



Monthly Financial Report

Akron Public Schools

For the F.Y. 2015 Month Ending: February

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Overview

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- 4 The forecast reflects improved property values for 2015 tax collections.
- 5 Revenue is up 5.7% 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 July through January is within 3.1% of estimated.
- 9 February expenditures were \$1.58 million less than estimated.
- 10 Overall, actual expenditures remain in-line with year-to-date estimates.
- 11 The district has received 69.4% of its projected F.Y. 2015 revenue.
- 12 The district has spent 62.9% of its annual projected expenditures.
- 13 Monthly cash flow balances remain adequate through June 30, 2016.





Updated Forecast Trend For The Month of February, 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	\$322,232,329	\$326,717,277	\$331,341,985
Replace/Renew Levies	\$0	\$0	\$0
New Levies	\$0	\$0	\$0
Total Expenditures	\$318,446,195	\$325,392,607	\$335,631,914
Revenue Over/(Under)			
Expenditures	\$3,786,133	\$1,324,670	(\$4,289,929)
Cash Balance	\$27,071,254	\$28,395,924	\$24,105,995

Variance between Updated and Filed Forecasts

	2015	2016	2017
Total Revenues			
Filed Forecast as of 10/23/2014:	\$321,242,760	\$324,418,814	\$328,836,218
Updated Forecast as of 3/15/2015:	\$322,232,329	\$326,717,277	\$331,341,985
Variance:	\$989,569	\$2,298,463	\$2,505,767
Total Expenditures			
Filed Forecast as of 10/23/2014:	\$315,356,691	\$322,303,103	\$332,542,410
Updated Forecast as of 3/15/2015:	\$318,446,195	\$325,392,607	\$335,631,914
Variance:	\$3,089,504	\$3,089,504	\$3,089,504
Cash Balance			
Filed Forecast as of 10/23/2014:	\$29,171,189	\$31,286,900	\$27,580,708
Updated Forecast as of 3/15/2015:	\$27,071,254	\$28,395,924	\$24,105,995
Variance:	(\$2,099,935)	(\$2,890,976)	(\$3,474,713)

In Perspective:

The forecast reflects improved property values for 2015 tax collections.

As reported earlier, property values have improved over estimates, which should cause the subsequent revenue to increase.

At the same time, some expenditures lines are trending higher than estimated, which will offset the revenue gain.

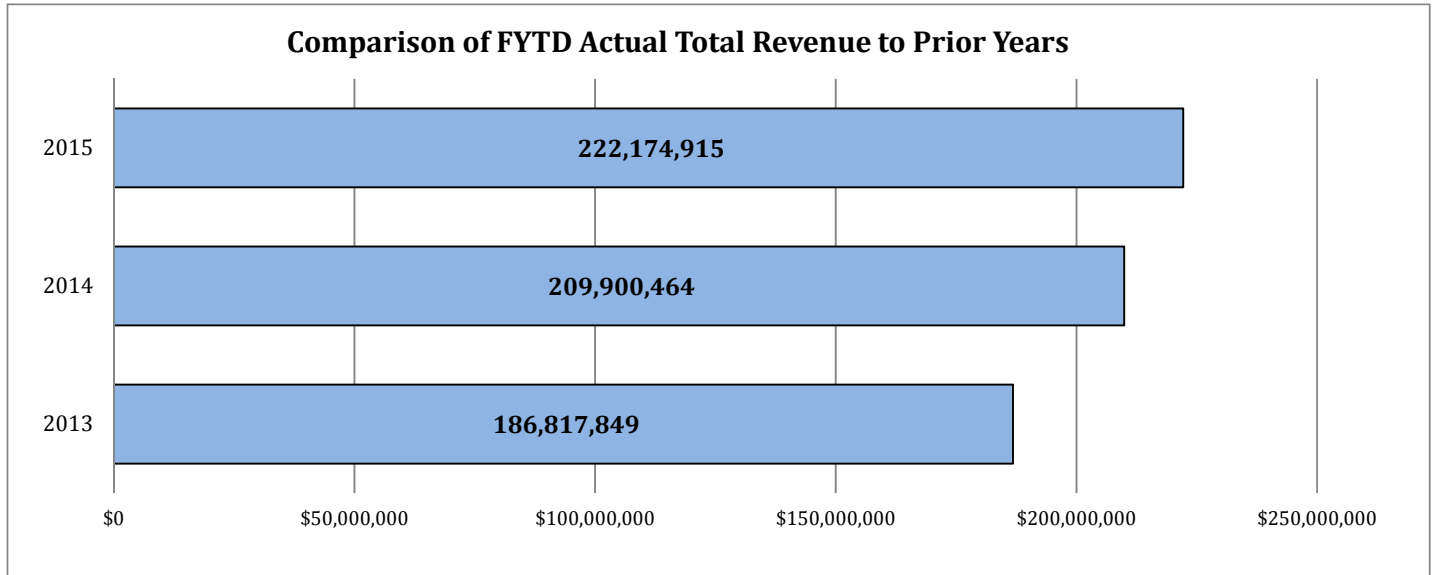
The above information does not include any proposed change to state funding as introduced in the Governor's Executive Budget.





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. 2015
		2013 FYTD	2014 FYTD	2015 FYTD	YOY Change
31.6%	Real Estate Taxes	65,554,629	74,947,258	81,499,474	\$ 6,552,217
2.6%	Public Utility PP Taxes	2,999,537	3,652,833	4,043,994	\$ 391,161
0.0%	Income Tax	-	-	-	\$ -
47.6%	Unrestricted State-Aid	100,313,811	94,975,779	103,244,517	\$ 8,268,739
8.6%	Restricted State-Aid	2,668,643	18,107,816	18,388,829	\$ 281,013
6.4%	State Tax Reimb.	9,202,734	10,379,111	10,622,285	\$ 243,174
3.3%	Other Revenue	6,066,056	7,810,389	4,368,303	\$ (3,442,086)
0.0%	Other Sources	12,440	27,278	7,512	\$ (19,766)
100%	Total Revenue	186,817,849	209,900,464	222,174,915	\$ 12,274,451
Total YOY Percentage Change					5.8%

How does revenue compare to prior years?

