



Akron Public Schools

Financial Report Five Year Forecast

May 2015

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Akron Public Schools

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Forecast Purpose

This forecast is intended to assist the school district in the financial management of its resources. The forecast will provide trend information to help in the determination of local tax levy needs, union negotiations, program resource allocation, and overall effort to balance the district's budget. The forecast is also intended to provide insight into the future, rather than reaction to the past.

This report includes information regarding key revenue and expenditure assumptions as well as the resulting implications. Particular attention should be given to not only the relationship of expenditures to revenue, but the rate of any adverse trend (expenditures exceeding revenue). Cash balance reserves should be recognized as the stabilizing resource that they are, rather than as a revenue source to support ongoing operations.

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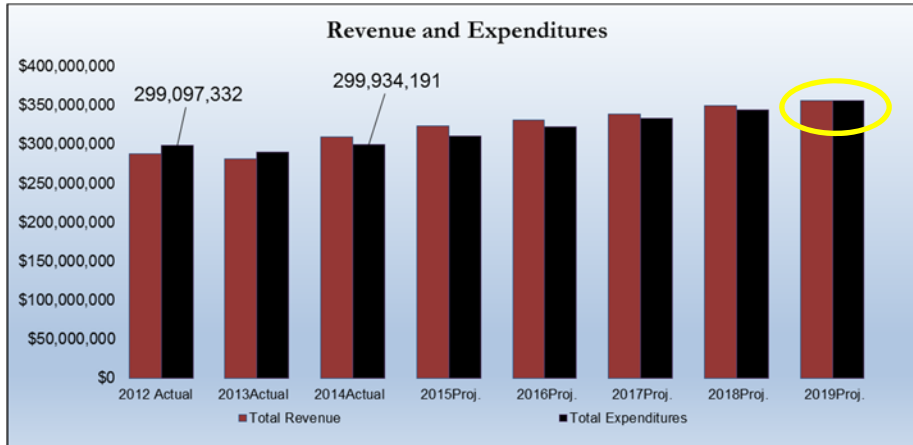
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Executive Summary

Forecast Summary

The current forecast is improved over October's estimate because of increased expectations related to revenue. First, with regard to state funding, the current budget deliberations at the state level are trending toward improvement. The forecast assumes some portion of this potential increase discussed below. In addition there was a slight improvement in



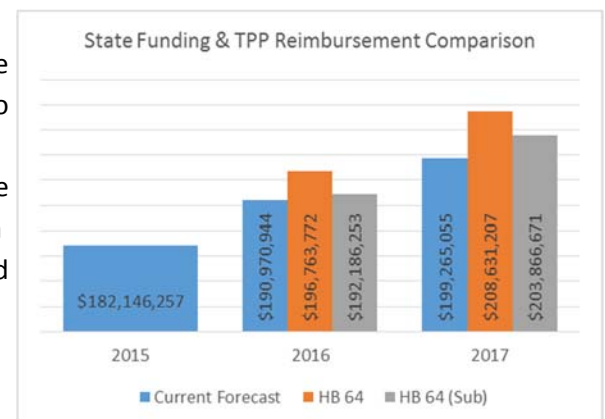
real estate revenue. Property values did decline, but did not decline as much as estimated in October. The result is a more stable cash balance and financial environment where restraint to contain operating costs will add to long-term sustainability. However, as the graph above shows, the district is trending toward expenditures that are just about balanced with revenue. Other factors that could impact both revenue and expenses need to be considered. For

example, with respect to expenditures the district will need to review its investment plans relative to capital needs such as academic materials, technology, and building upkeep. There is very little revenue capacity to restore services cut during the recession and to extend the life of the last levy approved by voters.

State Funding Scenarios

At present the state of Ohio is deliberating the school funding formula that will be in place effective July 1, 2015. The process may not be finalized until late June, 2015. The process will be monitored by the district and updated along the way. The district may need to consider a forecast update process in June based upon the final outcome of the legislation.

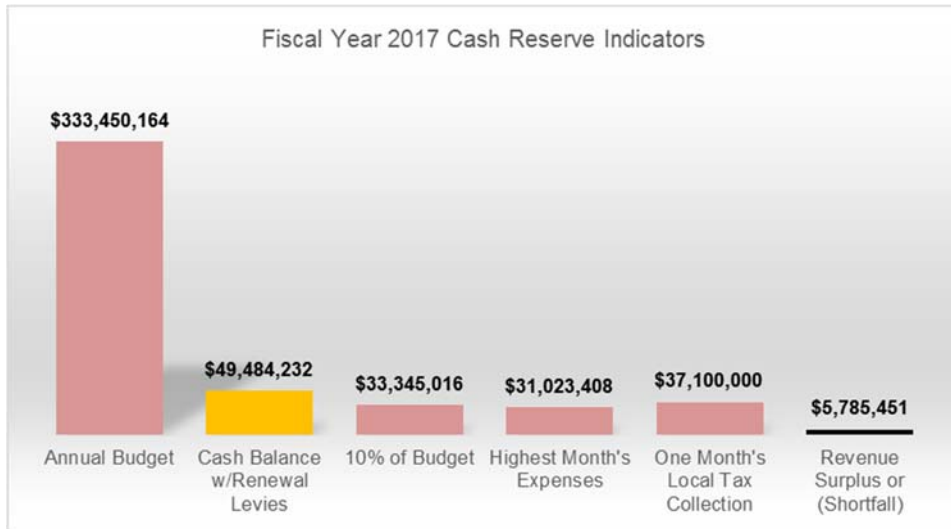
The current updated forecast is improved to reflect 5.0% year-over-year gains based upon the current state formula and law. To date there have been two formulas proposed for consideration. The graph to the right depicts a side-by-side comparison of the current forecast level of revenue versus the two proposals to date. The first proposal is the original HB 64 as introduced by the Governor. The formula contained in the executive budget is the most favorable toward the district. The formula proposed in the substitute HB 64 is less favorable but still would provide additional revenue over the current law/formula. Keep in mind that the state's budget process is a work-in-progress. The process has just now gone from the House to the Senate.





Cash Reserves

Because of cost containment efforts and additional state revenue (beginning in FY 2014), the district's current year's

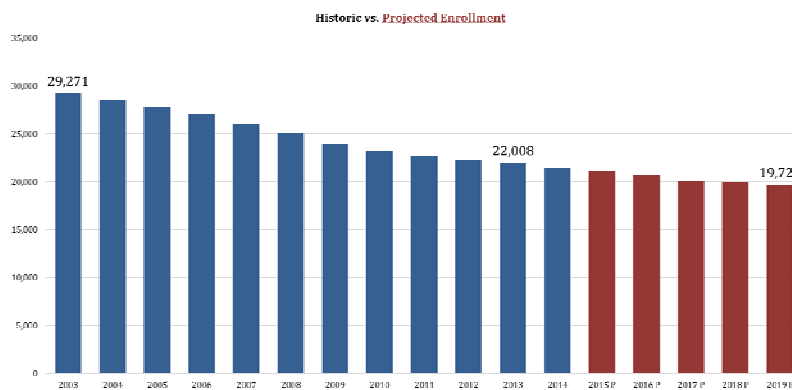


revenue will exceed expenditures. The forecast shows modest revenue surplus through FY 2018. This condition will enable the district to evaluate and build adequate cash reserves to weather economic turmoil and provide some sense of program stability for students. Akron Public Schools operates with a \$333 million general fund budget and as such is vulnerable to economic conditions, disruptions or delays in revenue, and simply large monthly cash needs. The

graph above is intended to provide a benchmark comparison of key indicators relative to the district's projected FY 2017 year-end cash balance. Additional work is needed to build and maintain adequate reserves that will ensure that services to students are not disrupted without adequate planning time.

Enrollment

Contributing to the sustainability challenge is the district's enrollment trend. A substantial enrollment decline has

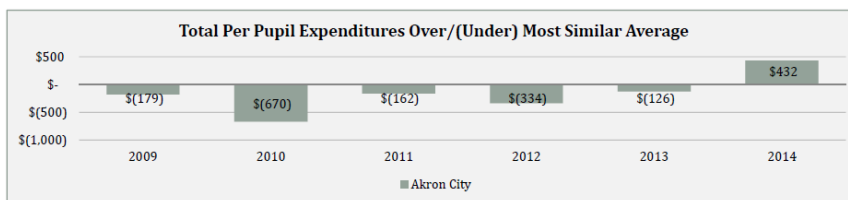
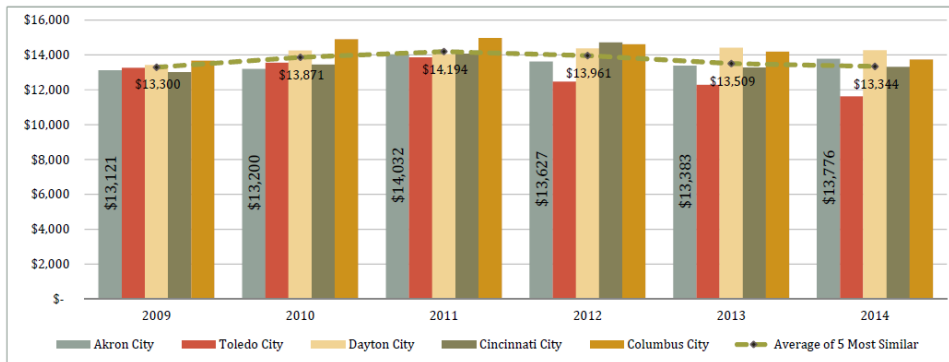


occurred since 2003 and projected declines continue through 2019. At present the district spends \$48,237,000 on tuition paid to community schools, public schools, and others to educate resident students. The decline in district enrollment should be a driving component of strategic discussion regarding operating efficiencies and sustainability.



Key Benchmark

The district's total per pupil expenditures total \$13,776 in 2014. This is the first year in recent history where the district's level of per pupil expenditures exceeded that of its most similar districts (by \$432 in 2014). One component of that change could be the enrollment decline discussed above.



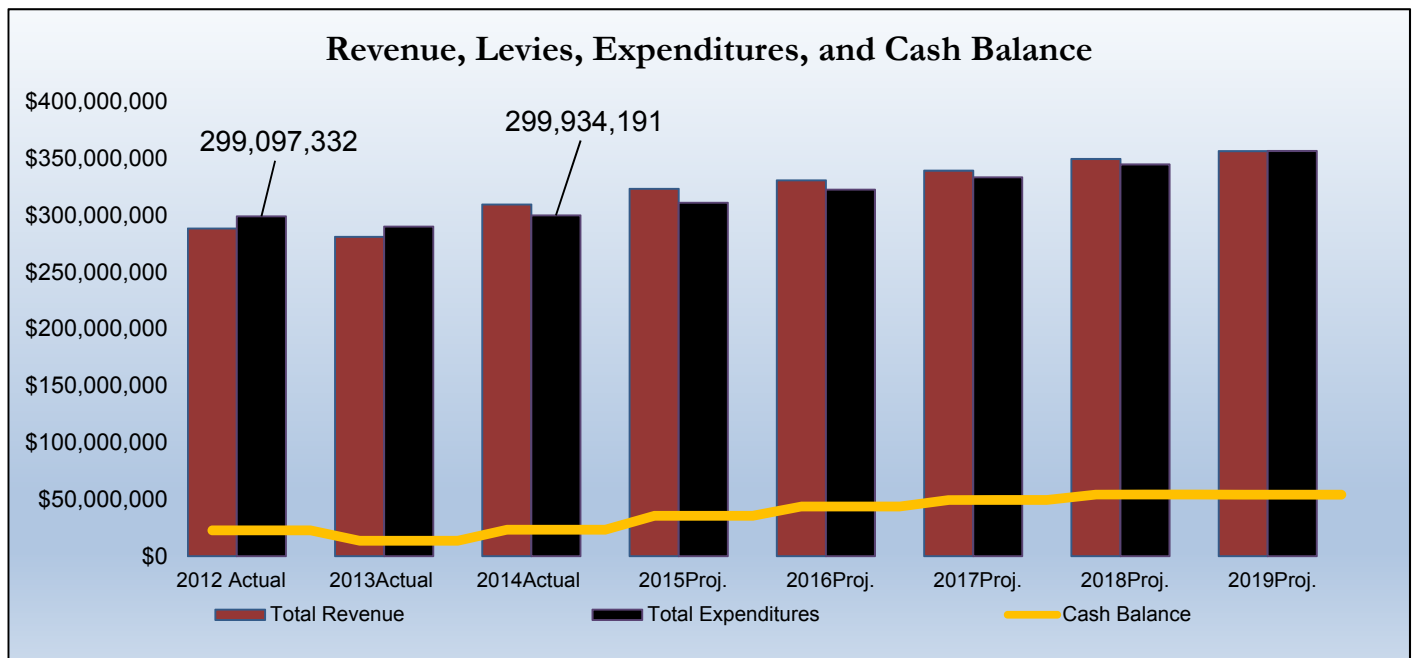
Summary

The detailed notes are an integral part of understanding the district's forecast and the challenges and opportunities that exist. Continued diligence is needed to ensure:

