



**Akron Public
Schools.**

Monthly Financial Report

For the F.Y. 2016 Month Ending: December

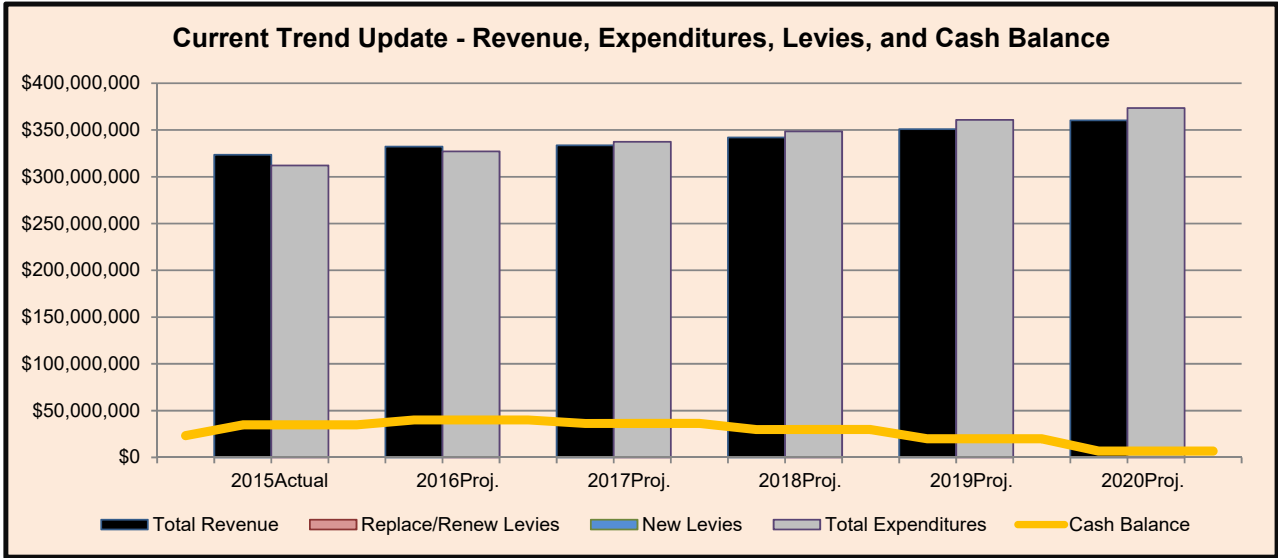
1/20/2016

Ryan Pendleton, CFO

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



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue Surplus/ (Shortfall)	\$5,224,209	(\$3,726,941)	(\$6,481,166)	(\$9,909,096)	(\$13,229,615)

Variance between Prior and Current Forecast:	2016	2017	2018
Current Forecast Revenue Trend OVER/UNDER Prior	0.00%	-0.54%	-0.31%
Current Forecast Expenditure Trend OVER/UNDER Prior	0.00%	0.00%	0.00%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	(\$15,432)	(\$1,838,119)	(\$2,892,808)

What are the current forecast trends?

