



**Akron Public
Schools®**

Monthly Financial Report

For the F.Y. 2018 Month Ending: February

Ryan Pendleton, CFO

Table of Contents

Overview	3
Updated Forecast Trend For The Month of February, F.Y. 2018	4
Fiscal Year To Date -- Year-Over-Year Revenue Comparison	5
Fiscal Year To Date -- Year-Over-Year Expenditure Comparison	6
Fiscal Year To Date (July - February) Actual Revenue Compared to Estimates	7
Fiscal Year To Date (July - February) Actual Expenditures Compared to Estimates	8
Monthly Cash Balance Estimates Fiscal Years 2018 and 2019	9
Enrollment	10
Health Insurance Monthly Cash Flow	11
Health Insurance Forecast Assumptions	12
Ohio Department of Education FY 2017 Per Pupil Expenditure Calculation	13

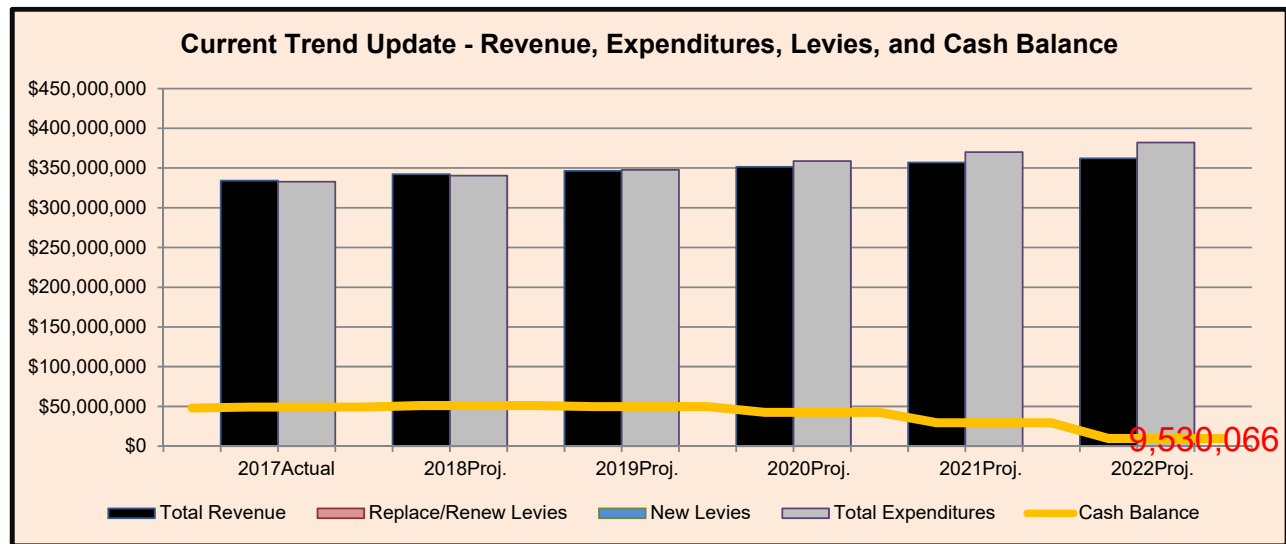
Overview

The district's enrollment both funded and students served by the district is almost unchanged from last year. See page 10 for detail.

The district's actual monthly cash flow and estimated for health insurance shows that health insurance will remain virtually even with last year (page 11). In addition the assumptions for health insurance now include a reduced trend for FY 2019 and normal health insurance inflation for FY 2020 through FY 2022. These assumptions are being reviewed with the district's health insurance consultant and included in the May forecast update.

The district's FY 2017 per pupil expenditures totaled \$14, 419 as calculated by the Ohio Department of Education. The ODE's calculation of per pupil expenditure for the district's most like Akron is \$14,120. Akron is slightly higher.

