



# Monthly Financial Report

## Akron Public Schools

*For the F.Y. 2015 Month Ending: March*

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## Overview

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- 5 Revenue is up 4.8% over last fiscal year due to state funding and real estate tax advances.
- 6 Expenditures are up 3.0% over last year due to staff bargaining agreements.
- 7 February's real estate advance was larger than anticipated.
- 8 Revenue for the period is within 1.7% of estimated.
- 9 Expenditures for the month were within (aggregate) \$1,161 of estimated.
- 10 Overall, actual expenditures remain in-line (-1.2%) with year-to-date estimates.
- 11 The district has received 78.3% of its projected F.Y. 2015 revenue.
- 12 The district has spent 70.8% of its annual projected expenditures.
- 13 Monthly cash flow balances remain adequate through June 30, 2016.





## Updated Forecast Trend For The Month of March, F.Y. 2015

Forecasted Revenue and Expenditures			
Updated (if applicable)			
For the interim forecast period FY 2015 through FY 2017			
	PROJECTED		
	2015	2016	2017
Total Revenue	\$322,235,440	\$326,722,147	\$331,347,891
Replace/Renew Levies	\$0	\$0	\$0
New Levies	\$0	\$0	\$0
Total Expenditures	\$311,096,861	\$318,713,193	\$326,499,669
Revenue Over/(Under) Expenditures	\$11,138,580	\$8,008,954	\$4,848,222
Cash Balance	\$34,423,700	\$42,432,655	\$47,280,876

### Variance between Updated and Filed Forecasts

	2015	2016	2017
<b>Total Revenues</b>			
Filed Forecast as of 10/23/2014:	\$321,242,760	\$324,418,814	\$328,836,218
Updated Forecast as of 4/15/2015:	\$322,235,440	\$326,722,147	\$331,347,891
Variance:	\$992,681	\$2,303,333	\$2,511,673
<b>Total Expenditures</b>			
Filed Forecast as of 10/23/2014:	\$315,356,691	\$322,303,103	\$332,542,410
Updated Forecast as of 4/15/2015:	\$311,096,861	\$318,713,193	\$326,499,669
Variance:	(\$4,259,830)	(\$3,589,910)	(\$6,042,741)
<b>Cash Balance</b>			
Filed Forecast as of 10/23/2014:	\$29,171,189	\$31,286,900	\$27,580,708
Updated Forecast as of 4/15/2015:	\$34,423,700	\$42,432,655	\$47,280,876
Variance:	\$5,252,511	\$11,145,755	\$19,700,169

### In Perspective:

Real estate values and revenue is trending up about \$2.3 million; expenditures down about \$4.2 million.

As reported earlier, property values have improved over estimates, which should cause the subsequent revenue to increase. The district has not received the first-half real estate tax settlement from the county auditor, therefore all collections remain estimated. The settlement documentation is expected soon.

Expenditures are trending about \$4.259 million less than forecasted in October. The fringe benefits and purchased services costs are trending lower than originally projected in October. Both of these cost items were estimated in October, 2014 based on the May, 2014 forecast approved by the Board.

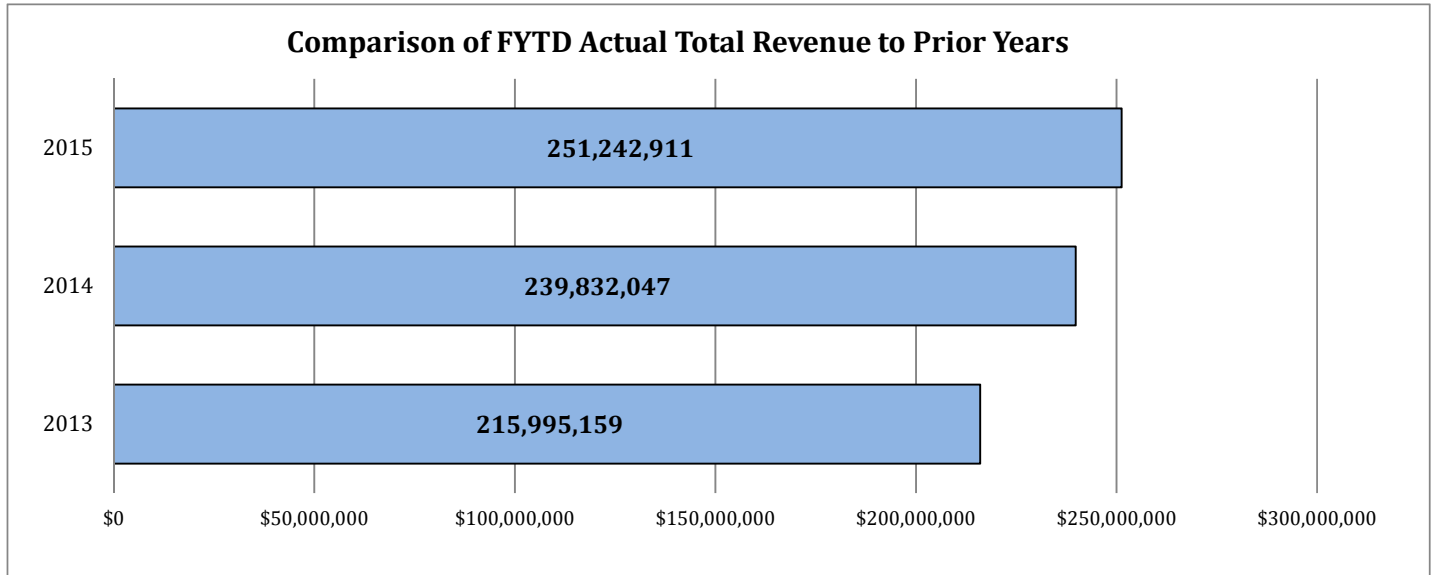
If revenue and expenditures trend as above, then the district would end 2015 about \$6.5 million positive. The above information does not include any proposed change to state funding as introduced in the Governor's Executive Budget. The House version of HB 64 (known as Substitute HB 64) is expected April 14 - 15, 2015.





