



**Akron Public
Schools®**

Monthly Financial Report

For the F.Y. 2018 Month Ending: January

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Overview

Forecast Cash Flow Trend

The cash flow trend through January reflects a favorable trend in expenditures, page 11 provides more detail.

Revenue

Revenue is trending within expected ranges. While not reflected in the forecast yet, the 2017 actual valuation increase could generate additional revenue (see page 12)

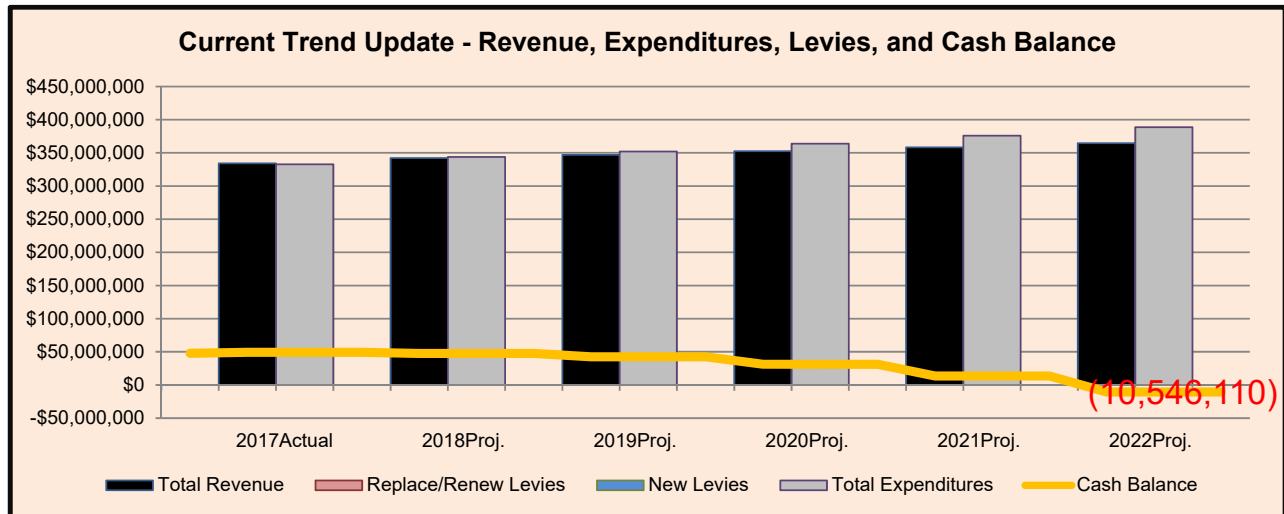
Expenditures

The current cash flow detailed analysis, page 11, reveals that expenditures could be less than originally forecasted in October. Decreased trend through January, especially for purchased services, supports this indication. Growth that was projected to occur in community school tuition, EdChoice Tuition, and Special Education Tuition has not materialized. This is potentially good news for FY 2018 results but could also have ongoing impact if the growth in these tuition areas is entering a phase of stabilization or even decline.

Enrollment

Enrollment continues to remain stable but not reflective of year-over-year growth (see page 10).

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



Projected Revenue Surplus/(Shortfall) by Year					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue Surplus/ (Shortfall)	(\$1,656,615)	(\$4,987,358)	(\$11,229,963)	(\$17,732,861)	(\$24,175,826)

Forecast Updated Trend			
Compared to Updated Trend Forecast as of 2/14/2018			
Variance between Prior and Current Forecast:	2018	2019	2020
Current Forecast Revenue Trend OVER/ UNDER Prior	-0.19%	0.39%	0.34%
Current Forecast Expenditure Trend OVER/ UNDER Prior	0.00%	0.00%	0.00%
Cumulative Variance \$\$\$ Impact on Ending Cash Balance	(\$659,390)	\$694,255	\$1,884,546

