



Akron Public Schools®

Monthly Financial Report

For the F.Y. 2016 Month Ending: April
5/11/2016

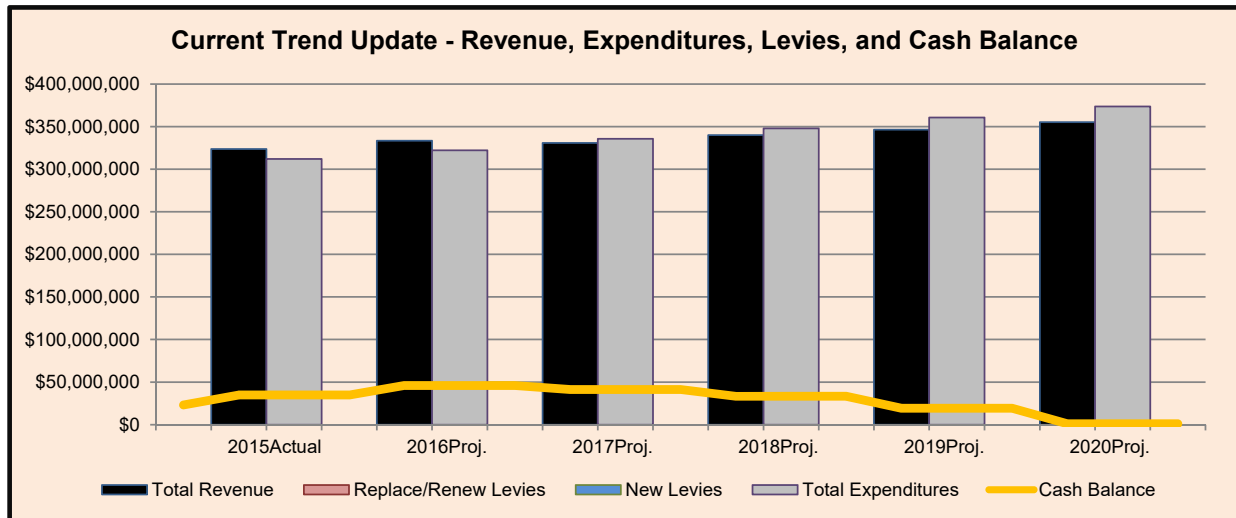
Ryan Pendleton, CFO



Table of Contents

Updated Forecast Trend For The Month of April, 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 - April) 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
Supplemental Report(s)	
Cash Balance Reserve Benchmarks	9
FY 2016 Forecast Compare (March Vs. April Trend)	10
FY 2017 Forecast Compare (March Vs. April Trend)	11
FY 2018 Forecast Compare (March Vs. April Trend)	12

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



Projected Revenue Surplus/(Shortfall) by Year					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue Surplus/(Shortfall)	\$11,303,382	(\$4,827,716)	(\$7,810,198)	(\$14,158,240)	(\$18,260,964)

Forecast Updated Trend			
Compared to Updated Trend Forecast as of 5/11/2016			
Variance between Prior and Current Forecast:	2016	2017	2018
Current Forecast Revenue Trend OVER/UNDER Prior	0.05%	-0.35%	-0.12%
Current Forecast Expenditure Trend OVER/UNDER Prior	-0.11%	-0.15%	-0.28%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	\$534,497	(\$104,084)	\$453,187

What are the current forecast trends?

The district continues to trend toward a growing revenue shortfall that could reach -\$18,260,964 by FY 2020.