Updated Forecast Trend For The Month of February, F.Y. 2018



Projected Revenue Surplus/(Shortfall) by Year					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue Surplus/ (Shortfall)	\$1,737,280	(\$1,269,327)	(\$7,150,545)	(\$13,051,516)	(\$19,972,338)

Forecast Updated Trend			
Compared to Updated Trend Forecast as of 3/18/2018			
Variance between Prior and Current Forecast:	2018	2019	2020
Current Forecast Revenue Trend OVER/UNDER Prior	-0.19%	0.24%	0.05%
Current Forecast Expenditure Trend OVER/UNDER Prior	-0.98%	-1.21%	-1.40%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	\$2,734,506	\$7,806,180	\$13,075,890

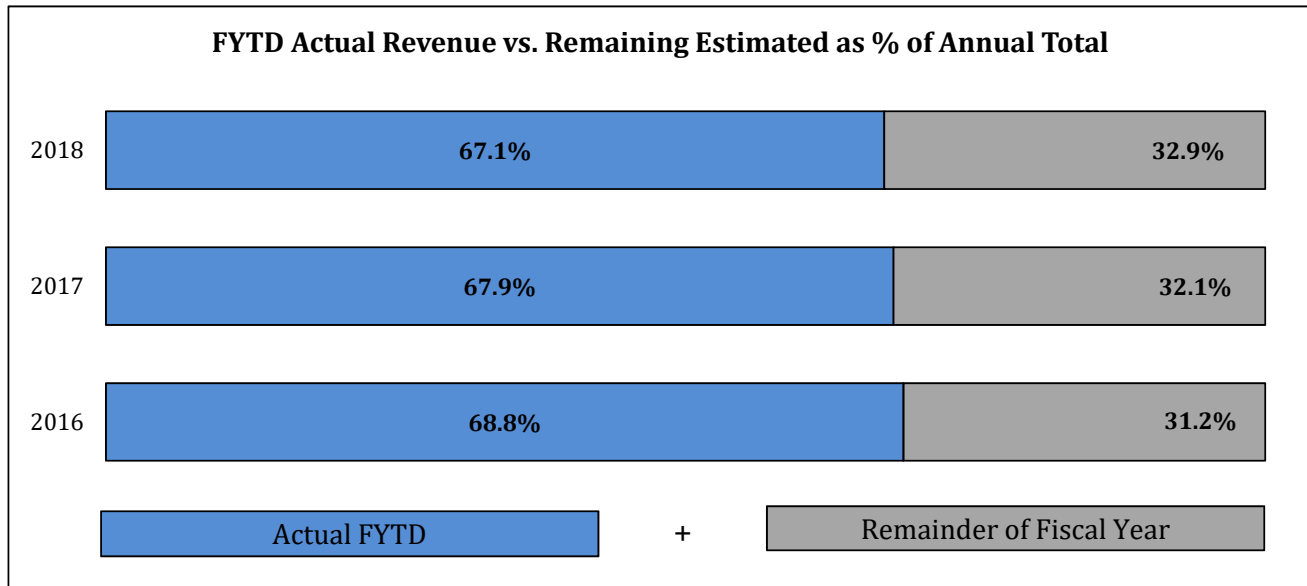
What are the current forecast trends?

The current forecast trend reflects updated purchased service trends and also updated fringe benefit trending (health insurance). The health insurance component is being researched by the district's health insurance consultant to verify that current assumptions can remain.