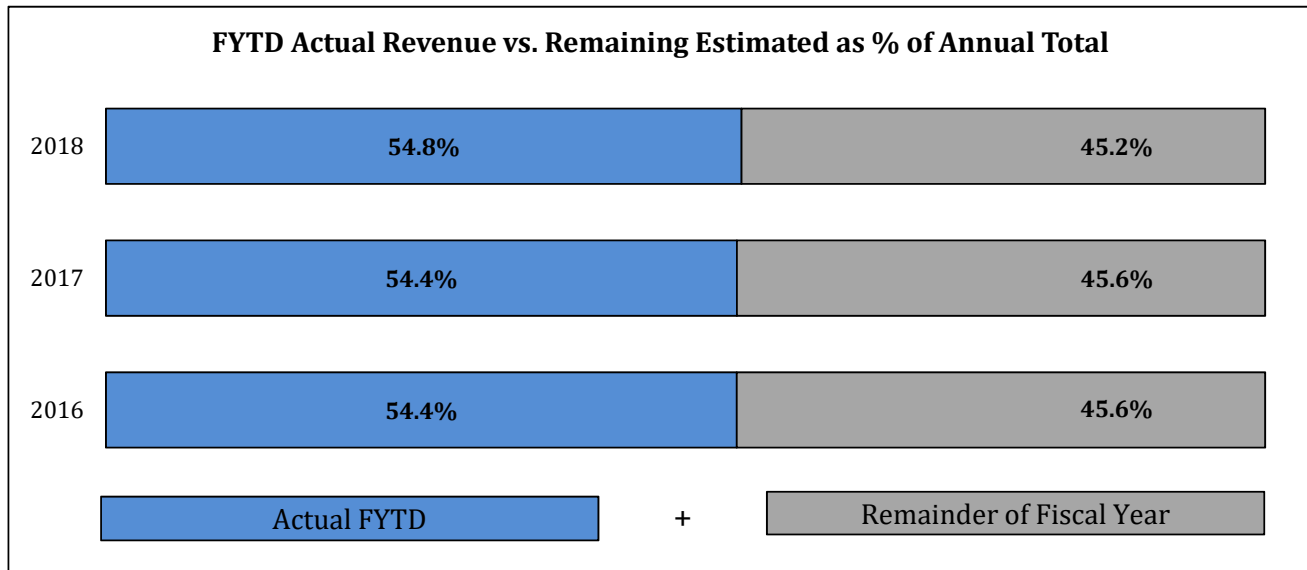
What are the current forecast trends?

Revenue is up slightly through FY 2020. Purchased services are trending better than estimated and could improve the expenditure estimates in the updated May forecast.



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

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



Percent of Annual Total		Actual Fiscal Year To Date Revenue, July - January			F.Y. 2018	
		2016 FYTD	2017 FYTD	2018 FYTD	YOY Change	
30.1%	Real Estate Taxes	48,389,843	49,409,779	48,512,607	\$ (897,171)	-1.8%
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)	113,577,661	115,679,075	119,001,598	\$ 3,322,524	2.9%
4.2%	State Tax Reimb.	8,791,384	7,324,485	7,264,856	\$ (59,629)	-0.8%
3.9%	Other Revenue	6,774,373	5,007,727	7,777,842	\$ 2,770,116	55.3%
0.0%	Other Sources	37,306	13,784	71,815	\$ 58,031	421.0%
100%	Total Revenue	181,745,709	181,839,420	187,579,153	\$ 5,739,734	3.2%
Total YOY Percentage Change					3.2%	