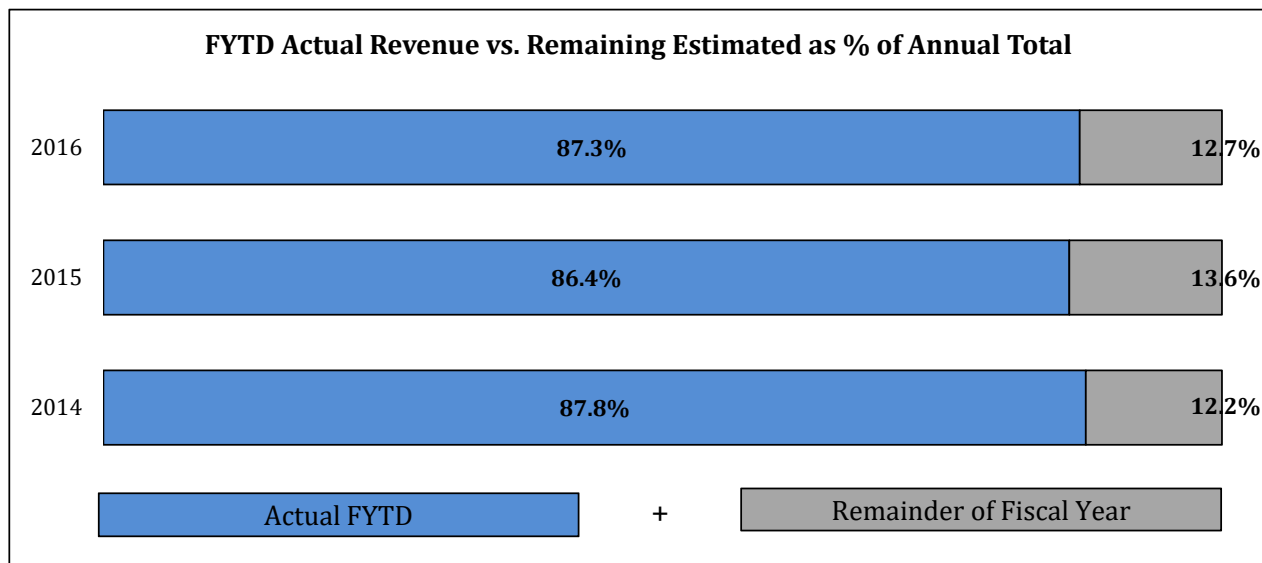
The forecast was updated in March to reflect trends since October, and the current updated forecast remains very much in alignment. Enrollment loss has negatively impacted state funding since the district is a 'formula' district. Also, the district has lost some level of economic disadvantaged funding because of a reduction in the number of children qualifying. It was reported earlier that Medicaid funding was trending down, but that has been researched and it was learned that additional payment is expected by June 30, 2016. Cumulatively the trend changes since March 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 - April



Percent of Annual Total		Actual Fiscal Year To Date Revenue, July - April			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)	139,546,023	152,106,139	160,766,024	\$ 8,659,885	5.7%
5.2%	State Tax Reimb.	10,379,111	10,622,285	8,791,384	\$ (1,830,901)	-17.2%
3.7%	Other Revenue	9,362,440	6,266,327	11,818,948	\$ 5,552,621	88.6%
0.0%	Other Sources	28,144	17,937	27,847	\$ 9,910	55.2%
100%	Total Revenue	271,959,857	279,495,431	291,030,288	\$ 11,534,857	4.1%
Total YOY Percentage Change					4.1%	

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

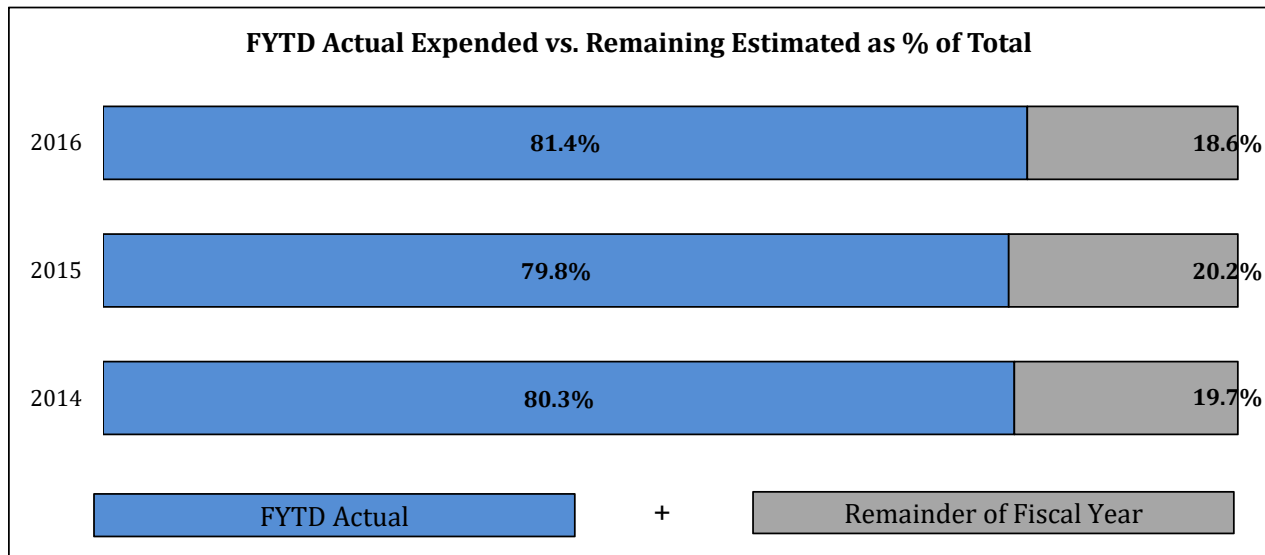
Revenue is up 4.1% over last year.