Revenue is up 5.7% over last fiscal year due to state funding and real estate tax advances.

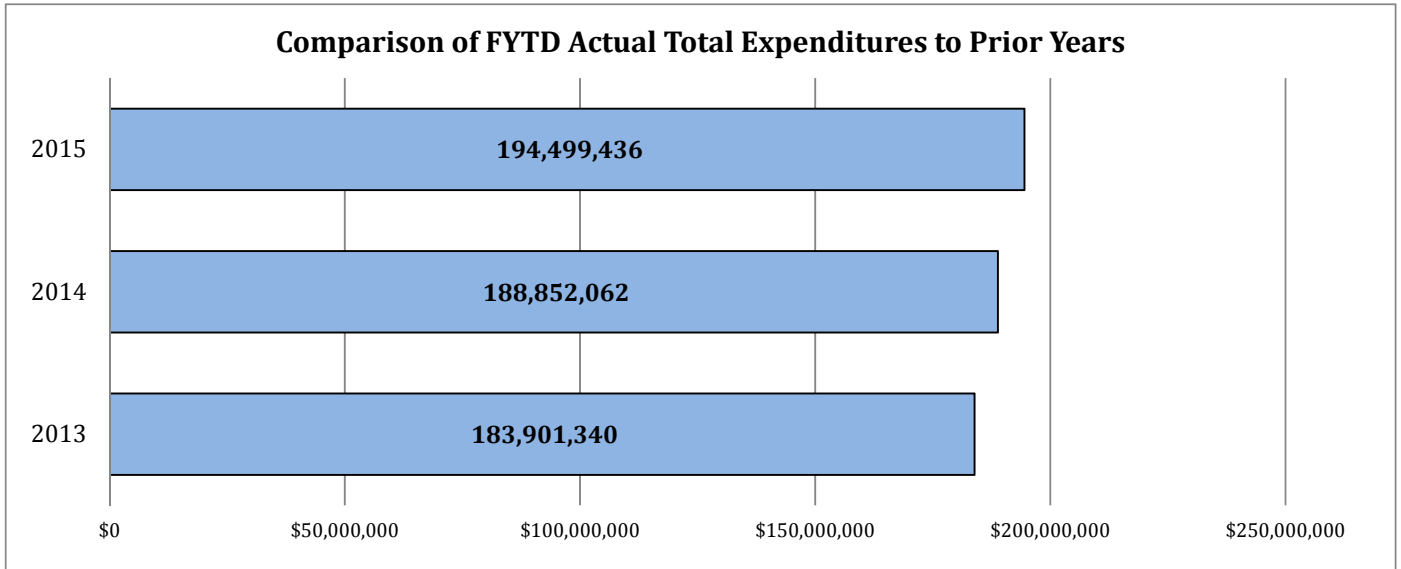
The district's February real estate advance from the county auditor was \$6.5 million more than the prior year. State funding continues to trend up in response to the increased FY 2015 allocation.

Other revenue is trending down significantly, primarily in the Economic Development Payments and TIF payments.



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. 2015
		2013 FYTD	2014 FYTD	2015 FYTD	YOY Change
50.0%	Salaries	95,947,115	94,945,532	101,649,410	\$ 6,703,877
20.1%	Benefits	43,555,880	42,260,790	40,816,782	\$ (1,444,008)
23.6%	Purchased Services	38,986,075	42,064,577	44,943,066	\$ 2,878,489
3.8%	Supplies	3,767,677	4,388,311	4,224,818	\$ (163,493)
1.4%	Capital	249,913	3,626,492	1,442,314	\$ (2,184,178)
0.0%	Intergov., Debt, Interest	-	-	-	\$ -
1.1%	Other Objects	1,341,060	1,490,016	1,340,219	\$ (149,798)
0.0%	Other Uses	53,620	76,343	82,828	\$ 6,484
100%	Total Expenditures	183,901,340	188,852,062	194,499,436	\$ 5,647,375
Total YOY Percentage Change					3.0%

How do expenditures compare to prior years?

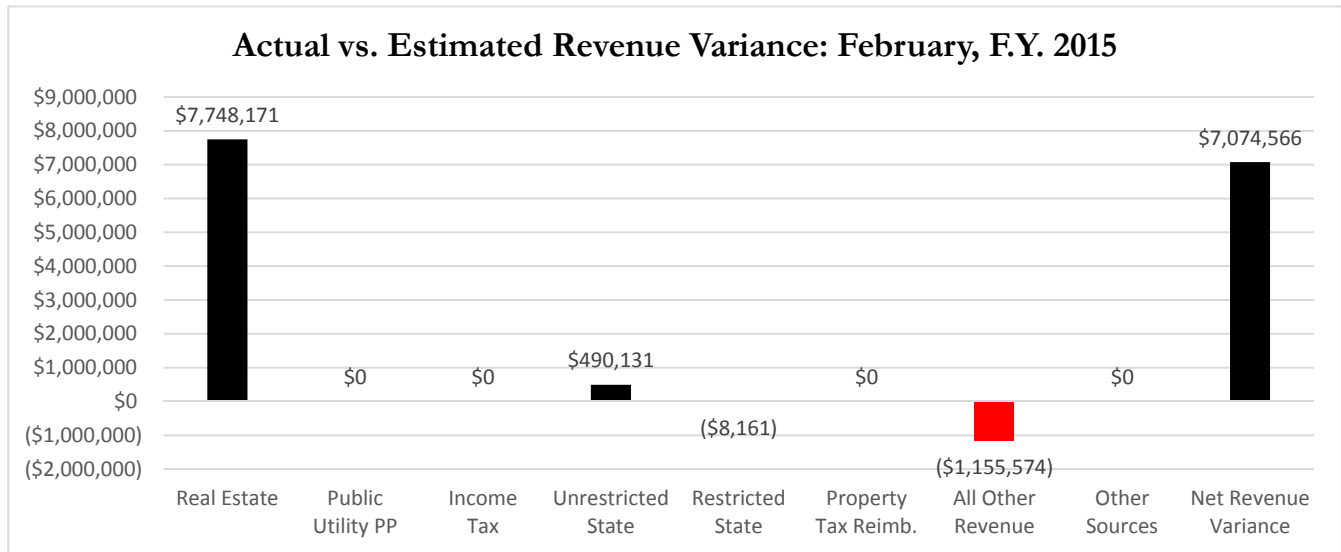
Expenditures are up 3.0% over last year due to staff bargaining agreements.