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

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



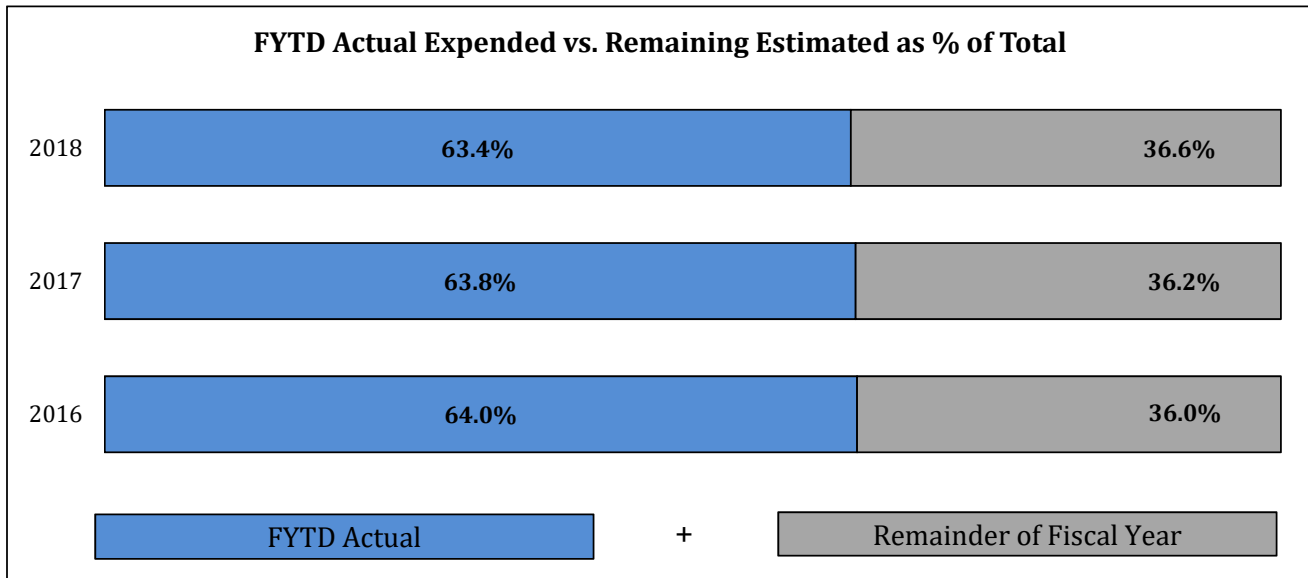
Percent of Annual Total		Actual Fiscal Year To Date Revenue, July - February			F.Y. 2018	
		2016 FYTD	2017 FYTD	2018 FYTD	YOY Change	
30.1%	Real Estate Taxes	79,328,583	78,282,736	71,809,129	\$ (6,473,607)	-8.3%
0.0%	Public Utility PP Taxes	4,175,142	4,404,571	4,950,435	\$ 545,864	12.4%
0.0%	Income Tax	-	-	-	\$ -	0.0%
58.8%	State Aid (Formula + Rest)	130,076,684	131,425,804	135,932,057	\$ 4,506,253	3.4%
4.2%	State Tax Reimb.	8,791,384	7,324,485	7,264,856	\$ (59,629)	-0.8%
3.9%	Other Revenue	7,441,143	5,537,170	9,664,426	\$ 4,127,256	74.5%
0.0%	Other Sources	37,306	19,624	74,053	\$ 54,429	277.4%
100%	Total Revenue	229,850,242	226,994,390	229,694,956	\$ 2,700,565	1.2%
Total YOY Percentage Change					1.2%	

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

Revenue is up 1.25 over this time last year. Real estate revenue is down because of the timing of cash advances received from the county auditor. This is a timing issue and will be balanced. State aid is in line with October forecasted amounts. Other revenue is up primarily because of the timing of tax incentive payments.