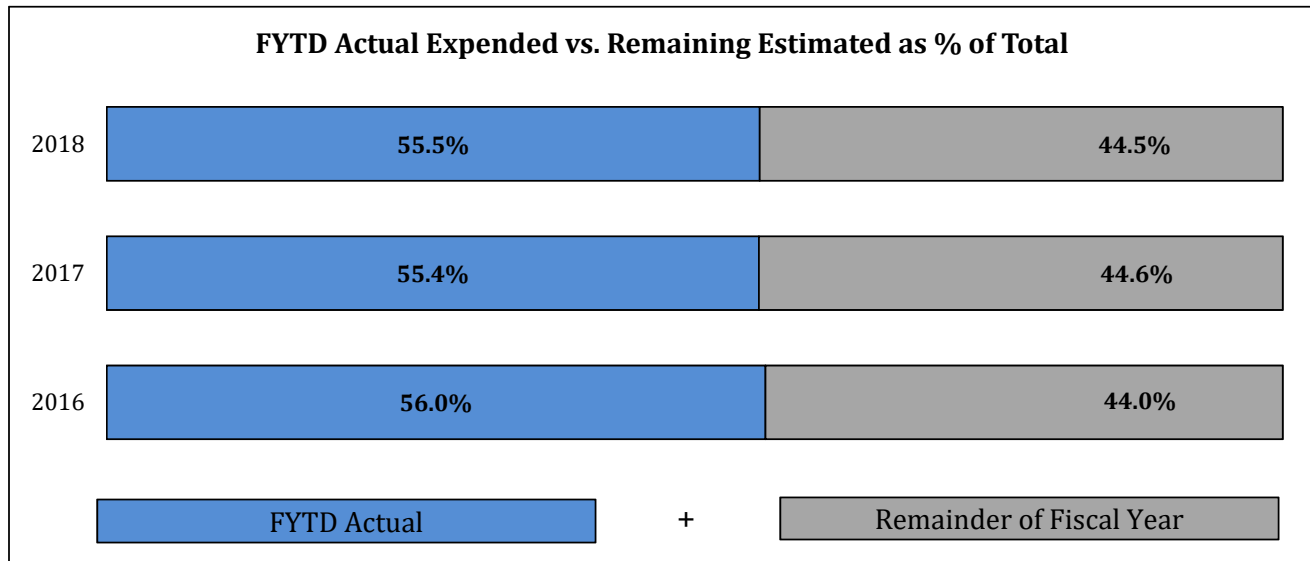
How does fiscal year-to-date revenue compare to prior years?

Overall revenue is up 3.2% over last year at the same time. The increase in state aid was expected but is better than originally forecasted because of stabilizing enrollment (declining had been forecasted).

Other revenue is up because of the timing of TIF payments.