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

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



Percent of Annual Total		Actual Fiscal Year To Date Revenue, July - March			F.Y. 2015
		2013 FYTD	2014 FYTD	2015 FYTD	YOY Change
31.6%	Real Estate Taxes	81,604,629	90,497,258	93,923,870	\$ 3,426,613
2.6%	Public Utility PP Taxes	2,999,537	3,652,833	4,059,798	\$ 406,965
0.0%	Income Tax	-	-	-	\$ -
47.9%	Unrestricted State-Aid	112,788,536	106,801,582	116,914,953	\$ 10,113,372
8.3%	Restricted State-Aid	2,910,859	19,785,813	20,399,395	\$ 613,582
6.4%	State Tax Reimb.	9,202,734	10,379,111	10,622,285	\$ 243,174
3.3%	Other Revenue	6,474,932	8,687,859	5,311,683	\$ (3,376,176)
0.0%	Other Sources	13,933	27,590	10,926	\$ (16,665)
100%	<b>Total Revenue</b>	<b>215,995,159</b>	<b>239,832,047</b>	<b>251,242,911</b>	<b>\$ 11,410,864</b>
<b>Total YOY Percentage Change</b>					<b>4.8%</b>

How does revenue compare to prior years?

Revenue is up 4.8% over last fiscal year due to state funding and real estate tax advances.

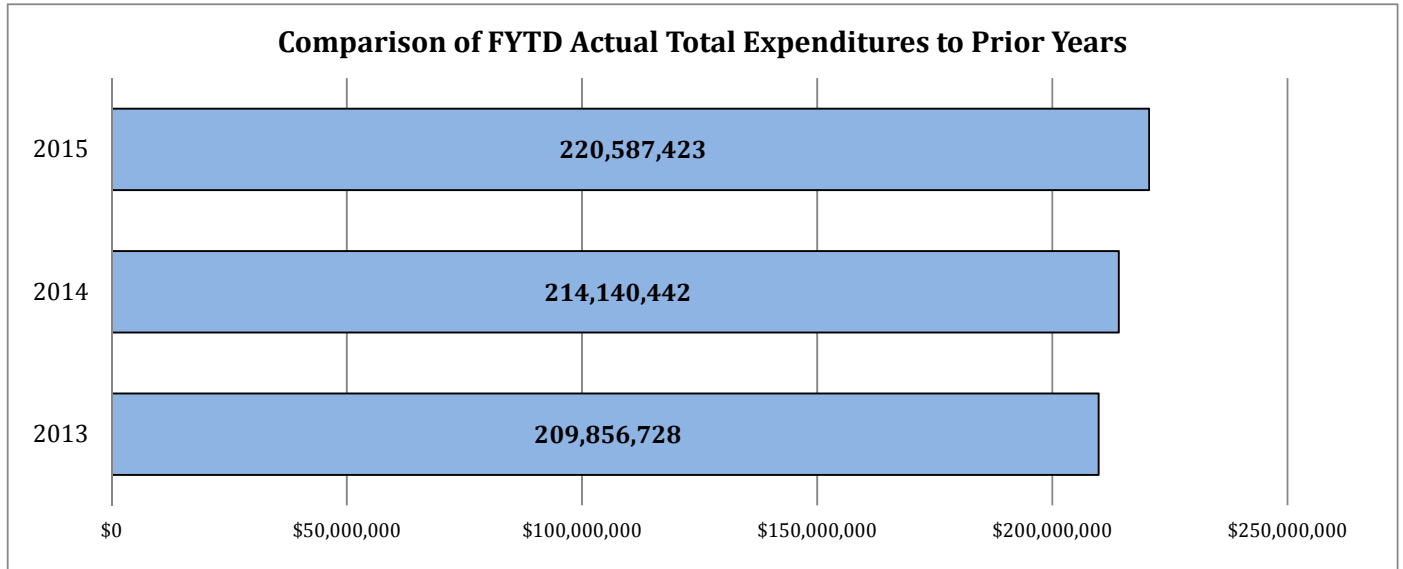
The district's real estate advances from the county auditor were \$3.4 million more than the prior year. State funding continues to trend up in response to the increased FY 2015 allocation.

Other revenue is trending down significantly, primarily in the Economic Development Payments and TIF payments. Research is ongoing to explain this negative variance.



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

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



Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - March			F.Y. 2015
		2013 FYTD	2014 FYTD	2015 FYTD	YOY Change
50.6%	Salaries	109,693,004	107,518,935	114,815,282	\$ 7,296,347
19.9%	Benefits	49,527,052	47,818,813	46,105,954	\$ (1,712,859)
23.9%	Purchased Services	44,683,737	48,435,182	52,084,305	\$ 3,649,123
3.1%	Supplies	4,118,104	4,818,988	4,627,687	\$ (191,300)
1.3%	Capital	310,896	3,960,193	1,505,884	\$ (2,454,309)
0.0%	Intergov., Debt, Interest	-	-	-	\$ -
1.1%	Other Objects	1,468,822	1,509,668	1,365,482	\$ (144,186)
0.0%	Other Uses	55,113	78,663	82,828	\$ 4,165
100%	<b>Total Expenditures</b>	<b>209,856,728</b>	<b>214,140,442</b>	<b>220,587,423</b>	<b>\$ 6,446,981</b>
<b>Total YOY Percentage Change</b>					<b>3.0%</b>

How do expenditures compare to prior years?

Expenditures are up 3.0% over last year due to staff bargaining agreements.