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

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

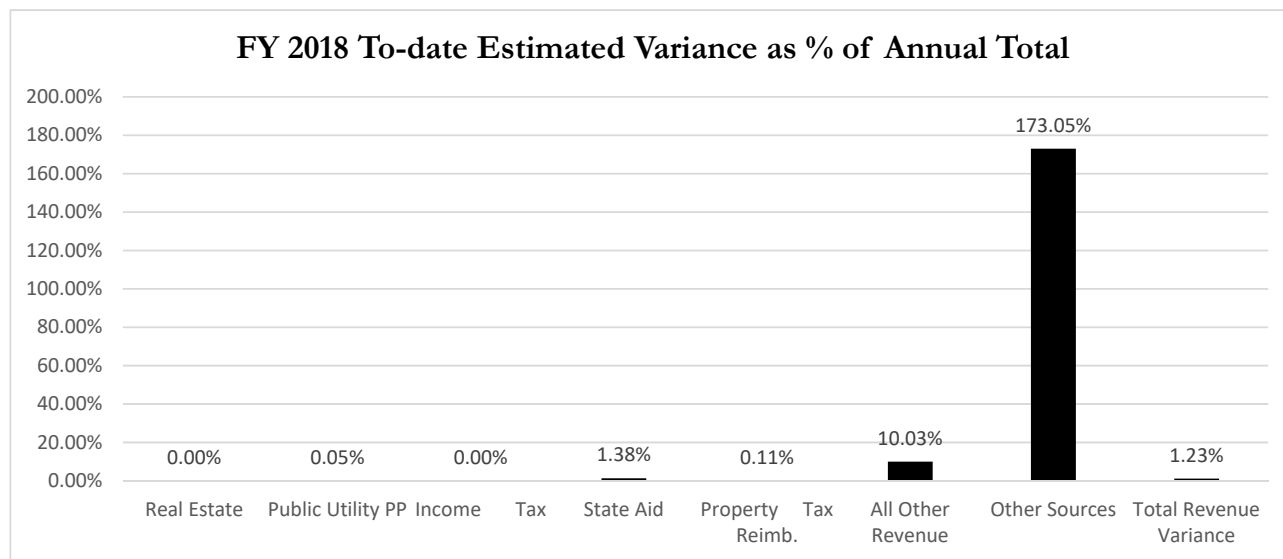


Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - February			F.Y. 2018 YOY Change	
		2016 FYTD	2017 FYTD	2018 FYTD		
49.7%	Salaries	104,226,568	105,293,606	108,194,487	\$ 2,900,881	2.8%
21.9%	Benefits	44,621,933	48,114,309	48,730,271	\$ 615,962	1.3%
23.6%	Purchased Services	49,664,064	51,306,207	49,042,243	\$ (2,263,964)	-4.4%
2.4%	Supplies	2,832,980	4,895,984	5,500,868	\$ 604,884	12.4%
1.2%	Capital	2,370,108	1,043,354	2,586,479	\$ 1,543,124	147.9%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	1,563,119	1,515,692	1,216,425	\$ (299,268)	-19.7%
0.2%	Other Uses	18,486	266,269	542,832	\$ 276,562	103.9%
100%	Total Expenditures	205,297,260	212,435,423	215,813,605	\$ 3,378,182	
Total YOY Percentage Change					1.6%	

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

Due to a decrease in purchased services, expenditures are up just 1.6% over last year. Special education tuition and community school tuition combined continue to reflect a reduction of approximately \$2.0 million.

