

Akron Public Schools



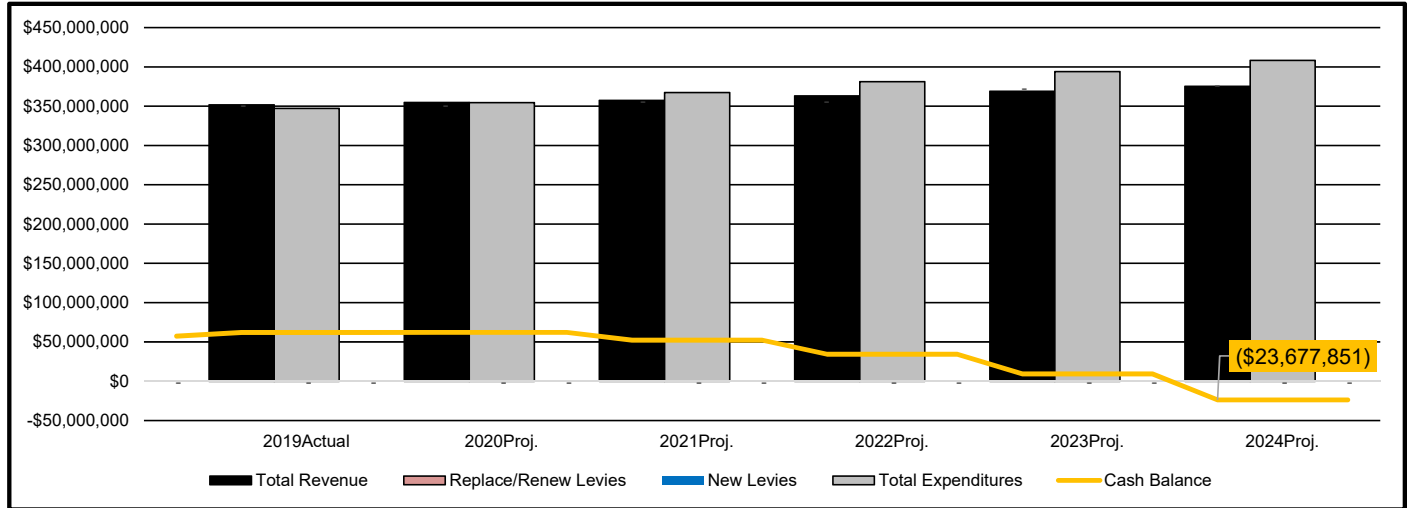
# Monthly Financial Report

FY 2020 Cash Flow Activity Through: July

Ryan Pendleton, CFO

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### Current Forecast Results through July Total Revenue, Total Expenditures, Cash Balance



The district's cash balance at the end of FY 2019 was \$62,021,684 and is projected to decline -\$85,699,535 to -\$23,677,851 by FY 2024. The district's revenue shortfall is expected to be -\$32,941,365 in FY 2024. Revenue cash flow for the current fiscal year is trending unfavorable (see page 4). Expenditure cash flow for the current year is trending unfavorable.

Current Forecast -- Projected Revenue Surplus/(Shortfall) by Year					
Includes Applicable Renewal Levies			Does not include proposed new levies.		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue Over/(Under)					
Expenditures (Line 6.01)	167,913	(9,879,401)	(17,985,885)	(25,060,796)	(32,941,365)

Note: The above forecast may reflect updates due to actual cash flow results or other internal/external variables.

The district is projected to spend \$85,699,535 more than its revenue through FY 2024.

## FY 20 Analysis of Month of July Actual and Estimated

July		Revenue		July	
Actual Cash Flow For the Month	Actual Compared to Last Year			Estimated For the Month	Actual Compared to Estimated
46,614,466	▲ 2,677,916	6.1%	<b>Total Revenue</b>	47,141,421	▼ (526,956)

29,034,405	▲ 2,958,277	Real Estate Taxes	29,034,405	-
-	-	Public Utility PP Taxes	-	-
-	-	Income Tax	-	-
16,955,734	▲ 174,431	State Revenue	17,203,114	▼ (247,381)
-	-	Prop Tax Allocation	-	-
624,327	▼ (447,781)	Other Revenue	903,902	▼ (279,575)
-	▼ (7,010)	Other Sources	-	-