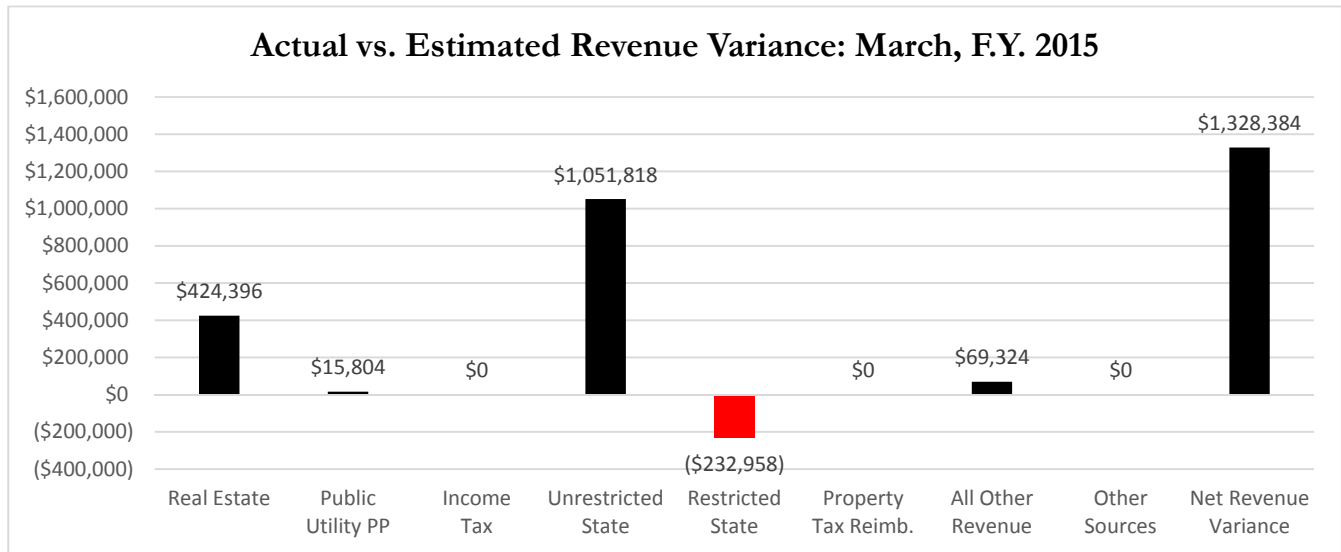
The reduction in benefits reflects negotiated plan design changes.

Purchased services reflects increased community school tuition payments.

Costs for benefits and purchased services are lower than last year's estimates.



## Month of March Actual Revenue Compared to Estimates



Ref	Revenue:	Actual for the Month of March	Estimated for the Month of March	Actual Over/ (Under) Estimate Variance
Row	<b>For the F.Y. 2015 Month Ending: March</b>			
A	1.010 - General Property Tax (Real Estate)	12,424,396	12,000,000	424,396
B	1.020 - Public Utility Personal Property	15,804	-	15,804
C	1.030 - Income Tax	-	-	-
D	1.035 - Unrestricted Grants-in-Aid	13,670,436	12,618,619	1,051,818
E	1.040 - 1.045 - Restricted Grants-in-Aid	2,010,566	2,243,524	(232,958)
F	1.050 - Property Tax Allocation	-	-	-
G	1.060 - All Other Operating Revenues	946,794	877,470	69,324
H	1.070 - Total Revenue	29,067,996	27,739,612	1,328,384
I	2.070 - Total Other Financing Sources	-	-	-
J	2.080 - Total Revenues and Other Financing Sources	29,067,996	27,739,612	1,328,384
				4.8%

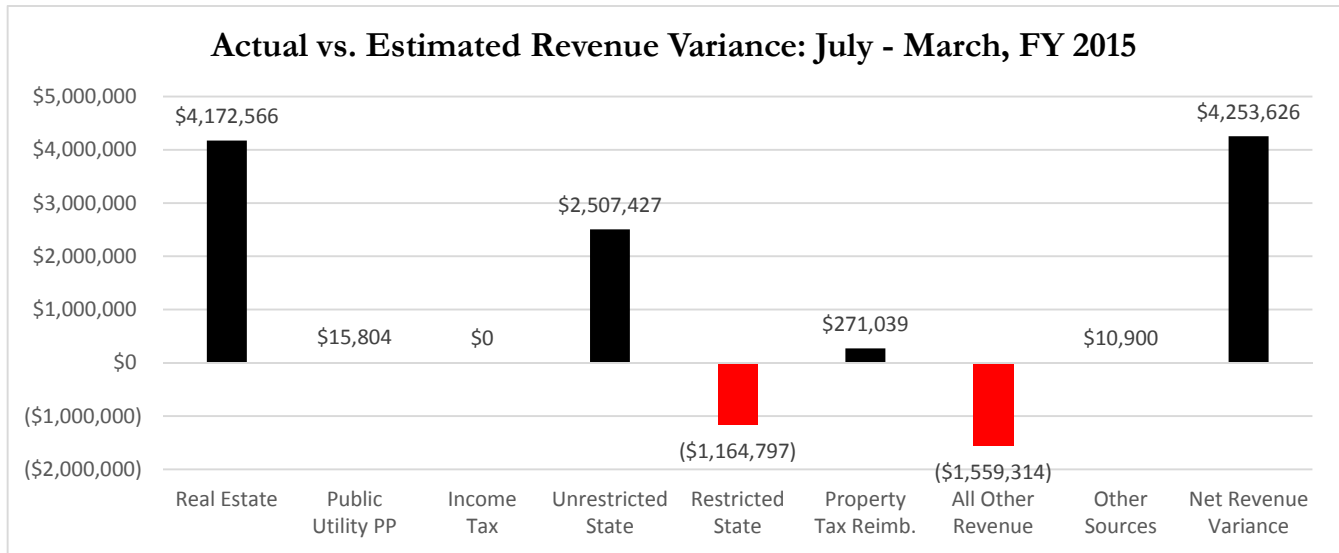
How do revenue cash flow estimates for the month compare to actual?

