



**Akron Public  
Schools®**

# **Monthly Financial Report**

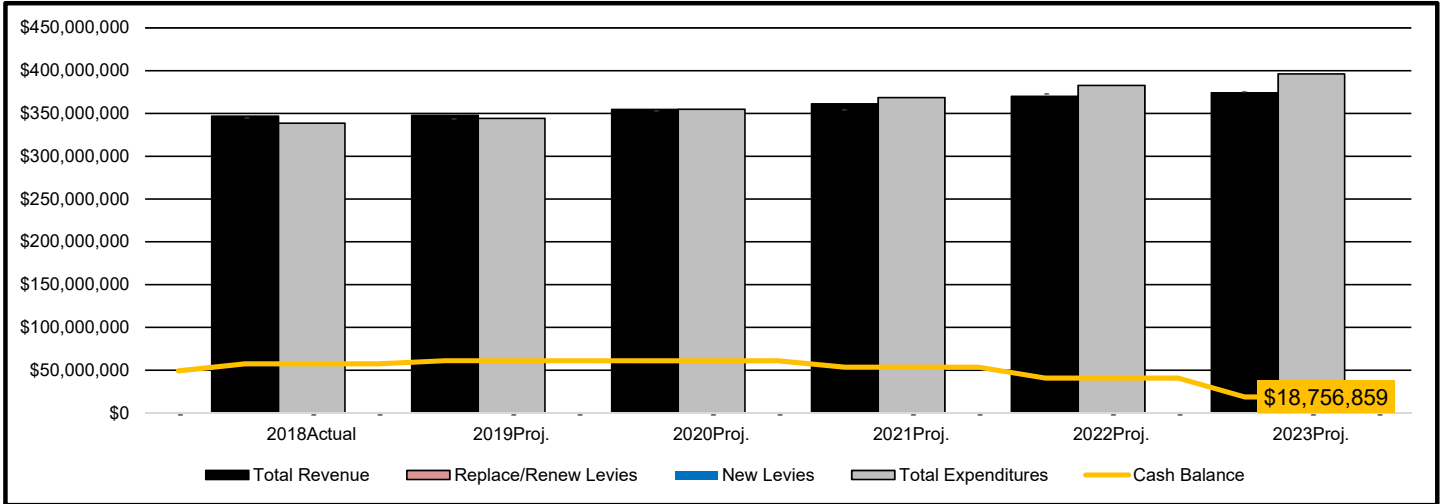
**FY 2019 Cash Flow Activity Through: March**

**Ryan Pendleton, CFO**

4/15/2019

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



The district continues to contain expenditure growth and improve cash balance stability. While the trend is toward revenue shortfall the cash reserves are adequate through FY 2021.

The current trend forecast above was updated to reflect revenue and expenditure variances identified in actual monthly cash flow through March, 2019. A summary of these changes is presented on page 9 of this report.

Additional in this report is an analysis of the state's Fair School Funding Plan proposal on pages 10 and 11. Finally, a health insurance fund analysis is on page 12.

#### Current Forecast -- Projected Revenue Surplus/(Shortfall) by Year

Includes Applicable Renewal Levies

Does not include proposed new levies.

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue Over/(Under) Expenditures (Line 6.01)	3,635,882	(188,293)	(7,312,788)	(12,775,078)	(22,062,443)

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

Projected revenue shortfalls occur at increasing levels beginning in FY 2020.

## FY 19 Analysis of Month of March Actual and Estimated

March		Revenue		March	
Actual Cash Flow For the Month	Actual Compared to Last Year			Estimated For the Month	Actual Compared to Estimated
37,514,758	▼ (1,368,217)	-3.5%	<b>Total Revenue</b>	36,299,230	▲ 1,215,528
19,263,350	▼ (1,764,177)		Real Estate Taxes	19,263,350	-
-	-		Public Utility PP Taxes	-	-
-	-		Income Tax	-	-
16,734,433	▲ 345,750		State Revenue	16,849,160	▼ (114,727)
-	-		Prop Tax Allocation	-	-
1,511,917	▲ 48,583		Other Revenue	153,694	▲ 1,358,223
5,059	▲ 1,626		Other Sources	33,026	▼ (27,967)

March		Expenditures		March	
Actual Cash Flow For the Month	Actual Compared to Last Year			Estimated For the Month	Actual Compared to Estimated
29,286,706	▲ 571,903	2.0%	<b>Total Expenditures</b>	29,626,671	▼ (339,964)
14,632,425	▲ 415,096		Salaries	14,750,478	▼ (118,053)
6,222,230	▲ 119,923		Benefits	6,267,069	▼ (44,839)
7,387,933	▼ (89,011)		Purchased Services	7,686,299	▼ (298,366)
411,188	▼ (235,629)		Supplies	853,094	▼ (441,906)
605,212	▲ 357,903		Capital	50,000	▲ 555,212
22,659	▲ 1,994		Other Expenses	19,404	▲ 3,255
5,059	▲ 1,626		Other Uses & Debt	326	▲ 4,733