Purchased services reflects increased community school tuition payments.

The reduction in benefits reflects negotiated plan design changes.



Month of February Actual Revenue Compared to Estimates



Ref	Revenue:	Actual for the Month of February	Estimated for the Month of February	Actual Over/ (Under) Estimate Variance
Row	For the F.Y. 2015 Month Ending: February			
A	1.010 - General Property Tax (Real Estate)	32,748,171	25,000,000	7,748,171
B	1.020 - Public Utility Personal Property	-	-	-
C	1.030 - Income Tax	-	-	-
D	1.035 - Unrestricted Grants-in-Aid	13,108,749	12,618,619	490,131
E	1.040 - 1.045 - Restricted Grants-in-Aid	2,235,363	2,243,524	(8,161)
F	1.050 - Property Tax Allocation	-	-	-
G	1.060 - All Other Operating Revenues	790,567	1,946,141	(1,155,574)
H	1.070 - Total Revenue	48,882,849	41,808,283	7,074,566
I	2.070 - Total Other Financing Sources	-	-	-
J	2.080 - Total Revenues and Other Financing Sources	48,882,849	41,808,283	7,074,566
				16.9%

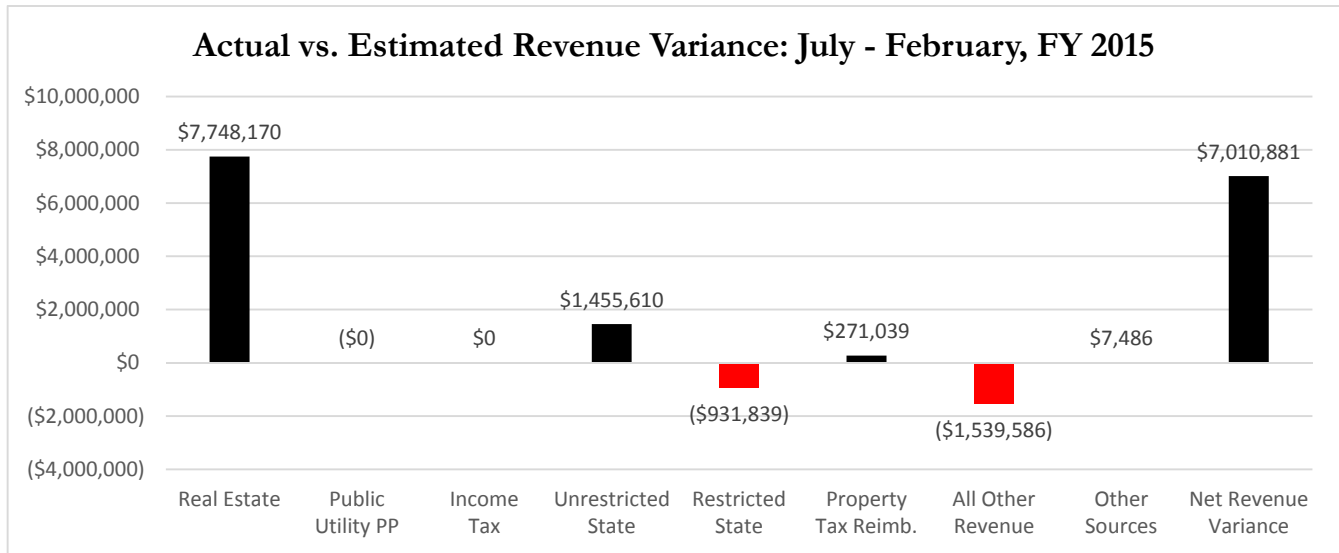
How do revenue cash flow estimates for the month compare to actual?

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 - February) Actual Revenue Compared to Estimates



		Actual	Estimated	Actual Over/ (Under) Estimate Variance
		July - February	July - February	
Revenue:				
For the F.Y. 2015 Period: July - February				
K	1.010 - General Property Tax (Real Estate)	81,499,474	73,751,304	7,748,170
L	1.020 - Public Utility Personal Property	4,043,994	4,043,994	(0)
M	1.030 - Income Tax	-	-	-
N	1.035 - Unrestricted Grants-in-Aid	103,244,517	101,788,908	1,455,610
O	1.040 - 1.045 - Restricted Grants-in-Aid	18,388,829	19,320,668	(931,839)
P	1.050 - Property Tax Allocation	10,622,285	10,351,246	271,039
Q	1.060 - All Other Operating Revenues	4,368,303	5,907,889	(1,539,586)
R	1.070 - Total Revenue	222,167,403	215,164,009	7,003,394
S	2.070 - Total Other Financing Sources	7,512	26	7,486
T	2.080 - Total Revenues and Other Financing Sources	222,174,915	215,164,035	7,010,881
				3.3%