February's real estate advance was larger than anticipated.

The real estate advance is a matter of timing and does not infer an increase in estimated revenue. Instead the remaining cash flow will likely be lower than the prior year's.



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



		Actual July - March	Estimated July - March	Actual Over/ (Under) Estimate Variance
<b>Revenue:</b>				
<b>For the F.Y. 2015 Period: July - March</b>				
K	1.010 - General Property Tax (Real Estate)	93,923,870	89,751,304	4,172,566
L	1.020 - Public Utility Personal Property	4,059,798	4,043,994	15,804
M	1.030 - Income Tax	-	-	-
N	1.035 - Unrestricted Grants-in-Aid	116,914,953	114,407,526	2,507,427
O	1.040 - 1.045 - Restricted Grants-in-Aid	20,399,395	21,564,192	(1,164,797)
P	1.050 - Property Tax Allocation	10,622,285	10,351,246	271,039
Q	1.060 - All Other Operating Revenues	5,311,683	6,870,997	(1,559,314)
R	1.070 - Total Revenue	251,231,985	246,989,259	4,242,726
S	2.070 - Total Other Financing Sources	10,926	26	10,900
T	2.080 - Total Revenues and Other Financing Sources	251,242,911	246,989,285	4,253,626
				1.7%

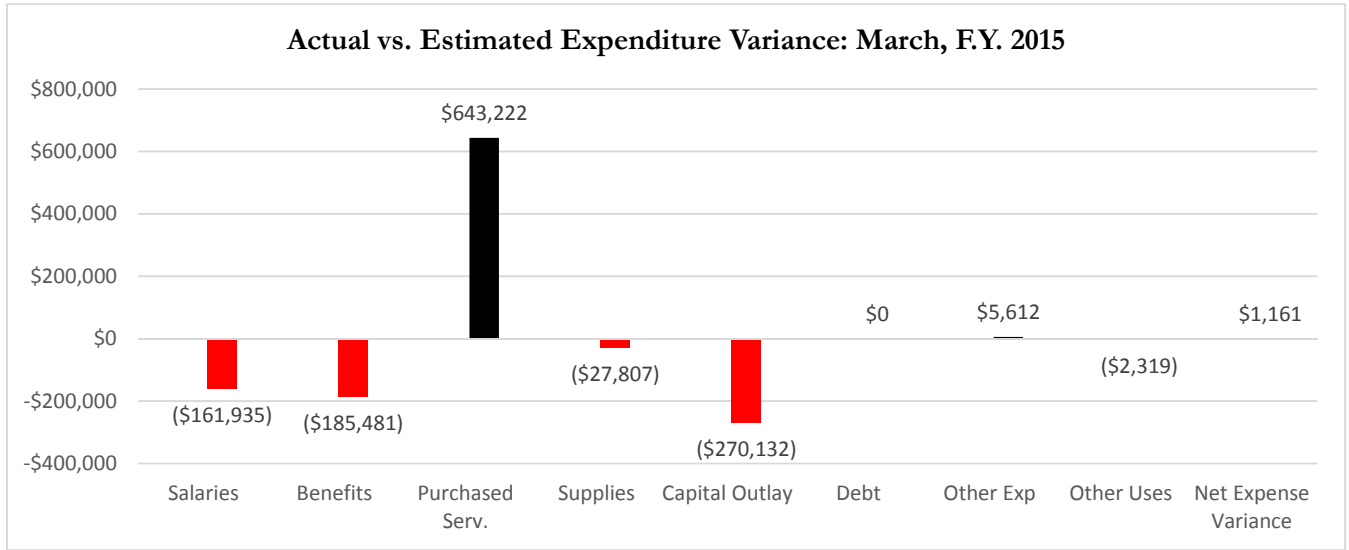
How do revenue cash flow estimates FYTD compare to actual?

Revenue for the period is within 1.7% of estimated.

The leading contributor is the real estate advance revenue.