July		Expenditures		July	
Actual Cash Flow For the Month	Actual Compared to Last Year			Estimated For the Month	Actual Compared to Estimated
22,639,744	▼ (713,507)	-3.1%	<b>Total Expenditures</b>	23,777,278	▼ (1,137,535)

12,008,048	▲ 186,688	Salaries	12,424,398	▼ (416,350)
4,941,739	▼ (41,809)	Benefits	5,224,027	▼ (282,289)
4,909,949	▲ 160,212	Purchased Services	4,860,126	▲ 49,822
391,491	▼ (575,826)	Supplies	427,694	▼ (36,203)
161,764	▼ (450,045)	Capital	757,788	▼ (596,025)
226,754	▲ 7,274	Other Expenses	73,464	▲ 153,289
-	-	Other Uses & Debt	9,780	▼ (9,780)

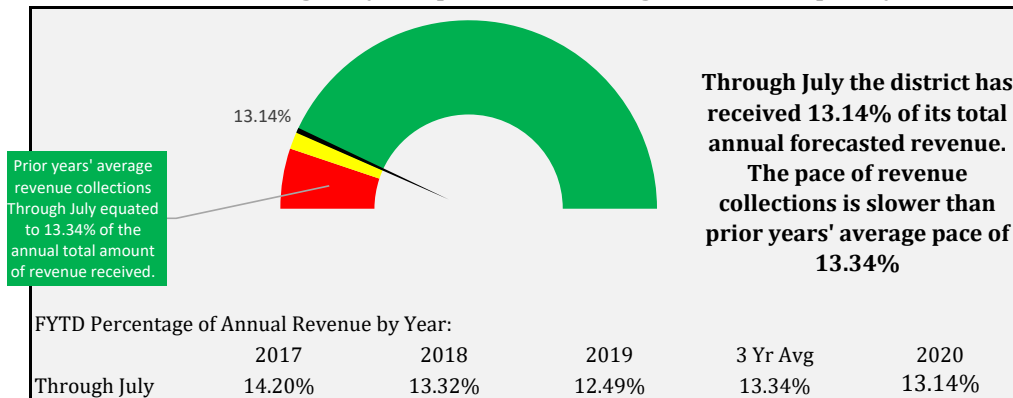
### Year-Over-Year Cash Balance Comparison

	FY 2019	FY 2020	Yr-Over-Yr Change
July, End of Month Cash Balance	78,042,879	85,996,407	7,953,528

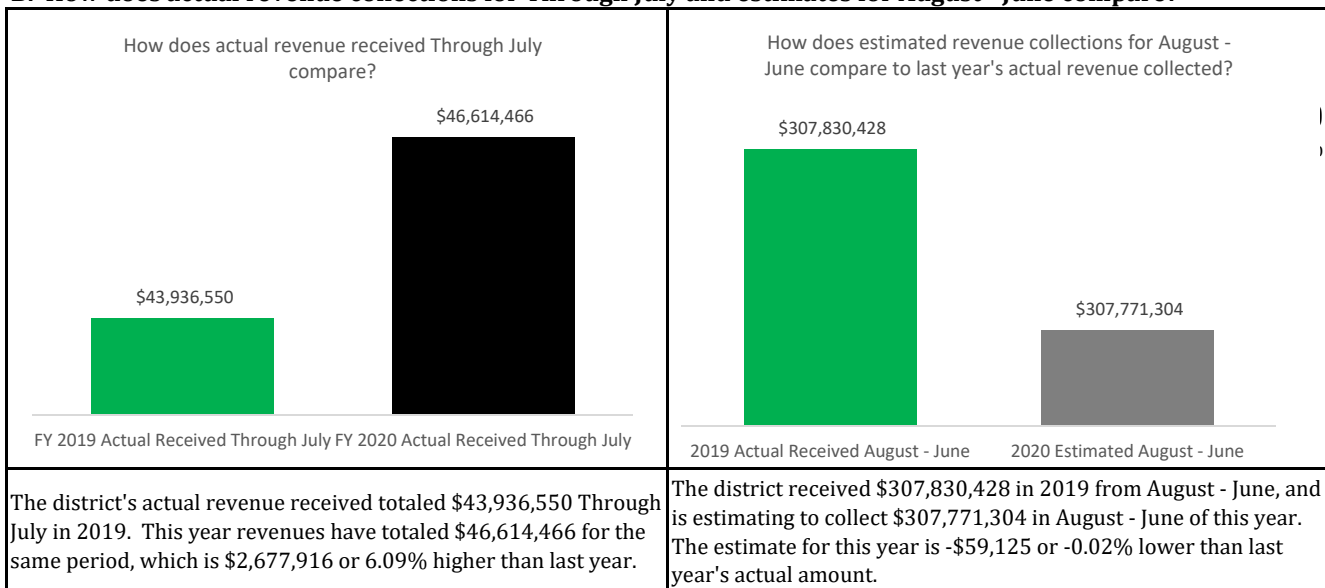
Actual revenue for the month was up \$2,677,916 compared to last year. While actual revenue for the month was under the estimated. Actual expenditures for the month was down -\$713,507 compared to last year. Actual expenditures for the month was under estimated. The district's cash balance is up \$7,953,528 compared to last year.