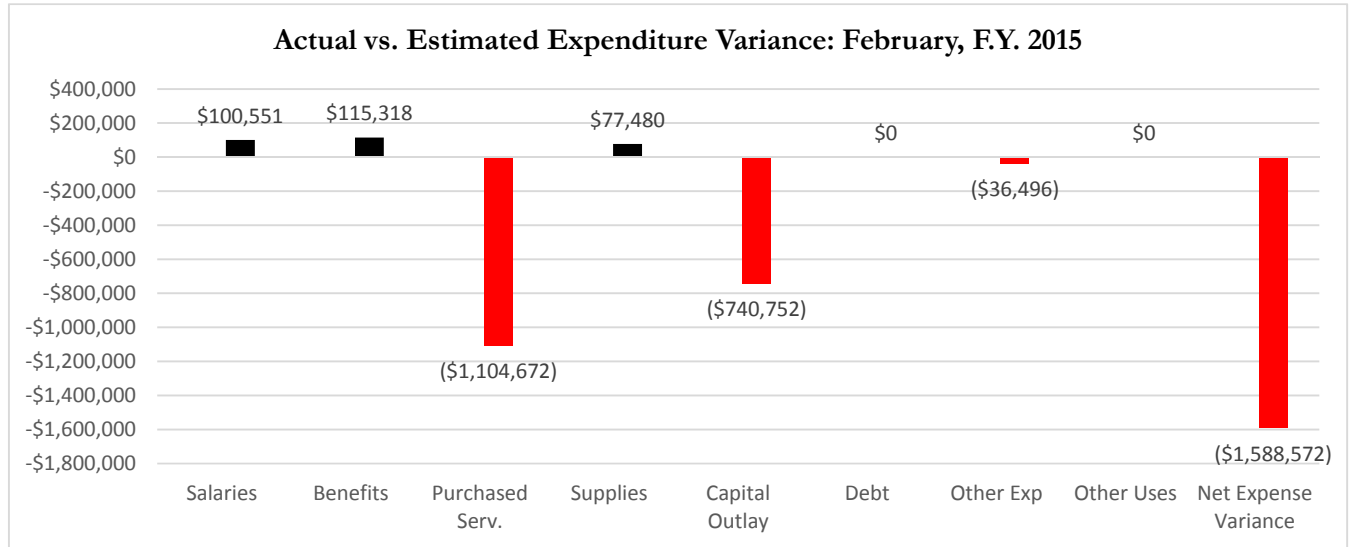
How do revenue cash flow estimates FYTD compare to actual?

Revenue for the period July through January is within 3.1% of estimated.

The leading contributor is the real estate advance revenue.



Month of February Actual Expenditures Compared to Estimates



Ref	Expenditures:	Actual for the Month of February	Estimated for the Month of February	Actual Over/ (Under) Estimate Variance
Row	For the F.Y. 2015 Month Ending: February			
A	3.010 - Personnel Services	13,190,916	13,090,365	100,551
B	3.020 - Employees' Retirement/Insurance Benefits	5,466,178	5,350,860	115,318
C	3.030 - Purchased Services	5,345,673	6,450,345	(1,104,672)
D	3.040 - Supplies and Materials	419,087	341,608	77,480
E	3.050 - Capital Outlay	114,216	854,968	(740,752)
F	3.060 - 4.060 - Intergovernmental, Debt & Interest	-	-	-
G	4.300 - Other Objects	17,687	54,183	(36,496)
H	4.500 - Total Expenditures	24,553,757	26,142,329	(1,588,572)
I	5.040 - Total Other Financing Uses	-	-	-
J	5.050 - Total Expenditures and Other Financing Uses	24,553,757	26,142,329	(1,588,572)
				-6.1%

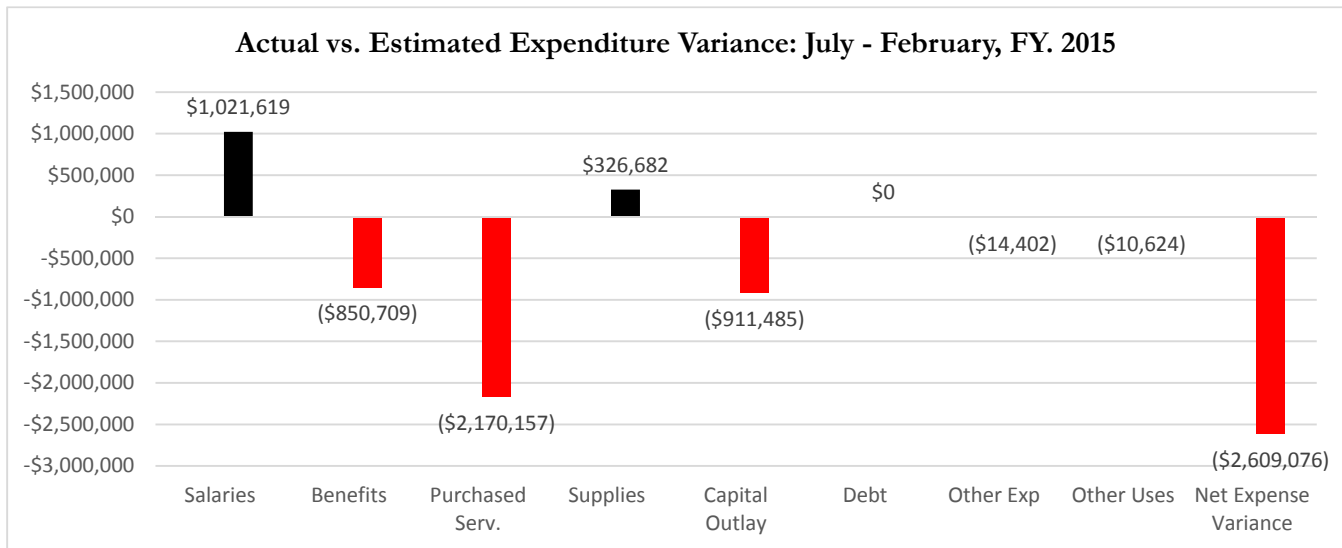
How do expenditure cash flow estimates for the month compare to actual?

February expenditures were \$1.58 million less than estimated.

Purchased services and capital outlay trended lower than estimates.