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

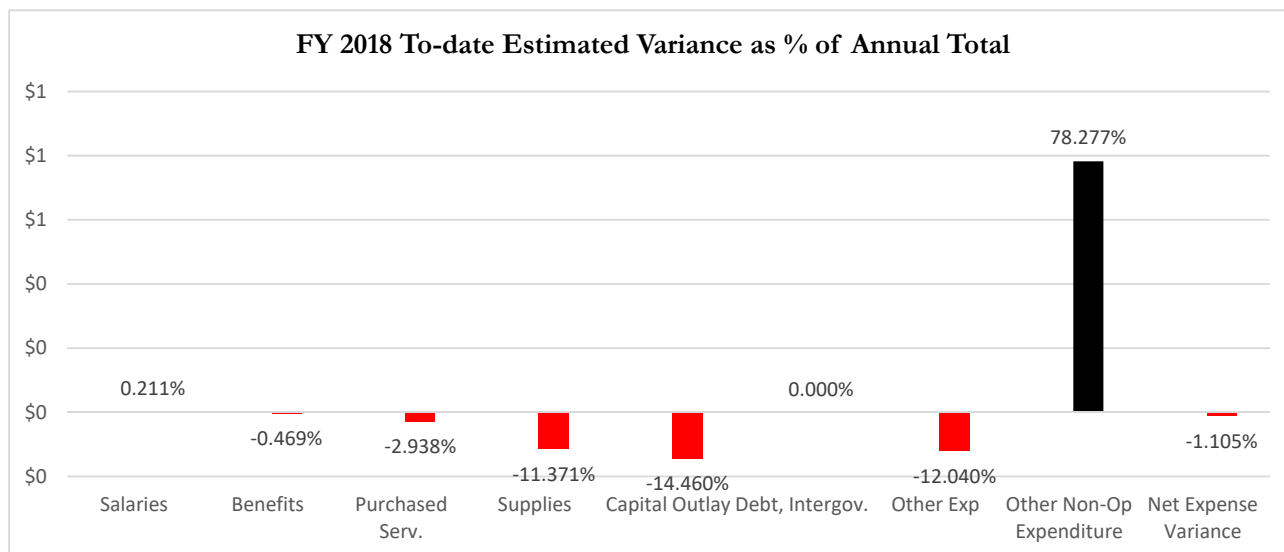


		2018 FYTD	2018 FYTD	2018 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		February	February	Variance
Revenue:				
For the F.Y. 2018 Period: July - February				
K	Real Estate Taxes	71,809,129	71,809,129	-
L	Public Utility PP Taxes	4,950,435	4,945,735	4,700
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	135,932,057	133,154,545	2,777,512
P	State Tax Reimb.	7,264,856	7,248,911	15,945
Q	Other Revenue	9,664,426	8,335,527	1,328,898
R	Total Operating Revenue	229,620,903	225,493,848	4,127,055
S	Other Non-Op Revenue	74,053	501	73,552
T	Total Operating Revenue Plus Other Sources	229,694,956	225,494,349	4,200,607

How do FYTD revenue cash flow estimates compare to actual?

Actual revenue is within 1.23%. Other revenue is up because of the TIF payments received in October.