### Month of March Actual Expenditures Compared to Estimates



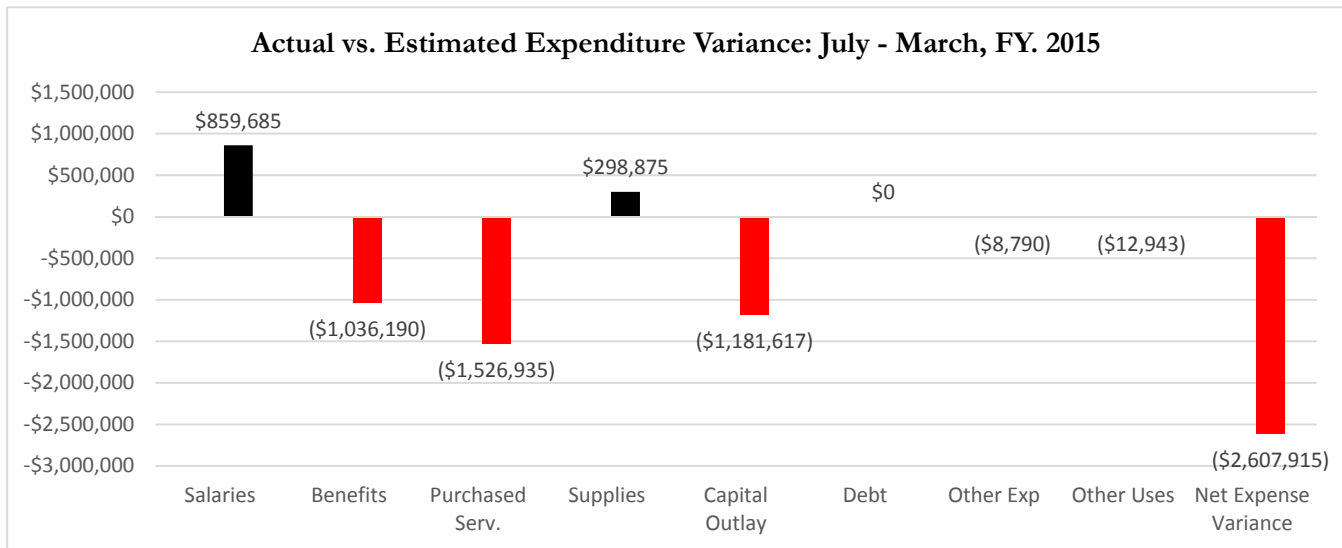
Ref	Expenditures:	Actual for the Month of March	Estimated for the Month of March	Actual Over/ (Under) Estimate Variance
Row	<b>For the F.Y. 2015 Month Ending: March</b>			
A	3.010 - Personnel Services	13,165,873	13,327,807	(161,935)
B	3.020 - Employees' Retirement/Insurance Benefits	5,289,172	5,474,653	(185,481)
C	3.030 - Purchased Services	7,141,240	6,498,018	643,222
D	3.040 - Supplies and Materials	402,869	430,676	(27,807)
E	3.050 - Capital Outlay	63,570	333,702	(270,132)
F	3.060 - 4.060 - Intergovernmental, Debt & Interest	-	-	-
G	4.300 - Other Objects	25,263	19,651	5,612
H	4.500 - Total Expenditures	26,087,987	26,084,507	3,480
I	5.040 - Total Other Financing Uses	-	2,319	(2,319)
J	5.050 - Total Expenditures and Other Financing Uses	26,087,987	26,086,826	1,161
				0.0%

How do expenditure cash flow estimates for the month compare to actual?

Expenditures for the month were within (aggregate) \$1,161 of estimated.



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



		Actual	Estimated	Actual Over/ (Under)
		July - March	July - March	Estimate
				Variance
<b>Expenditures:</b>				
<b>For the F.Y. 2015 Period: July - March</b>				
K	3.010 - Personnel Services	114,815,282	113,955,598	859,685
L	3.020 - Employees' Retirement/Insurance Benefits	46,105,954	47,142,144	(1,036,190)
M	3.030 - Purchased Services	52,084,305	53,611,240	(1,526,935)
N	3.040 - Supplies and Materials	4,627,687	4,328,812	298,875
O	3.050 - Capital Outlay	1,505,884	2,687,501	(1,181,617)
P	3.060 - 4.060 - Intergovernmental, Debt & Interest	-	-	-
Q	4.300 - Other Objects	1,365,482	1,374,272	(8,790)
R	4.500 - Total Expenditures	220,504,595	223,099,567	(2,594,972)
S	5.040 - Total Other Financing Uses	82,828	95,771	(12,943)
T	5.050 - Total Expenditures and Other Financing Uses	220,587,423	223,195,338	(2,607,915)
				-1.2%

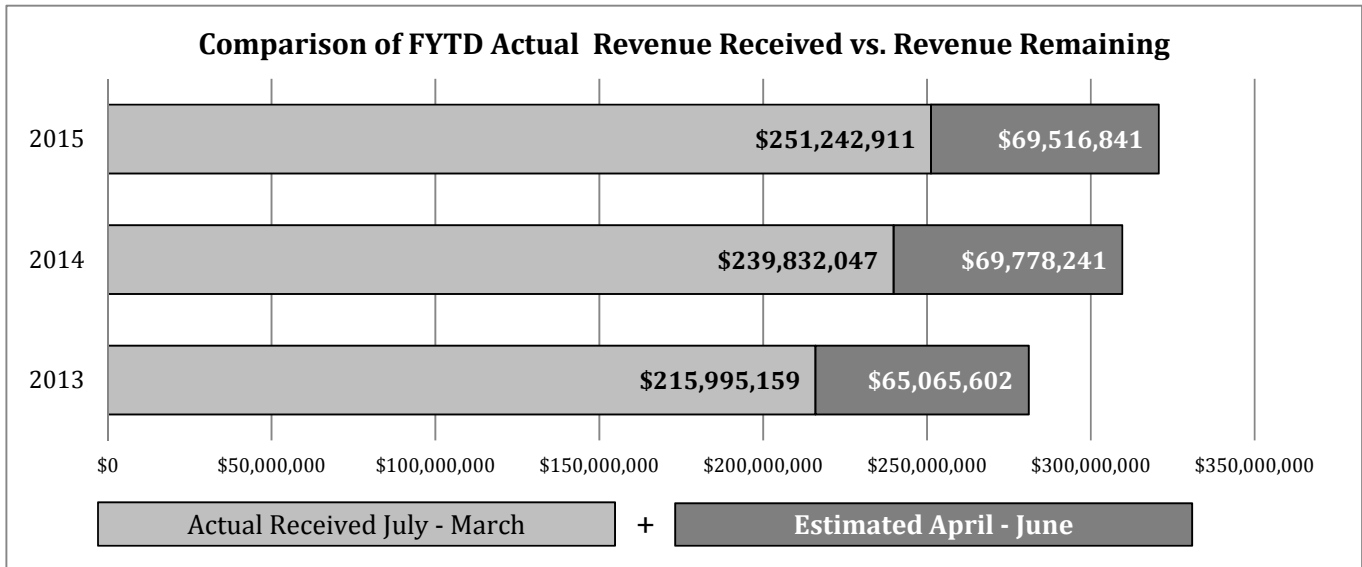
How do expenditure cash flow estimates FYTD compare to actual?

Overall, actual expenditures remain in-line (-1.2%) with year-to-date estimates.

While the variance at -1.2% is slight, the dollar impact on June 30, 2015 could be \$2.6 million or more in the form of improved cash balance.