- Long term sustainability
- Taxpayer levy life cycles are responsible



Revenue, Expenditures and Cash Balance



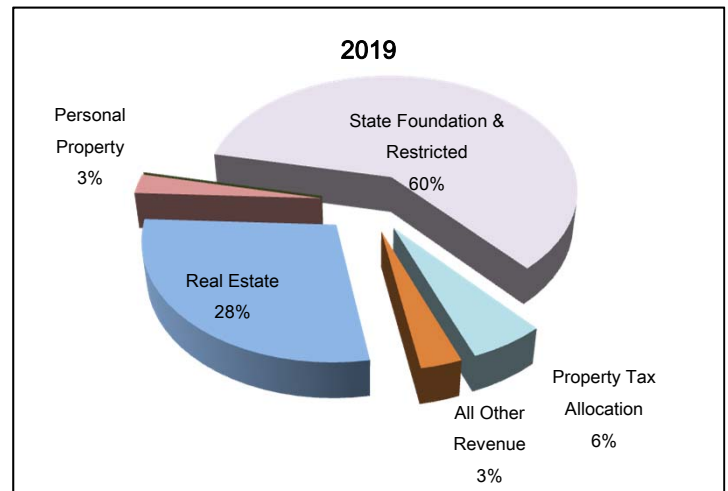
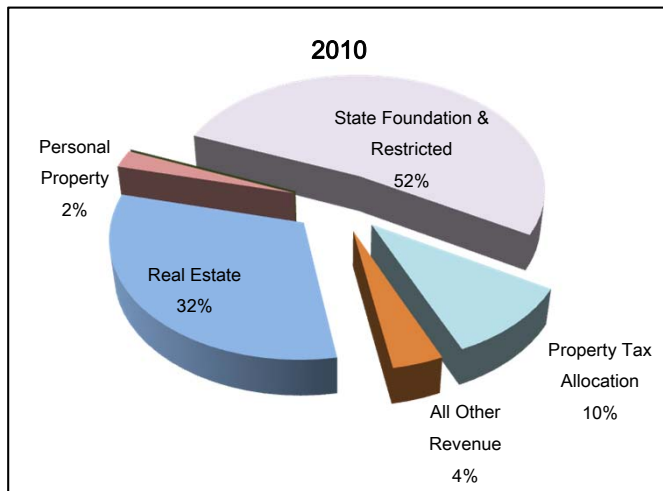
	PROJECTED				
	2015	2016	2017	2018	2019
Total Revenue	\$323,298,242	\$330,818,881	\$339,235,615	\$349,517,639	\$356,539,780
Total Expenditures	\$311,096,861	\$322,606,604	\$333,450,164	\$344,771,357	\$356,599,787
Revenue Over/(Under) Expenditures	\$12,201,382	\$8,212,278	\$5,785,451	\$4,746,282	(\$60,007)
Cash Balance	\$35,486,502	\$43,698,780	\$49,484,232	\$54,230,513	\$54,170,506

In Perspective:

Due to increases in state funding, the district's revenue exceeds expenditures, but is trending towards a diminishing level to a revenue shortfall in 2019. The shortfall will naturally grow in 2020 with this coming October's forecast. Best practice requires that the district keep its eye toward the longer term trends to ensure sufficient service levels for students, consistent levels of service, and good stewardship of local taxes and levies.



Sources of Revenue and Annual Changes



	Previous 5-Year Average Annual %	PROJECTED					Projected 5-Year Average Annual %
		Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	
Real Estate	2.41%	-2.08%	-1.51%	-0.11%	0.27%	0.27%	-0.63%
Personal Property	-5.80%	8.01%	3.77%	2.00%	2.50%	3.00%	3.86%
Income Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State Foundation & State Restricted	1.46%	9.80%	4.88%	4.36%	4.89%	3.07%	5.40%
Prop Tax Allocation	-3.05%	-0.84%	-0.88%	-0.17%	-0.09%	-0.05%	-0.41%
All Other Revenue	2.71%	-6.03%	1.00%	1.00%	1.00%	1.00%	-0.41%
Total Oper. Revenue	1.16%	4.43%	2.33%	2.54%	3.03%	2.01%	2.87%

Line 1.07 Operating Revenue Only, does not include Other Sources (transfers, advances, etc.)

State Unrestricted (1.035), Restricted (1.04), and Prior Years' SFSF (1.045) = "State Foundation & State Restricted"

In Perspective:

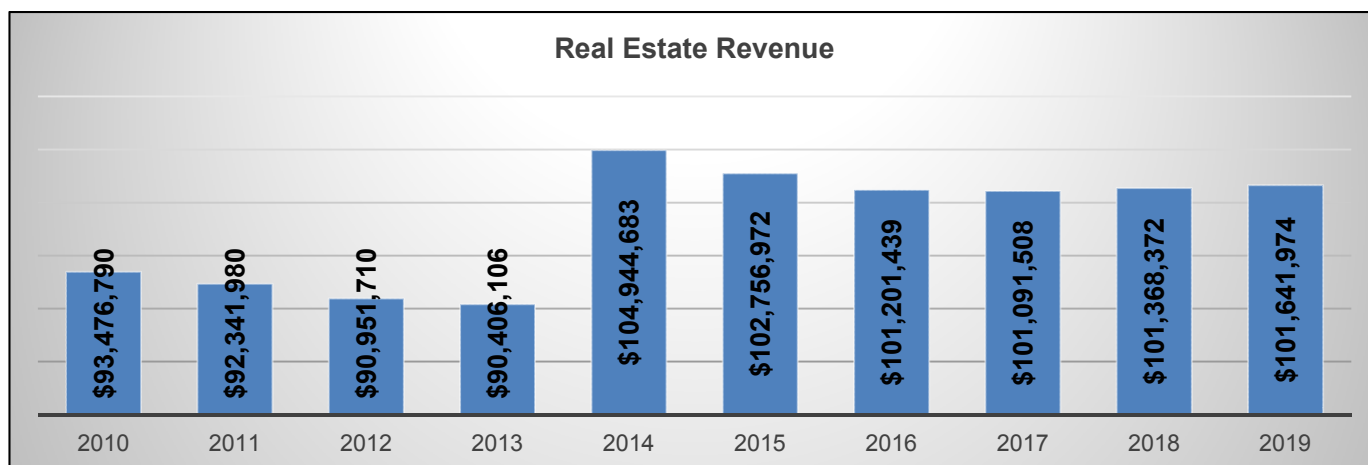
Even with state increases in revenue, the district's annual average revenue growth is only 2.87% through fiscal year 2019. The district's property values continue to constrain local tax revenue growth.



Significant Revenue Assumptions - Real Estate, 33.9% of FY 2014 Total Revenue

Revenue is dependent upon valuations, tax rates, and collection rate from local taxpayers

			66.21% of Total Real Estate Revenue		33.79% of Total Real Estate Revenue		Gross Collection Rate All Taxes	
			Effective Residential		Effective Business			
Tax Year	Real Property Valuation	Year-Over-Year Change	Tax Rate	Year-Over-Year Change	Tax Rate	Year-Over-Year Change		
2010	2,671,097,200	17,864,050	39.30	0.06	47.54	(0.33)	92.7%	Actual
2011	2,353,137,060	(317,960,140)	42.42	3.12	53.67	6.13	92.0%	Actual
2012	2,321,083,950	(32,053,110)	50.44	8.02	61.92	8.25	92.2%	Actual
2013	2,257,504,970	(63,578,980)	50.56	0.12	62.40	0.49	98.1%	Actual
2014	2,199,473,000	(58,031,970)	52.18	1.62	60.45	(1.96)	97.0%	Actual
2015	2,180,262,818	(19,210,182)	52.29	0.11	61.01	0.57	96.6%	Projected
2016	2,173,114,143	(7,148,675)	52.40	0.11	61.59	0.57	96.7%	Projected
2017	2,182,209,510	9,095,368	51.93	(0.48)	62.52	0.93	96.8%	Projected
2018	2,177,950,420	(4,259,090)	52.09	0.17	62.64	0.12	96.8%	Projected



In Perspective:

The district's property values declined by \$58,031,970 in 2014 for taxes collected in 2015.

The district's county-wide review of property values occurred in 2014 and overall values dropped by \$58,031,970. A drop in values also occurred in 2013 in response to contested business industrial and commercial property values.

The district's residential property values declined by 5.3% in 2014. On an annual basis this reduces billable taxes by \$1,850,891 on two-third's of the real estate revenue. At the same time, the business values increased, and the increase in values will generate an approximate \$685,000 increase in revenue. Still, there is a net annual loss of about \$1.2 million (spread over fiscal years 2015 and 2016).

Perhaps just as important as the revenue loss is the economic indicator from declining home values. The drop in home values is an indication of some ongoing local economic distress that may be impacting a majority of the district's homeowners.

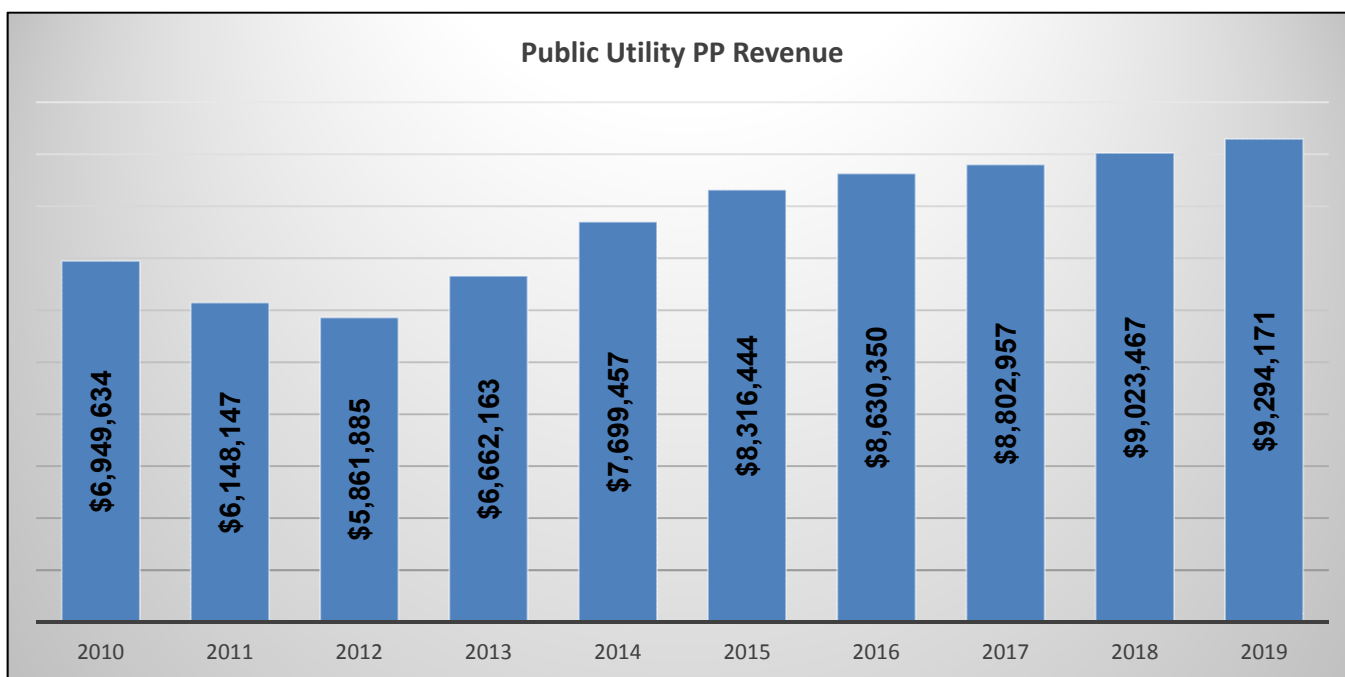
In October, and in advance of the county's actual valuation review, the forecast included a \$136,223,997 valuation decline. Both residential and business valuations performed favorably relative to estimated.



