



**Akron Public
Schools.**

Five Year Forecast Financial Report

May, 2021

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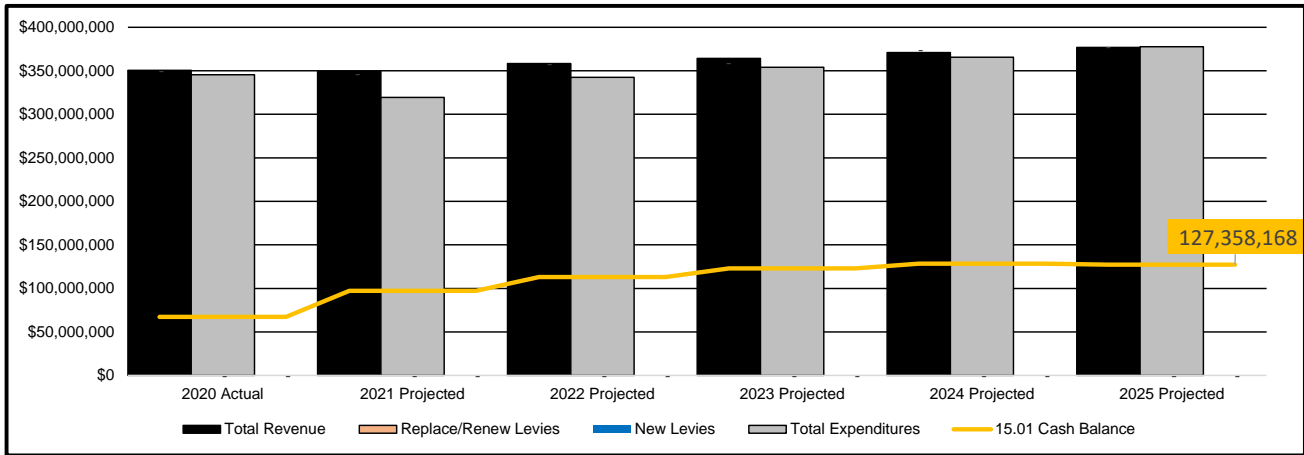
Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary



Note: Cash balance includes any existing levy modeled as renewed during the forecast.
Cash balance is not reduced for encumbrances.

Financial Forecast

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	67,242,284	97,105,687	112,970,153	123,030,699	128,385,417
+ Revenue	349,202,789	358,413,295	364,165,106	370,910,311	376,774,633
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(319,339,386)	(342,548,829)	(354,104,559)	(365,555,593)	(377,801,882)
= Revenue Surplus or Deficit	29,863,403	15,864,466	10,060,547	5,354,718	(1,027,249)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	97,105,687	112,970,153	123,030,699	128,385,417	127,358,168

Analysis Without Renewal Levies Included:

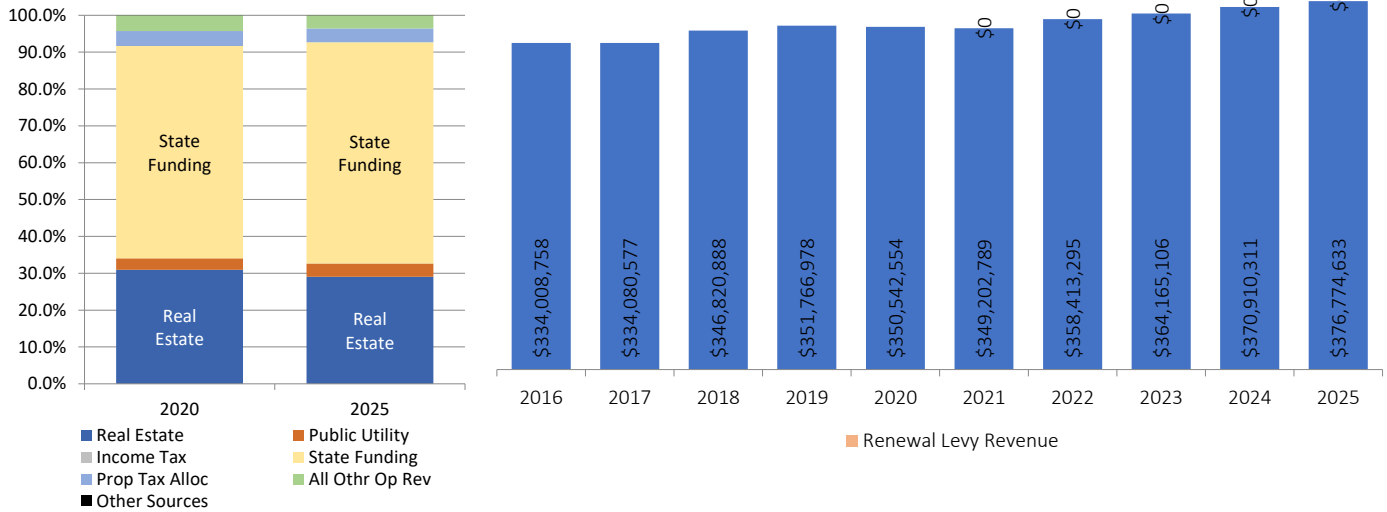
Revenue Surplus or Deficit w/o Levies	29,863,403	15,864,466	10,060,547	5,354,718	(1,027,249)
Ending Balance w/o Levies	97,105,687	112,970,153	123,030,699	128,385,417	127,358,168