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

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

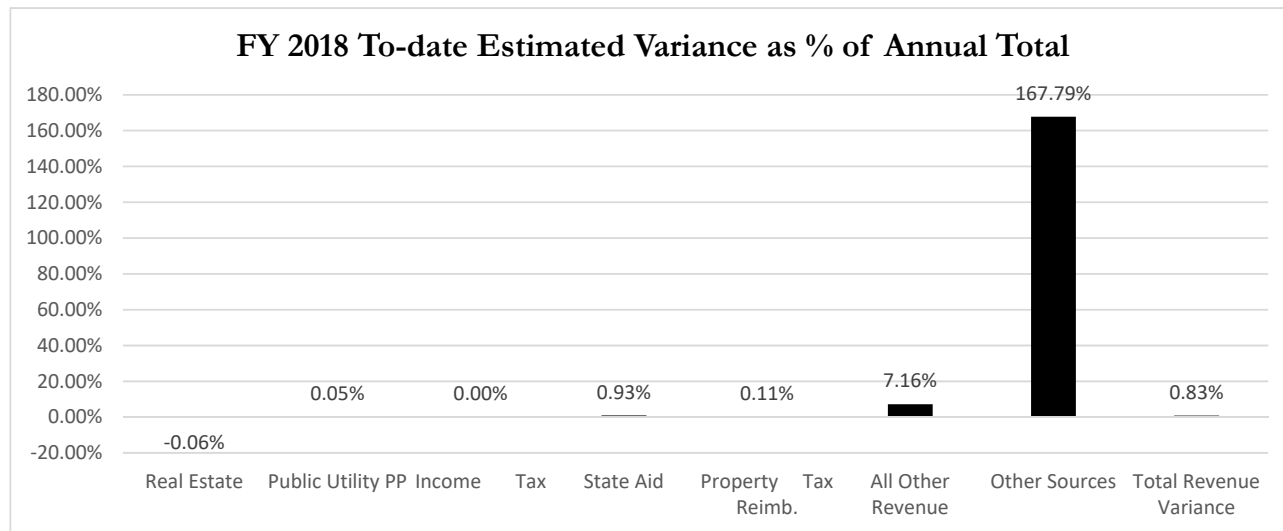


Percent of Annual Total		Actual Fiscal Year To Date Expenditures, July - January			F.Y. 2018 YOY Change	
		2016 FYTD	2017 FYTD	2018 FYTD		
48.8%	Salaries	90,907,247	91,781,086	94,319,864	\$ 2,538,778	2.8%
22.3%	Benefits	38,880,362	41,695,255	42,273,164	\$ 577,910	1.4%
24.3%	Purchased Services	43,657,787	45,181,846	42,347,564	\$ (2,834,282)	-6.3%
2.4%	Supplies	2,558,435	4,322,203	5,044,556	\$ 722,353	16.7%
1.2%	Capital	2,271,303	(121,580)	2,526,339	\$ 2,647,919	-2177.9%
0.0%	Debt, Intergov	-	-	-	\$ -	0.0%
1.0%	Other Objects	1,437,111	1,388,372	1,199,487	\$ (188,885)	-13.6%
0.0%	Other Uses	18,486	261,130	542,832	\$ 281,702	107.9%
100%	Total Expenditures	179,730,731	184,508,311	188,253,805	\$ 3,745,494	
		Total YOY Percentage Change			2.0%	

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

Expenditures are up 2.0% over last year impacted significantly by a decrease in purchased services. Special education tuition, EdChoice, and community school tuition combined continues to reflect a reduction of approximately \$2.8 million over original projections.