## Fiscal Year 2015 Actual Revenue Plus Remaining Estimated



	FYTD 2015 Actual through July - March	<u>Estimated for</u> Remaining Months April - June	Total Annual Projected from Actual/Est. Cash Flow
<b>Revenue for FY 2015</b>			
1.010 - General Property Tax (Real Estate)	93,923,870	7,761,989	101,685,859
1.020 - Tangible Personal Property Tax	4,059,798	4,272,450	8,332,248
1.030 - Income Tax	-	-	-
1.035 - Unrestricted Grants-in-Aid	116,914,953	37,855,856	154,770,809
1.040 - 1.045 - Restricted Grants-in-Aid	20,399,395	6,730,571	27,129,966
1.050 - Property Tax Allocation	10,622,285	10,167,284	20,789,569
1.060 - All Other Operating Revenues	5,311,683	2,696,718	8,008,401
1.070 - Total Revenue	251,231,985	69,484,867	320,716,853
2.070 - Total Other Financing Sources	10,926	31,974	42,900
2.080 - Total Rev. and Other Financing Sources	251,242,911	69,516,841	320,759,752
	<b>Percentage of Annual Total</b>	78.3%	21.7%

How does FYTD revenue received compare to prior years?

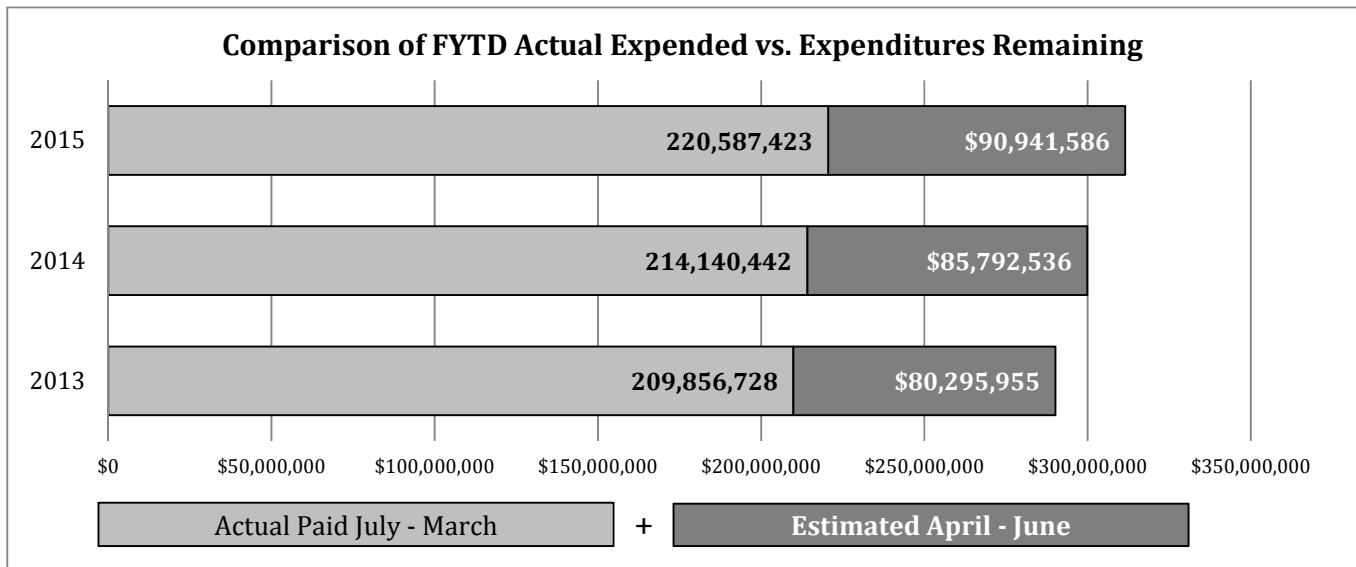
The district has received 78.3% of its projected F.Y. 2015 revenue.

FYTD revenue received, at 78.3% of the annual total is similar to last year at 77.5% of the annual total.

	% of Annual Total Received July - March	% of Annual Remaining April - June
F.Y. 2015	78.3%	21.7%
F.Y. 2014	77.5%	22.5%
F.Y. 2013	76.8%	23.2%



## Fiscal Year 2015 Actual Expenditure Plus Remaining Estimated



	FYTD 2015 Actual through July - March	<u>Estimated</u> for Remaining Months April - June	Total Annual Projected from Actual/Est. Cash Flow
<b>Expenditures for FY 2015</b>			
3.010 - Personnel Services	114,815,282	43,087,554	157,902,837
3.020 - Employees' Retirement/Insurance Benefits	46,105,954	16,104,493	62,210,447
3.030 - Purchased Services	52,084,305	22,324,728	74,409,033
3.040 - Supplies and Materials	4,627,687	4,940,741	9,568,428
3.050 - Capital Outlay	1,505,884	2,627,576	4,133,460
3.060 - 4.060 - Intergovernmental, Debt & Interest	-	-	-
4.300 - Other Objects	1,365,482	1,828,764	3,194,246
4.500 - Total Expenditures	220,504,595	90,913,857	311,418,452
5.040 - Total Other Financing Uses	82,828	27,729	110,557
5.050 - Total Expenditures and Other Financing Uses	220,587,423	90,941,586	311,529,009
	<b>Percentage of Annual Total</b>	<b>70.8%</b>	<b>29.2%</b>

How does FYTD expenditures compare to prior years?