Revenue was up for the month because the amount of the county's property tax advance was larger than last year's.

**A. How does revenue received through July compare to the average of the three prior year average?**

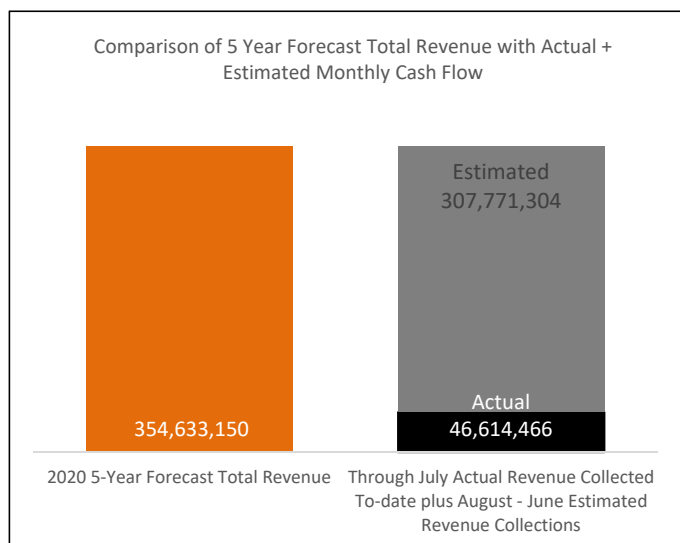
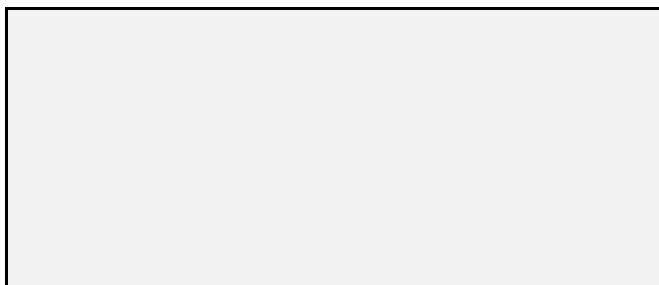