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



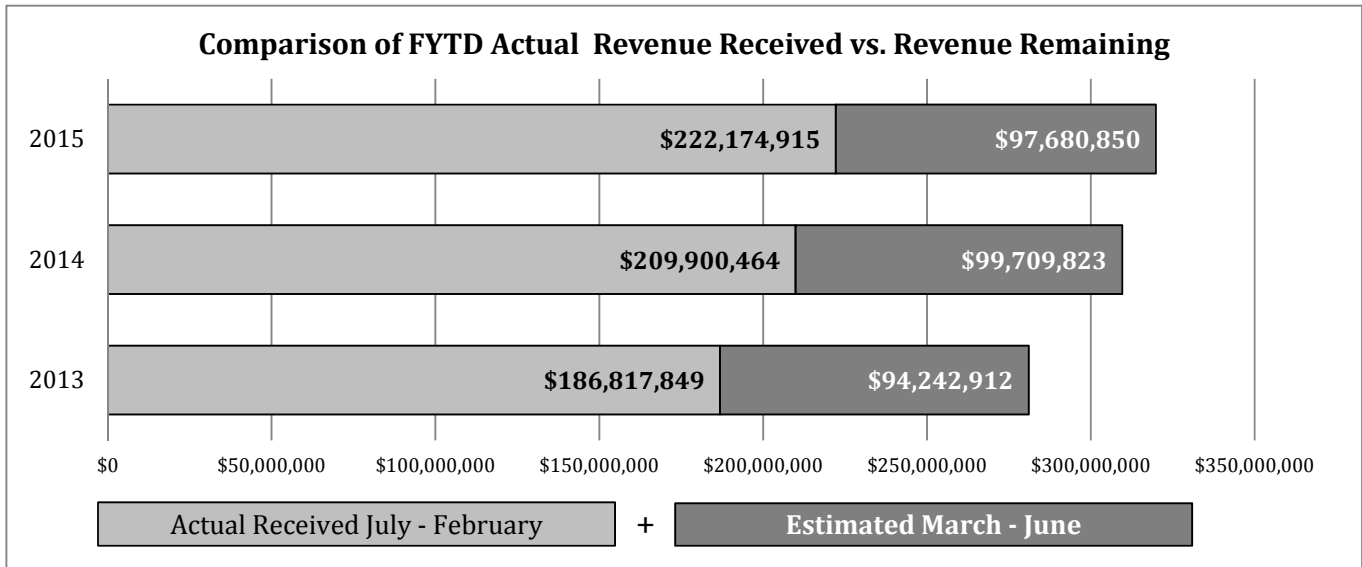
		Actual	Estimated	Actual Over/ (Under)
		July - February	July - February	Estimate
		Variance		
Expenditures:				
For the F.Y. 2015 Period: July - February				
K	3.010 - Personnel Services	101,649,410	100,627,791	1,021,619
L	3.020 - Employees' Retirement/Insurance Benefits	40,816,782	41,667,491	(850,709)
M	3.030 - Purchased Services	44,943,066	47,113,223	(2,170,157)
N	3.040 - Supplies and Materials	4,224,818	3,898,136	326,682
O	3.050 - Capital Outlay	1,442,314	2,353,799	(911,485)
P	3.060 - 4.060 - Intergovernmental, Debt & Interest	-	-	-
Q	4.300 - Other Objects	1,340,219	1,354,621	(14,402)
R	4.500 - Total Expenditures	194,416,609	197,015,060	(2,598,452)
S	5.040 - Total Other Financing Uses	82,828	93,452	(10,624)
T	5.050 - Total Expenditures and Other Financing Uses	194,499,436	197,108,512	(2,609,076)
				-1.3%

How do expenditure cash flow estimates FYTD compare to actual?

Overall, actual expenditures remain in-line with year-to-date estimates.



Fiscal Year 2015 Actual Revenue Plus Remaining Estimated



Revenue for FY 2015	FYTD 2015 Actual through July - February	<u>Estimated</u> for Remaining Months March - June	Total Annual Projected from Actual/Est. Cash Flow
1.010 - General Property Tax (Real Estate)	81,499,474	20,186,385	101,685,859
1.020 - Tangible Personal Property Tax	4,043,994	4,272,450	8,316,444
1.030 - Income Tax	-	-	-
1.035 - Unrestricted Grants-in-Aid	103,244,517	50,474,474	153,718,991
1.040 - 1.045 - Restricted Grants-in-Aid	18,388,829	8,974,094	27,362,924
1.050 - Property Tax Allocation	10,622,285	10,167,284	20,789,569
1.060 - All Other Operating Revenues	4,368,303	3,574,188	7,942,491
1.070 - Total Revenue	222,167,403	97,648,876	319,816,279
2.070 - Total Other Financing Sources	7,512	31,974	39,486
2.080 - Total Rev. and Other Financing Sources	222,174,915	97,680,850	319,855,765
	Percentage of Annual Total	69.5%	30.5%

How does FYTD revenue received compare to prior years?