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 - April



Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - April			F.Y. 2016 YOY Change	
		2014 FYTD	2015 FYTD	2016 FYTD		
49.8%	Salaries	119,723,901	127,533,288	131,091,262	\$ 3,557,974	2.8%
21.0%	Benefits	53,037,562	51,106,533	56,173,454	\$ 5,066,921	9.9%
24.8%	Purchased Services	55,510,777	60,686,749	63,718,052	\$ 3,031,303	5.0%
2.2%	Supplies	5,153,471	5,053,302	5,271,332	\$ 218,030	4.3%
1.2%	Capital	4,262,404	1,731,414	2,999,424	\$ 1,268,010	73.2%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	3,084,639	2,843,974	2,981,737	\$ 137,763	4.8%
0.0%	Other Uses	78,663	89,839	26,815	\$ (63,024)	-70.2%
100%	Total Expenditures	240,851,416	249,045,099	262,262,076	\$ 13,216,977	
Total YOY Percentage Change					5.3%	

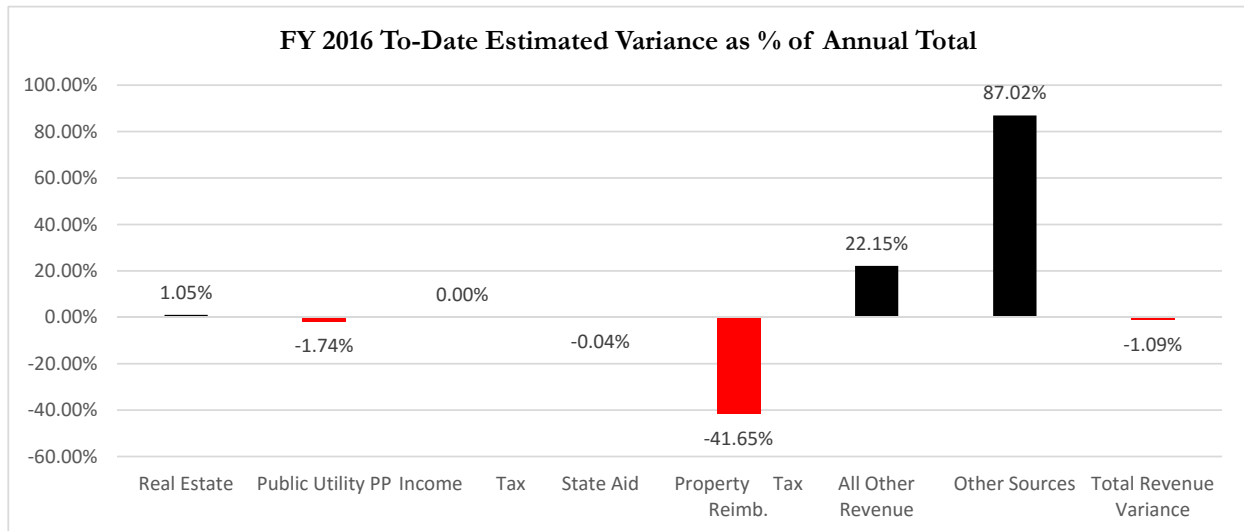
How do fiscal year-to-date expenditures compare to prior years?