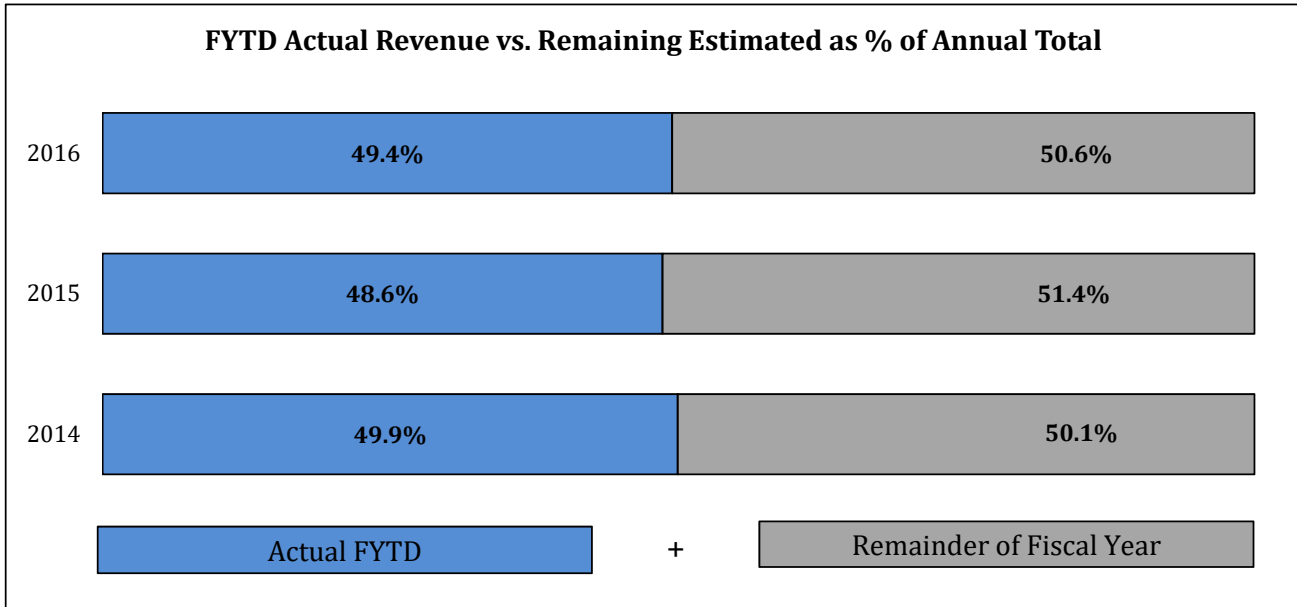
Current forecast trends show a slight decrease in revenue (-0.54% in FY 2017, and -0.31% in FY 2018). The cumulative impact of this decrease is \$2,892,808 through FY 2018. The change is in response to updated state funding formula adjustments going forward.

The state of Ohio is still using FY 2015 enrollment data for state funding revenue calculations and community school deductions. It could be March, 2016 before initial estimates are provided to the district. The situation is being monitored, internal enrollment reports are being compared to help provide advance notification of change.

The district's forecast continues to trend toward revenue shortfalls that could grow to \$13,229,615 in FY 2020.

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. 2016	
		2014 FYTD	2015 FYTD	2016 FYTD	YOY Change	
30.6%	Real Estate Taxes	49,860,433	48,751,304	48,389,844	\$ (361,460)	-0.7%
0.0%	Public Utility PP Taxes	3,652,833	4,043,994	4,175,142	\$ 131,148	3.2%
0.0%	Income Tax	-	-	-	\$ -	0.0%
58.3%	State Aid (Formula + Rest)	85,337,419	90,830,958	96,755,094	\$ 5,924,136	6.5%
5.2%	State Tax Reimb.	10,379,111	10,622,285	8,787,802	\$ (1,834,483)	-17.3%
3.2%	Other Revenue	5,349,188	3,048,537	6,176,059	\$ 3,127,522	102.6%
0.0%	Other Sources	25,188	7,512	19,518	\$ 12,005	159.8%
100%	Total Revenue	154,604,173	157,304,590	164,303,458	\$ 6,998,867	4.4%
Total YOY Percentage Change						4.4%

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

Revenue is up 4.4% over last year.