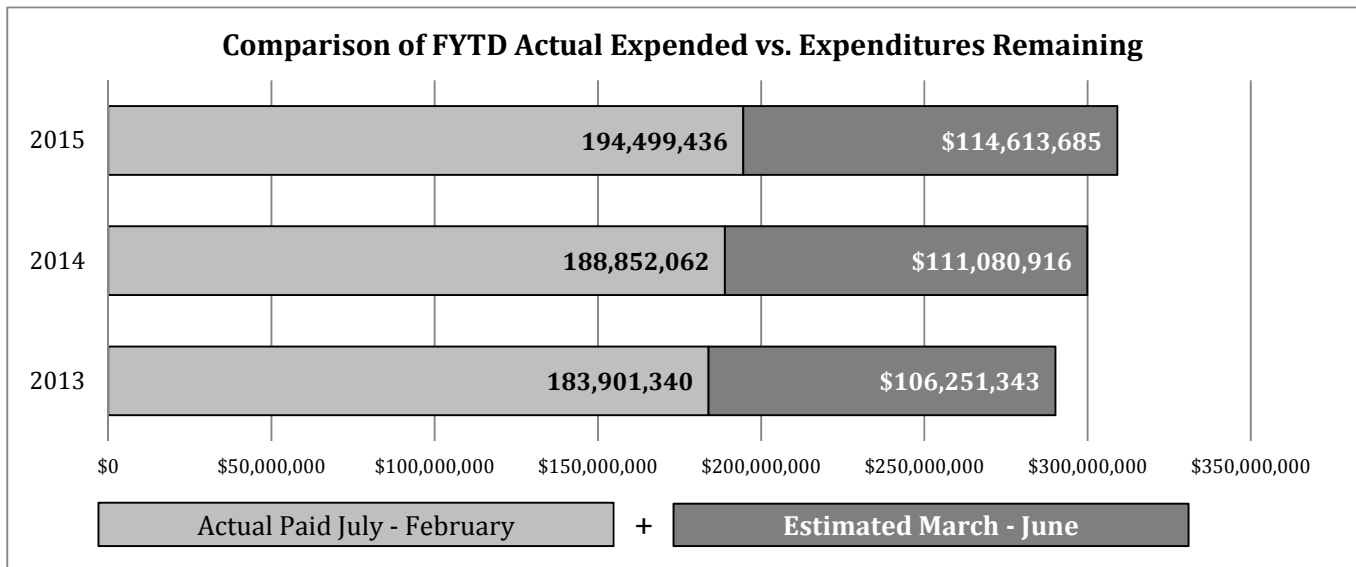
The district has received 69.4% of its projected F.Y. 2015 revenue.

The district has received 69.4% of its annual projected fiscal year 2015 revenue, which is up over last year's same period percentage of 67.8%. The district is projecting to receive 30.6% of its annual fiscal year 2015 in the remaining months of February through June, 2015.

	% of Annual Total Received July - February	% of Annual Remaining March - June
F.Y. 2015	69.5%	30.5%
F.Y. 2014	67.8%	32.2%
F.Y. 2013	66.5%	33.5%



Fiscal Year 2015 Actual Expenditure Plus Remaining Estimated



	FYTD 2015 Actual through July - February	<u>Estimated</u> for Remaining Months March - June	Total Annual Projected from Actual/Est. Cash Flow
Expenditures for FY 2015			
3.010 - Personnel Services	101,649,410	55,501,051	157,150,461
3.020 - Employees' Retirement/Insurance Benefits	40,816,782	21,579,146	62,395,928
3.030 - Purchased Services	44,943,066	28,822,745	73,765,811
3.040 - Supplies and Materials	4,224,818	4,671,417	8,896,235
3.050 - Capital Outlay	1,442,314	2,160,861	3,603,175
3.060 - 4.060 - Intergovernmental, Debt & Interest	-	-	-
4.300 - Other Objects	1,340,219	1,848,416	3,188,635
4.500 - Total Expenditures	194,416,609	114,583,637	309,000,246
5.040 - Total Other Financing Uses	82,828	30,048	112,876
5.050 - Total Expenditures and Other Financing Uses	194,499,436	114,613,685	309,113,122
	Percentage of Annual Total	62.9%	37.1%

How does FYTD expenditures compare to prior years?

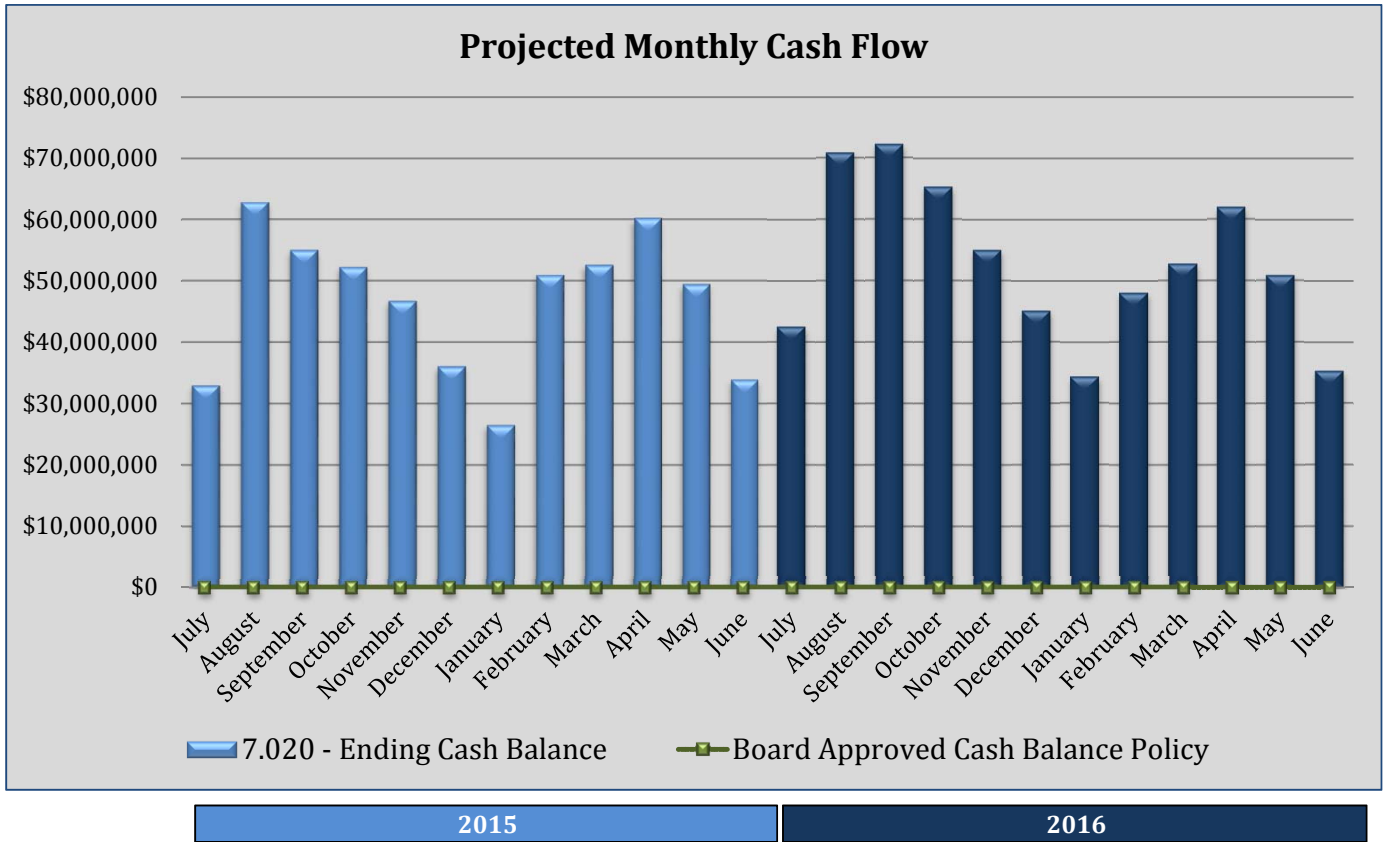
The district has spent 62.9% of its annual projected expenditures.