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

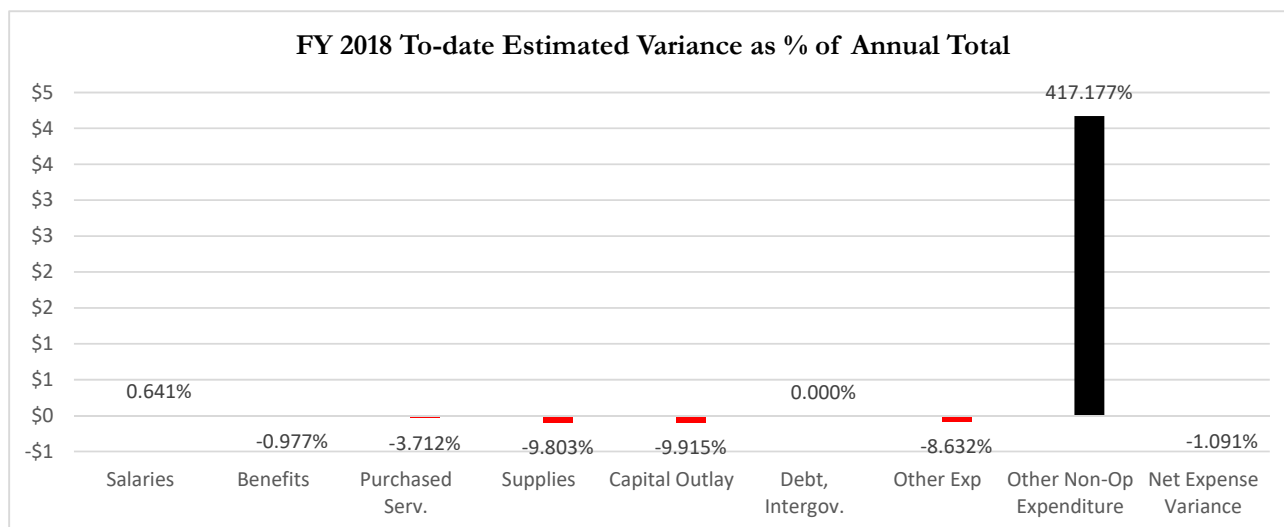


		2018 FYTD	2018 FYTD	2018 FYTD
		Actual	Estimated	Actual Over/
		July	July	(Under)
		through	through	Estimated
		January	January	Variance
Revenue:				
For the F.Y. 2018 Period: July - January				
K	Real Estate Taxes	48,512,607	48,577,310	(64,703)
L	Public Utility PP Taxes	4,950,435	4,945,735	4,700
M	Income Tax	-	-	-
N	State Aid (Formula + Restricted)	119,001,598	117,138,488	1,863,111
P	State Tax Reimb.	7,264,856	7,248,911	15,945
Q	Other Revenue	7,777,842	6,828,552	949,290
R	Total Operating Revenue	187,507,339	184,738,996	2,768,343
S	Other Non-Op Revenue	71,815	501	71,313
T	Total Operating Revenue Plus Other Sources	187,579,153	184,739,497	2,839,656

How do FYTD revenue cash flow estimates compare to actual?

Actual revenue is within 0.86 through October. Other revenue is up because of the TIF payments received in October. The first half 2018 TIF revenue estimates are included in the forecast and in the cash flow estimates however, the timing of these payments in the past has been inconsistent.