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

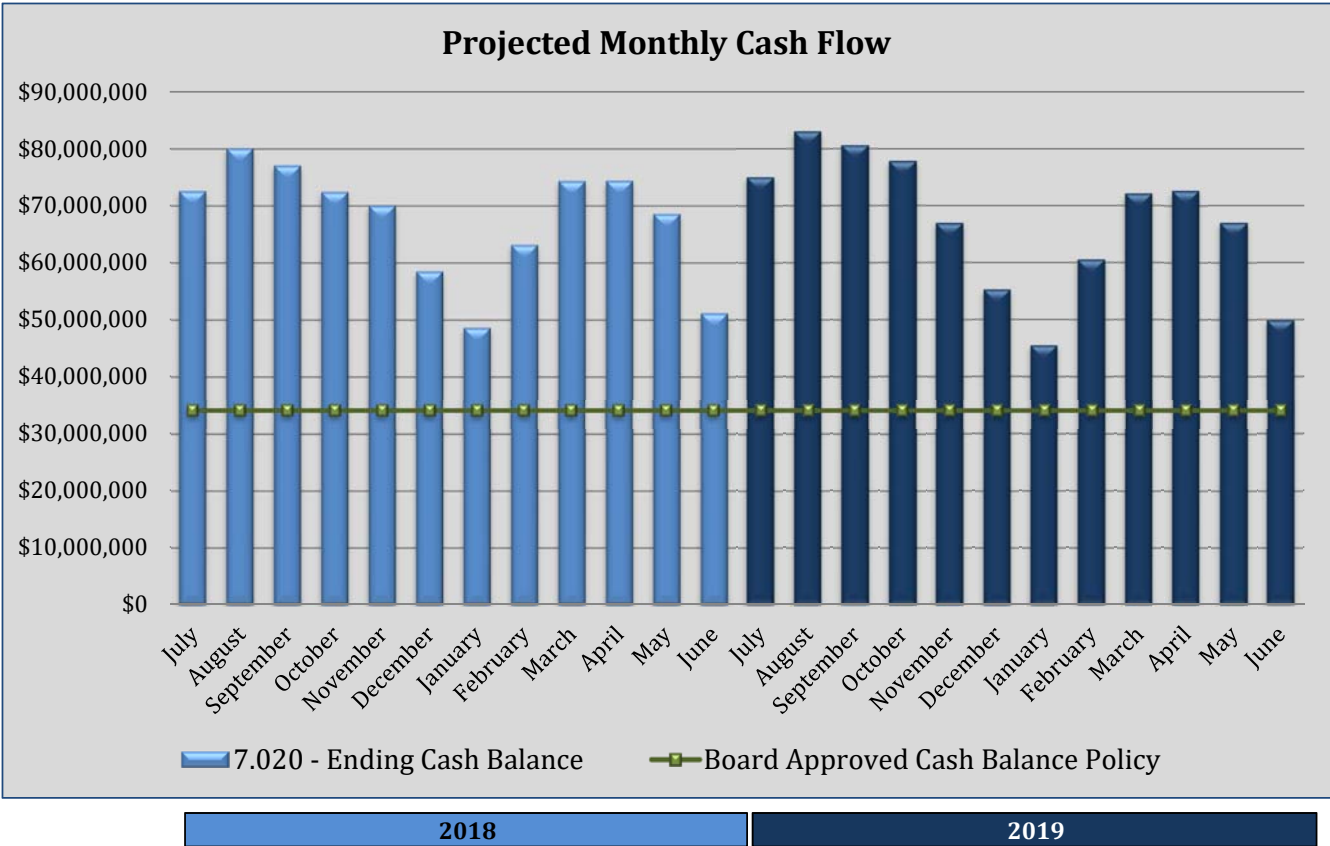


		Actual	Estimated	Actual Over/ (Under) Estimate Variance
		July - February	July - February	
Expenditures:				
For the F.Y. 2018 Period: July - February				
K	Salaries	108,194,487	107,838,515	355,972
L	Benefits	48,730,271	49,079,550	(349,279)
M	Purchased Services	49,042,243	51,404,078	(2,361,834)
N	Supplies	5,500,868	6,436,093	(935,225)
O	Capital	2,586,479	3,190,518	(604,039)
P	Debt, Intergov.	-	-	-
Q	Other Objects	1,216,425	1,624,809	(408,384)
R	Total Operating Expenditures	215,270,773	219,573,562	(4,302,789)
S	Other Non-Op Expenditures	542,832	501	542,331
T	Total Operating Expenditures Plus Other Uses	215,813,605	219,574,064	(3,760,459)

How do FYTD expenditure cash flow estimates compare to actual?

Expenditures are within -1.105% of estimated the cash flow estimates. Purchased services are trending lower because community school tuition did not increase as projected in October.

Monthly Cash Balance Estimates Fiscal Years 2018 and 2019



Monthly cash flow estimates

Cash reserves are adequate to cover monthly fluctuation.

Enrollment Per Ohio Department of Education Funding Reports

Line	FYE 2016	FYE 2017	FY 2018	
			January #1	February #1
1 Formula ADM	26,789	26,693	26,796	26,637
2 Resident / Adjusted Total ADM	26,788	26,692	26,796	26,637
3 Resident ADM (District Educated)	19,988	20,147	20,126	20,103
4 Open Enrollment In ADM	593	657	629	636
5 Open Enrollment Out ADM	1,981	2,081	2,057	2,061
6 Community School ADM	3,455	3,041	3,140	3,002
7 Scholarship ADM	1,363	1,421	1,472	1,470
8 Career Tech ADM (Incl. Contrac	2	2	0	0
9 Limited English Proficient ADM	1,514	1,738	1,824	1,835
10 Special Education ADM	4,646	4,538	4,505	4,514
11 Economic Disadvantaged ADM	24,161	24,107	24,082	23,986
12 Economic Disadvantaged %	90.2%	90.3%	89.9%	90.0%

According to the February, 2018 Ohio Department of Education funding reports the district's formula funded ADM (line 1) stands at 26,637. Today's formula funded enrollment is down just 57 students over last year and in line with October's estimate.

While the district currently has 26,637 resident students (line 2) only 20,103 of these students are served by the district. The rest are served by external providers. The district is currently serving about 20,103 students down 44 students over last year-end.

Overall, the indicators above point to very stable enrollment year-over-year for both funded and students served by the district.

Fringe Benefits - Health Insurance Year-Over-Year

Certified Health Insurance

	Estimate Object 240	Fiscal Year 2018	Fiscal Year 2017
July		\$ 2,641,864	\$ 2,610,577
August		\$ 2,636,890	\$ 2,606,580
September		\$ 2,695,904	\$ 2,648,265
October		\$ 2,689,278	\$ 2,658,055
November		\$ 2,696,451	\$ 2,670,745
December		\$ 2,697,681	\$ 2,681,264
January		\$ 2,707,934	\$ 2,689,058
February	\$ 2,579,250	\$ 2,718,631	\$ 2,710,300
March	\$ 2,720,000		\$ 2,712,150
April	\$ 2,720,000		\$ 2,709,722
May	\$ 2,720,000		\$ 2,710,349
June	\$ 2,720,000		\$ 2,744,944
YTD	\$ 2,579,250	\$ 21,484,632	\$ 21,274,844
Remaining	\$ 10,880,000	\$ 10,880,000	\$ 10,877,165
Total	\$ 13,459,250	\$ 32,364,632	\$ 32,152,010