Actual fiscal year-to-date expenditures are up 5.3% 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 - April) Actual Revenue Compared to Estimates



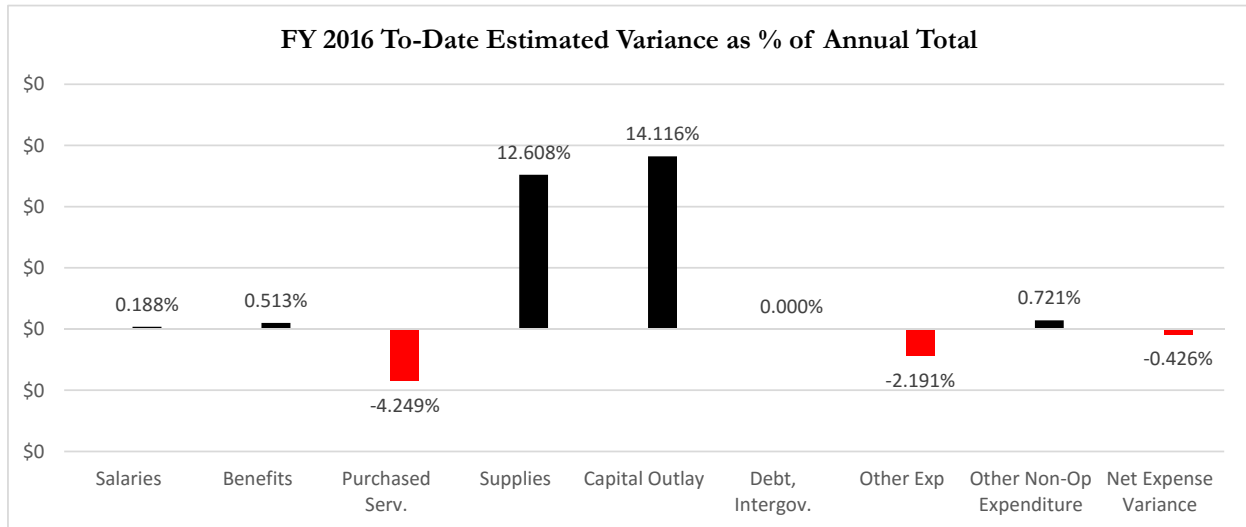
		2016 FYTD	2016 FYTD	2016 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		April	April	Variance
Revenue:				
For the F.Y. 2016 Period: July - April				
K	Real Estate Taxes	101,059,345	100,000,276	1,059,070
L	Public Utility PP Taxes	8,566,739	8,715,799	(149,060)
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	160,766,024	160,834,742	(68,717)
P	State Tax Reimb.	8,791,384	16,027,316	(7,235,932)
Q	Other Revenue	11,818,948	9,090,082	2,728,866
R	Total Operating Revenue	291,002,440	294,668,214	(3,665,774)
S	Other Non-Op Revenue	27,847	-	27,847
T	Total Operating Revenue Plus Other Sources	291,030,288	294,668,214	(3,637,926)
				-1.23%

How do FYTD revenue cash flow estimates compare to actual?

Actual revenue is trending -1.23% lower than estimated.

The primary contributor to this variance is the timing of the state's reimbursement for local taxes (rollback and homestead). It was originally expected that these funds would be received prior to May. The issue is timing of payment as opposed to annual revenue loss.

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



		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		April	April	Variance
Expenditures:				
For the F.Y. 2016 Period: July - April				
K	Salaries	131,091,262	130,789,275	301,987
L	Benefits	56,173,454	55,826,854	346,599
M	Purchased Services	63,718,052	67,108,256	(3,390,203)
N	Supplies	5,271,332	4,381,034	890,298
O	Capital	2,999,424	2,449,481	549,942
P	Debt, Intergov.	-	-	-
Q	Other Objects	2,981,737	3,052,367	(70,630)
R	Total Operating Expenditures	262,235,261	263,607,267	(1,372,006)
S	Other Non-Op Expenditures	26,815	25,878	937
T	Total Operating Expenditures Plus Other Uses	262,262,076	263,633,145	(1,371,069)
		-0.52%		

How do FYTD expenditure cash flow estimates compare to actual?

Actual expenditures through April have trended within -0.52% of estimated.