### Year-Over-Year Cash Balance Comparison

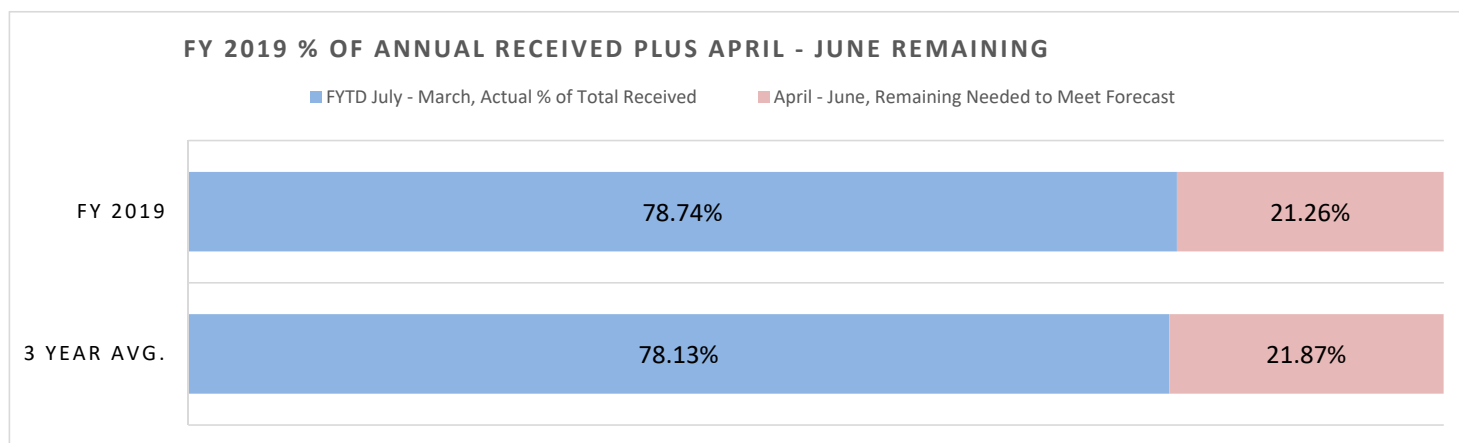
	FY 2018	FY 2019	Yr-Over-Yr Change
March, End of Month Cash Balance	73,344,776	80,556,785	7,212,010

Revenue is down -3.5% over last year for the month because of the timing of the receipt of local property taxes from the county auditor. State revenue is up in line with the annual forecasted increase over last year.

Expenditures were up 2.0% over last year but under estimates because of purchased services and supplies.

The district's cash balance is up \$7,212,000 for the month when compared to last year.