In FY 2021 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$29,863,403 in FY 2021. By the last year of the forecast, FY 2025, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$1,027,249. The district would need to cut its FY 2025 projected expenses by 0.27% in order to balance its budget without additional revenue.

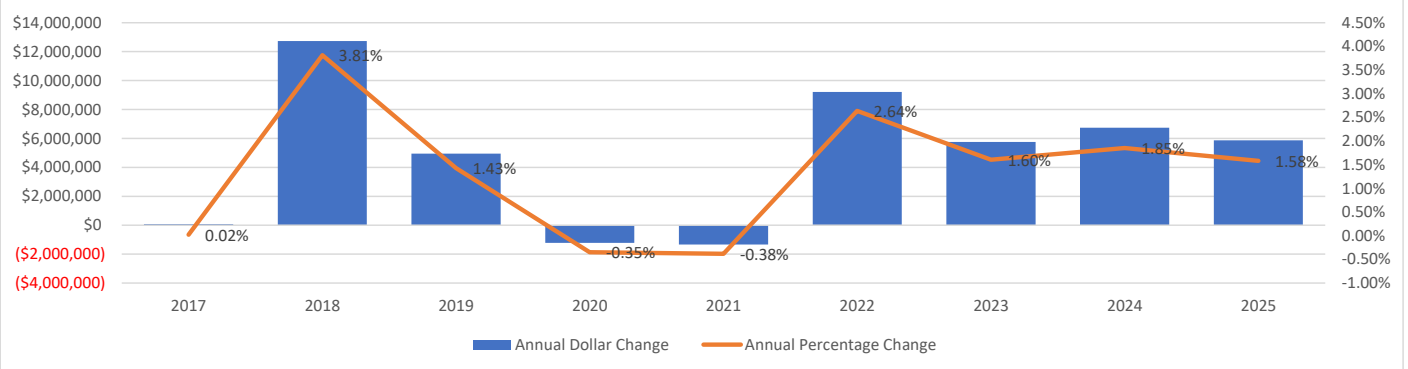
The district's cash balance is positive at year-end in FY 2021 and is projected to improve by FY 2025. A worsening cash balance can erode the district's financial stability over time.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



