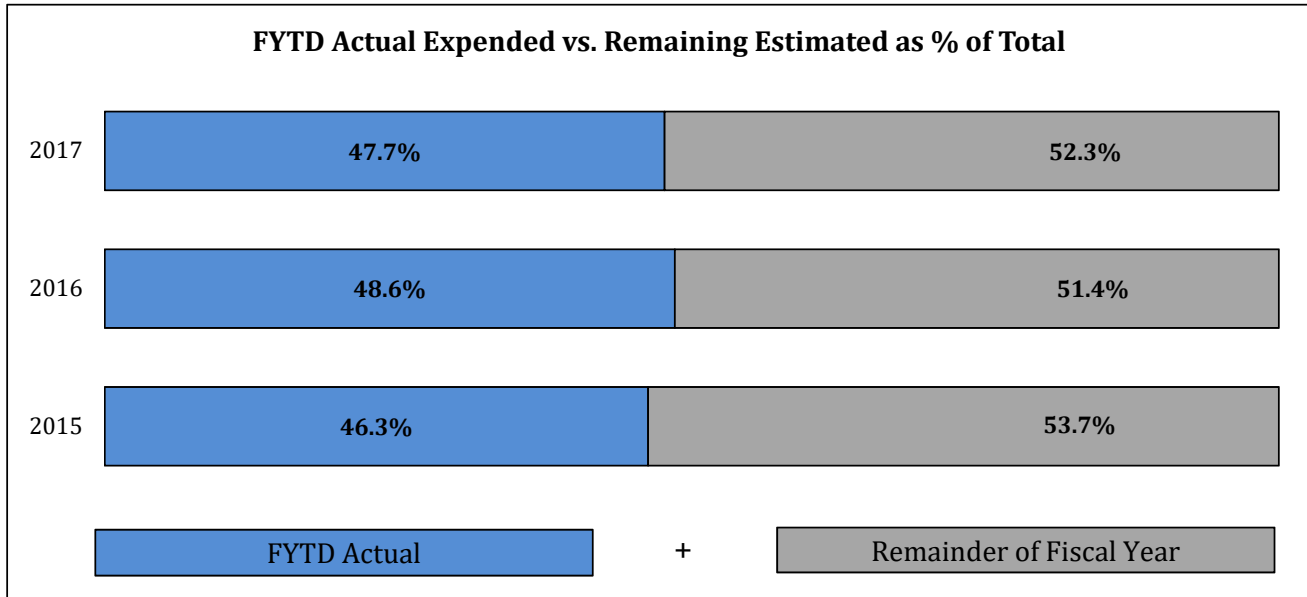
Revenue is nearly even with last year at this time. Increases in real estate, public utility and state aid are being largely offset by decreases in state tax reimbursement and other revenue.

State tax reimbursements are down because the district is no longer receiving levy reimbursement for tangible personal property tax law changes. FY 2016 was the last year of revenue in this category.

Other revenue is down because the payments in lieu of property taxes is down about \$2.5 million. This is a payment to be received from the city and it has not been received as of December 31, 2016.

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

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



Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - December			F.Y. 2017 YOY Change	
		2015 FYTD	2016 FYTD	2017 FYTD		
48.8%	Salaries	75,318,165	77,449,446	78,346,551	\$ 897,105	1.2%
21.9%	Benefits	30,131,921	33,157,525	35,607,786	\$ 2,450,261	7.4%
24.7%	Purchased Services	33,711,515	37,961,752	38,934,410	\$ 972,658	2.6%
2.2%	Supplies	3,200,212	3,613,157	3,627,655	\$ 14,498	0.4%
1.3%	Capital	784,551	2,250,698	(181,106)	\$ (2,431,803)	-108.0%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	1,200,056	1,382,042	1,362,782	\$ (19,260)	-1.4%
0.1%	Other Uses	79,415	18,485	181,130	\$ 162,644	879.9%
100%	Total Expenditures	144,425,835	155,833,105	157,879,209	\$ 2,046,104	
Total YOY Percentage Change					1.3%	