## FY 19 Actual July - March Received As Percentage of Annual Total Revenue



## FY 19 Annual Revenue Forecast, FYTD Actual, and Remaining Cash Flow Estimate

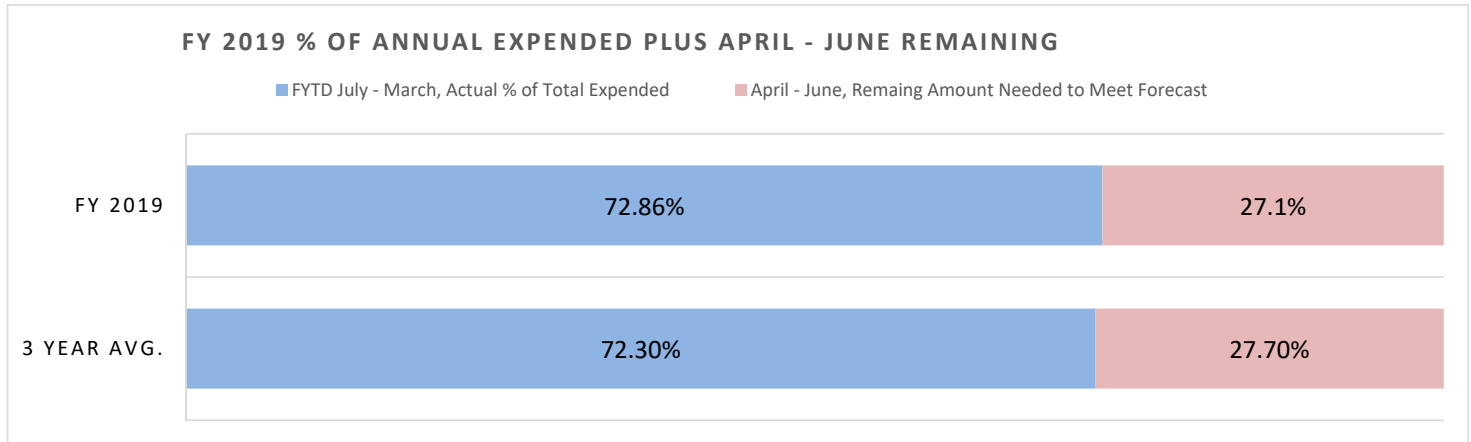
July - June Annual			July - March		April - June		Remaining Cash Flow Estimate Over/(Under) Needed to Meet Forecast
FY 2019 Forecast Amount	YOY Change		FYTD 2019 Actual Amount	YOY Change	Remaining Cash Flow Estimate	YOY Change	
347,843,673	▲ 0.3%	<b>Total Revenue</b>	273,901,978	▲ 2.0%	73,937,149	▼ -5.8%	
102,455,127	▼ -0.8%	Real Estate Taxes	94,772,653	▲ 2.1%	7,682,475	▼ -26.2%	-
10,473,036	▲ 4.2%	Public Utility PP Taxes	5,098,458	▲ 3.0%	5,374,578	▲ 5.4%	-
-	0.0%	Income Tax	-	0.0%	-	0.0%	-
205,667,094	▲ 1.6%	State Funding	155,327,233	▲ 2.0%	50,339,861	▲ 0.5%	-
14,318,596	▼ -0.6%	Property Tax Allocation	7,171,315	▼ -1.3%	7,147,281	▲ 0.0%	-
14,705,283	▼ -8.3%	All Other Revenue	11,312,328	▲ 1.7%	3,392,955	▼ -31.0%	-
224,537	▼ -64.7%	Other Sources	219,991	> 100%	-	▼ -100.0%	▼ (4,546)

Note: Remaining Estimated Cash Flow, if realized, would result in total revenue being -\$4,546 lower than forecast.

The district has received 79.10% of its total annual revenue which is running ahead of the three-year average because of the timing of local property taxes. Total projected revenue for the year is expected to decline slightly over last year (-0.2%).

Other revenue has been revised upward with this month's current trend forecast. Interest income is up \$500,000, Medicaid is up \$950,000, transportation fees up \$70,000. About one-third of this increase is projected to continue in subsequent years.

## FY 19 Actual July - March Expended As Percentage of Annual Total Expenditures



## FY 19 Annual Expenditure Forecast, FYTD Actual, and Remaining Cash Flow Estimate

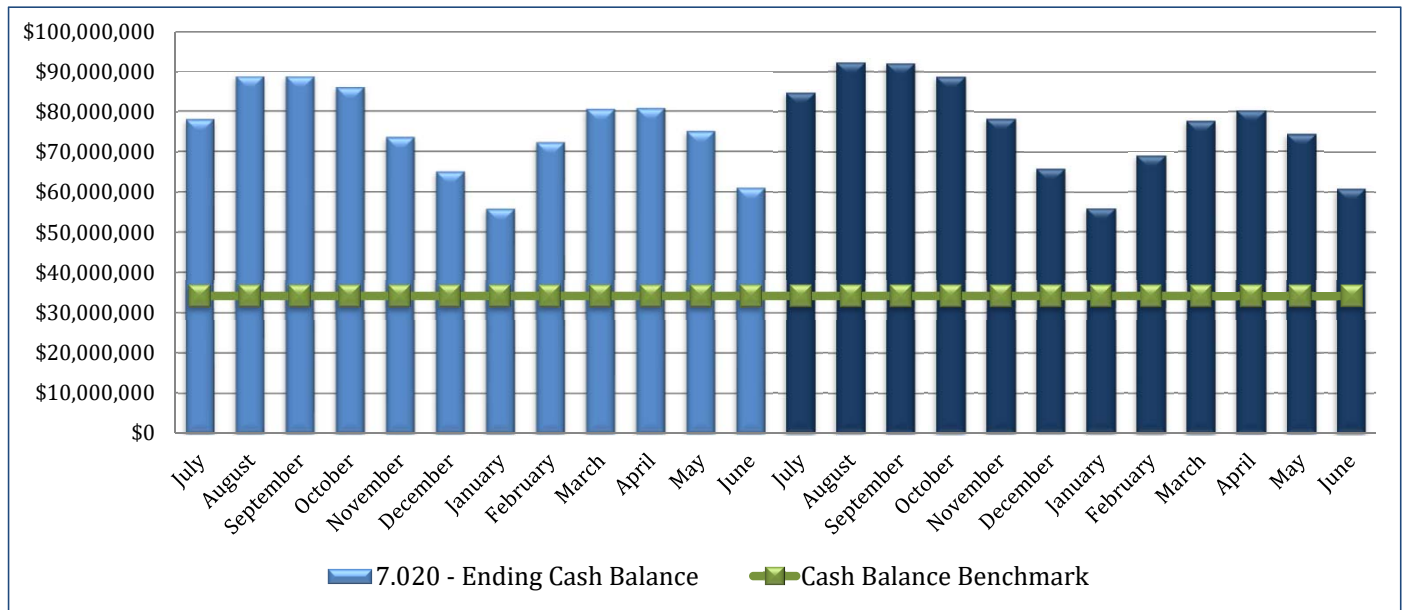
July - June Annual			July - March			April - June			Remaining Cash Flow Estimate Over/(Under) Needed to Meet Forecast
FY 2019 Forecast Amount	YOY Change		FYTD 2019 Actual Amount	YOY Change		Remaining Cash Flow Estimate	YOY Change		
344,207,791	▲ 1.7%	<b>Total Expenditures</b>	250,804,773	▲ 2.6%		93,477,815	▼ -0.7%		
175,096,264	▲ 4.8%	Salaries	128,635,796	▲ 5.1%		46,460,468	▲ 4.2%		-
71,819,343	▼ -1.7%	Benefits	53,079,960	▼ -3.2%		18,739,383	▲ 3.0%		-
79,308,782	▼ -1.4%	Purchased Services	55,608,782	▼ -1.6%		23,700,000	▼ -1.1%		-
8,610,863	▼ -1.5%	Supplies	6,790,847	▲ 17.1%		1,820,016	▼ -38.1%		-
5,646,219	▲ 33.0%	Capital	4,468,251	▲ 56.8%		1,177,968	▼ -15.5%		-
3,596,320	▲ 21.4%	All Other Expenditures	2,056,651	▲ 52.9%		1,539,669	▼ -4.8%		-
130,000	▼ -93.8%	Other Uses	164,486	▼ -75.9%		40,311	▼ -97.2%		▲ 74,797