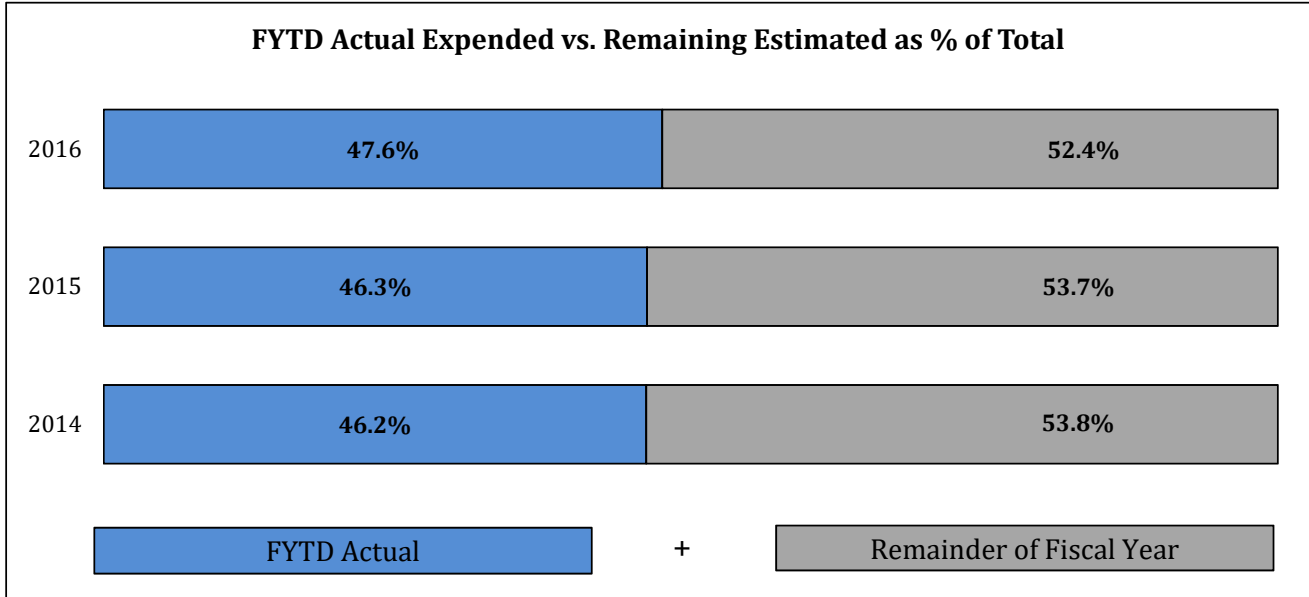
The primary contributors to the revenue increase are state funding (formula) and local payments in lieu of taxes (Other Revenue). The increases through December are in-line with the annual forecasted amounts.

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 \$5.9 million through December, it also reduced its reimbursements by \$1.8 million.

Other revenue is up over last year because of local payments made in lieu of property taxes that were not received in FY 2016.

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

Analysis of actual expenditures for the fiscal year period July - December



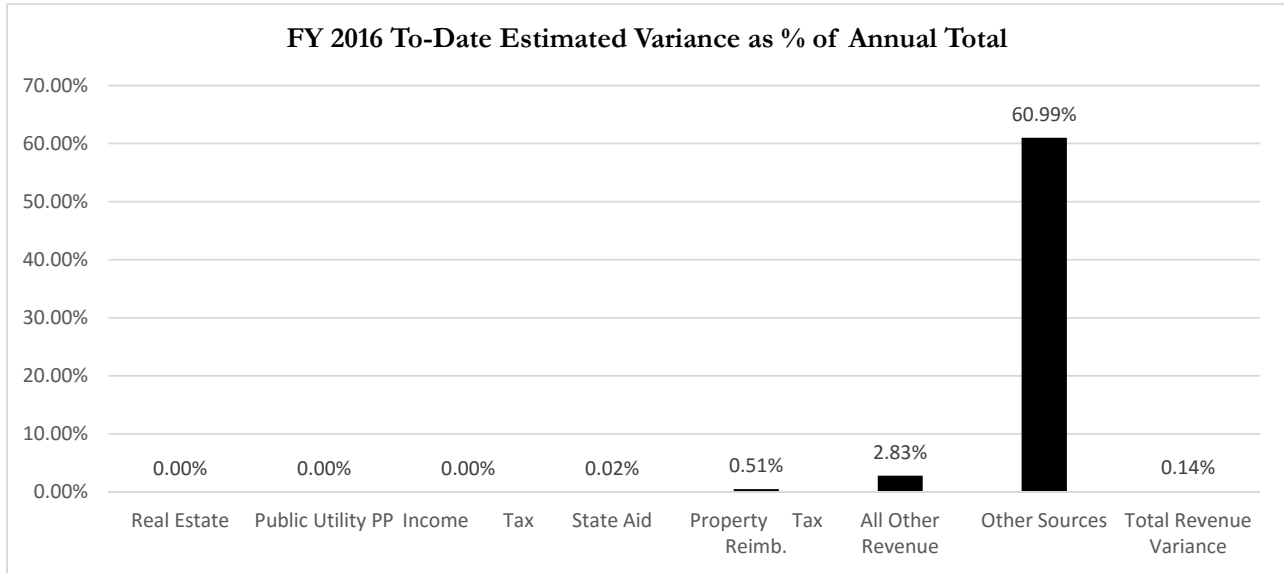
Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - December			F.Y. 2016	
		2014 FYTD	2015 FYTD	2016 FYTD	YOY Change	
49.2%	Salaries	69,400,799	75,318,165	77,449,941	\$ 2,131,776	2.8%
20.7%	Benefits	31,479,518	30,131,921	33,157,526	\$ 3,025,604	10.0%
25.6%	Purchased Services	30,351,545	33,711,515	37,961,753	\$ 4,250,238	12.6%
2.3%	Supplies	3,801,747	3,200,212	3,613,157	\$ 412,945	12.9%
1.2%	Capital	2,148,682	784,551	2,250,698	\$ 1,466,147	186.9%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	1,316,737	1,200,056	1,382,042	\$ 181,986	15.2%
0.0%	Other Uses	76,343	79,415	18,485	\$ (60,929)	-76.7%
100%	Total Expenditures	138,575,372	144,425,835	155,833,601	\$ 11,407,766	
					Total YOY Percentage Change	7.9%