The district has expended 62.9% of its annual total projected budget in 2015, which compares to 63.0% for the same period last year. Overall expenditures are trending very similar to last year.

	% of Annual Total Expended July - February	% of Annual Remaining March - June
F.Y. 2015	62.9%	37.1%
F.Y. 2014	63.0%	37.0%
F.Y. 2013	63.4%	36.6%



Monthly Cash Balance Estimates Fiscal Years 2015 and 2016



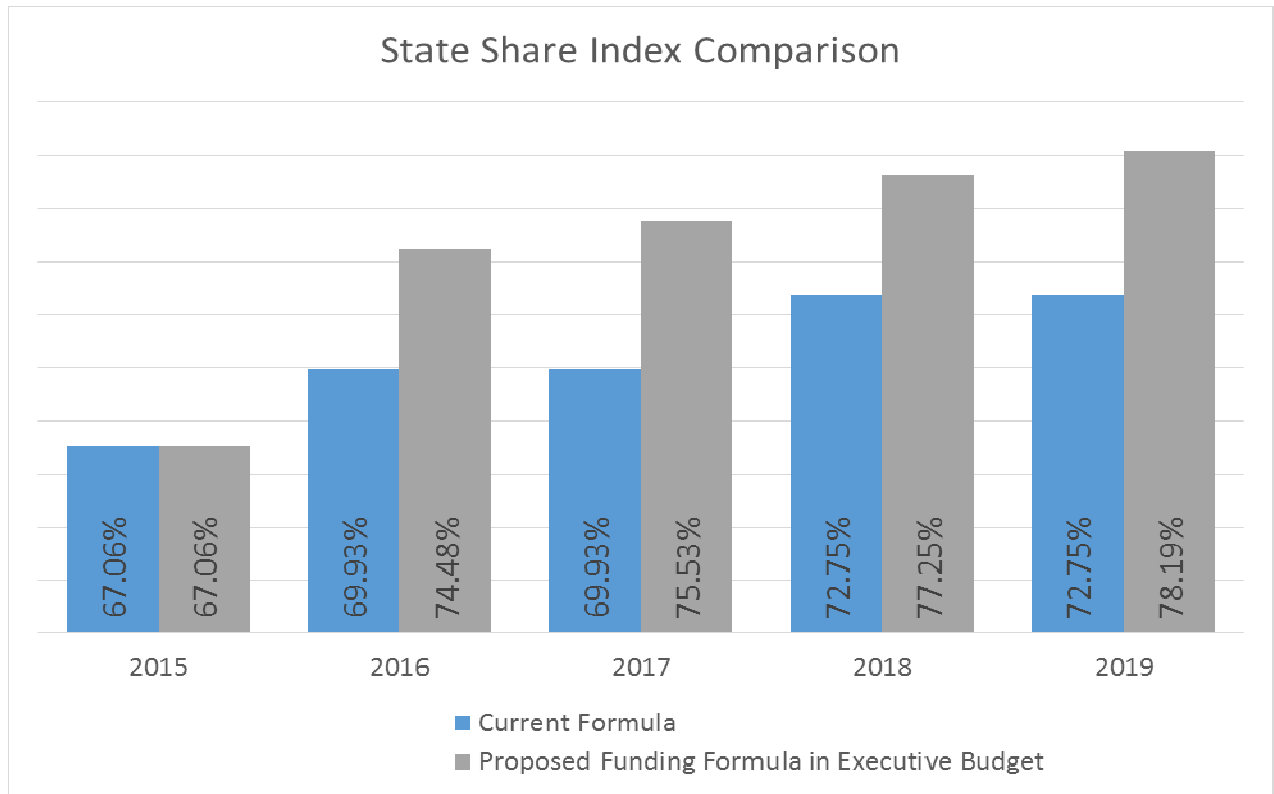
In Perspective:

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

Finance committee is reviewing cash reserve best practices.



Supplement - Executive Budget as Proposed, State Share Comparison



Governor Kasich's ***Proposed*** Executive Budget was introduced in early February. State share as calculated is proposed to increase. The state's simulations were provided through 2017 the district has modeled its own enrollment and valuation estimates to determine the ongoing trend of the proposed per pupil funding formula. As the above chart indicates, the district's state share of per pupil funding is projected to trend upward through 2019 under the proposed new funding formula.