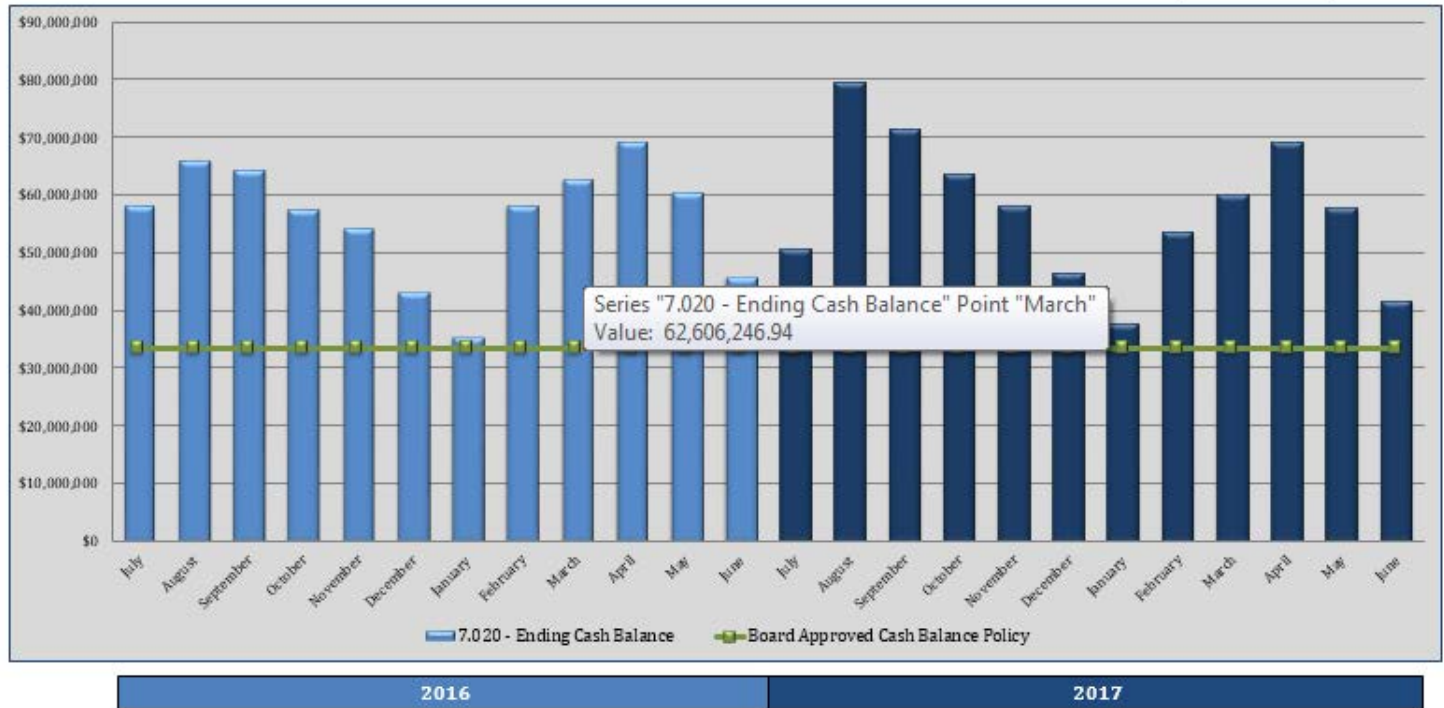
The supply and capital category variances are due to timing of expenditures compared to last year, and therefore the annual total is expected to be in-line with annual projected amounts.