Note: Remaining Estimated Cash Flow, if realized, would result in total expenditures being \$74,796 higher than forecast.

The district has expended 72.89% of the annual forecasted total for FY 2019 which is in line with the three-year average.

The forecasted FY 2019 expenditure are expected to grow 1.6% but spending to-date is up 2.7%. Cash flow currently indicates that expenditures are trending slightly higher, \$329,741 than the annual forecasted amount.

## Monthly Cash Balance Projections



**FY 2019**

**FY 2020**

The district's cash balance is adequate through June 30, 2020

## Enrollment Comparison - ODE SFPR

State Funding Enrollment Analysis  
Year-Over-Year Change per ODE SFPR



Akron City SD		SFPR Data							
							Mar #2	Feb #2	Jan #2
		FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FY 2019	FY 2019	FY 2019
Line									
1	Formula ADM	27,192.41	27,068.01	26,788.77	26,692.59	26,528.25	26,319.27	26,363.23	26,422.26
			-0.46%	-1.03%	-0.36%	-0.62%	-0.79%	0.17%	0.22%
2	Resident / Adjusted Total ADM	27,192.81	27,067.00	26,788.47	26,692.23	26,528.11	26,319.61	26,363.57	26,422.65
			-0.46%	-1.03%	-0.36%	-0.61%	-0.79%	0.17%	0.22%
3	Resident ADM (District Educated)	20,649.81	20,179.10	19,986.65	20,146.93	20,035.58	19,943.21	20,000.96	20,048.70
			-2.28%	-0.95%	0.80%	-0.55%	-0.46%	0.29%	0.24%
4	Total District Educated ADM	21,156.80	20,779.70	20,579.55	20,804.37	20,696.85	20,609.53	20,656.80	20,696.05
			-1.78%	-0.96%	1.09%	-0.52%	-0.42%	0.23%	0.19%
5	Open Enrollment In ADM	506.99	600.60	592.90	657.44	661.27	666.32	655.84	647.35
			18.46%	-1.28%	10.89%	0.58%	0.76%	-1.57%	-1.29%
6	Open Enrollment Out ADM	1,755.93	1,871.69	1,981.31	2,080.91	2,064.61	1,996.15	1,986.60	1,994.52
			6.59%	5.86%	5.03%	-0.78%	-3.32%	-0.48%	0.40%
7	Community School ADM	3,711.10	3,761.15	3,454.58	3,041.30	2,955.60	2,837.36	2,832.87	2,836.36
			1.35%	-8.15%	-11.96%	-2.82%	-4.00%	-0.16%	0.12%
8	Scholarship ADM	1,075.47	1,255.06	1,365.93	1,423.09	1,472.32	1,542.09	1,542.34	1,542.52
			16.70%	8.83%	4.18%	3.46%	4.74%	0.02%	0.01%
9	Career Tech ADM (Incl. Contracted)	0.50	-	-	-	-	0.80	0.80	0.55
			-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-31.25%
10	Limited English Proficient ADM	1,185.15	1,363.07	1,513.93	1,738.17	1,862.91	1,869.74	1,865.30	1,866.27
			15.01%	11.07%	14.81%	7.18%	0.37%	-0.24%	0.05%
11	Economic Disadvantaged ADM	24,697.31	24,555.37	24,160.72	24,106.94	23,883.33	23,664.05	23,704.01	23,743.72
			-0.57%	-1.61%	-0.22%	-0.93%	-0.92%	0.17%	0.17%
12	Economic Disadvantaged %	90.82%	90.72%	90.19%	90.31%	90.03%	89.91%	89.91%	89.86%
			-0.11%	-0.58%	0.14%	-0.31%	-0.13%	0.00%	-0.06%
13	Special Education ADM	4,632.92	4,678.30	4,646.49	4,537.93	4,617.30	4,742.89	4,730.02	4,716.01
			0.98%	-0.68%	-2.34%	1.75%	2.72%	-0.27%	-0.30%