**B. How does actual revenue collections for Through July and estimates for August - June compare?**

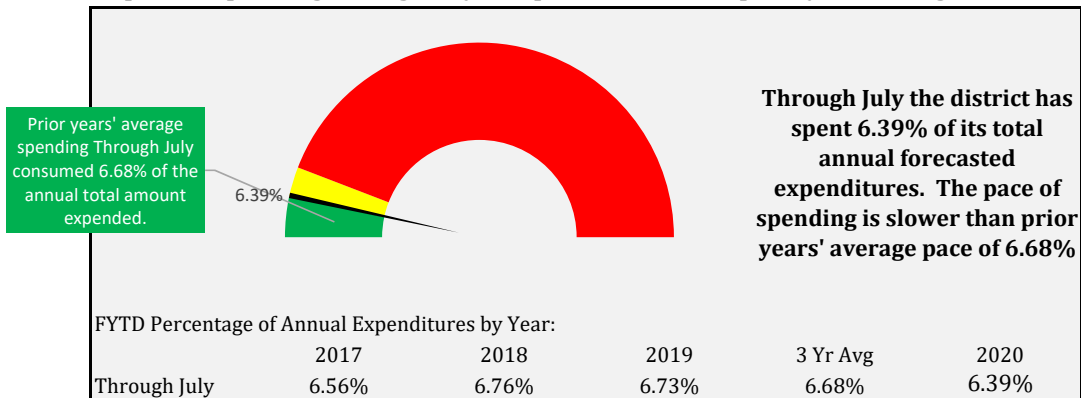


**C. Does Through July actual revenue collections plus August - June estimated to be collected support the current FY 2020, 5-Year Forecast total revenue amount?**

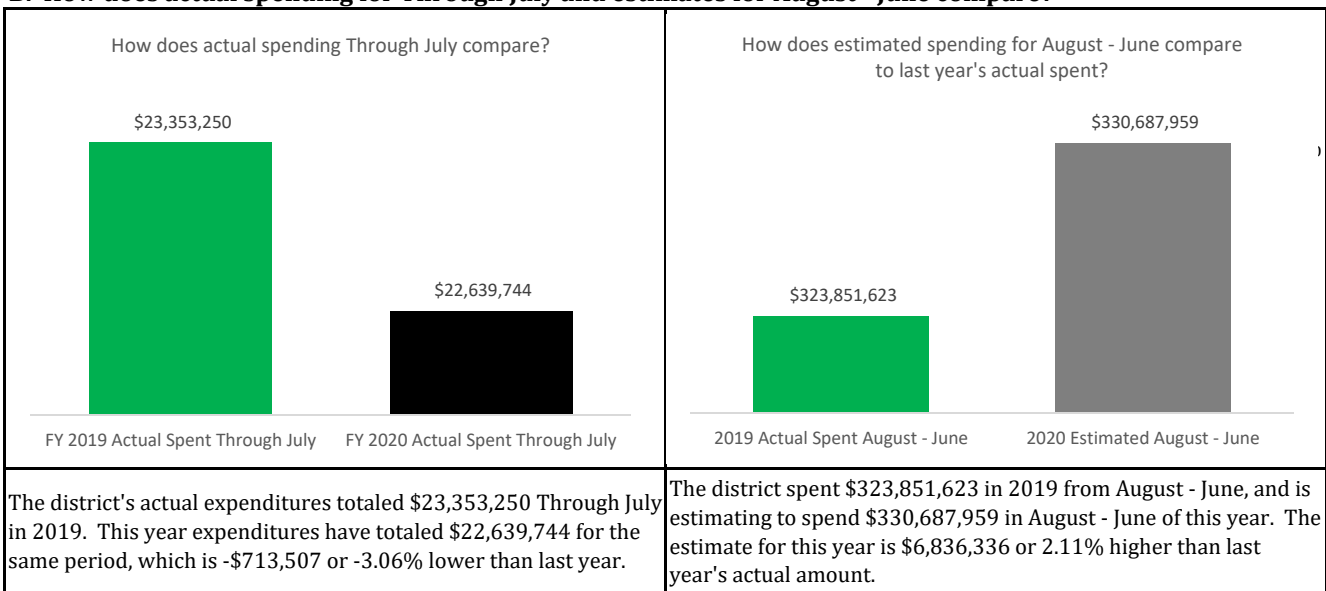
The district's 5-year forecast for FY 2020 total revenue is \$354,633,150 which is \$247,380 over the cash flow total of 354,385,769.