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

Projected Monthly Cash Flow

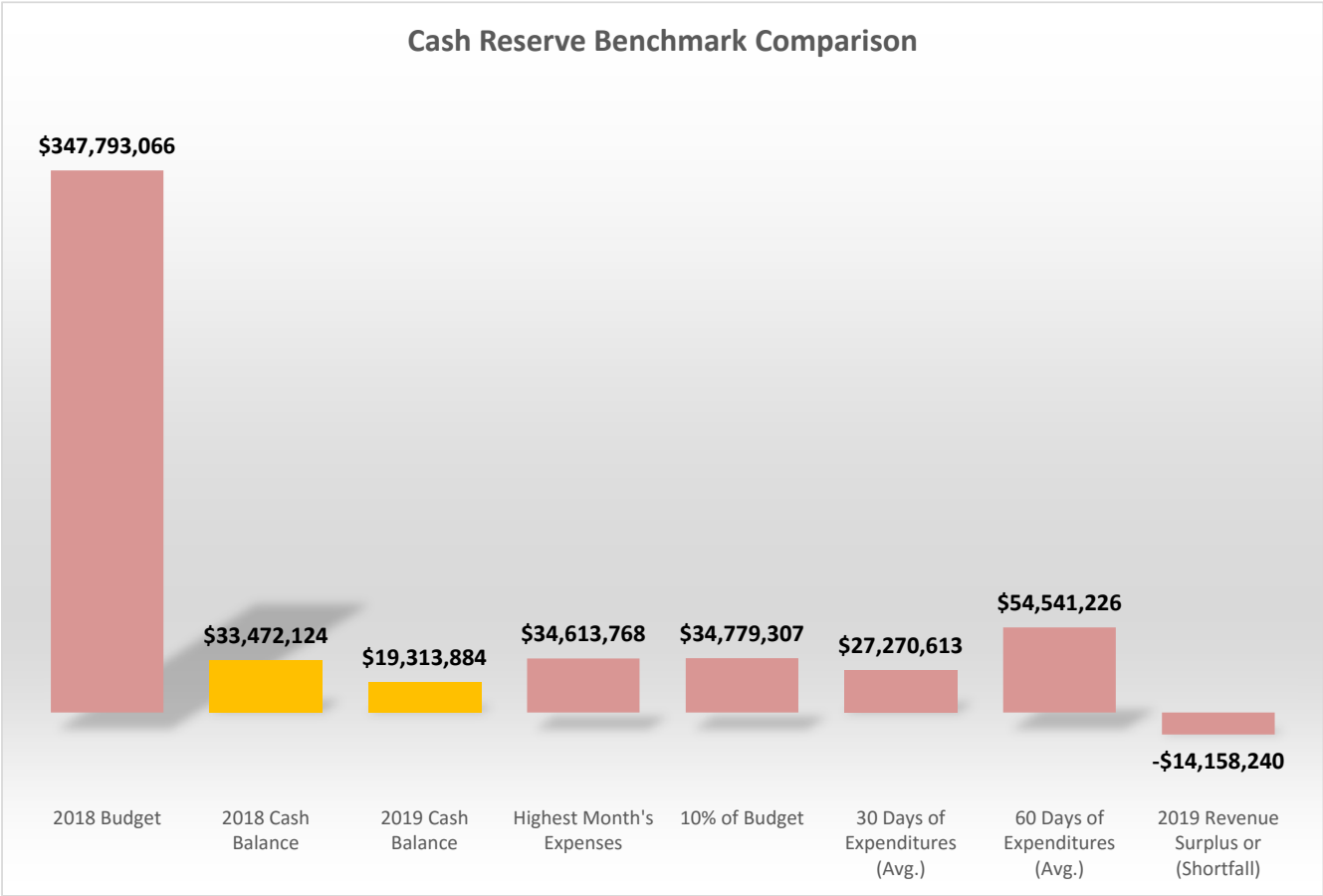
Board Approved Cash Balance Policy **\$ 33,300,000**



Monthly cash flow estimates

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

Cash Balance Reserve Benchmarks



While the district's monthly cash flow estimates remain adequate through FY 2017 the district's trend is toward revenue shortfall. The above graphs puts in perspective the results of a declining cash balance.

The district's cash reserves in terms of financial stability decline over time. For example, the district's projected FY 2019 cash balance is substantially less than thirty days of expenditures and it fails to meet even ten percent of the district's annual budget. Naturally the district will work to reduce the impact of projected revenue shortfalls on the district's finances, but the benchmarks above provide a static point in time for comparison.

FY 2016 Forecast Compare (March Vs. April Trend)