Significant Revenue Assumptions - Public Utility, 2.5% of FY 2014 Total Revenue

Public Utility Personal Property

Tax Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Tax Rate	76.00	76.00	76.00	76.00	76.00	76.00
Valuation	\$106,455,570	\$112,432,910	\$114,681,568	\$116,975,200	\$120,484,456	\$124,098,989



In Perspective:

Public utility personal property values increased in 2014 for collection in 2015.

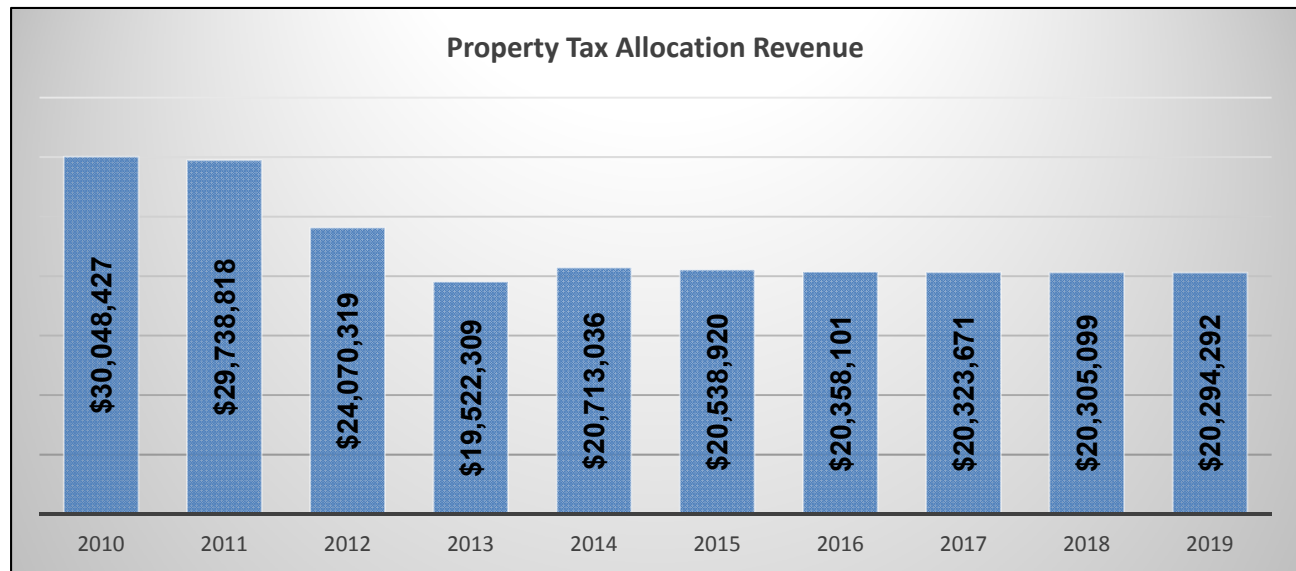
The district's valuation associated with public utilities (gas lines, power lines, equipment, etc.) did increase by 5.6% in 2014 (for collection in 2015). The improved valuation is projected to increase annual billable revenue by about \$454,278. This gain will help offset some of the net real estate property tax revenue decline.



Significant Revenue Assumptions - Property Tax Allocation, 6.7% of FY 2014 Total Revenue

Property Tax Allocation

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Reimbursement for:						
Tangible Pers. Fixed Rate	\$5,652,518	\$5,652,518	\$5,652,518	\$5,652,518	\$5,652,518	\$5,652,518
Tangible Pers Fixed Sum (Emerg.)	\$0	\$0	\$0	\$0	\$0	\$0
Reimbursement for Rollback and Homestead Real Estate	\$15,060,518	\$14,886,402	\$14,705,583	\$14,671,153	\$14,652,581	\$14,641,774



In Perspective:

Property tax reimbursement revenue is projected to remain stable.

The district receives two forms of reimbursement for local taxes. Seventy-five percent of the reimbursement revenue is generated from the state's reimbursement for homestead and rollback real estate credits (deductions locally). The remainder of this line item's revenue is generated from the state's reimbursement for tangible personal property taxes diverted from the district with the 2004 tax reform.

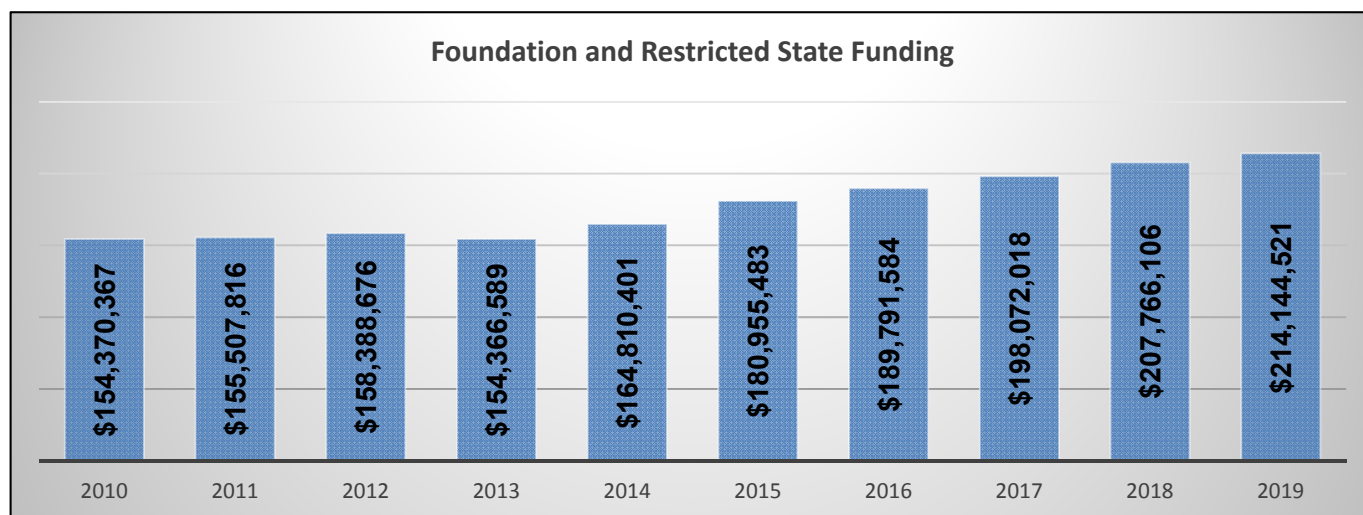
Both the executive budget (HB 64) and House version (Sub HB 64) provide for phase-out of this \$5,652,518 in revenue. This updated forecast leaves the revenue at the current level and further disclosure, impact, and modeling occurs in the state funding supplement.



Significant Revenue Assumptions - State Funding, 53.2% of FY 2014 Total Revenue

Foundation and Restricted State Funding

		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Funded Enrollment		27,092	27,316	27,048	27,312	27,436
Valuation Per Pupil		\$93,412	\$86,557	\$86,557	\$84,176	\$84,176
Per Pupil Core Funding		\$5,800	\$5,900	\$6,000	\$6,100	\$6,200
State's Share		67.0%	70.4%	70.4%	73.2%	73.2%
Net Per Pupil (State Share)		\$3,888	\$4,153	\$4,223	\$4,467	\$4,541
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Core Foundation Funding	\$135,155,495	\$150,421,401	\$159,118,686	\$167,682,354	\$177,162,675	\$183,458,939
All Other State Funding	\$5,100,282	\$4,461,744	\$4,473,158	\$4,459,481	\$4,472,942	\$4,479,299
Restricted State Funding	\$24,567,345	\$26,072,338	\$26,199,740	\$25,930,183	\$26,130,488	\$26,206,283



In Perspective:

State funding is projected using the current (2015) school funding laws and formula.

The current school funding formula provides for annual increases in revenue through the forecast period. The gains were capped in October at 2.5%, and that level is increased to 5.0% year-over-year gains in the current forecast.

As of this writing, the state is deliberating a state funding formula. There are two proposals under consideration and a side-by-side comparison is provided in the executive summary of this report. Both proposals provide more favorable revenue results than the current formula/laws.

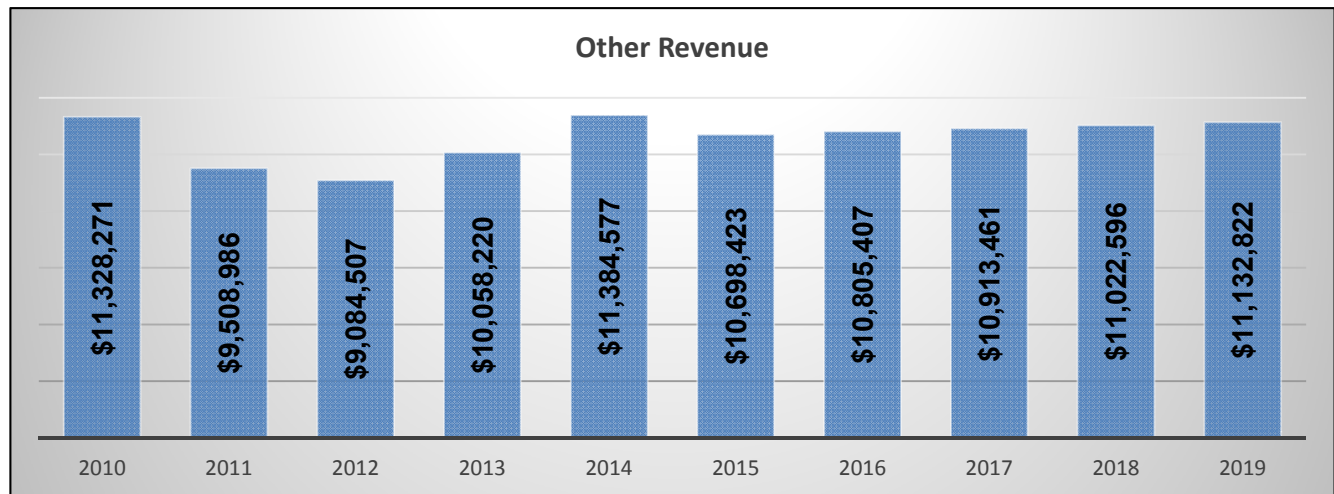
In reviewing state funding proposals it must be kept in mind that there are no finished laws yet. It is very likely that a final school funding formula will not be known until June, 2015. As more information is known it will be reported and the district may consider an updated forecast with the final state law modeled.



Significant Revenue Assumptions - All Other Revenue, 3.7% of FY 2014 Total Revenue

All Other Revenue

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total	\$10,058,220	\$11,384,577	\$10,698,423	\$10,805,407	\$10,913,461	\$11,022,596	\$11,132,822



In Perspective:

All other revenue is projected to decline in 2015.