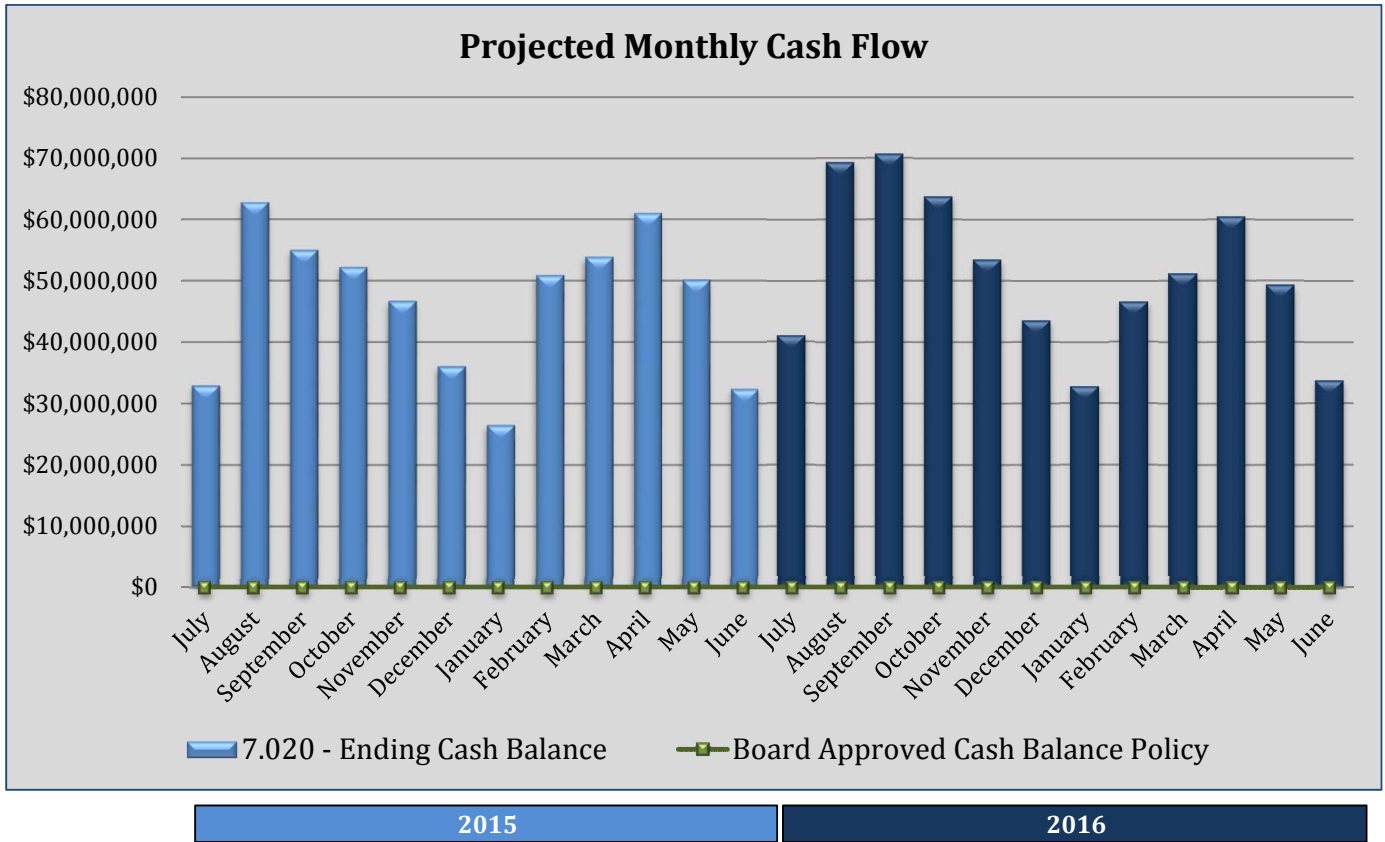
The district has spent 70.8% of its annual projected expenditures.

Actual expenditures to-date relative to the annual total is in-line with last year's level.

	% of Annual Total Expended July - March	% of Annual Remaining April - June
F.Y. 2015	70.8%	29.2%
F.Y. 2014	71.4%	28.6%
F.Y. 2013	72.3%	27.7%



### Monthly Cash Balance Estimates Fiscal Years 2015 and 2016



**In Perspective:**

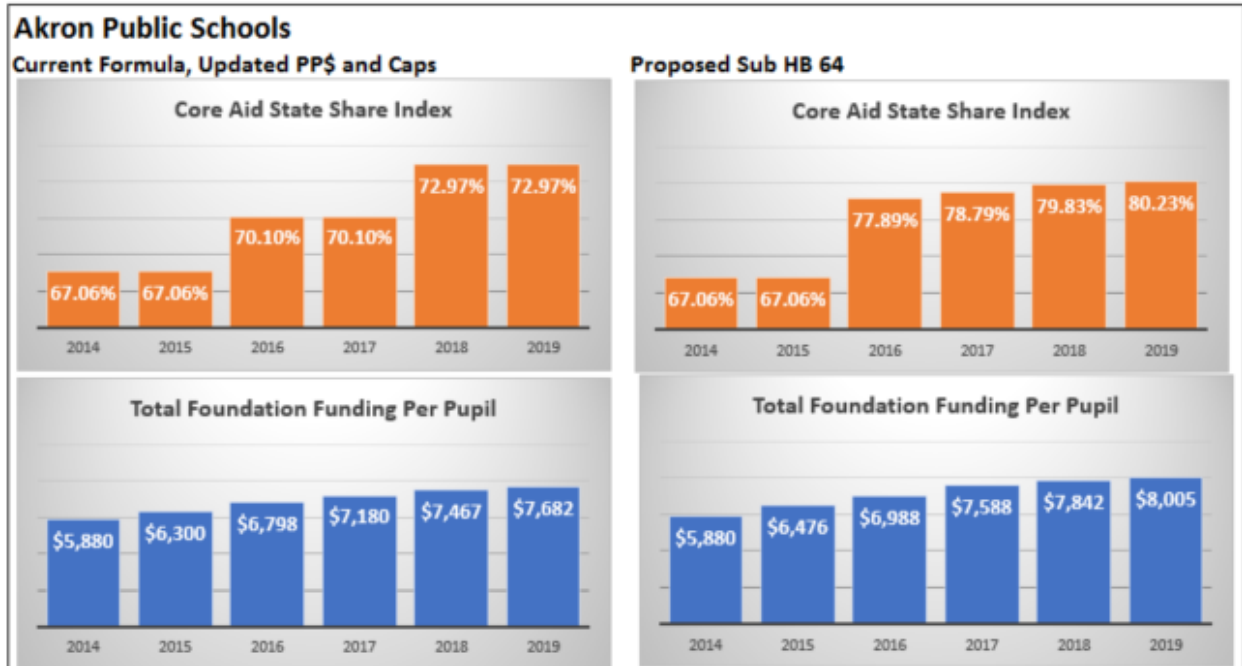
Monthly cash flow balances remain adequate through June 30, 2016.