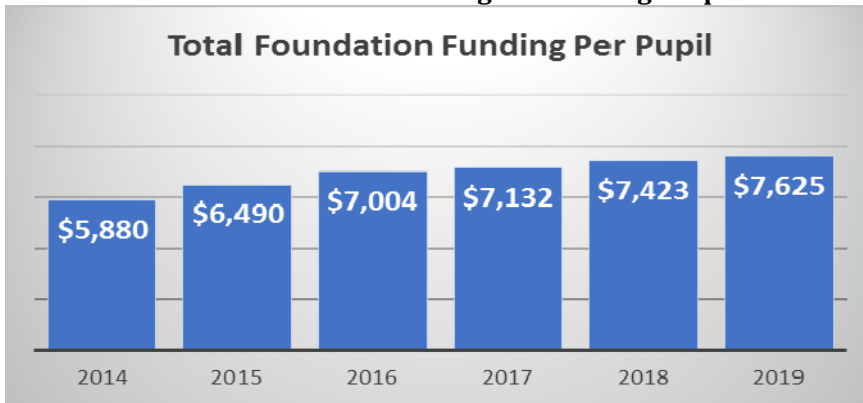
As with any modeling of a per pupil funding formula the actual results will be dependent not only upon the district's valuations and enrollments but also that of the state as a whole. But the indications are that the proposed formula would increase the state's share of per pupil funding for the district. The proposed formula is not law and is only started the legislative process. Many testimonies will be offered both "for" and "against" the formula. With this formula the state's administration has proposed taking dollars away from some districts and providing dollars to other districts. This concept has caused considerable controversy.



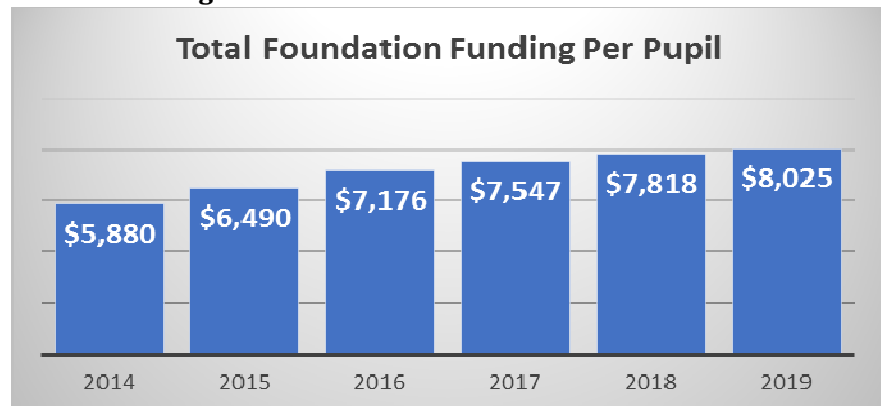


Supplement - Executive Budget as Proposed, Per Pupil Funding

Current Formula with Executive Budget Percentage Caps



Executive Budget Formula



Note: Total Foundation includes items such as special education, transportation, gifted, economic disadvantaged, etc. The increase in state share will increase some of these categories.

The Executive Budget proposed increase in state share will increase per pupil funding.

The Executive Budget could increase per pupil state funding by about \$400 in 2019, at the same time, the Executive Budget will remove about \$208 per pupil in tangible personal property reimbursement.

The impact on the district's financial forecast is not just a function of revenue. The increase in state funding will also bring increases in district payments to community schools for not only per pupil funding but also special education, economic disadvantaged funding, etc. The modeling of the full impact is quite complex and will require a more complete legislative road map.

**AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
February 2015**

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	117,161,214.07	002 - First Merit Student Activity	578,321.57
Plus Receipts	59,418,032.25	005 - PNC Practical Nursing	-
Less Expenditures	38,926,906.62	007 - PNC Oma Evans	151,645.08
Ending Balance	<u>137,652,339.70</u>	008 - First Merit Schumacher	42.48
		015 - PNC Judy Resnik	6,241.73
		017 - First Merit AP/Payroll/CN	6,002,114.78
		018 - PNC Building Fund	5,350,000.00
Outstanding Checks & Direct Deposits		026 - 5th/3rd	10,315,796.34
002 - First Merit Student Activity Checks	76,159.21	034 - PNC General Fund Money Market	20,312,250.89
005 - PNC Practical Nursing Checks	-	036 - PNC Building Fund Money Market	123.40
015 - PNC Judy Resnik Checks	-	037 - USBank Construction	33,183,683.56
017 - First Merit Accounts Payable Checks	1,080,476.20	038 - USBank PI Fund	14,987,152.04
017 - First Merit Payroll Checks	255,887.76		<u>90,887,371.87</u>
017 - First Merit Payroll Direct Deposits	-		
018 - PNC Building Fund Checks	328,888.01		
	<u>1,741,411.18</u>	Local Grant/Benefit CD's	
		022 - First Merit CD	20,069.02
Pending Payroll Deductions		029 - First Merit CD	5,000.00
Federal/Medicare Withholding	870,551.96	030 - First Merit CD	178,015.34
State Tax	162,645.91	032 - First Merit CD	91,782.16
State Income Tax	1,437.71		<u>294,866.52</u>
City Tax	335,621.96		
SERS	326,915.58	Investment Sweeps	
STRS	-	002 - First Merit Student Activity	1,240,000.00
Valic	12,070.44	017 - First Merit AP/Payroll/CN	47,040,000.00
ING (Voya)	33,798.50	018 - PNC Building Fund	1,686,790.18
Lincoln	7,247.00		<u>49,966,790.18</u>
Ohio Deferred Comp	11,854.94		
MG Trust (Aspire)	6,985.83	Miscellaneous Bank Adjustments	
Towpath	-	Petty Cash	1,000.00
	<u>1,769,129.83</u>	Bank Charges to be Refunded	79.54
		Student Activity Payroll Deposit to 017	32,242.70
Miscellaneous Book Adjustments		Building Fund Payroll Deposit to 017	556.09
021 - Inventory Allowance	(5,022.63)	Outstanding Payroll Deposit	7,711.60
022 - Insurance Accrual	32,760.42	Bank Error on NSF Check	-
	<u>27,737.79</u>		<u>41,589.93</u>
Adjusted Book Balance	<u>\$ 141,190,618.50</u>	Adjusted Bank Balance	<u>\$ 141,190,618.50</u>