**A. How does the pace of spending through July compare to the three prior year average?**

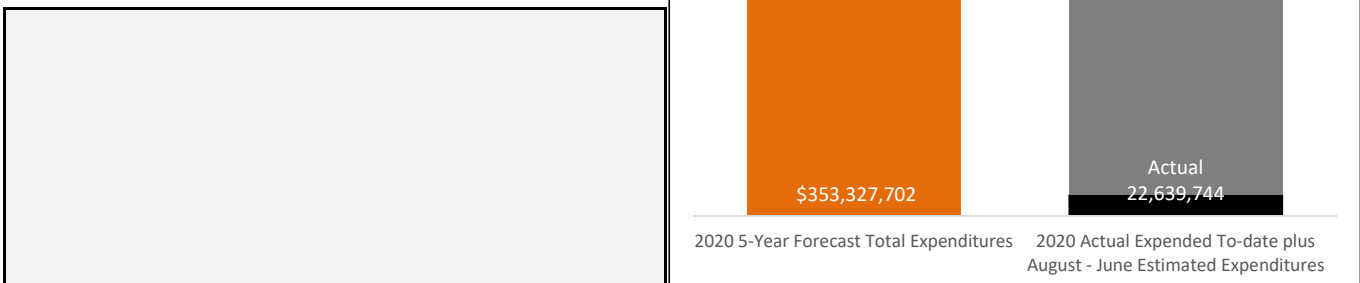


**B. How does actual spending for Through July and estimates for August - June compare?**

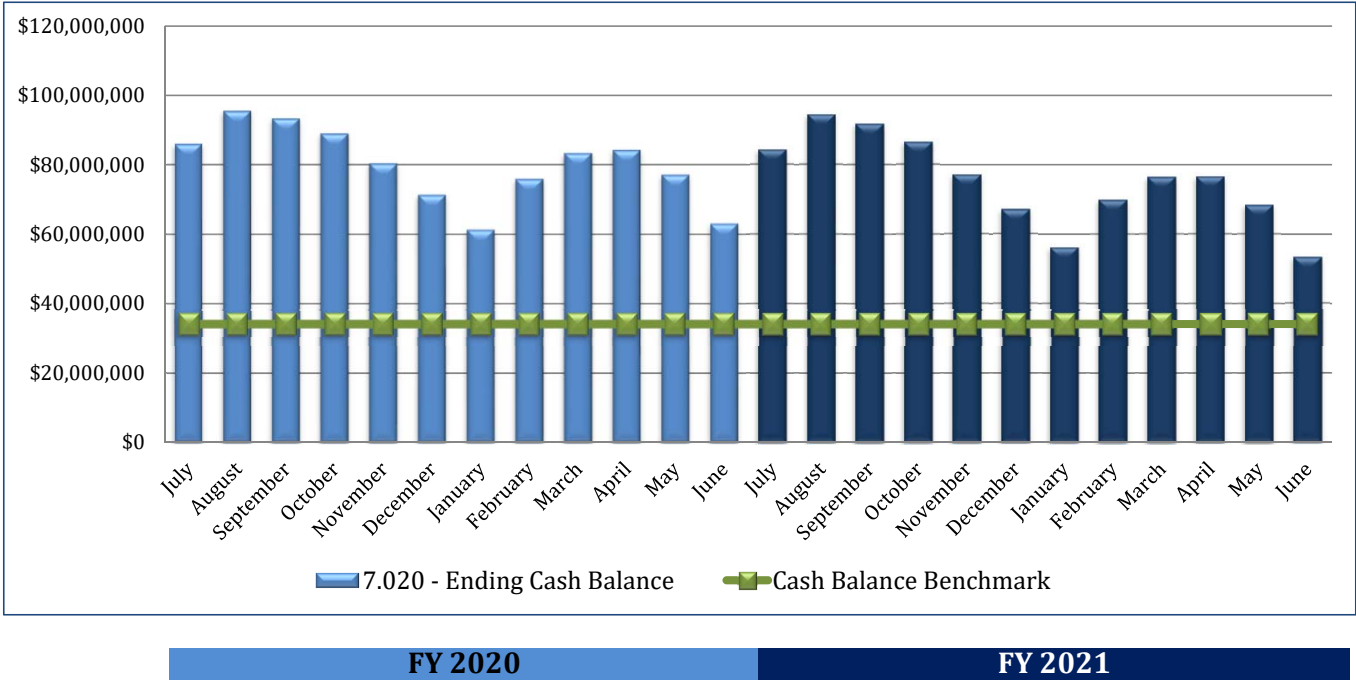


**C. Does Through July actual expended plus August - June estimated support the current FY 2020, 5-Year Forecast total expenditure amount?**

The district's 5-year forecast for FY 2020 total expenditures is \$354,465,237 which is \$1,137,535 over the cash flow total of 353,327,702.