\* Contract JVS not available on SFPR in FY2015

### Definitions

- Line 1 - Formula ADM: Number of students used in the per pupil funding calculations, includes students that are open enrollment out but not those that are open enrollment in. Also includes Community School, Scholarship, plus 20% of CTC students.
- Line 2 - Resident/Adjusted Total ADM: Includes resident students, including open enrollment out but not in, also resident community school and scholarship students.
- Line 3 -- Resident ADM (District Educated): The mathematical result of Line 2 less open enrollment out, community school, and scholarship.
- Line 4 - Total District Educated ADM: The mathematical results of Line 3 plus open enrollment in.
- Line 5 -- Open Enrollment in ADM: Students educated at/by district but resident of another district.
- Line 6 -- Open Enrollment Out ADM: District resident students attending another public school district.
- Line 7 -- Community School ADM: District resident students attending a community school.
- Line 8 -- Scholarship ADM: District resident students utilizing scholarship to attend elsewhere.
- Line 9 -- Career Tech ADM: Students, including contracted, attending a career technical school.
- Line 10 -- Limited English Proficient ADM
- Line 11 -- Economic Disadvantaged ADM
- Line 12 -- Percentage of Students Identified Economic Disadvantaged
- Line 13 -- Special Education ADM: Number of students in any special education weighting.

The first four lines of enrollment data above indicate very little year-over-year change in terms of formula ADM and students served. The Feb#2 numbers are down compared to the Jan #2 numbers which indicates that EMIS is still refining its data collection files.



## Forecast Compare - Current Trend (Page 3) Compared to Last Month

		Actual	FORECASTED				
		2018	2019	2020	2021	2022	2023
Revenue:	1.01 Real Estate	-	-	-	-	-	-
	1.02 Pub Utility	-	-	-	-	-	-
	1.03 Income Tax	-	-	-	-	-	-
	1.035,1.040 State	-	(346,789)	(321,328)	(9,065)	(8,803)	147,833
	1.05 Prop Tax Alloc.	-	-	-	-	-	-
	1.060 All Other	-	1,552,212	461,496	498,374	693,514	699,508
1.070 - Total Revenue		-	1,205,423	140,168	489,309	684,711	847,341
2.xx Other Sources		-	-	-	-	-	-
2.080 - Total Rev & Other Sources		-	1,205,423	140,168	489,309	684,711	847,341

		Actual	FORECASTED				
		2018	2019	2020	2021	2022	2023
Expenditures:	3.01 Salaries	-	1,380,006	1,432,019	1,485,992	1,542,000	1,600,119
	3.02 Benefits	-	(1,106,964)	(1,097,637)	(1,087,958)	(1,077,914)	(1,067,491)
	3.03 Purchased Serv.	-	(1,906,765)	(895,434)	(995,979)	(1,091,424)	(1,189,836)
	3.04 Supplies	-	-	-	-	-	-
	3.05 Capital	-	1,262,017	182,784	151,158	119,081	86,547
	4.3 Other Exp	-	404,904	408,953	413,042	417,172	421,344
4.5 Total Expenditures		-	33,198	30,685	(33,745)	(91,085)	(149,317)
Intergov + Debt + Other		-	-	-	-	-	-
5.05 Total Exp and Uses		-	33,198	30,685	(33,745)	(91,085)	(149,317)

6.01 Surplus/(Shortfall)	-	1,172,225	109,483	523,054	775,796	996,658
7.01 July 1 Cash Bal.	-	-	1,172,225	1,281,708	1,804,762	2,580,558
7.02 June 30 Cash Bal	-	1,172,225	1,281,708	1,804,762	2,580,558	3,577,216

### Current Trend Forecast Cash Balance Compared to 03/12/2019 Forecast

	FY 2019	FY 2020	FY 2021	FY 2022	
Ending Cash Balance at:					
Previous Forecast	59,923,236	59,625,460	51,789,618	38,238,744	15,179,643
Updated Forecast as of March	61,095,461	60,907,168	53,594,380	40,819,302	18,756,859
Change - Favorable/(Unfavorable)	1,172,225	1,281,708	1,804,762	2,580,558	3,577,216
% of Cumulative Annual Budget	0.3%	0.2%	0.2%	0.2%	0.2%

Other revenue is up because of interest income +\$500,000, Medicaid +\$950,000, transportation fees +\$70,000.