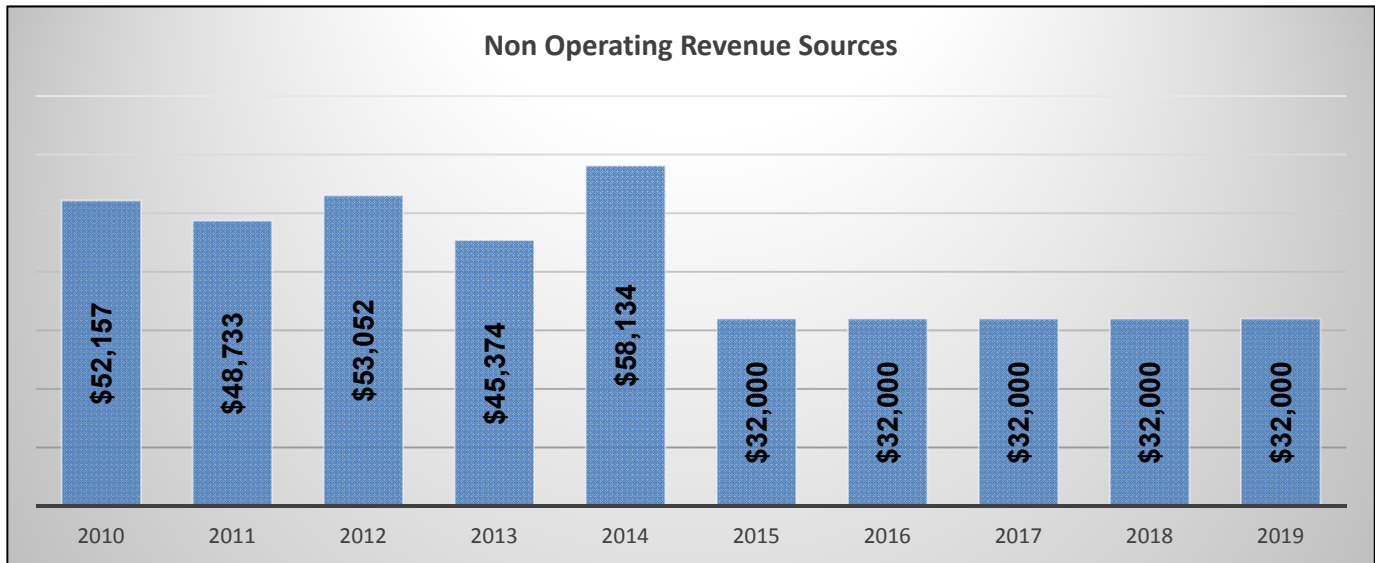
Payments in lieu of taxes are a major component of the "all other revenue" category. Through April, 2015 the district's in lieu of payments are running less than prior years'. Additional research is being conducted to determine a final impact (if any) on 2015 and beyond.



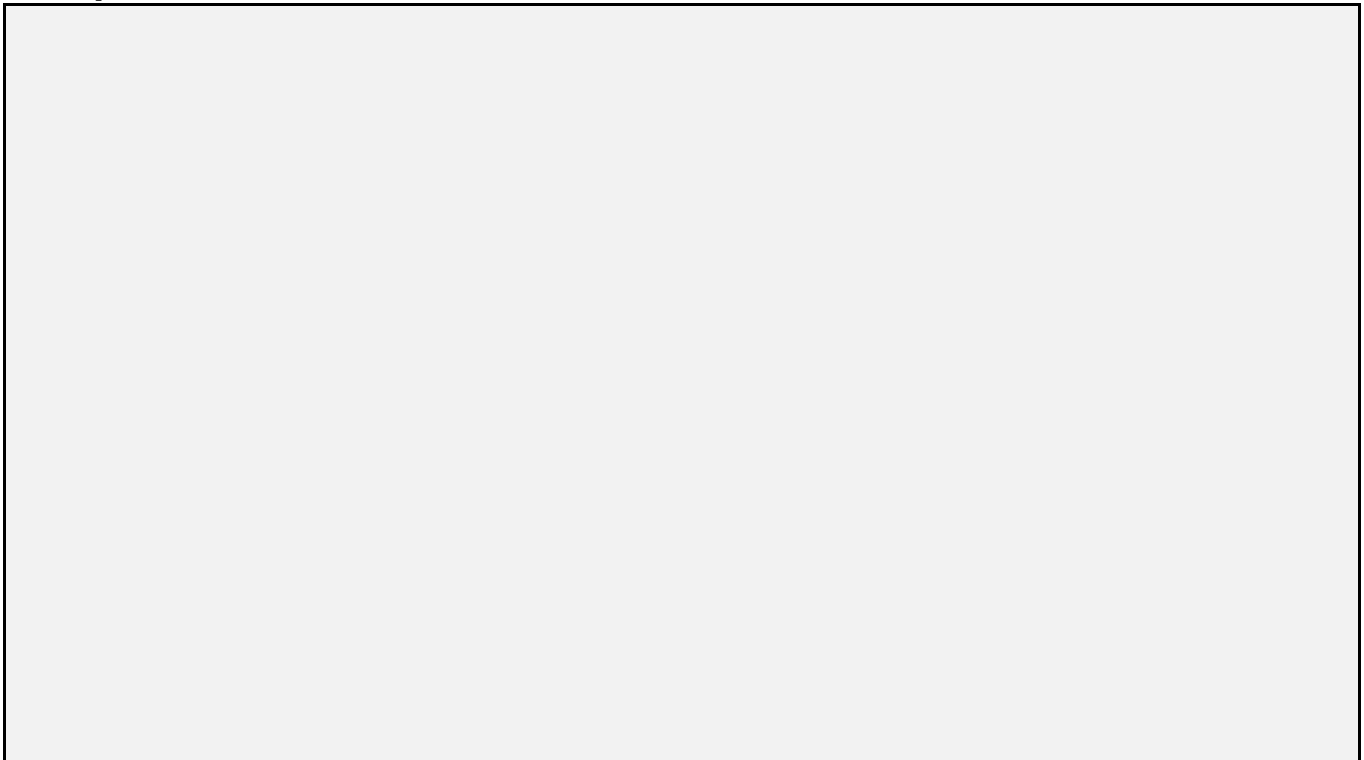
Significant Revenue Assumptions - Non-Operating Revenue, 0.0% of FY 2014 Total Revenue

Non Operating Revenue Sources

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Transfers In	\$45,324	\$58,134	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000
Advances In	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Financing Sources	\$50	\$0	\$0	\$0	\$0	\$0	\$0
Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0

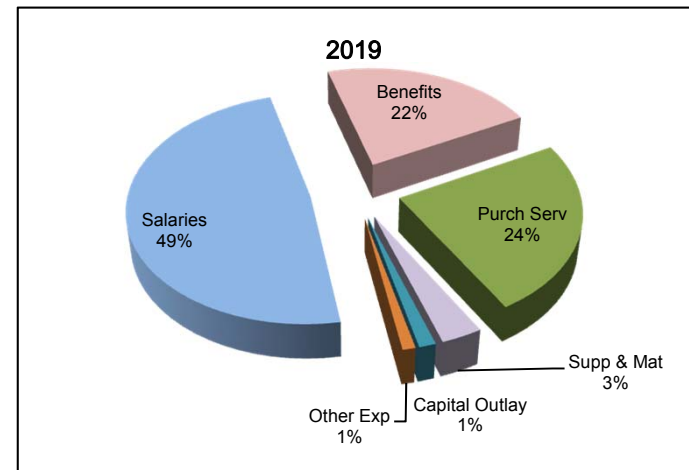
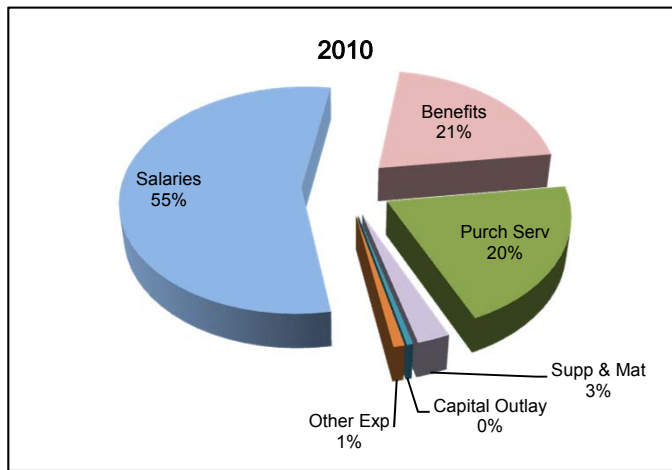


In Perspective:





Types of Expenditures and Annual Change



	Previous 5-Year Average Annual %	Projected					Projected 5-Year Average Annual %
		Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	
Salaries	-2.45%	6.88%	2.81%	2.19%	2.17%	2.15%	3.24%
Benefits & Retirement	-0.29%	-3.41%	5.72%	5.50%	5.57%	5.64%	3.81%
Purchased Services	5.87%	5.94%	3.84%	3.88%	3.93%	3.98%	4.31%
Supplies and Materials	7.53%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Capital Outlay	76.98%	-24.22%	3.00%	3.00%	3.00%	3.00%	-2.44%
Debt and Intergov. Pmts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All Other Exp.	5.49%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Operating Expenditures	0.27%	3.78%	3.70%	3.36%	3.40%	3.43%	3.53%

Note: Debt and Intergovernmental Payments Combined

Expenditures are projected to grow 3.53% annually through the forecast period.

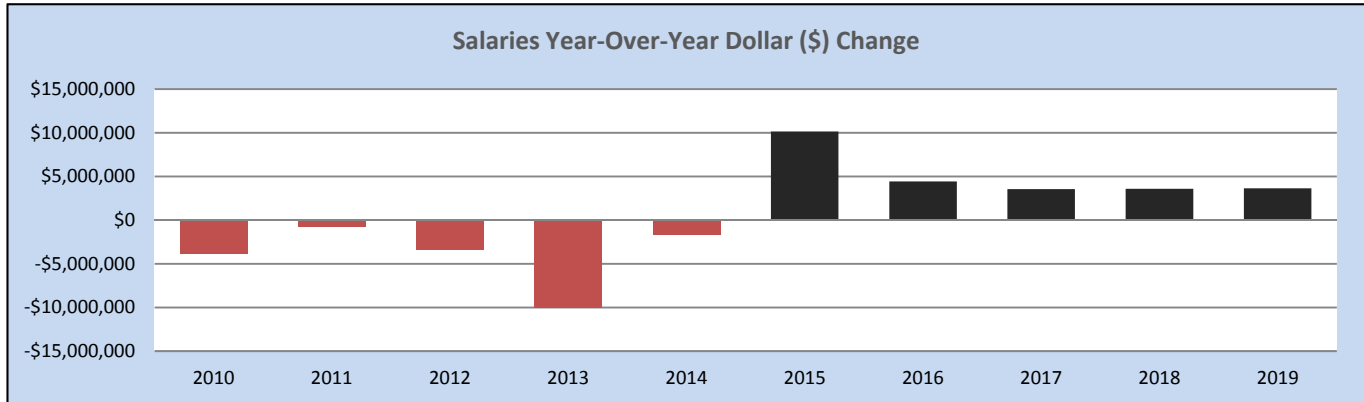
Benefits decreased in 2015 in response to a health insurance premium reduction. Purchased services are projected to increase at a slower pace than estimated in October. Overall expenditure growth is paced at 3.53% annually compared to October's 3.05% level.