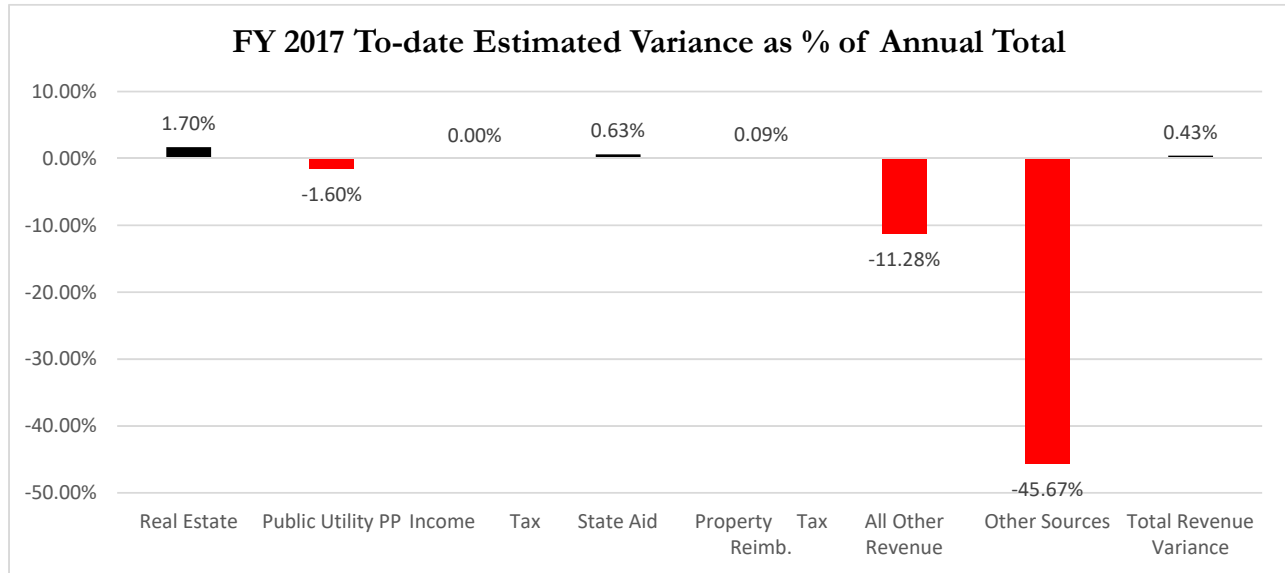
How do fiscal year-to-date expenditures compare to prior years?

Fiscal year to-date expenditures are up 1.3% over last year at this time. The variance would be higher except that capital outlay expenses are down significantly as detailed in the estimate section of this report and appear to be a matter of timing. It is believed that the year-over-year increase is in line with annual projections.

Salaries are up just 1.2% for the first six months of the fiscal year ending December 31, 2016. The forecasted increase for this year is 2.19%. The first six months indicate that salaries may actually end less than forecasted by about 1.0%, naturally this would improve the district's operating position by about \$780,000. The costs will be monitored and updated as warranted in the May forecast.

Benefits are up 7.4% for the half year and are projected to be up 8.3% for the full year.