Classified Health Insurance

#N/A Report	Estimate Object 250	Fiscal Year 2018	Fiscal Year 2017
July		\$ 605,037	\$ 620,698
August		\$ 601,942	\$ 629,085
September		\$ 951,189	\$ 994,180
October		\$ 1,116,945	\$ 1,131,599
November		\$ 1,110,623	\$ 1,126,634
December		\$ 1,109,205	\$ 1,127,290
January		\$ 1,040,752	\$ 1,056,567
February	\$ 1,045,000	\$ 1,101,381	\$ 1,123,605
March	\$ 1,075,000		\$ 1,201,057
April	\$ 1,075,000		\$ 1,058,913
May	\$ 1,075,000		\$ 950,185
June	\$ 1,075,000		\$ 1,091,904
YTD	\$ 1,045,000	\$ 7,637,074	\$ 7,809,659
Remaining	\$ 4,300,000	\$ 4,300,000	\$ 4,302,059
Total	\$ 5,345,000	\$ 11,937,074	\$ 12,111,718

The districts health insurance costs are just about even when compared on a year-over-year basis.

Health Insurance Assumptions

Percentage of Total Expenditures:						
22.1%	Actual	Projected				
	2017	2018	2019	2020	2021	2022
Historical Info - District's General Fund Health Insurance Expenses:						
FY 2016 Posted Ins. Expense FY 2017 Posted Ins. Expense:						
	\$39,448,784	\$44,263,727				
% of Total Line 3.0	58.0%	60.1%				
Use Express Model?	Yes	% Change	13.0%	0.00%	0.00%	8.00%
Dollar Impact of Express Modeling Health Insurance	5,128,342	-	-	3,541,098	3,682,742	3,977,361

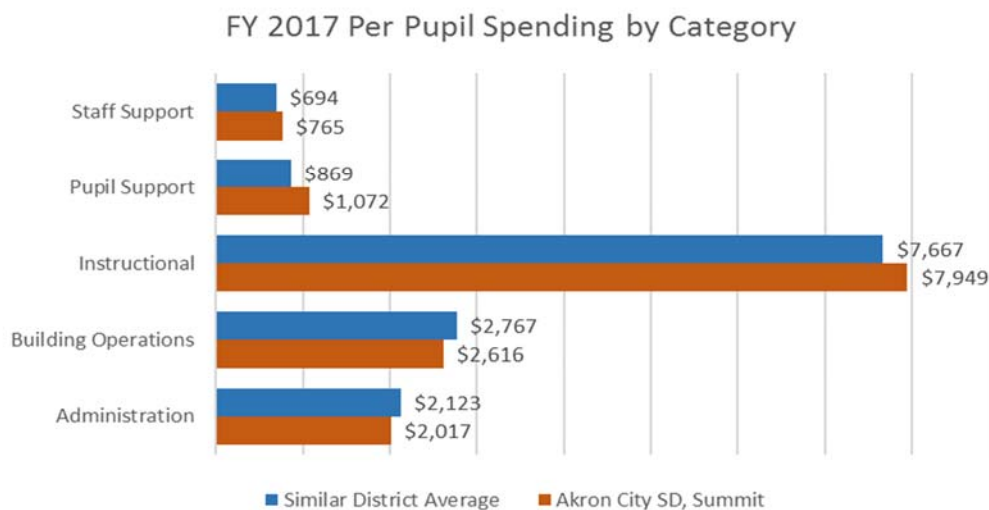
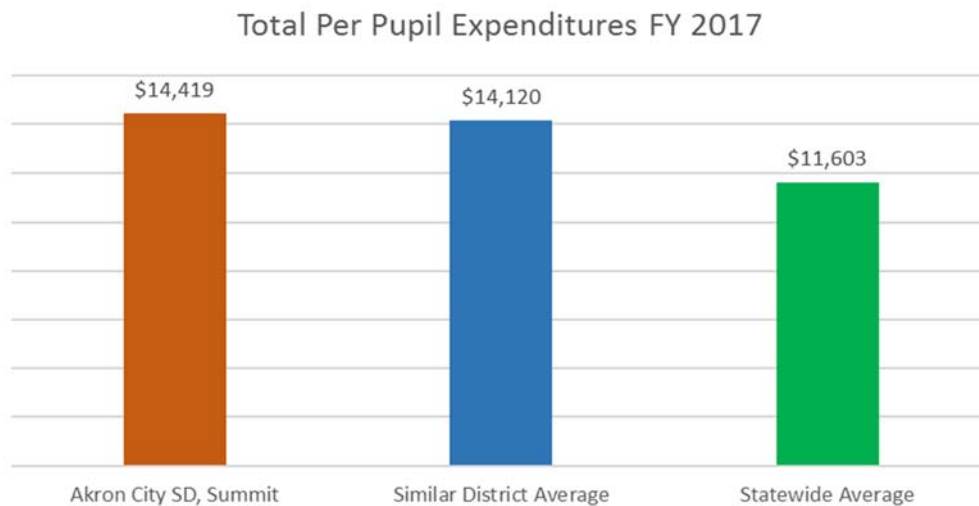
Forecasted as of:		Oct '17 as Filed	3/18/2018	
		Fiscal Year	Fiscal Year	Dollar
		2020	2020	Difference
Employees Fringe Benefits		83,419,656	79,459,501	(3,960,155)