Significant Expenditure Assumptions - Salaries, 49.1% of FY 2014 Total Expenditures

Salaries

	2012	2013	2014	2015	2016	2017	2018	2019
Total	\$159,022,391	\$148,932,444	\$147,305,015	\$157,445,501	\$161,876,690	\$165,414,468	\$168,998,868	\$172,628,714
Annual Dollar Increase		-\$10,089,947	-\$1,627,429	\$10,140,486	\$4,431,189	\$3,537,778	\$3,584,400	\$3,629,846
Annual Percent Growth		-6.34%	-1.09%	6.88%	2.81%	2.19%	2.17%	2.15%



Enrollment Change Compared to Staffing Change					
		Student		Employee	
		ADM	% Change	FTE	% Change
History	2009	23,940		0	
	2010	23,210	-3.05%	0	0.00%
	2011	22,724	-2.09%	3,926	0.00%
	2012	22,317	-1.79%	3,491	-11.08%
	2013	22,008	-1.38%	3,492	0.03%
	2014	21,400	-2.76%	3,487	-0.14%
Projected	2015	21,096	-1.42%	3,554	1.92%
	2016	20,679	-1.98%	3,554	0.00%
	2017	20,073	-2.93%	3,554	0.00%
	2018	19,979	-0.47%	3,554	0.00%
	2019	19,724	-1.28%	3,554	0.00%

In Perspective:

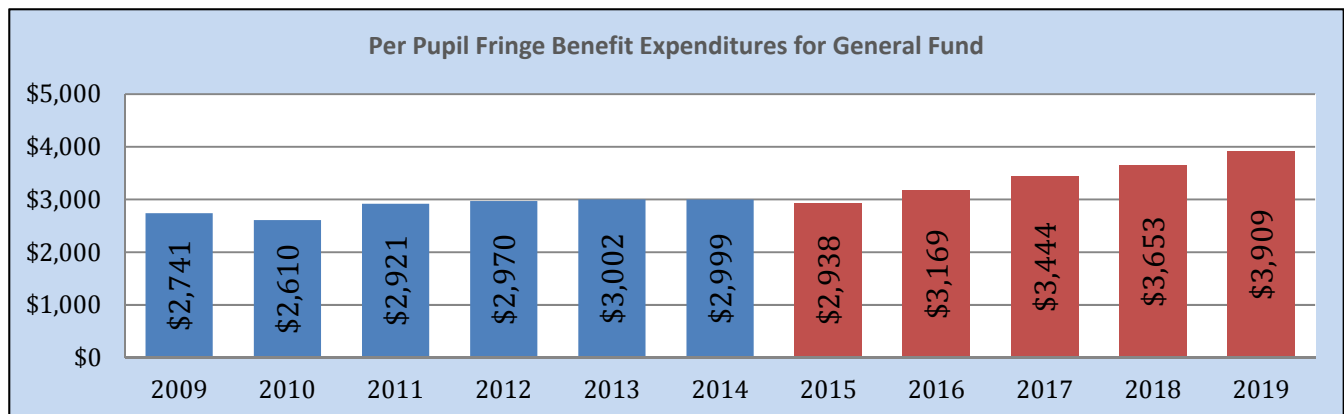
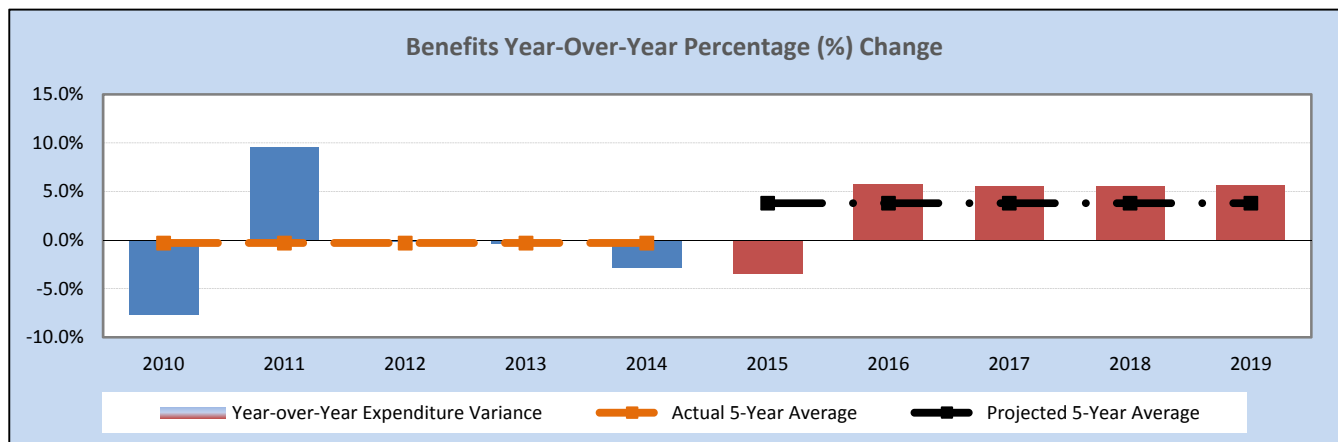
Particular attention needs paid to staffing versus student enrollment. The decline in district enrollment should be a driving component of the strategic discussion regarding operating efficiencies and sustainability.



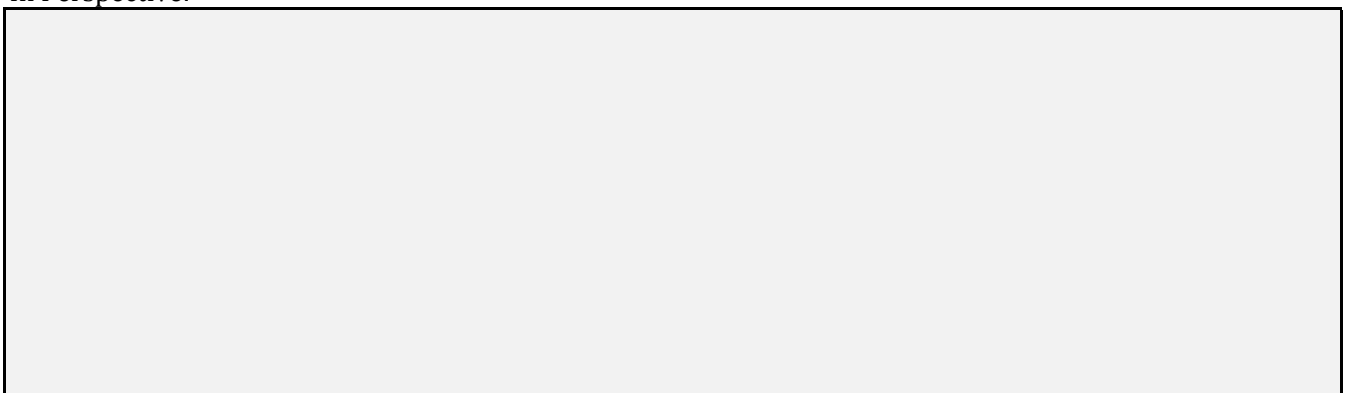
Significant Expenditure Assumptions - Benefits, 21.4% of FY 2014 Total Expenditures

Benefits

	2013	2014	2015	2016	2017	2018	2019
Health Insurance \$ Chg		-\$419,934	-\$3,485,490	\$2,752,022	\$2,972,183	\$3,209,958	\$3,466,755
Health Insurance % Chg		-1.1%	-9.2%	8.0%	8.0%	8.0%	8.0%
Health Insurance	\$38,305,694	\$37,885,760	\$34,400,270	\$37,152,292	\$40,124,475	\$43,334,433	\$46,801,188
All Other Benefits	\$27,767,917	\$26,282,792	\$27,582,255	\$28,376,929	\$29,011,382	\$29,654,195	\$30,305,160
Total	\$66,073,611	\$64,168,552	\$61,982,525	\$65,529,220	\$69,135,857	\$72,988,629	\$77,106,347



In Perspective:

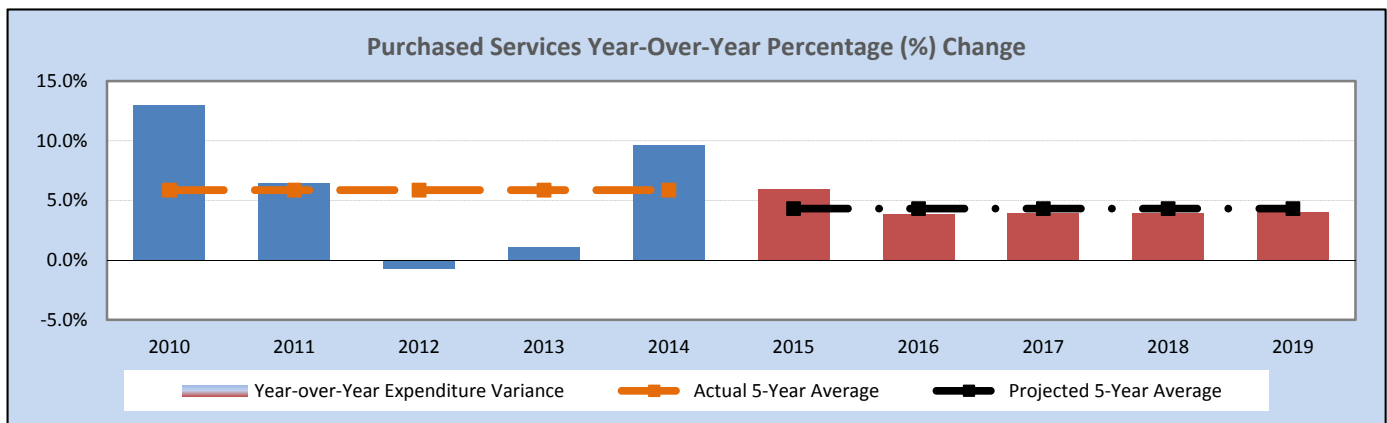




Significant Expenditure Assumptions - Purchased Services, 23.4% of FY 2014 Total Expenditures

Purchased Services

	2013	2014	2015	2016	2017	2018	2019
Comm. School Tuition	\$25,107,355	\$29,134,278	\$30,670,000	\$31,743,450	\$32,854,471	\$34,004,377	\$35,194,530
Open Enrollment Out	\$10,715,739	\$10,758,806	\$11,044,000	\$11,430,540	\$11,830,609	\$12,244,680	\$12,673,244
Scholarships & Transfers	\$4,148,787	\$4,867,801	\$6,523,000	\$7,175,300	\$7,892,830	\$8,682,113	\$9,550,324
Other	\$24,192,224	\$25,561,285	\$26,264,507	\$27,009,522	\$27,783,110	\$28,586,720	\$29,421,899
Total	\$64,164,105	\$70,322,170	\$74,501,507	\$77,358,812	\$80,361,020	\$83,517,891	\$86,839,998
YOY \$\$ Change	\$687,668	\$6,158,065	\$4,179,337	\$2,857,305	\$3,002,208	\$3,156,871	\$3,322,107
YOY % Change	1.1%	9.6%	5.9%	3.8%	3.9%	3.9%	4.0%



In Perspective:

District payments to community schools has grown by over \$5.0 million from 2013 to 2015. At the same time, tuition cost for open enrollment students has increased by over \$2.0 million and scholarship costs have gone up by \$1.4 million. Nearly two-thirds of the purchased service cost goes toward paying tuition for resident students to attend school elsewhere.