Finance committee is reviewing cash reserve best practices.

**AKRON PUBLIC SCHOOLS  
MONTHLY RECONCILIATION  
March 2015**

Book Balance		Bank Balance	
<b>USAS Accounting System</b>		<b>Month End Bank Account Balances</b>	
Beginning Balance	137,652,339.70	002 - First Merit Student Activity	581,413.77
Plus Receipts	40,461,668.00	005 - PNC Practical Nursing	2,796.00
Less Expenditures	<u>35,876,764.37</u>	007 - PNC Oma Evans	151,673.00
Ending Balance	<u>142,237,243.33</u>	008 - First Merit Schumacher	42.48
		015 - PNC Judy Resnik	6,241.73
		017 - First Merit AP/Payroll/CN	6,004,512.15
<b>Outstanding Checks &amp; Direct Deposits</b>		018 - PNC Building Fund	5,350,000.00
002 - First Merit Student Activity Checks	31,591.97	026 - 5th/3rd	10,319,815.54
005 - PNC Practical Nursing Checks	-	034 - PNC General Fund Money Market	20,312,428.97
015 - PNC Judy Resnik Checks	-	036 - PNC Building Fund Money Market	-
017 - First Merit Accounts Payable Checks	1,370,796.10	037 - USBank Construction	33,191,246.98
017 - First Merit Payroll Checks	156,483.95	038 - USBank PI Fund	14,989,609.47
017 - First Merit Payroll Direct Deposits	-		<u>90,909,780.09</u>
018 - PNC Building Fund Checks	<u>83,301.06</u>		
	<u>1,642,173.08</u>	<b>Local Grant/Benefit CD's</b>	
<b>Pending Payroll Deductions</b>		022 - First Merit CD	20,069.02
Federal/Medicare Withholding	694,536.52	029 - First Merit CD	5,000.00
State Tax	129,231.04	030 - First Merit CD	178,015.34
City Tax	333,849.46	032 - First Merit CD	91,782.16
SERS	325,889.20		<u>294,866.52</u>
State Income Tax	1,456.29	<b>Investment Sweeps</b>	
STRS	-	002 - First Merit Student Activity	1,185,000.00
Valic	-	017 - First Merit AP/Payroll/CN	51,340,000.00
ING (Voya)	-	018 - PNC Building Fund	1,629,459.07
Lincoln	-		<u>54,154,459.07</u>
Ohio Deferred Comp	9,669.94	<b>Miscellaneous Bank Adjustments</b>	
MG Trust (Aspire)	-	Petty Cash	1,000.00
Towpath	-	Bank Charges to be Refunded	334.17
	<u>1,494,632.45</u>	Student Activity Payroll Deposit to 017	14,285.33
<b>Miscellaneous Book Adjustments</b>		Building Fund Payroll Deposit to 017	1,216.72
021 - Inventory Allowance	(34,088.51)	Outstanding Payroll Deposit	1,046.01
022 - Insurance Accrual	<u>36,237.32</u>	Outstanding Deposits	(790.24)
	<u>2,148.81</u>		<u>17,091.99</u>
<b>Adjusted Book Balance</b>	<u>\$ 145,376,197.67</u>	<b>Adjusted Bank Balance</b>	<u>\$ 145,376,197.67</u>

The Ohio House of Representative has passed an amended HB 64, referred to as “substitute HB 64.” The bill changes the methodology for calculating school district state funding. The proposed formula includes going back to a charge-off. The information below is intended to show the potential impact on the Akron school district.



Sub HB 64 would increase the state’s share of per pupil funding for Akron. As a result, the per pupil funding would increase in response. Naturally, if an increase in per pupil funding were to occur the district’s total state funding would also increase. Any increase has to be considered in light of the state’s change to reduce tangible personal property tax reimbursements to the district. The table below shows an aggregate impact of both the formula increases and the elimination of the district’s tangible personal property tax revenue.

**Comparison of District Forecasted Per Pupil Funding  
with Proposed HB Sub 64**

	2016	2017	2018	2019
Forecasted State Funding	180,906,082	185,428,735	190,064,453	194,816,064
Proposed Sub HB 64	189,730,769	203,960,577	212,812,987	218,188,497
Potential Change Over(Under) Forecasted	8,824,687	18,531,843	22,748,535	23,372,433
Proposed Change in Tangible Pers. Reimb.	(2,971,076)	(5,942,153)	(5,942,153)	(5,942,153)
Potential Cumulative				52,679,961

Note: The proposed executive budget is not law, it is a legislative work-in-progress. The above amounts are only illustrations to show the general trend and impact of the proposed executive budget formula. Certain assumptions about 2018 and 2019 valuations, enrollment, and caps are inherent in the projections.

Substitute HB 64 remains only a bill and is subject to the Ohio Senate's hearings and review. Current rhetoric indicates that the formula will be changed. Every effort will be made to keep the district abreast of changes as they are known.