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

Actual expenditures through November are up 7.9% 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.

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



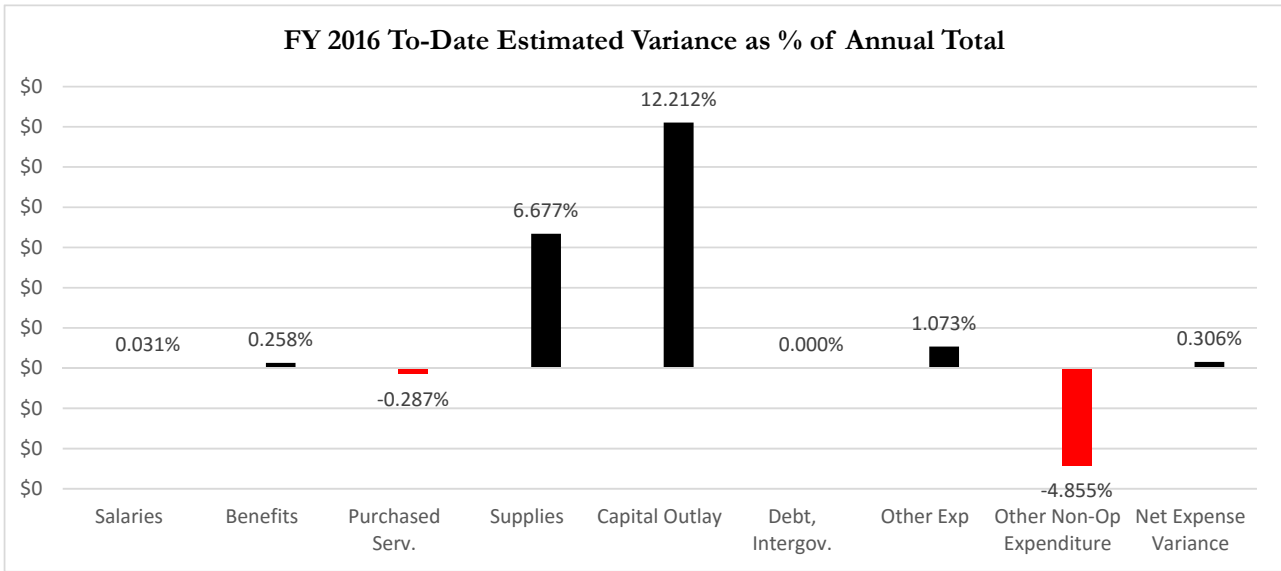
		2016 FYTD	2016 FYTD	2016 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		December	December	Variance
Revenue:				
For the F.Y. 2016 Period: July - December				
K	Real Estate Taxes	48,389,844	48,389,844	-
L	Public Utility PP Taxes	4,175,142	4,174,991	151
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	96,755,094	96,714,116	40,978
P	State Tax Reimb.	8,787,802	8,699,773	88,029
Q	Other Revenue	6,176,059	5,872,292	303,767
R	Total Operating Revenue	164,283,940	163,851,015	432,924
S	Other Non-Op Revenue	19,518	-	19,518
T	Total Operating Revenue Plus Other Sources	164,303,458	163,851,015	452,442

How do FYTD revenue cash flow estimates compare to actual?