Salaries and benefits have essentially offset each other according to cash flow through March.

Purchased services have been revised down to reflect lower tuition cost (community school and scholarship), less contracted transportation than originally forecasted, slightly less utility cost. Some of the purchased services reductions are expected to continue into subsequent years.

Capital is up because of 620's building acquisition and other in FY 2019 but is expected to return to the 2018 level in FY 2020 and beyond.

Other Expense is up because of auditor and treasurer fees for the collection of property taxes.

## Fair School Funding Plan (FSFP) - Explanation and Illustration

### Enrollment

District	SFPR Jan #2 Formula ADM	Less Community School, Open Enrollment Out, Other Tuition, and ADM/FTE Factor	Plus Open Enrollment "IN" January #2 SFPR	Per FSFP Simulations Enrollment FTE Educated at District FY19
Akron City SD	26,422.3	(6,369.3)	647.4	20,700.3

### FY 2019 SFPR Funding Recalculated to the FSFP Methodology

Column A	Illustration B	Illustration C	Illustration D	Illustration E	Illustration F	Illustration G	Column H
Jan #2 SFPR Line N Funding	Less Line M Career Tech	Less Community School, STEM, Scholarship Transfers	Net Transfer Open Enrollment Net Transfer Jan #2 SFPR Memo Only	Less Open Enrollment Out Transfer (Calculated) Note: CTE Variance Can Exist	Plus Open Enrollment In February #2 O/E In x \$6,020	Other Adjustments to Reconcile to FSFP Simulations, Likely FSFP Enrollment Averaging, and other	Per FSFP Simulations Estimated Foundation Aid After Transfers Less CTE Weighted Funding FY19
\$202,247,113	(\$3,885,488)	(\$35,198,893)	(\$8,266,887)	(\$12,163,934)	\$3,897,047	\$939,933	\$155,835,777

### FSFP Simulations - Potential Impact on FY 2020 and 2021

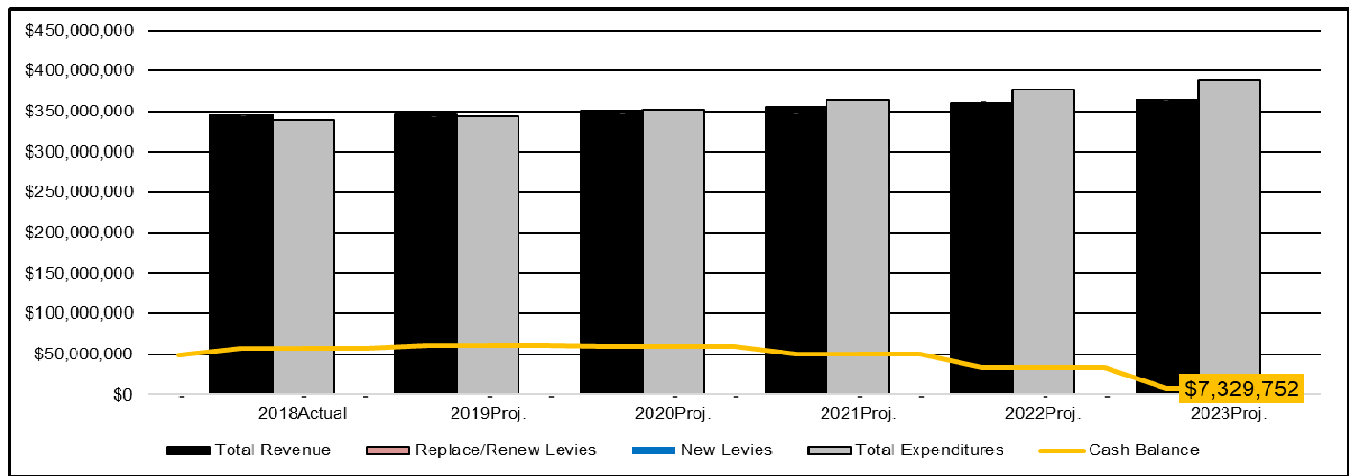
Column H	Column I	Column J	Column K	Column L
Per FSFP Simulations Estimated Foundation Aid After Transfers Less CTE Weighted Funding FY19	PER FSFP Simulations Proposed Foundation Aid Excluding CTE Weighted Funding FY20	PER FSFP Simulations Proposed Potential YOY Change FY20	PER FSFP Simulations Proposed Foundation Aid Excluding CTE Weighted Funding FY21	PER FSFP Simulations Proposed Potential YOY Change FY21
\$155,835,777	\$158,894,757	\$3,058,980	\$161,669,247	\$2,774,490