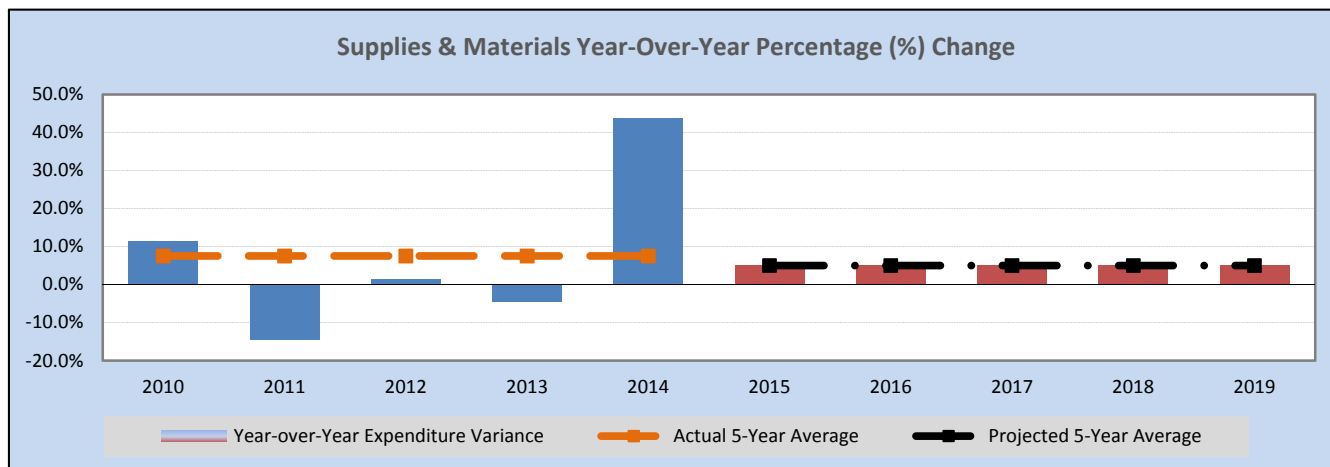
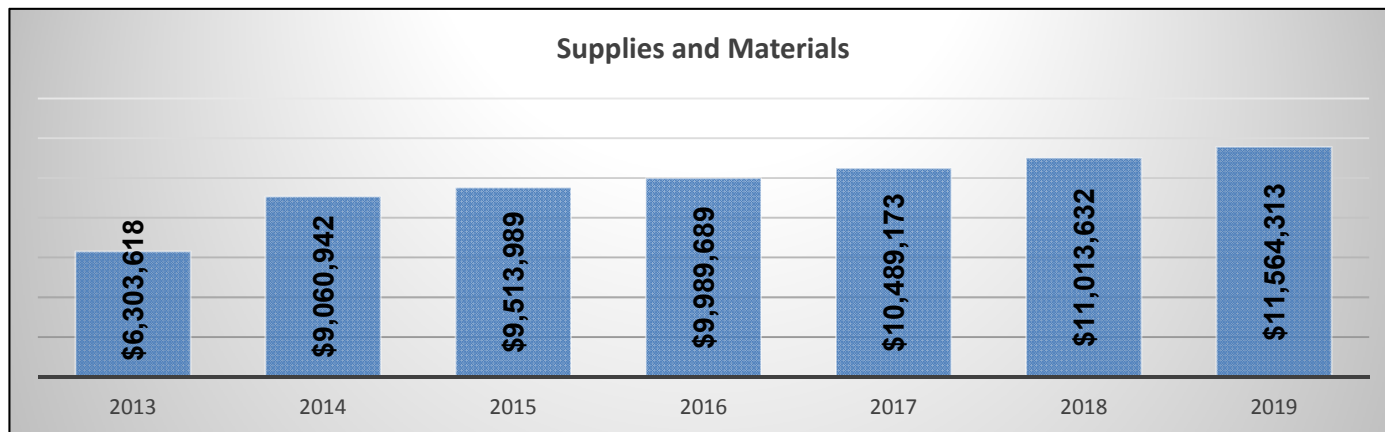
The growth is projected to slow in 2016 and beyond but will be monitored to determine if the change is deviating from projections.



Significant Expenditure Assumptions - Supplies & Materials, 3.0% of FY 2014 Total Expenditures

Supplies and Materials

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total	\$6,303,618	\$9,060,942	\$9,513,989	\$9,989,689	\$10,489,173	\$11,013,632	\$11,564,313



In Perspective:

Supply costs are projected to remain relatively stable through the forecast period.

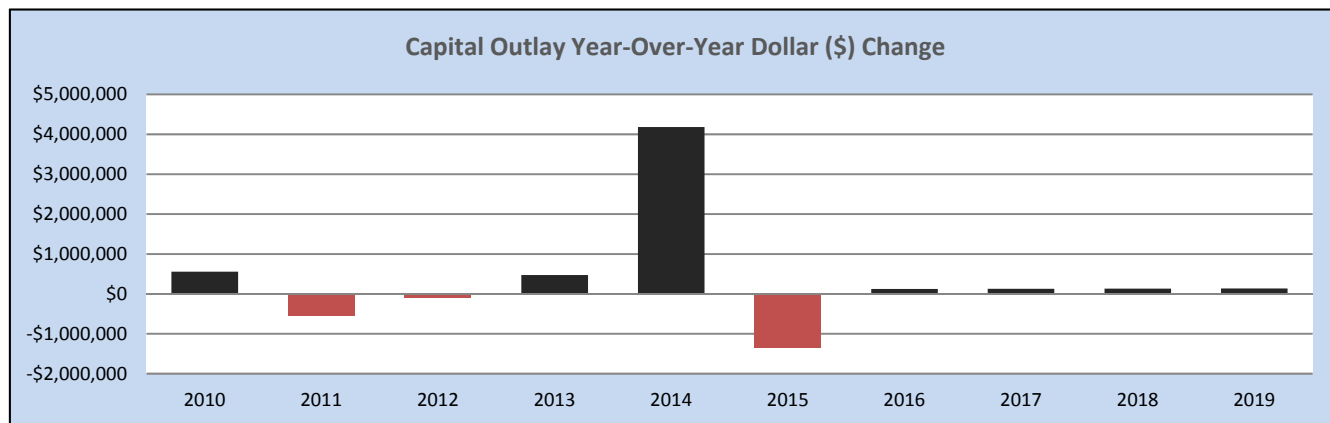
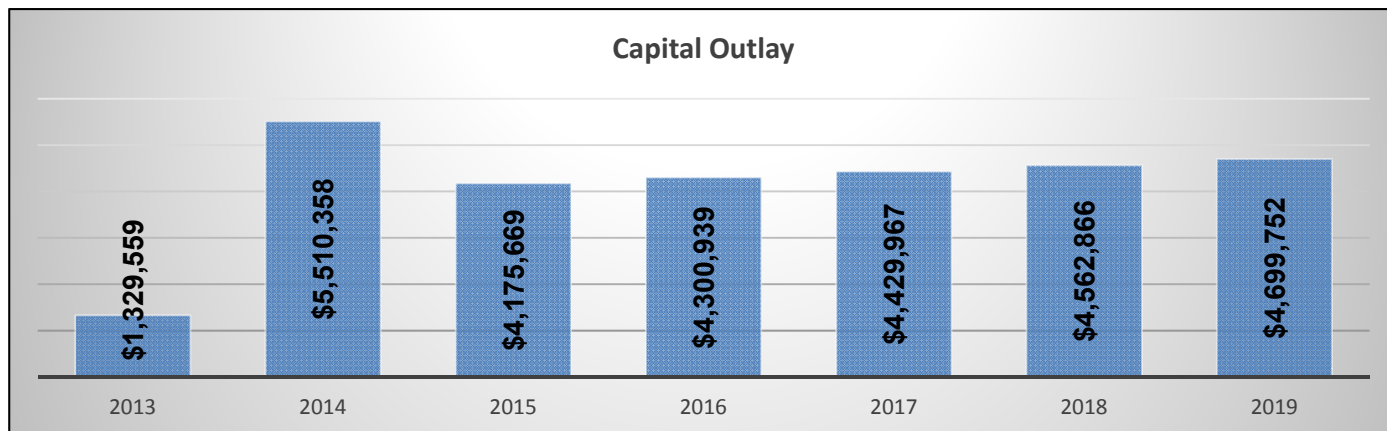
Prior to the May 2015 Forecast the district would estimate textbook, technology and other significant purchases through replacement cycles that would create fluctuations year-to-year. This forecast attempts to create a district practice that levels those fluctuations and determine best practice around the appropriate percentage of expenses dedicated.



Significant Expenditure Assumptions - Capital Outlay, 1.8% of FY 2014 Total Expenditures

Capital Outlay

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total	\$1,329,559	\$5,510,358	\$4,175,669	\$4,300,939	\$4,429,967	\$4,562,866	\$4,699,752



In Perspective:

Capital outlay is projected to remain stable through the forecast period, however, the district is working toward a five-year capital plan that could impact these projections.

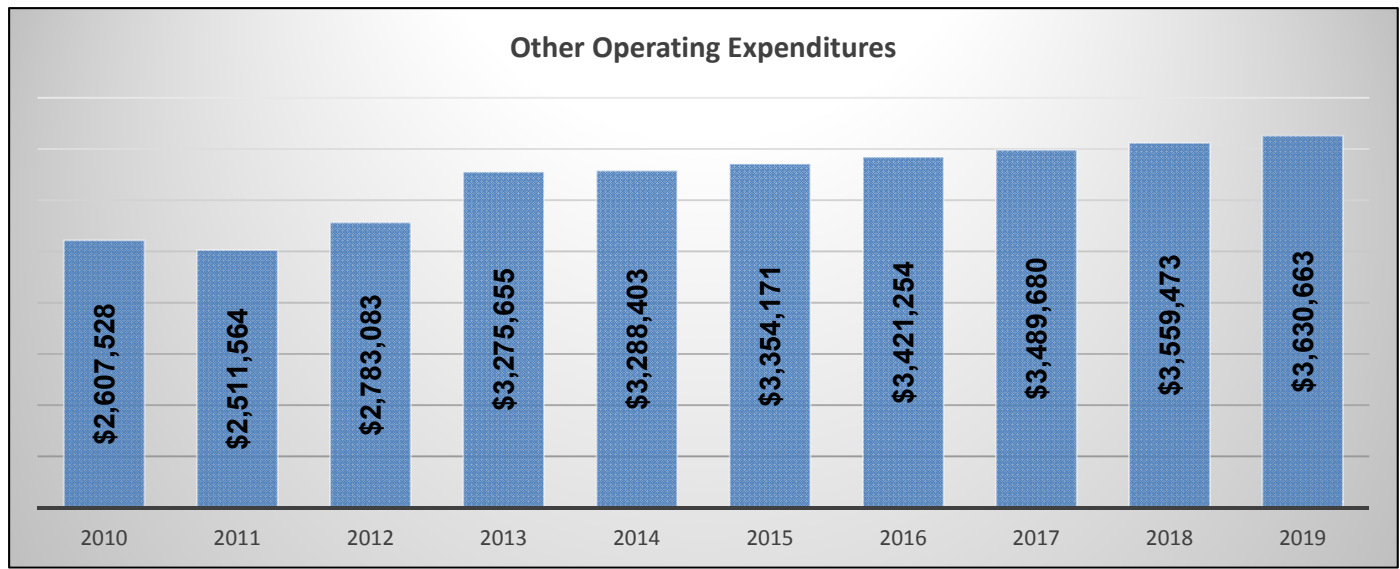
As the district continues to consolidate through the Ohio Facilities Construction Commission, busing, grounds equipment, building and land purchases/disposals should be planned and adopted into a formal capital improvement five-year budget.



Significant Expenditure Assumptions - Other Operating Expenditures, 1.1% of FY 2014 Total Expenditures

Other Operating Expenditures

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Intergovernmental, Debt & Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Objects	\$3,275,655	\$3,288,403	\$3,354,171	\$3,421,254	\$3,489,680	\$3,559,473	\$3,630,663



In Perspective:

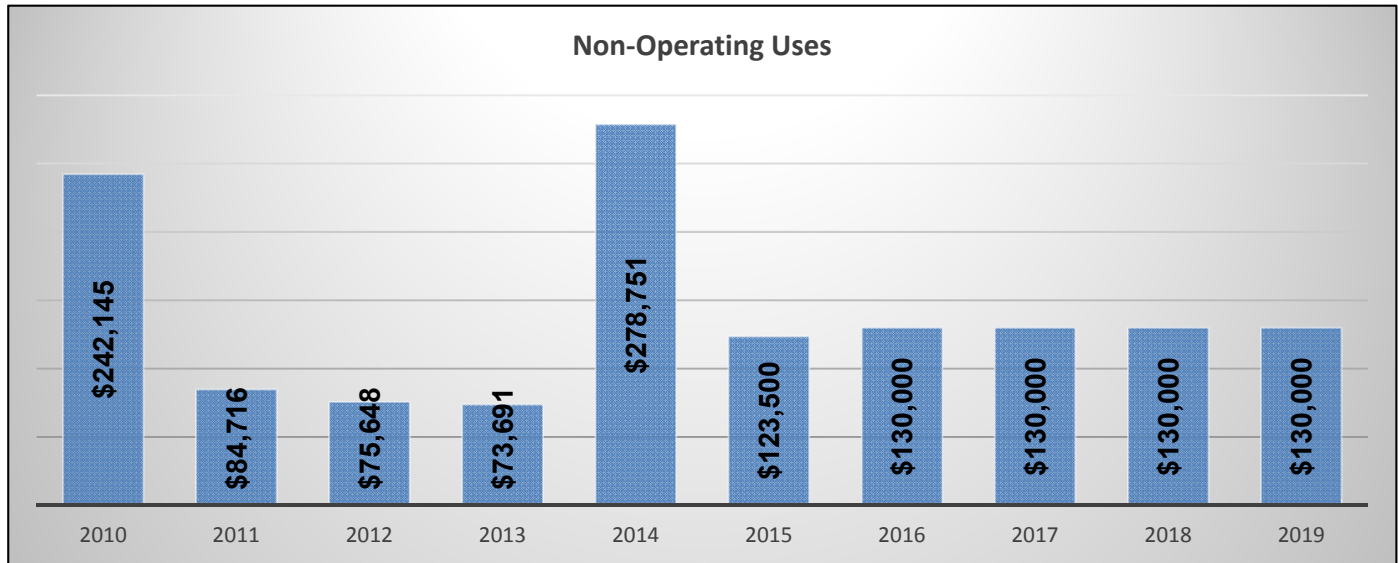
Other expenditures are primarily composed of auditor and treasurer fees and are projected to trend similarly through the forecast period.