Actual revenue is trending within 0.014% of estimated.

Not reflected above is the indication that the district's other revenue category is trending better than expected when the second half of the fiscal year is included. This line item received about \$2.6 million in payments in lieu of local property taxes in September that has had impact already. The remaining large category of revenue is related to Medicaid payments received by the district, if these payments are in line with prior years' then the other revenue category could be as much as \$1.5 million more than originally forecasted. The data will be monitored.

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



Expenditures:		Actual	Estimated	Actual Over/
		July through December	July through December	(Under) Estimated Variance
For the F.Y. 2016 Period: July - December				
K	Salaries	77,449,941	77,399,311	50,630
L	Benefits	33,157,526	32,983,405	174,121
M	Purchased Services	37,961,753	38,202,280	(240,527)
N	Supplies	3,613,157	3,101,232	511,925
O	Capital	2,250,698	1,774,904	475,794
P	Debt, Intergov.	-	-	-
Q	Other Objects	1,382,042	1,347,463	34,579
R	Total Operating Expenditures	155,815,116	154,808,595	1,006,521
S	Other Non-Op Expenditures	18,485	24,796	(6,311)
T	Total Operating Expenditures Plus Other Uses	155,833,601	154,833,391	1,000,210

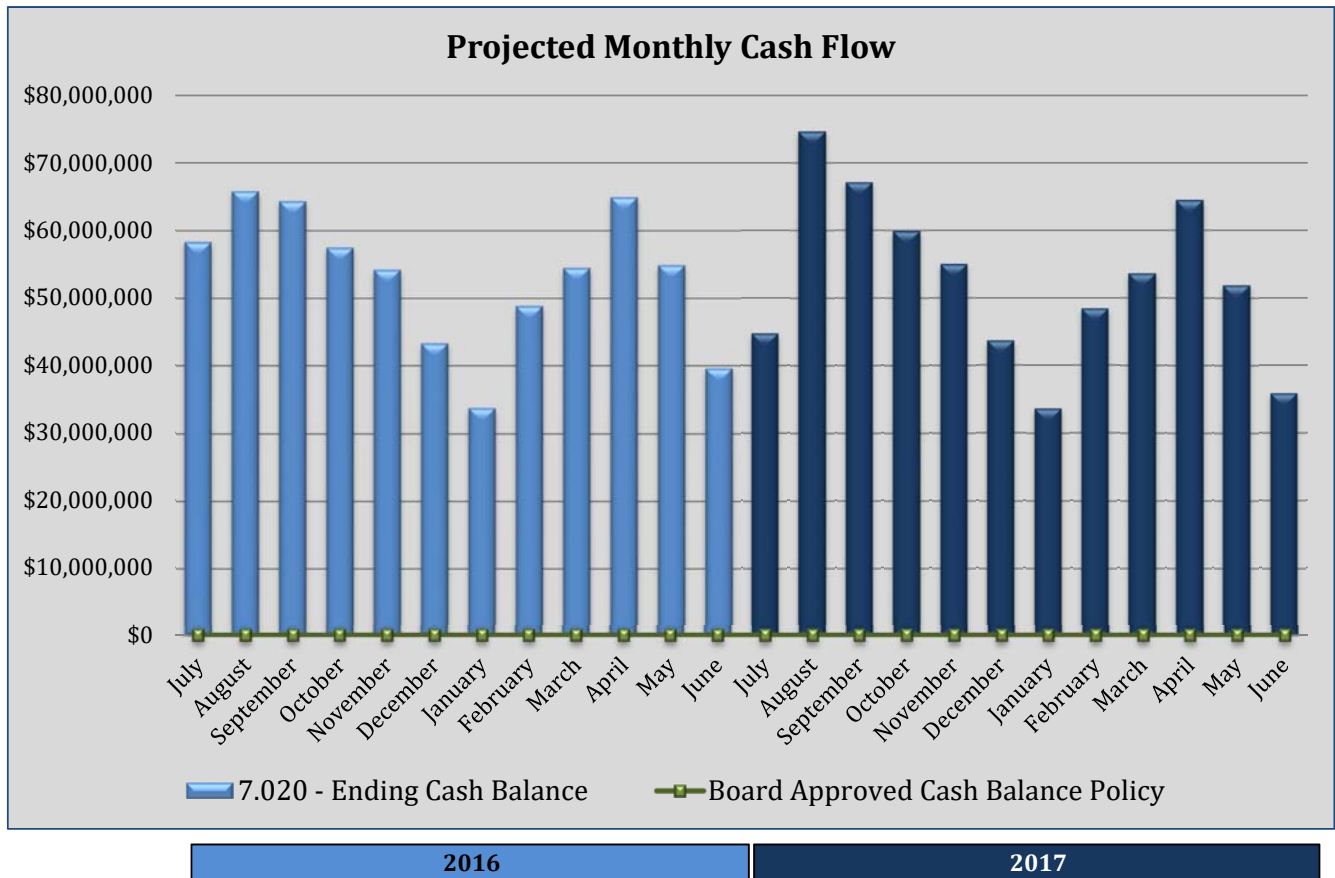
How do FYTD expenditure cash flow estimates compare to actual?