Fiscal Year 2016 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous Forecast Amounts For F.Y. 2016 Prepared on: March, 2016	Current Forecast Amounts For F.Y. 2016 Prepared on: 4/9/2016	Dollar Difference Between Previous and Current	Percent Difference Between Previous and Current
Revenue:					
1	Real Estate & Property Allocation	\$118,790,486	\$118,790,486	\$0	0.0%
2	Public Utility Personal Property	\$8,673,075	\$8,673,075	\$0	0.0%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$194,819,324	\$194,249,105	-\$570,220	-0.3%
5	Other Revenue	\$11,844,772	\$11,459,736	-\$385,036	-3.3%
6	Other Non Operating Revenue	\$32,000	\$32,000	\$0	0.0%
7	Total Revenue	\$334,159,657	\$333,204,401	-\$955,255	-0.3%
Expenditures:					
8	Salaries	\$159,958,817	\$159,958,817	\$0	0.0%
9	Fringe Benefits	\$67,432,989	\$67,732,989	\$300,000	0.4%
10	Purchased Services	\$80,925,612	\$80,433,286	-\$492,326	-0.6%
11	Supplies,Debt, Capital Outlay & Other	\$14,786,058	\$14,180,425	-\$605,633	-4.1%
12	Other Non Operating Expenditures	\$130,000	\$130,000	\$0	0.0%
13	Total Expenditures	\$323,233,477	\$322,435,517	-\$797,960	-0.2%
14	Revenue Over/(Under) Expenditures	\$10,926,180	\$10,768,884	-\$157,296	0.0%
15	Ending Cash Balance	\$45,732,836	\$45,575,541	-\$157,296	-0.3%

State foundation is down over March because of an enrollment drop in community school (funded ADM) of about 50 students, as well as a drop of 60 regular funded students. The real drop in state foundation, which is impacting FY 2016 and beyond, is that from March to April the state's economic disadvantaged percentage went up 1.1% while the district's percent only went up 0.6%. This change in relative position cut about \$500,000 in economic disadvantaged funding to the district.

Other revenue is down because of the March, 2016 Medicaid reimbursement relative to last year's, which was received in June. However, other components of the "other revenue" line helped mitigate some of the \$600,000 reduction from Medicaid. Medicaid will be researched to see if the level could recover by year-end.

Fringe benefits are trending about \$300,000 above estimated; this was not carried forward into subsequent years. Purchased services reflects the April #1 SFPR which shows a significant YOY drop in community school tuition, some of this reduction is carried forward in subsequent years. Discretionary Line 11 accounts reflect a general downward trend, and this trend has been carried into subsequent years.



FY 2017 Forecast Compare (March Vs. April Trend)

Fiscal Year 2017 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous	Current		
		Forecast	Forecast	Dollar	Percent
		Amounts For	Amounts For	Difference	Difference
		F.Y. 2017	F.Y. 2017	Between	Between
		Prepared on:	Prepared on:	Previous	Previous
		March, 2016	4/9/2016	and	and
				Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$115,014,194	\$115,014,194	\$0	0.0%
2	Public Utility Personal Property	\$8,977,273	\$8,977,273	\$0	0.0%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$198,056,174	\$196,753,420	-\$1,302,754	-0.7%
5	Other Revenue	\$11,346,889	\$11,223,627	-\$123,261	-1.1%
6	Other Non Operating Revenue	\$32,000	\$32,000	\$0	0.0%
7	Total Revenue	\$333,426,530	\$332,000,514	-\$1,426,015	-0.4%
Expenditures:					
8	Salaries	\$164,149,536	\$164,149,536	\$0	0.0%
9	Fringe Benefits	\$72,778,594	\$72,778,594	\$0	0.0%
10	Purchased Services	\$84,036,674	\$83,854,068	-\$182,606	-0.2%
11	Supplies,Debt, Capital Outlay & Other	\$15,721,260	\$15,277,451	-\$443,808	-2.8%
12	Other Non Operating Expenditures	\$130,000	\$130,000	\$0	0.0%
13	Total Expenditures	\$336,816,064	\$336,189,649	-\$626,415	-0.2%
14	Revenue Over/(Under) Expenditures	-\$3,389,534	-\$4,189,135	-\$799,601	-0.2%
15	Ending Cash Balance	\$42,343,302	\$41,386,406	-\$956,896	-2.3%

Economic disadvantaged is impacting state funding.

Purchased services trend reductions in FY 2016 were partially carried forward.

Discretionary line 11 trends were lower in 2016 and partially carried forward.