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

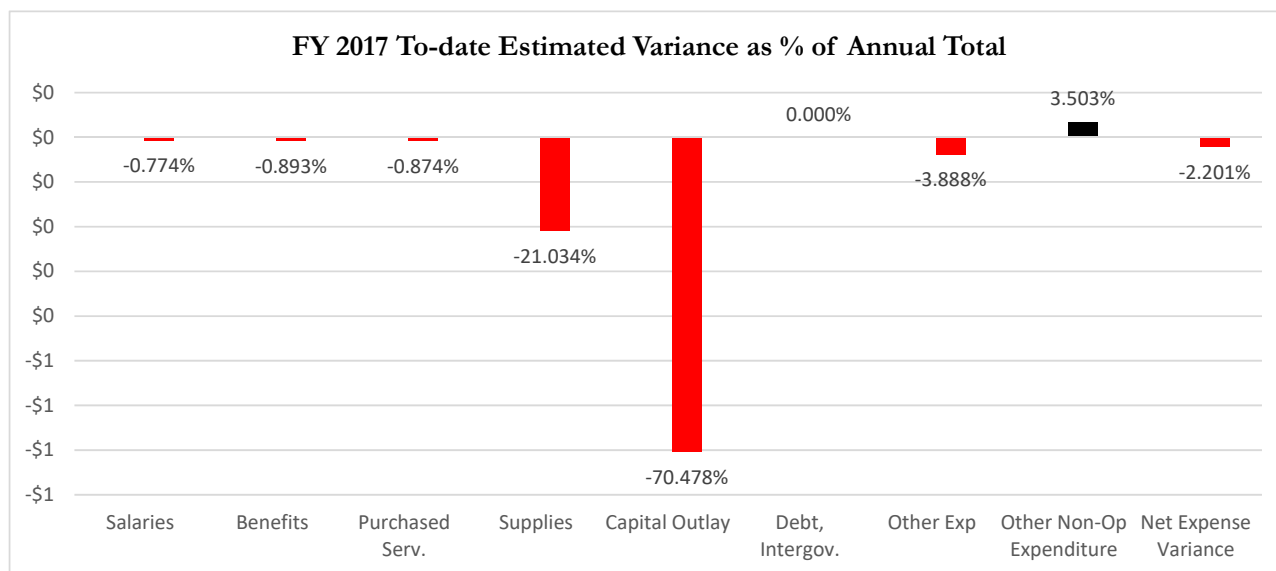


		2017 FYTD	2017 FYTD	2017 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		December	December	Variance
Revenue:				
For the F.Y. 2017 Period: July - December				
K	Real Estate Taxes	49,409,779	47,656,027	1,753,752
L	Public Utility PP Taxes	4,404,571	4,554,090	(149,519)
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	99,261,707	98,028,546	1,233,162
P	State Tax Reimb.	7,324,485	7,310,958	13,527
Q	Other Revenue	4,422,270	5,815,990	(1,393,721)
R	Total Operating Revenue	164,822,812	163,365,611	1,457,201
S	Other Non-Op Revenue	14,477	29,091	(14,615)
T	Total Operating Revenue Plus Other Sources	164,837,288	163,394,702	1,442,586

How do FYTD revenue cash flow estimates compare to actual?

Revenue is within 0.43% of estimated. The other revenue category is \$1,393,721 less than estimated because of tax incentive payments from the city and the county. The timing of these receipts are delayed relative to last year and are being monitored. For now it is believed that the payments are still to be received and the variance is a matter of timing.