**Monthly Cash Balance Projections**  
**Based on Annual Totals From 5 Year Forecast**



The district's cash balance remains positive through June 30, 2021.

## State Funding Comparison and Status

### STATE FUNDING FY 2014 COMPARED TO FY 2019

How has state funding reflected changing demographics in your district?



The comparison below illustrates two concepts. First, how has the state's funding formula responded to your district's demographics from FY 2014 (the first year of the SFPR) to FY 2019. Second, how does the district's funding status in FY 2019 provide insight into future state funding discussions, debates, and outcomes.

IRN		
43489		
Akron City SD	<b>Final FY 2014</b>	<b>June #2 FY 2019</b>
Funded Enrollment ADM	27,192	26,278
Students Leaving the District to be Educated*	4,787	5,994
Non-Resident Students Educated in the District	507	665
Students Educated in the District	22,912	20,948
Calculated Funding**	\$177,473,933	\$200,883,577
Funding Received	\$159,722,841	\$200,883,577
FY 2019 Guarantee Base	N/A	\$187,756,759
Guarantee \$\$\$	\$0	\$0
Guarantee \$\$\$ as % of Calculated	0.0%	0.0%
Guarantee \$\$\$ Per Pupil (Funded ADM)	\$0	\$0
Guarantee \$\$\$ Per Pupil (District Educated Students)	\$0	\$0
Capped \$\$\$	\$17,751,092	\$0
Capped \$\$\$ as % of Calculated	10.0%	0.0%
Capped \$\$\$ Per Pupil (Funded ADM)	\$653	\$0
Capped \$\$\$ Per Pupil (District Educated Students)	\$775	\$0

\*May be impacted by changes in district operations such as opening or closing a district sponsored community school or by bringing remote CTC courses into the district.

\*\*Funding level before application of a guarantee payment or cap reduction.

Akron's funding received has increased from FY 2014's \$159,722,841 to FY 2019's \$200,883,577. The striking difference from FY 2014 to FY 2019 is that the formula five years ago calculated more per pupil funding than the state was providing to the district (capped district). The district is not capped or guarantee at the end of FY 2019.

This status of being, on the formula is relevant for two reasons. First, the district could potentially benefit from increases in future funding formula amounts. At the same time, the district's confidence in state funding increases is not as great as it was in FY 2014 when the formula resulted in owed or "capped" money. Still the district is in much better position than being on the guarantee which is when the state prop's up the calculated per pupil funding amount with additional dollars to ensure receiving at least as much as the prior year.



## District Per Pupil Wealth Demographics

43489 <-- INPUT IRN

Akron City SD

State Funding Indicators

FORECAST5<sup>TM</sup>

ANALYTICS

Assessed Property Valuation

Source: Ohio Department of Taxation

	2012	2013	2014	2015	2016	2017	2018
Akron City SD	\$2,417,261,660	\$2,363,960,540	\$2,311,905,910	\$2,283,649,350	\$2,311,366,550	\$2,345,545,480	\$2,370,737,970
State Total	\$236,442,170,935	\$238,277,528,092	\$243,285,785,362	\$248,338,882,772	\$254,058,367,167	\$263,731,937,936	\$275,010,377,505
					2013 - 2015 3 Year Avg Annual Change	2016 - 2018 3 Year Avg Annual Change	2013 - 2018 Avg Annual Change
				Akron City SD	-1.8%	1.3%	-0.3%
				State Total	1.7%	3.6%	2.7%

Assessed Agricultural Valuation

Source: Ohio Department of Taxation

	2012	2013	2014	2015	2016	2017	2018
Akron City SD	\$613,820	\$606,130	\$652,420	\$652,030	\$642,910	\$606,370	\$625,200
State Total	\$13,128,473,720	\$14,348,730,350	\$18,136,403,919	\$19,215,231,500	\$19,592,625,303	\$18,184,740,910	\$17,903,547,360
District Ag as % of Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
					2013 - 2015 3 Year Avg Annual Change	2016 - 2018 3 Year Avg Annual Change	2013 - 2018 Avg Annual Change
				Akron City SD	2.1%	-1.4%	0.3%
				State Total	15.5%	-2.3%	6.1%