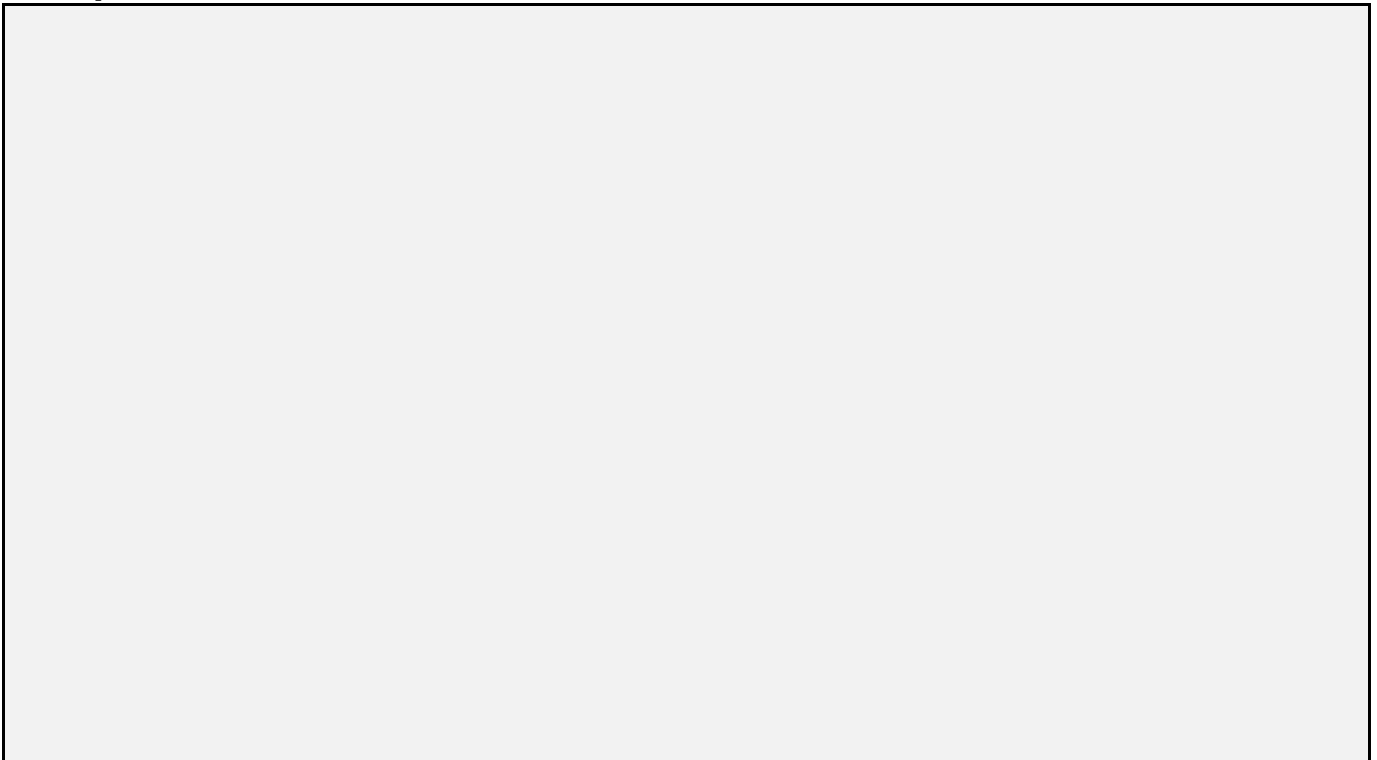
Significant Expenditure Assumptions - Non-Operating Uses, 0.1% of FY 2014 Total Expenditures

Non-Operating Uses

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Advances Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers Out	\$73,691	\$278,751	\$123,500	\$130,000	\$130,000	\$130,000	\$130,000
Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0

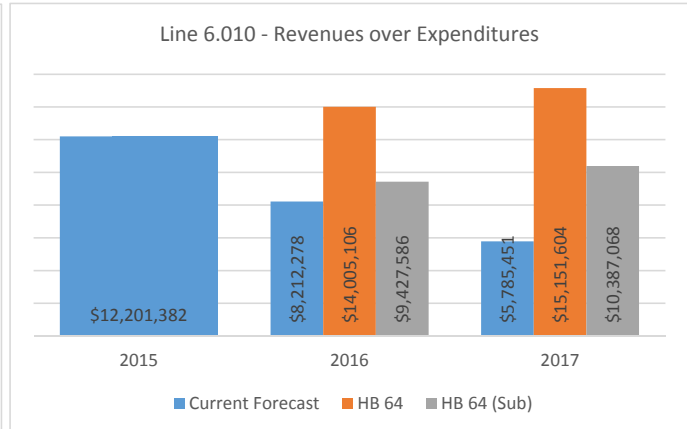
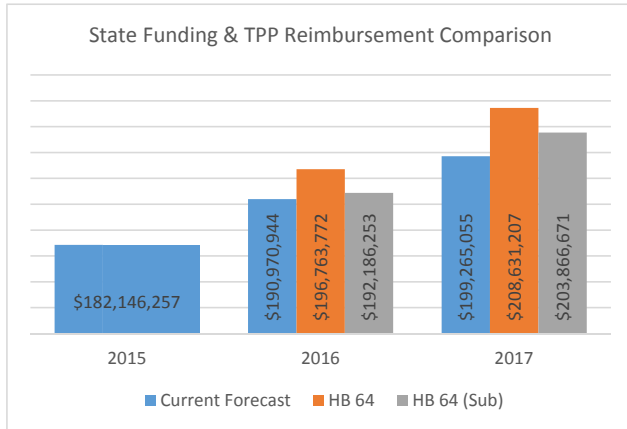


In Perspective:

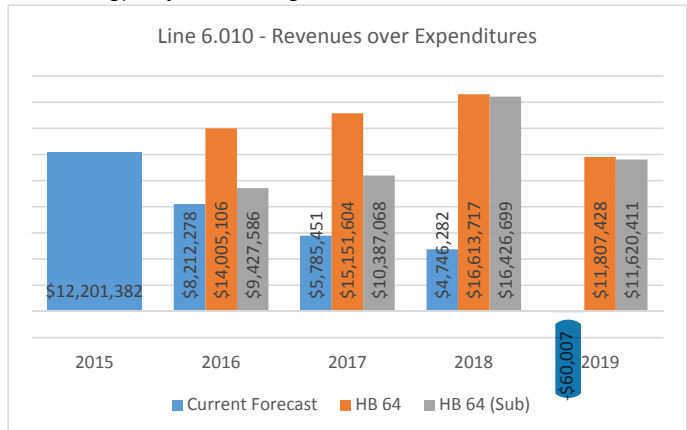
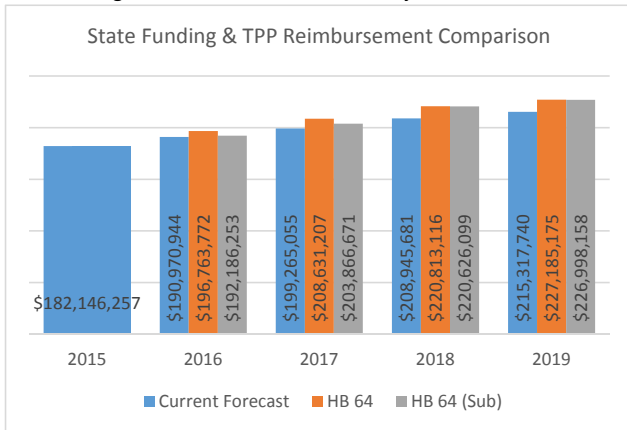


State Funding "What-If" Analysis

State Funding with TPP Reimbursement Projections - Using Simulations



State Funding with TPP Reimbursement Projections - With Simulation Methodology Projected Through 2019



Ending Cash Balance

	2015	2016	2017	2018	2019
Current Forecast	\$ 35,486,502	\$ 43,698,780	\$ 49,484,232	\$ 54,230,513	\$ 54,170,506
House Bill 64		\$ 49,491,608	\$ 58,850,384	\$ 66,097,948	\$ 66,037,941
Substitute HB 64		\$ 44,914,089	\$ 54,085,848	\$ 66,037,941	\$ 65,850,924

In Perspective:

The state budget starting July 1, 2015 is still in deliberations. The legislative process may not be finalized until June. The information above is intended to keep score of the two proposals that now exist. Both proposals currently are an improvement over the current formula and forecast. The impact will help the district to trend more positively.

- The budget is not final or law.
 - The district needs to remain diligent with respect to the revenue shortfalls.
 - The district will be considered a formula district if either of the new formulas are adopted.
- As such, the revenue projections will be enrollment and valuation dependent.





Comparison of Previous Forecast Amounts to Current

Fiscal Year 2015 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar	Percent
		Forecast	Forecast	Difference	Difference
		Amounts For	Amounts For	Between	Between
		F.Y. 2015	F.Y. 2015	Previous	Previous
		Prepared on:	Prepared on:	and	and
		10/23/2014	5/8/2015	Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$121,201,787	\$123,295,892	\$2,094,105	1.7%
2	Public Utility Personal Property	\$8,170,212	\$8,316,444	\$146,233	1.8%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$181,140,338	\$180,955,483	-\$184,855	-0.1%
5	Other Revenue	\$10,698,423	\$10,698,423	\$0	0.0%
6	Other Non Operating Revenue	\$32,000	\$32,000	\$0	0.0%
7	Total Revenue	\$321,242,760	\$323,298,242	\$2,055,483	0.6%
Expenditures:					
8	Salaries	\$156,445,501	\$157,445,501	\$1,000,000	0.6%
9	Fringe Benefits	\$63,687,207	\$61,982,525	-\$1,704,682	-2.7%
10	Purchased Services	\$75,016,060	\$74,501,507	-\$514,553	-0.7%
11	Supplies,Debt, Capital Outlay & Other	\$20,084,424	\$17,043,829	-\$3,040,595	-15.1%
12	Other Non Operating Expenditures	\$123,500	\$123,500	\$0	0.0%
13	Total Expenditures	\$315,356,691	\$311,096,861	-\$4,259,830	-1.4%
14	Revenue Over/(Under) Expenditures	\$5,886,068	\$12,201,382	\$6,315,313	2%*
15	Ending Cash Balance	\$29,171,189	\$35,486,502	\$6,315,313	107.3%*

In Perspective:

Current revenue projections are trending about 0.60% greater than estimated in October. The primary contributor to this slight gain is from real estate property valuations. The actual valuations received subsequent to the October forecast came in better than projected.

Operating expenditures are trending about 1.4% less than estimated in October. Capital outlay expense has trended lower than estimated and is likely a timing issue that will impact next year.