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

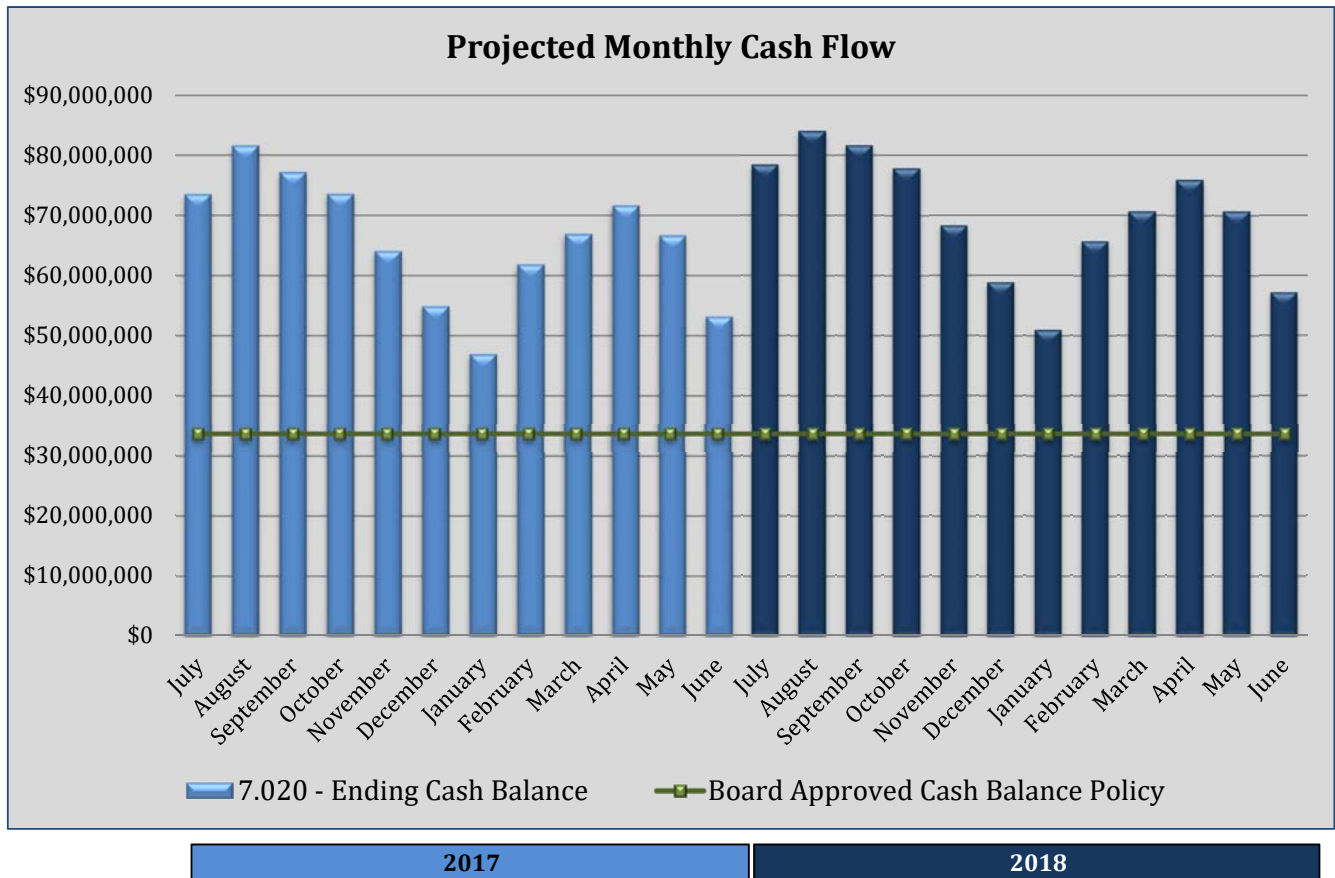


		Actual	Estimated	Actual Over/ (Under) Estimate Variance
		July - December	July - December	
Expenditures:				
For the F.Y. 2017 Period: July - December				
K	Salaries	78,346,551	79,615,632	(1,269,081)
L	Benefits	35,607,786	36,265,645	(657,859)
M	Purchased Services	38,934,410	39,658,973	(724,562)
N	Supplies	3,627,655	5,192,011	(1,564,356)
O	Capital	(181,106)	2,871,097	(3,052,203)
P	Debt, Intergov.	-	-	-
Q	Other Objects	1,362,782	1,494,181	(131,399)
R	Total Operating Expenditures	157,698,079	165,097,539	(7,399,459)
S	Other Non-Op Expenditures	181,130	175,000	6,130
T	Total Operating Expenditures Plus Other Uses	157,879,209	165,272,539	(7,393,330)

How do FYTD expenditure cash flow estimates compare to actual?

Total actual expenditures are -2.20% less than estimated. While expenditures to date are less than estimated the majority of this variance is believed to be the timing of expenses. The supply and capital categories are the majority of the variance and these categories are still expected to total the annual projected amount.

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.