Actual expenditures through November have trended within 0.306% of estimated.

The supply and capital category variances are due to timing over last year and increase in the projected amounts.

Purchased services are still dependent upon FY 2015 community school deduction data provided by the state of Ohio (Ohio Department of Education). Updated FY 2016 information is not expected until March, 2016 and the results could have impact upon the forecasted numbers. Normally it would be expected to have initial calculations from the state by now but such is not the case.

Monthly Cash Balance Estimates Fiscal Years 2016 and 2017



Monthly cash flow estimates

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

**AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
December 2015**

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	132,609,463.57	002 - First Merit Student Activity	702,745.68
Plus Receipts	32,868,094.56	005 - PNC Practical Nursing	-
Less Expenditures	<u>41,166,252.68</u>	007 - PNC Oma Evans	151,864.30
Ending Balance	<u>124,311,305.45</u>	008 - First Merit Schumacher	52.62
		015 - PNC Judy Resnik	5,241.73
		017 - First Merit AP/Payroll/CN	6,001,804.26
Outstanding Checks & Direct Deposits		018 - PNC Building Fund	5,925,000.00
002 - First Merit Student Activity Checks	21,953.05	026 - 5th/3rd	-
005 - PNC Practical Nursing Checks	-	034 - PNC General Fund Money Market	-
015 - PNC Judy Resnik Checks	-	037 - USBank Construction	33,549,739.72
017 - First Merit Accounts Payable Checks	468,004.87	038 - USBank PI Fund	15,069,354.80
017 - First Merit Payroll Checks	139,967.19	039 - USBank General Fund	20,304,171.99
017 - First Merit Payroll Direct Deposits	-		
018 - PNC Building Fund Checks	15,203.38		<u>81,709,975.10</u>
	<u>645,128.49</u>		
		Local Grant/Benefit CD's	
Pending Payroll Deductions		022 - First Merit CD	25,109.72
Federal/Medicare Withholding	710,146.97	029 - First Merit CD	5,000.00
State Tax	-	030 - First Merit CD	176,376.32
City Tax	372,709.98	032 - First Merit CD	91,782.16
SERS	455,598.80		<u>298,268.20</u>
School District Income Tax	1,575.83		
STRS	-	Investment Sweeps	
Valic	-	002 - First Merit Student Activity	890,000.00
ING (Voya)	-	017 - First Merit AP/Payroll/CN	40,715,000.00
Lincoln	-	018 - PNC Building Fund	2,839,810.62
Ohio Deferred Comp	-		<u>44,444,810.62</u>
MG Trust (Aspire)	(300.00)		
Towpath	-	Miscellaneous Bank Adjustments	
	<u>1,539,731.58</u>	Petty Cash	1,000.00
		Bank Charges to be Refunded	74.57
Miscellaneous Book Adjustments		Student Activity Payroll Deposit to 017	82.24
021 - Inventory Allowance	(27,744.30)	Building Fund Payroll Deposit to 017	113.51
022 - Insurance Accrual	(14,096.48)	Child Nutrition Deposit - Bank Error	0.50
	<u>(41,840.78)</u>	Deposit-in-Transit for Payroll	-
			<u>1,270.82</u>
Adjusted Book Balance	<u>\$ 126,454,324.74</u>	Adjusted Bank Balance	<u>\$ 126,454,324.74</u>