Ohio is considering a proposal called The Fair School Funding Plan (FSFP) which funds students where they are educated (Districted Educated Enrollment). The plan, if it is adopted by the Ohio legislature and Governor would go into effect on July 1, 2019. The district's enrollment FTE in the top table will be less or more than the current formula ADM methodology. The direction will depend upon whether the district has more students choosing to attend compared to students choosing to be educated elsewhere. For the district fewer students choose to enter the district than choose to go elsewhere. Over time this count of students will worsen the state's share of the district's per pupil funding.

The middle table recalculates the district's FY 2019 state funding to the proposed FSFP methodology in column H. The recalculated FY 2019 revenue in column H is then used for the year-over-year analysis in the bottom table.

As the table shows the FSFP will generate additional revenue.

## What-IF FSFP Is Funded - Impact on Current Trend Forecast (Page 3)

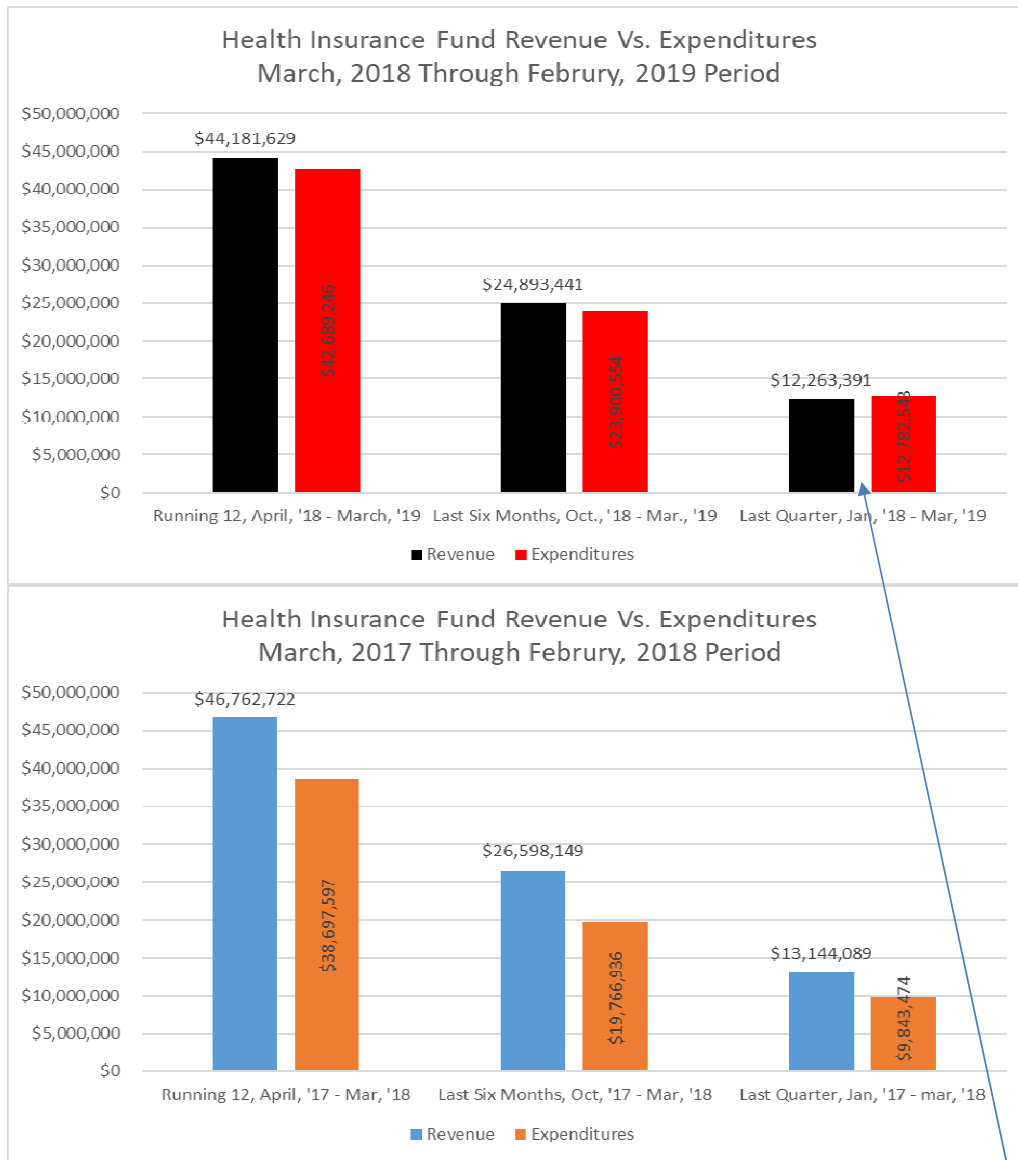


The district's potential FSFP net result through June 30, 2023 is a slightly worsened forecast than is presented in the current trend forecast on page 3. This is because the current trend forecast included increases in state funding that averaged 2.90% per year in FY 2020 through FY 2023.