2016 Valuation Analysis

2016 Valuation Comparison

Akron Public Schools

	Real Estate					Total Valuation
	Agriculture	Residential	Total Class I	Commercial Total Class II	Public Utility Personal Prop.	
2015 Valuation	652,030	1,587,891,430	1,588,543,460	579,330,290	115,775,600	2,283,649,350
2016 Valuation	642,910	1,579,680,460	1,580,323,370	600,891,830	130,151,350	2,311,366,550
Total Valuation Change	(9,120)	(8,210,970)	(8,220,090)	21,561,540	14,375,750	27,717,200
Percentage Change	-1.3987%	-0.5171%	-0.5175%	3.7218%	12.4169%	1.2137%

The district recently received its property values for calendar year 2016, this is actually the tax year values that will be used as the basis for calendar year 2017 tax revenue. The district's valuation totals \$2.311 billion.

Overall, the district's valuation increased slightly by 1.2137%. Residential real estate values are the largest classification of property and decreased -0.5171%. Gains in commercial and public utility values offset the residential losses to provide the overall gain.

The impact on forecasted revenue is positive. First, the district's public utility personal property revenue is up significantly. This will be monitored in case there is a taxpayer complaint against the increase. Secondly, the approved October forecast projected the district's total valuation to decline by about 0.5%, so the increase actually realized, while small, has positive impact on revenue. This impact is reflected in the forecast updated trend section on page four of this report.

AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
Dec 2016

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	172,182,288.71	002 - First Merit Student Activity	627,349.01
Plus Receipts	30,728,593.23	005 - PNC Practical Nursing	3,072.51
Less Expenditures	41,165,754.24	007 - PNC Oma Evans	150,045.57
Ending Balance	161,745,127.70	008 - First Merit Schumacher	62.79
		015 - PNC Judy Resnik	5,621.02
Outstanding Checks & Direct Deposits		017 - First Merit AP/Payroll/CN	6,503,621.19
002 - First Merit Student Activity Checks	2,661.52	018 - PNC Building Fund	2,011,778.31
005 - FM Practical Nursing Checks	-	026 - 5th/3rd	-
007 - PNC Oma Evans Checks	-	034 - PNC General Fund Money Market	-
017 - First Merit Accounts Payable Checks	1,032,475.21	037 - USBank Construction	70,146,312.29
017 - First Merit Payroll Checks	179,045.95	038 - USBank PI Fund	15,195,371.76
017 - FM Deposit Outstanding on Munis	-	039 - USBank General Fund	35,503,139.90
018 - PNC Building Fund Checks	-		
	1,214,182.68		130,146,374.35
Pending Payroll Deductions		Local Grant/Benefit CD's	
Federal/Medicare Withholding	(24.93)	022 - First Merit CD	30,160.78
State Tax	(4.43)	029 - First Merit CD	5,000.00
City Tax	374,816.68	030 - First Merit CD	173,734.95
SERS	458,953.31	032 - First Merit CD	91,968.78
School District Income Tax	1,673.26		300,864.51
STRS	-	Investment Sweeps	
Valic	-	002 - First Merit Student Activity	810,000.00
ING (Voya)	-	017 - First Merit AP/Payroll/CN	32,555,000.00
Lincoln	-	018 - PNC Building Fund	-
Ohio Deferred Comp	10,497.44		33,365,000.00
MG Trust (Aspire)	2,802.50		
Towpath	-	Miscellaneous Bank Adjustments	
	848,713.83	Petty Cash	1,000.00
Miscellaneous Book Adjustments		Bank Charges to be Refunded	(32.51)
021 - Inventory Allowance	(112.39)	Foreign Check Adjustment	45.84
022 - Insurance Accrual	2,626.64	Outstanding Deposit	(3,102.23)
Timing Differences in Accounts Payable	(300.00)	Balancing Adj	88.50
	2,214.25		(2,000.40)
Adjusted Book Balance	\$ 163,810,238.46	Adjusted Bank Balance	\$ 163,810,238.46