\$210,030 2018 CAUV Taxable Value

33.6% 2018 CAUV Percent of Total Ag Value

Total Average Daily Membership - October

Source: Ohio Department of Taxation

	2012	2013	2014	2015	2016	2017	2018
Akron City SD	27,495	27,443	27,193	27,078	26,791	26,692	26,528
State Total	1,754,731	1,748,574	1,725,296	1,719,776	1,714,254	1,706,926	1,699,652
					2013 - 2015 3 Year Avg Annual Change	2016 - 2018 3 Year Avg Annual Change	2013 - 2018 Avg Annual Change
				Akron City SD	-0.5%	-0.7%	-0.6%
				State Total	-0.7%	-0.4%	-0.5%

Total Expenditure Flow Model ADM (ADM "Served")

Source: Ohio Department of Taxation

	2012	2013	2014	2015	2016	2017	2018
Akron City SD	21,984	21,856	21,263	21,299	21,126	21,402	21,253
					2013 - 2015 3 Year Avg Annual Change	2016 - 2018 3 Year Avg Annual Change	2013 - 2018 Avg Annual Change
				Akron City SD	-1.0%	-0.1%	-0.6%

Over the past six years the district's assessed property values have declined annually, on average -0.3%, at the same time the state of Ohio as a whole increased 2.7%. The district's property wealth is declining relative to the state which, if enrollment is stable, could lead to additional state funding because of relatively lower per pupil valuation.

The district's level of agricultural property values does not reach the level required for additional funding.

Overall the district's enrollment has declined annually, at an average of -0.6%. The state of Ohio has declined similarly.

For these particular measurements the district's per pupil wealth will decrease relative to the state of Ohio as a whole.

## District Per Pupil Wealth Demographics, Continued

Federal Adjusted Gross Income

Source: Ohio Department of Taxation

	2011	2012	2013	2014	2015	2016	2017
Akron City SD	\$2,833,154,445	\$2,939,779,945	\$3,030,298,058	\$3,038,213,683	\$3,033,200,933	\$3,116,302,504	\$3,159,704,391
State Total	\$278,347,797,794	\$296,775,711,971	\$300,323,523,993	\$308,373,216,584	\$318,843,564,568	\$323,816,414,635	\$338,337,184,426
					2012 - 2014 3 Year Avg Annual Change	2015 - 2017 3 Year Avg Annual Change	2012 - 2017 Avg Annual Change
				Akron City SD	2.4%	1.3%	1.9%
				State Total	3.6%	3.2%	3.6%

Median Ohio Gross Income

Source: Ohio Department of Taxation

	2011	2012	2013	2014	2015	2016	2017
Akron City SD	\$24,287	\$24,750	\$24,574	\$25,091	\$25,772	\$25,635	\$26,294
State Total	\$30,827	\$31,680	\$32,180	\$33,073	\$33,782	\$33,132	\$34,090
					2012 - 2014 3 Year Avg Annual Change	2015 - 2017 3 Year Avg Annual Change	2012 - 2017 Avg Annual Change
				Akron City SD	1.1%	1.6%	1.4%
				State Total	2.4%	1.0%	1.8%

Economic Disadvantaged Student Count

	2012	2013	2014	2015	2016	2017	2018
Akron City SD	23,840	27,437	27,190	27,078	26,791	26,692	26,528
State Total	819,373	833,310	844,696	862,257	836,579	878,274	868,932
					2013 - 2015 3 Year Avg Annual Change	2016 - 2018 3 Year Avg Annual Change	2013 - 2018 Avg Annual Change
				Akron City SD	4.5%	-0.7%	1.9%
				State Total	1.7%	0.3%	1.0%

Economic Disadvantaged Percentage

	2012	2013	2014	2015	2016	2017	2018
Akron City SD	86.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
					2013 - 2015 3 Year Avg Annual Change	2016 - 2018 3 Year Avg Annual Change	2013 - 2018 Avg Annual Change
				Akron City SD	5.1%	0.0%	2.6%

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Federal Adjusted Gross Income (FAGI) is the total income reported on Akron taxpayer income tax returns. Akron's total FAGI has increased annually, on average, 1.9% while the state of Ohio has increased 3.5%. The state's taxpayers as whole have increased total income at a much faster pace than Akron.