FY 2018 Forecast Compare (March Vs. April Trend)

Fiscal Year 2018 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous	Current		
		Forecast	Forecast	Dollar	Percent
		Amounts For	Amounts For	Difference	Difference
		F.Y. 2018	F.Y. 2018	Between	Between
		Prepared on:	Prepared on:	Previous	Previous
		March, 2016	4/9/2016	and	and
				Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$115,274,418	\$115,274,418	\$0	0.0%
2	Public Utility Personal Property	\$9,313,481	\$9,313,481	\$0	0.0%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$205,680,227	\$204,310,472	-\$1,369,755	-0.7%
5	Other Revenue	\$11,558,694	\$11,473,006	-\$85,688	-0.7%
6	Other Non Operating Revenue	\$32,000	\$32,000	\$0	0.0%
7	Total Revenue	\$341,858,820	\$340,403,377	-\$1,455,444	-0.4%
Expenditures:					
8	Salaries	\$168,665,704	\$168,665,704	\$0	0.0%
9	Fringe Benefits	\$77,051,295	\$77,051,295	\$0	0.0%
10	Purchased Services	\$87,186,809	\$87,007,063	-\$179,746	-0.2%
11	Supplies,Debt, Capital Outlay & Other	\$16,467,354	\$15,916,784	-\$550,570	-3.3%
12	Other Non Operating Expenditures	\$130,000	\$130,000	\$0	0.0%
13	Total Expenditures	\$349,501,162	\$348,770,846	-\$730,316	-0.2%
14	Revenue Over/(Under) Expenditures	-\$7,642,341	-\$8,367,469	-\$725,128	-0.2%
*Percentage Expressed In Terms of Total Expenditures					
15	Ending Cash Balance	\$34,700,961	\$33,018,937	-\$1,682,024	-4.8%

Economic disadvantaged is impacting state funding.

Purchased services trend reductions in FY 2016 were partially carried forward.

Discretionary line 11 trends were lower in 2016 and partially carried forward.



AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
April 2016

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	133,098,463.80	002 - First Merit Student Activity	627,373.77
Plus Receipts	57,242,481.30	005 - PNC Practical Nursing	-
Less Expenditures	42,888,920.32	007 - PNC Oma Evans	151,924.05
Ending Balance	147,452,024.78	008 - First Merit Schumacher	52.62
		015 - PNC Judy Resnik	5,241.73
		017 - First Merit AP/Payroll/CN	6,510,445.67
		018 - PNC Building Fund	3,449,659.99
Outstanding Checks & Direct Deposits		026 - 5th/3rd	
002 - First Merit Student Activity Checks	67,311.29	034 - PNC General Fund Money Market	
002 - FM SA Deposit Outstanding on Munis	401.88	037 - USBank Construction	43,085,873.07
015 - PNC Judy Resnik Checks		038 - USBank PI Fund	15,095,815.01
017 - First Merit Accounts Payable Checks	1,105,764.46	039 - USBank General Fund	20,370,466.57
017 - First Merit Payroll Checks	208,065.74		
017 - FM Deposit Outstanding on Munis			
018 - PNC Building Fund Checks	142,953.75		89,296,852.48
	1,524,497.12		
		Local Grant/Benefit CD's	
Pending Payroll Deductions		022 - First Merit CD	25,109.72
Federal/Medicare Withholding	825,770.50	029 - First Merit CD	5,000.00
State Tax	144,838.06	030 - First Merit CD	176,376.32
City Tax	347,494.33	032 - First Merit CD	91,782.16
SERS	330,940.65		298,268.20
School District Income Tax	1,536.03		
STRS	762,543.26	Investment Sweeps	
Valic		002 - First Merit Student Activity	1,010,000.00
ING (Voya)		017 - First Merit AP/Payroll/CN	60,865,000.00
Lincoln		018 - PNC Building Fund	-
Ohio Deferred Comp	12,249.94		61,875,000.00
MG Trust (Aspire)	6,067.50		
Towpath		Miscellaneous Bank Adjustments	
	2,431,440.27	Petty Cash	1,000.00
		Student Activity Payroll Deposit to 017	7,014.54
Miscellaneous Book Adjustments		Building Fund Payroll Deposit to 017	1,580.83
021 - Inventory Allowance	77,141.19	CN Deposit - Bank Error	2.00
022 - Insurance Accrual	(5,374.34)	SA Deposit - Bank Error	10.00
	71,766.85	Balancing Adj	0.97
			9,608.34
Adjusted Book Balance	\$ 151,479,729.02	Adjusted Bank Balance	\$ 151,479,729.02