The current forecast trend includes the top table as the assumption basis for health insurance. The district's reserves may be able to support the above table and it is being researched with the health insurance consultant. The assumption is that reserves will carry the 2018 and 2019 increases and that normal health care inflation is all that is needed in FY 2020 and beyond.

The difference over what was modeled in October is summarized in the second table. Essentially FY 2020 costs are trending down primarily because of the inflation rate being modeled in FY 2019.

This information will be finalized by the May forecast update and could worsen or improve the forecast results.

Ohio Department of Education Per Pupil Expenditures - FY 2017



The district's spending is slightly above the peer group identified as most similar by the Ohio Department of Education (ODE). The district's categorical spending reflects higher per pupil cost than its peers in direct instructional costs, and lower cost in building operations (utilities, transportation, custodial, etc.) and administration (principals, building secretaries, central office, etc.).

AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
Feb 2018

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	148,498,982.99	005 - PNC Practical Nursing	-
Plus Receipts	56,354,298.07	007 - PNC Oma Evans	150,255.35
Less Expenditures	42,020,704.62	008 - HNB Schumacher	85.60
Ending Balance	162,832,576.44	009 - STAR Ohio	10,112,995.06
		017 - HNB AP/Payroll/CN/SA	59,674,804.09
Outstanding Checks & Direct Deposits		018 - PNC Building Fund	2,013,536.39
005 - HNB Practical Nursing Checks	-	021 - HNB FSA Account	369,692.78
017 - HNB Accounts Payable Checks	998,330.65	037 - USBank Construction	42,045,370.46
017 - HNB Payroll Checks	140,107.13	038 - USBank PI Fund	15,372,760.84
017 - HNB Deposit Outstanding on Munis	-	039 - USBank General Fund	35,978,463.55
	1,138,437.78		165,717,964.12
Pending Payroll Deductions		Local Grant/Benefit CD's	
Federal/Medicare Withholding	614,418.09	022 - HNB CD	35,313.60
State Tax	129,378.84	029 - HNB CD	5,000.00
City Tax	411,735.97	030 - HNB CD	-
SERS	2,559.43	032 - HNB CD	92,388.38
School District Income Tax	1,574.76		132,701.98
STRS	764,195.98		
AXA	34,459.00	Flex Spending Account	
Valic	-	Prefunded Account	20,000.00
ING (Voya)	27,370.00	Withdrawals (Claims)	60,331.17
Lincoln	7,463.00	Settlement Credit	(6.95)
Ohio Deferred Comp	9,096.60	Service Charges	40.00
MG Trust (Aspire)	16,349.39		80,364.22
Towpath	2,018,601.06		
Miscellaneous Book Adjustments		Miscellaneous Bank Adjustments	
021 - Inventory Allowance	8,235.01	Petty Cash	1,000.00
022 - Insurance Accrual	(65,495.29)	Bank Charges to be Refunded	30.00
Timing Differences in Accounts Payable	(350.10)	Outstanding Items	3.01
Timing Differences in Accounts Receivable	58.43		1,033.01
	(57,551.95)		
Adjusted Book Balance	\$ 165,932,063.33	Adjusted Bank Balance	\$ 165,932,063.33