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

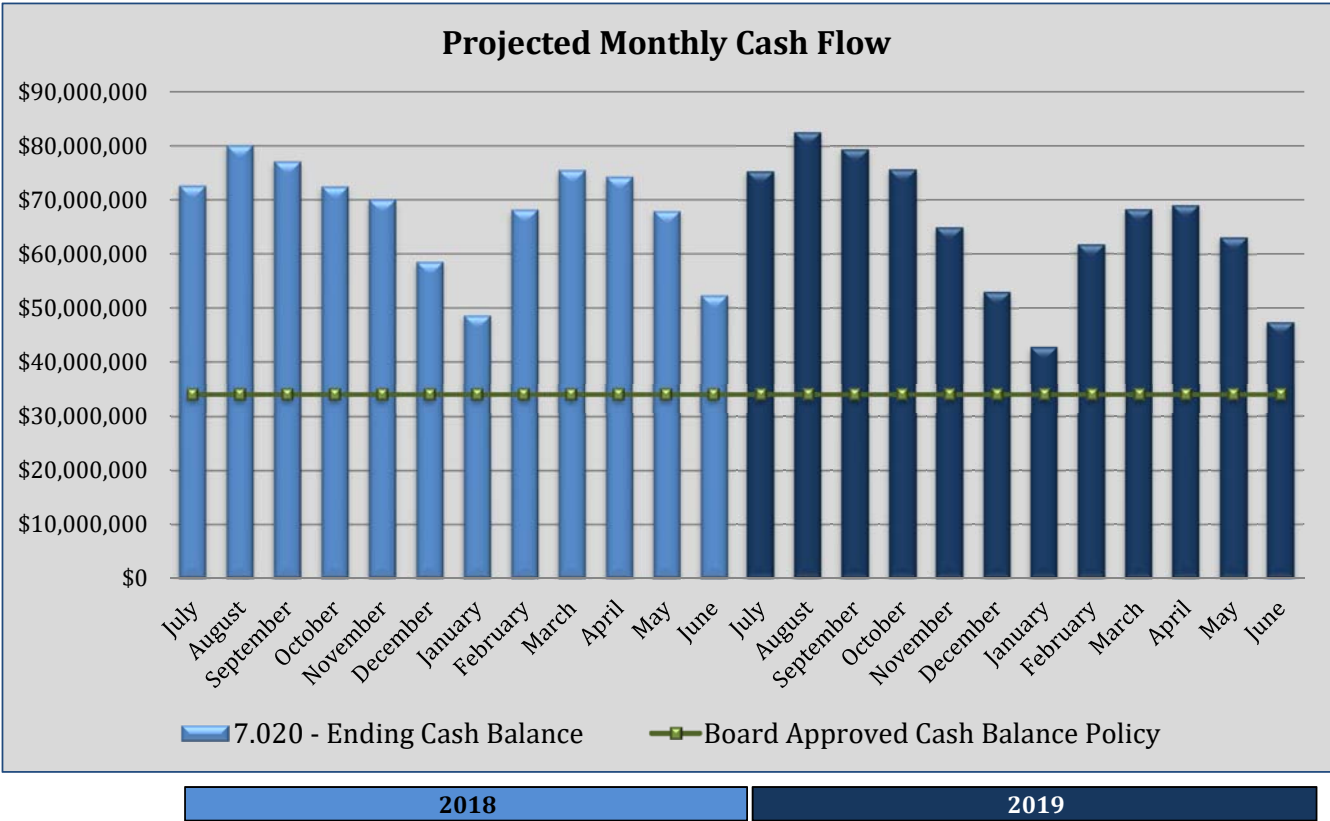


		Actual	Estimated	Actual Over/ (Under) Estimate Variance
		July - January	July - January	
Expenditures:				
For the F.Y. 2018 Period: July - January				
K	Salaries	94,319,864	93,245,541	1,074,323
L	Benefits	42,273,164	43,021,500	(748,336)
M	Purchased Services	42,347,564	45,452,698	(3,105,134)
N	Supplies	5,044,556	5,850,837	(806,281)
O	Capital	2,526,339	2,940,518	(414,179)
P	Debt, Intergov.	-	-	-
Q	Other Objects	1,199,487	1,492,290	(292,803)
R	Total Operating Expenditures	187,710,973	192,003,383	(4,292,409)
S	Other Non-Op Expenditures	542,832	501	542,331
T	Total Operating Expenditures Plus Other Uses	188,253,805	192,003,884	(3,750,079)

How do FYTD expenditure cash flow estimates compare to actual?

While expenditures are within -1.091% of estimated the cash flow estimates were updated as part of this report and now reflect that purchased services could trend favorably through the end of the fiscal year. If this occurs then the district's cash balance could improve.

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 SFPR Funding Reports

	ODE SFPR FY 2017 Jan #1	ODE SFPR FY 2017 Final # 3	ODE SFPR FY 2018 Jan #1	ODE SFPR FY 2018 Feb #1	Line
SFPR Resident ADM	20,062	20,079	20,057	20,035	1
Open Enrollment Out Funded FTE	2,151	2,152	2,128	2,132	2
Total Resident ADM	22,213	22,231	22,185	22,167	3
Community School ADM	3,178	3,041	3,140	3,002	4
Scholarship ADM (Calc)	1,420	1,420	1,471	1,468	5
Formula ADM	26,811	26,692	26,796	26,637	6
Open Enrollment In Funded FTE	678	686	657	664	7

The district's enrollment data submitted to the state for the February #1 SFPR reflect a calculated at district ADM (Line 1) of 20,035 which is down 44 students over last year's final count.

The district's funded enrollment (Line 6) is down 5, scholarship (Line 5) is up 48, and community school (Line 4) enrollment is down 38.