Comparison of Previous Forecast Amounts to Current

Fiscal Year 2016 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar	Percent
		Forecast	Forecast	Difference	Difference
		Amounts For	Amounts For	Between	Between
		F.Y. 2016	F.Y. 2016	Previous	Previous
		Prepared on:	Prepared on:	and	and
		10/23/2014	5/8/2015	Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$119,701,906	\$121,559,540	\$1,857,634	1.6%
2	Public Utility Personal Property	\$8,334,960	\$8,630,350	\$295,390	3.5%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$185,544,540	\$189,791,584	\$4,247,044	2.3%
5	Other Revenue	\$10,805,407	\$10,805,407	\$0	0.0%
6	Other Non Operating Revenue	\$32,000	\$32,000	\$0	0.0%
7	Total Revenue	\$324,418,814	\$330,818,881	\$6,400,068	2.0%
Expenditures:					
8	Salaries	\$159,893,320	\$161,876,690	\$1,983,370	1.2%
9	Fringe Benefits	\$67,752,434	\$65,529,220	-\$2,223,213	-3.3%
10	Purchased Services	\$78,989,845	\$77,358,812	-\$1,631,033	-2.1%
11	Supplies,Debt, Capital Outlay & Other	\$15,537,505	\$17,711,882	\$2,174,377	14.0%
12	Other Non Operating Expenditures	\$130,000	\$130,000	\$0	0.0%
13	Total Expenditures	\$322,303,103	\$322,606,604	\$303,500	0.1%
14	Revenue Over/(Under) Expenditures	\$2,115,710	\$8,212,278	\$6,096,567	1.9%*
15	Ending Cash Balance	\$31,286,900	\$43,698,780	\$12,411,880	586.7%*

In Perspective:

The current forecast reflects a 2.0% increase over the October forecast. Real estate revenue continues to trend slightly higher because valuations did not decline as much as anticipated in the October assumptions.

State revenue is increased because a 2.5% annual increase was used in October. Current state budget deliberations indicate additional funding. The annual increase is now modeled at 5.0% per year.

Expenditures are trending within 0.1% of the October forecast.



Comparison of Previous Forecast Amounts to Current

Fiscal Year 2017 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar	Percent
		Forecast	Forecast	Difference	Difference
		Amounts For	Amounts For	Between	Between
		F.Y. 2017	F.Y. 2017	Previous	Previous
		Prepared on:	Prepared on:	and	and
		10/23/2014	5/8/2015	Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$119,338,874	\$121,415,179	\$2,076,305	1.7%
2	Public Utility Personal Property	\$8,501,659	\$8,802,957	\$301,298	3.5%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$190,050,223	\$198,072,018	\$8,021,795	4.2%
5	Other Revenue	\$10,913,461	\$10,913,461	\$0	0.0%
6	Other Non Operating Revenue	\$32,000	\$32,000	\$0	0.0%
7	Total Revenue	\$328,836,218	\$339,235,615	\$10,399,397	3.2%
Expenditures:					
8	Salaries	\$159,544,097	\$165,414,468	\$5,870,371	3.7%
9	Fringe Benefits	\$70,551,052	\$69,135,857	-\$1,415,195	-2.0%
10	Purchased Services	\$82,668,384	\$80,361,020	-\$2,307,364	-2.8%
11	Supplies, Debt, Capital Outlay & Other	\$19,648,878	\$18,408,819	-\$1,240,059	-6.3%
12	Other Non Operating Expenditures	\$130,000	\$130,000	\$0	0.0%
13	Total Expenditures	\$332,542,410	\$333,450,164	\$907,753	0.3%
14	Revenue Over/(Under) Expenditures	-\$3,706,192	\$5,785,451	\$9,491,644	2.9%*
*Percentage Expressed In Terms of Total Expenditures					
15	Ending Cash Balance	\$27,580,708	\$49,484,232	\$21,903,524	-591%*

In Perspective:

Revenue trends are up slightly due to the real estate valuation results and state funding change.

Expenditures are trending up due to a change in salary parameters.



Comparison of Previous Forecast Amounts to Current

Fiscal Year 2018 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous	Current	Dollar	Percent
		Forecast	Forecast	Difference	Difference
		Amounts For	Amounts For	Between	Between
		F.Y. 2018	F.Y. 2018	Previous	Previous
		Prepared on:	Prepared on:	and	and
		10/23/2014	5/8/2015	Current	Current
Revenue:					
1	Real Estate & Property Allocation	\$119,367,948	\$121,673,471	\$2,305,523	1.9%
2	Public Utility Personal Property	\$8,714,622	\$9,023,467	\$308,845	3.5%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$194,695,949	\$207,766,106	\$13,070,156	6.7%
5	Other Revenue	\$11,022,596	\$11,022,596	\$0	0.0%
6	Other Non Operating Revenue	\$32,000	\$32,000	\$0	0.0%
7	Total Revenue	\$333,833,115	\$349,517,639	\$15,684,524	4.7%
Expenditures:					
8	Salaries	\$158,978,201	\$168,998,868	\$10,020,667	6.3%
9	Fringe Benefits	\$73,523,052	\$72,988,629	-\$534,423	-0.7%
10	Purchased Services	\$86,417,719	\$83,517,891	-\$2,899,829	-3.4%
11	Supplies,Debt, Capital Outlay & Other	\$15,844,963	\$19,135,971	\$3,291,007	20.8%
12	Other Non Operating Expenditures	\$130,000	\$130,000	\$0	0.0%
13	Total Expenditures	\$334,893,935	\$344,771,357	\$9,877,422	2.9%
14	Revenue Over/(Under) Expenditures	-\$1,060,820	\$4,746,282	\$5,807,102	1.7%*
*Percentage Expressed In Terms of Total Expenditures					
15	Ending Cash Balance	\$26,519,887	\$54,230,513	\$27,710,626	-2612.2%*

In Perspective:

Revenue trends are up slightly due to the real estate valuation results and state funding change.

Expenditures are trending up due to a change in salary parameters.



Comparison of Previous Forecast Amounts to Current

Fiscal Year 2019 Forecasted Amounts

		Column A	Column B	Column C	Column D
		Previous Forecast Amounts For F.Y. 2019 Prepared on: 10/23/2014	Current Forecast Amounts For F.Y. 2019 Prepared on: 5/8/2015	Dollar Difference Between Previous and Current	Percent Difference Between Previous and Current
Revenue:					
1	Real Estate & Property Allocation	\$119,499,336	\$121,936,266	\$2,436,930	2.0%
2	Public Utility Personal Property	\$8,976,060	\$9,294,171	\$318,111	3.5%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$199,450,291	\$214,144,521	\$14,694,230	7.4%
5	Other Revenue	\$11,132,822	\$11,132,822	\$0	0.0%
6	Other Non Operating Revenue	\$32,000	\$32,000	\$0	0.0%
7	Total Revenue	\$339,090,509	\$356,539,780	\$17,449,271	5.1%
Expenditures:					
8	Salaries	\$161,896,201	\$172,628,714	\$10,732,513	6.6%
9	Fringe Benefits	\$77,329,999	\$77,106,347	-\$223,652	-0.3%
10	Purchased Services	\$90,137,066	\$86,839,998	-\$3,297,069	-3.7%
11	Supplies,Debt, Capital Outlay & Other	\$18,704,963	\$19,894,728	\$1,189,764	6.4%
12	Other Non Operating Expenditures	\$130,000	\$130,000	\$0	0.0%
13	Total Expenditures	\$348,198,229	\$356,599,787	\$8,401,557	2.4%
14	Revenue Over/(Under) Expenditures	-\$9,107,720	-\$60,007	\$9,047,713	2.6%*
*Percentage Expressed In Terms of Total Expenditures					
15	Ending Cash Balance	\$17,412,167	\$54,170,506	\$36,758,339	-403.6%*

In Perspective:

Revenue trends are up slightly due to the real estate valuation results and state funding changes.

Expenditures are trending up due to a change in salary parameters.

Akron Public Schools Schedule Of Revenue, Expenditures and Changes In Fund Balances Actual and Forecasted Operating Fund								
	ACTUAL			FORECASTED				
	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Revenue:								
1.010 - General Property Tax (Real Estate)	90,951,710	90,406,106	104,944,683	102,756,972	101,201,439	101,091,508	101,368,372	101,641,974
1.020 - Public Utility Personal Property	5,861,885	6,662,163	7,699,457	8,316,444	8,630,350	8,802,957	9,023,467	9,294,171
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	149,391,908	150,729,083	140,255,777	154,883,145	163,591,844	172,141,835	181,635,617	187,938,238
1.040 - Restricted Grants-in-Aid	2,915,448	2,906,592	24,554,624	26,072,338	26,199,740	25,930,183	26,130,488	26,206,283
1.045 - Restricted Federal Grants-in-Aid - SFSF	6,081,319	730,914	-	-	-	-	-	-
1.050 - Property Tax Allocation	24,070,319	19,522,309	20,713,036	20,538,920	20,358,101	20,323,671	20,305,099	20,294,292
1.060 - All Other Operating Revenues	9,084,507	10,058,220	11,384,577	10,698,423	10,805,407	10,913,461	11,022,596	11,132,822
1.070 - Total Revenue	288,357,097	281,015,387	309,552,154	323,266,242	330,786,881	339,203,615	349,485,639	356,507,780
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	37,723	45,324	58,134	32,000	32,000	32,000	32,000	32,000
2.050 - Advances-In	-	-	-	-	-	-	-	-
2.060 - All Other Financing Sources	15,329	50	-	-	-	-	-	-
2.070 - Total Other Financing Sources	53,052	45,374	58,134	32,000	32,000	32,000	32,000	32,000
2.080 - Total Revenues and Other Financing Sources	288,410,149	281,060,761	309,610,287	323,298,242	330,818,881	339,235,615	349,517,639	356,539,780
Expenditures:								
3.010 - Personnel Services	159,022,391	148,932,444	147,305,015	157,445,501	161,876,690	165,414,468	168,998,868	172,628,714
3.020 - Employees' Retirement/Insurance Benefits	66,284,357	66,073,611	64,168,552	61,982,525	65,529,220	69,135,857	72,988,629	77,106,347
3.030 - Purchased Services	63,476,437	64,164,105	70,322,170	74,501,507	77,358,812	80,361,020	83,517,891	86,839,998
3.040 - Supplies and Materials	6,599,212	6,303,618	9,060,942	9,513,989	9,989,689	10,489,173	11,013,632	11,564,313
3.050 - Capital Outlay	856,204	1,329,559	5,510,358	4,175,669	4,300,939	4,429,967	4,562,866	4,699,752
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-	-	-
4.300 - Other Objects	2,783,083	3,275,655	3,288,403	3,354,171	3,421,254	3,489,680	3,559,473	3,630,663
4.500 - Total Expenditures	299,021,684	290,078,992	299,655,440	310,973,361	322,476,604	333,320,164	344,641,357	356,469,787
Other Financing Uses								
5.010 - Operating Transfers-Out	75,648	73,691	278,751	123,500	130,000	130,000	130,000	130,000
5.020 - Advances-Out	-	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	75,648	73,691	278,751	123,500	130,000	130,000	130,000	130,000
5.050 - Total Expenditures and Other Financing Uses	299,097,332	290,152,683	299,934,191	311,096,861	322,606,604	333,450,164	344,771,357	356,599,787
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	(10,687,183)	(9,091,922)	9,676,096	12,201,382	8,212,278	5,785,451	4,746,282	(60,007)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	33,388,130	22,700,947	13,609,025	23,285,121	35,486,502	43,698,780	49,484,232	54,230,513
7.020 - Cash Balance June 30	22,700,947	13,609,025	23,285,121	35,486,502	43,698,780	49,484,232	54,230,513	54,170,506
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-	-	-
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
10.010 - of Appropriations	22,700,947	13,609,025	23,285,121	35,486,502	43,698,780	49,484,232	54,230,513	54,170,506
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	22,700,947	13,609,025	23,285,121	35,486,502	43,698,780	49,484,232	54,230,513	54,170,506
Revenue from New Levies								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	22,700,947	13,609,025	23,285,121	35,486,502	43,698,780	49,484,232	54,230,513	54,170,506