The FSFP does not propose as robust growth as the existing formula. However, the projections for the existing formula assumed poorer per pupil wealth (capacity). An extended projection of revenue cannot be done until the details of the FSFP formula are known.

Cautionary Note: The FSFP has been generally well received. But still there are obstacles. First, the state of Ohio has not indicated a source of revenue to fully fund the plan, secondly not all school districts like the plan, and finally, the politics of passing a new school funding formula are challenging and complex. The above information is only disclosure at this time.

## Health Insurance Fund Review



The district's revenue and expenditures in the health insurance fund were just about equal for the last quarter.

**AKRON PUBLIC SCHOOLS**  
**MONTHLY RECONCILIATION**  
**Mar 2019**

Book Balance		Bank Balance	
<b>USAS Accounting System</b>		<b>Month End Bank Account Balances</b>	
Beginning Balance	161,140,775.73	007 - PNC Oma Evans	148,509.89
Plus Receipts	47,555,514.85	008 - HNB Schumacher	103.34
Less Expenditures	42,819,219.69	009 - STAR Ohio	10,352,286.57
Ending Balance	165,877,070.89	017 - HNB AP/Payroll/CN/SA	47,157,956.01
		018 - PNC Building Fund	2,018,190.49
<b>Outstanding Checks &amp; Direct Deposits</b>		021 - HNB FSA Account	392,171.09
017 - HNB Accounts Payable Checks	1,278,623.72	025 - KeyBank	10,177,546.08
017 - HNB Payroll Checks	55,423.80	037 - USBank Construction	34,371,620.97
017 - HNB Deposit Outstanding on Munis	-	038 - USBank PI Fund	15,630,701.96
	1,334,047.52	039 - USBank General Fund	48,799,857.22
			169,048,943.62
<b>Pending Payroll Deductions</b>		<b>Local Grant/Benefit CD's</b>	
Federal/Medicare Withholding	702,178.70	022 - HNB CD	40,436.24
State Tax	143,277.98	029 - HNB CD	5,000.00
City Tax	424,698.76	030 - HNB CD	-
SERS	8,527.07	032 - HNB CD	92,669.39
School District Income Tax	3,383.65		138,105.63
STRS	877,810.65		
AXA	43,374.00	<b>Escrow Accounts</b>	
Valic	-	x4897 Mid American Construction - HNB	5,623.00
MG Trust	-	x0884 MR Excavator - HNB	29,205.51
Ameriprise	4,252.50	x1184 MR Excavator - HNB	51,176.29
Lincoln	-	x2897 Vendrick Construction - HNB	229,861.61
Ohio Deferred Comp	12,769.09	x7065 Tom Sexton & Assoc - PNC	0.18
Towpath	-	x7069 Tom Sexton & Assoc - PNC	1.14
	2,220,272.40	x8540 Hammond Construction - PNC	692,923.91
		x8839 Martin Public Seating - PNC	0.13
<b>Miscellaneous Book Adjustments</b>		x8841 Penn Ohio Electrical Co - PNC	56,387.62
021 - Inventory Allowance	86,334.64	x1301 Lockhart Concrete Co - PNC	37,058.87
022 - Insurance Accrual	(82,378.17)	x7489 OSMIC Inc - PNC	-
Timing Differences in Accounts Payable	(557.36)	x3376 Hammond Construction - PNC	44,857.50
Timing Differences in Accounts Receivable	-	x7982 Welty Building Co - PNC	133,572.28
Escrow Adjustment	1,280,668.04		1,280,668.04
	1,284,067.15		
		<b>Flex Spending Account</b>	
		Prefunded Account	-
		Withdrawals (Claims)	284,430.37
		Settlement Credit	183.28
		Service Charges	-
			284,613.65
		<b>Miscellaneous Bank Adjustments</b>	
		Petty Cash	1,000.00
		Bank Charges to be Refunded	-
		Outstanding Items	(37,872.98)
			(36,872.98)
<b>Adjusted Book Balance</b>	\$ 170,715,457.96	<b>Adjusted Bank Balance</b>	\$ 170,715,457.96