Actual Plus Estimated Cash Flow Compared to Current Forecast

	Difference	Proj. from Current 5year Forecast 2018	Proj. from Actual/Est. Cash Flow 2018
Revenue:			
1.010 - General Property Tax (Real Estate)	(64,703)	102,965,020	102,900,317
1.020 - Public Utility Personal Property	4,700	10,064,604	10,069,304
1.030 - Income Tax	-	-	-
1.035 - Unrestricted Grants-in-Aid	(0)	175,609,246	175,609,246
1.040 - 1.045 - Restricted Grants-in-Aid	(49,314)	25,679,187	25,629,873
1.050 - Property Tax Allocation	15,945	14,526,906	14,542,851
1.060 - All Other Operating Revenues	0	13,251,036	13,251,036
1.070 - Total Revenue	(93,372)	342,095,999	342,002,627
Other Financing Sources:			
2.070 - Total Other Financing Sources	60,812	42,502	103,314
2.080 - Total Revenues and Other Financing Sources	(32,560)	342,138,501	342,105,941
Expenditures:			
3.010 - Personnel Services	1,743,381	167,626,789	169,370,170
3.020 - Employees' Retirement/Insurance Benefits	(1,357,975)	76,602,162	75,244,187
3.030 - Purchased Services	(4,423,664)	83,642,083	79,218,419
3.040 - Supplies and Materials	(542,597)	8,224,687	7,682,090
3.050 - Capital Outlay	(414,179)	4,177,443	3,763,264
3.060 - 4.060 - Intergovernmental, Debt & Interest	-	-	-
4.300 - Other Objects	(247,803)	3,391,952	3,144,150
4.500 - Total Expenditures	(5,242,836)	343,665,116	338,422,279
Other Financing Uses:			
5.040 - Total Other Financing Uses	542,331	130,000	672,331
5.050 - Total Expenditures and Other Financing Uses	(4,700,506)	343,795,116	339,094,610

Current cash flow estimates are trending \$32,560 less than annual projections while expenditures are trending \$4,700,506 less than annual projections. Overall the cash flow trend points toward more favorable results at year-end.

Real Estate Valuation and Tax Monitoring

2014 2011		BOR, Reappraisal or Update			New Construction & Other, Including Changes in Exempt Property				
Tax Year		Agricultural Inflation/ Deflation \$	Residential Inflation/ Deflation \$	Class II (All) Inflation/ Deflation \$	Tax Year	Agricultural Other \$ Change	Residential Other \$ Change	Class II (All) Other \$ Change	PP/PUPP Increase/ Decrease \$
Historical Valuation Changes by Classification	2009	(12,100)	(6,569,810)	(11,285,710)	2009	(23,360)	(3,011,260)	16,465,720	(65,433,990)
	2010	0	(4,334,790)	5,573,090	2010	(7,800)	(2,607,620)	19,241,170	(3,980,360)
	2011	(59,680)	(195,790,250)	(116,700,670)	2011	80,270	(2,642,080)	(2,847,730)	(4,029,810)
	2012	0	(6,631,660)	(8,529,600)	2012	0	(9,563,890)	(7,327,960)	8,725,990
	2013	(5,460)	(6,832,290)	(10,572,560)	2013	(2,230)	(5,087,980)	(41,078,460)	10,277,860
	2014	126,990	(84,786,350)	19,948,540	2014	(80,700)	(2,941,870)	9,701,420	5,977,340
	2015	0	(4,098,440)	(5,796,850)	2015	(390)	(3,785,560)	(17,918,010)	3,342,690
	2016	(6,450)	(4,023,360)	7,173,820	2016	(2,670)	(4,187,610)	14,387,720	14,375,750
Actual	2017	(52,340)	22,684,840	30,620,200	2017	15,800	(3,092,440)	41,194,580	4,048,690
Projected Value Changes	2018	0	(5,578,642)	(2,970,735)	2018	0	(1,593,898)	5,941,470	4,714,733
	2019	0	(5,553,538)	(2,985,589)	2019	0	(1,586,725)	5,971,178	4,182,641
	2020	0	81,000,000	6,001,034	2020	0	(1,579,585)	12,002,067	4,308,121
	2021	0	(5,688,875)	(3,090,532)	2021	0	(1,625,393)	12,362,129	4,437,364