At the same time the median income (50% of taxpayers below and 50% above) was reported at \$26,294 in calendar year 2017. This level is significantly under the state of Ohio median of \$34,090. Akron taxpayers have also lost grown relative to the state of Ohio. Overall Akron's taxpayers have lost capacity to pay local school taxes relative to the state of Ohio

The number of students identified as economically disadvantaged grew 1.9% annual which is a faster pace than Ohio as a whole.

**AKRON PUBLIC SCHOOLS**  
**MONTHLY RECONCILIATION**  
**July 2019**

Book Balance		Bank Balance	
<b>Munis Accounting System</b>		<b>Month End Bank Account Balances</b>	
Beginning Balance	140,514,169.21	007 - PNC Oma Evans	148,595.68
Plus Receipts	55,951,878.73	008 - HNB Schumacher	103.34
Less Expenditures	33,985,524.93	009 - STAR Ohio	5,426,344.81
Ending Balance	162,480,523.01	017 - HNB AP/Payroll/CN/SA	47,446,426.13
		018 - PNC Building Fund	2,019,935.18
		021 - HNB FSA Account	208,483.30
<b>Outstanding Checks &amp; Direct Deposits</b>		025 - KeyBank	10,320,566.99
017 - HNB Accounts Payable Checks	569,067.81	037 - USBank Construction	34,471,796.55
017 - HNB Payroll Checks	32,213.34	038 - USBank PI Fund	15,731,351.34
017 - HNB Deposit Outstanding on Munis	-	039 - USBank General Fund	49,176,134.82
	601,281.15		164,949,738.14
		<b>Local Grant/Benefit CD's</b>	
<b>Pending Payroll Deductions</b>		022 - HNB CD	40,436.24
Federal/Medicare Withholding	-	029 - HNB CD	5,000.00
State Tax	125,906.58	030 - HNB CD	-
City Tax	332,535.31	032 - HNB CD	92,998.23
SERS	6,660.39		138,434.47
School District Income Tax	2,717.10		
STRS	740,536.87	<b>Escrow Accounts</b>	
AXA	42,627.00	x4897 Mid American Construction - HNB	5,624.40
Valic	11,396.00	x0884 MR Excavator - HNB	29,209.15
ING (Voya)	25,175.00	x1184 MR Excavator - HNB	51,182.67
MG Trust	10,296.50	x2897 Vendrick Construction - HNB	229,918.92
Ameriprise	2,052.50	x7065 Tom Sexton & Assoc - PNC	0.18
Lincoln	5,763.00	x7069 Tom Sexton & Assoc - PNC	1.14
Ohio Deferred Comp	7,841.60	x8540 Hammond Construction - PNC	693,387.24
Towpath	-	x8839 Martin Public Seating - PNC	0.13
	1,313,507.85	x8841 Penn Ohio Electrical Co - PNC	56,425.32
		x1301 Lockhart Concrete Co - PNC	37,083.65
<b>Miscellaneous Book Adjustments</b>		x7489 OSMIC Inc - PNC	-
021 - Inventory Allowance	15,611.95	x3376 Hammond Construction - PNC	44,887.49
022 - Insurance Accrual	(157,876.28)	x7982 Welty Building Co - PNC	239,603.75
Timing Differences in Accounts Payable	-		1,387,324.04
Timing Differences in Accounts Receivable	-		
Escrow Adjustment	1,387,324.04	<b>Flex Spending Account</b>	
	1,245,059.71	Prefunded Account	-
		Withdrawals (Claims)	44,290.53
		Settlement Credit	1,092.32
		Service Charges	-
			45,382.85
		<b>Miscellaneous Bank Adjustments</b>	
		Petty Cash	1,000.00
		Bank Charges to be Refunded	-
		Outstanding Items	(881,507.78)
			(880,507.78)
<b>Adjusted Book Balance</b>	\$ 165,640,371.72	<b>Adjusted Bank Balance</b>	\$ 165,640,371.72