If Revenue Potential		Current Levied Class I	Current Levied Class II	Current Levied PUPP
Frozen Levied Tax Revenue Estimates @100% Billable	Collection Year			
	2018	83,058,725	36,555,461	10,237,705
	2019	82,954,412	36,909,291	10,596,025
	2020	82,850,317	37,266,611	10,913,906
	2021	83,113,608	38,028,387	11,241,323
	2022	83,010,333	38,777,618	11,578,562
Revenue est. using modeled valuations in rows 17 - 21	2018	82,662,906	38,735,311	10,199,203
	2019	82,556,857	39,066,358	10,557,523
	2020	82,451,021	39,400,481	10,875,403
	2021	82,712,750	40,116,813	11,202,821
	2022	82,607,858	40,818,634	11,540,060

Revenue Impact on Valuation Changes Modeled Above - at 100% Billable Taxes

Collection Year	Levied Tax Revenue Change, Frozen Valuations vs. Live Valuation			Valuation Modeling Revenue
	Class I	Class II	PUPP	Impact
2018	(395,819)	2,179,850	(38,502)	1,745,529
2019	(397,555)	2,157,067	(38,502)	1,721,009
2020	(399,296)	2,133,871	(38,502)	1,696,072
2021	(400,857)	2,088,426	(38,502)	1,649,067
2022	(402,475)	2,041,016	(38,502)	1,600,039

Because of the 2017 valuation increases reflected in the table above the district can expect about \$1,745,529 additional local tax dollars in calendar year 2018 collections. As the table in the bottom right hand corner above reflects, annual revenue increases are calculated to range from \$1.6 to \$1.745 million annually. The forecast has not been updated to reflect this increase. The forecast will be updated in May and after the first half tax collections are known. This two-step process will help ensure that the actual revenue received supports the calculated increases.

AKRON PUBLIC SCHOOLS
MONTHLY RECONCILIATION
Jan 2018

Book Balance		Bank Balance	
USAS Accounting System		Month End Bank Account Balances	
Beginning Balance	161,354,355.38	005 - PNC Practical Nursing	-
Plus Receipts	25,567,692.87	007 - PNC Oma Evans	150,241.52
Less Expenditures	38,423,065.26	008 - HNB Schumacher	85.60
Ending Balance	148,498,982.99	009 - STAR Ohio	10,101,506.21
		017 - HNB AP/Payroll/CN/SA	46,056,895.27
		018 - PNC Building Fund	2,013,305.29
Outstanding Checks & Direct Deposits		021 - HNB FSA Account	401,433.90
005 - HNB Practical Nursing Checks	-	037 - USBank Construction	42,001,778.94
017 - HNB Accounts Payable Checks	1,139,806.85	038 - USBank PI Fund	15,373,550.51
017 - HNB Payroll Checks	111,794.20	039 - USBank General Fund	35,952,388.33
017 - HNB Deposit Outstanding on Munis	-		
	1,251,601.05		152,051,185.57
		Local Grant/Benefit CD's	
Pending Payroll Deductions		022 - HNB CD	35,313.60
Federal/Medicare Withholding	608,015.04	029 - HNB CD	5,000.00
State Tax	128,034.75	030 - HNB CD	-
City Tax	355,462.60	032 - HNB CD	92,388.38
SERS	152,632.10		132,701.98
School District Income Tax	1,562.35		
STRS	743,177.92		
Valic	-	Flex Spending Account	
ING (Voya)	-	Prefunded Account	20,000.00
Lincoln	-	Withdrawals (Claims)	28,590.05
Ohio Deferred Comp	9,096.60	Settlement Credit	(6.95)
MG Trust (Aspire)	(250.00)	Service Charges	40.00
Towpath	1,997,731.36		48,623.10
		Miscellaneous Bank Adjustments	
Miscellaneous Book Adjustments		Petty Cash	1,000.00
021 - Inventory Allowance	7,587.50	Bank Charges to be Refunded	-
022 - Insurance Accrual	(68,218.07)	Outstanding Payroll Items	(1,310.40)
Timing Differences in Accounts Payable	(863.63)	Balancing Adj	371.64
Timing Differences in Accounts Receivable	545,750.69		61.24
	484,256.49		
Adjusted Book Balance	\$ 152,232,571.89	Adjusted Bank Balance	\$ 152,232,571.89