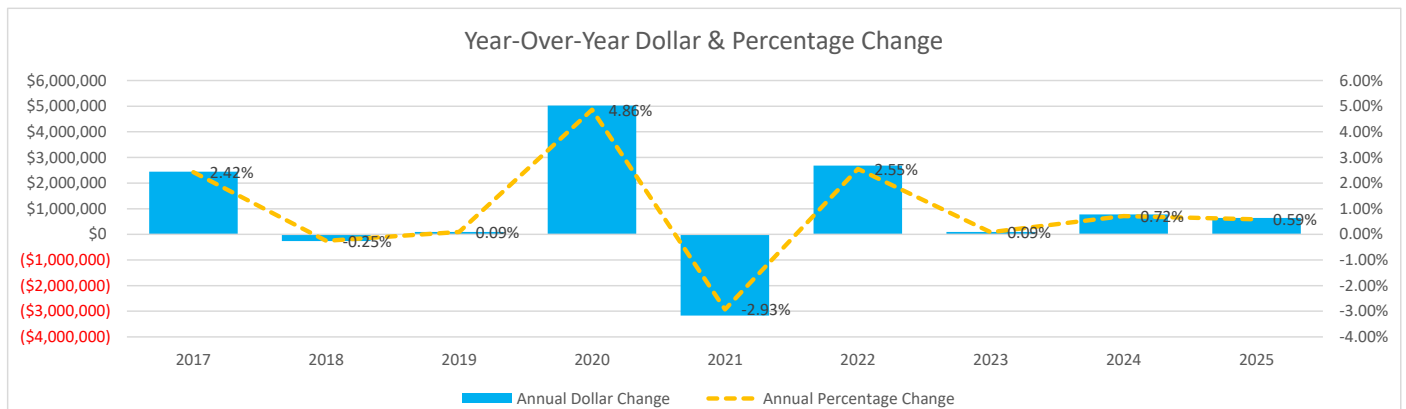
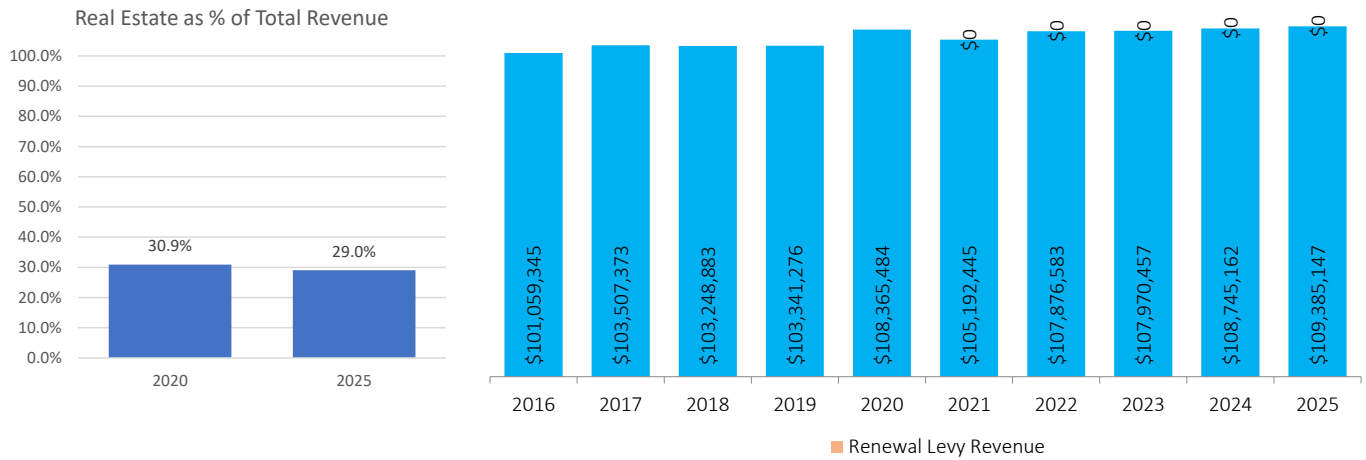
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 1.63% or \$5,487,326 annually during the past five years and is projected to increase 1.46% or \$5,246,416 annually through FY2025. State Funding has the most projected average annual variance compared to the historical average at \$2,926,924
Real Estate	\$1,619,370	\$203,933	(\$1,415,438)	
Public Utility	\$574,146	\$522,703	(\$51,443)	
Income Tax	\$0	\$0	\$0	
State Funding	\$1,932,423	\$4,859,347	\$2,926,924	
Prop Tax Alloc	(\$160,677)	\$663	\$161,340	
All Othr Op Rev	\$1,509,330	(\$341,273)	(\$1,850,603)	
Other Sources	\$12,734	\$1,044	(\$11,691)	
Total Average Annual Change	\$5,487,326 1.63%	\$5,246,416 1.46%	(\$240,910) -0.17%	

Note: Expenditure average annual change is projected to be > \$6,480,192 On an annual average basis, expenditures are projected to grow faster than revenue.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



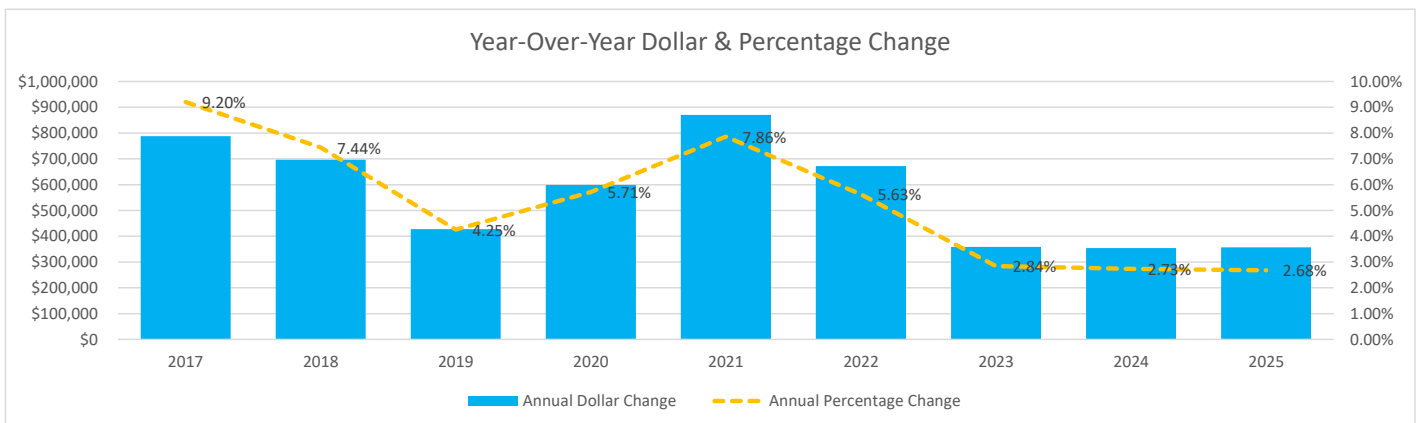
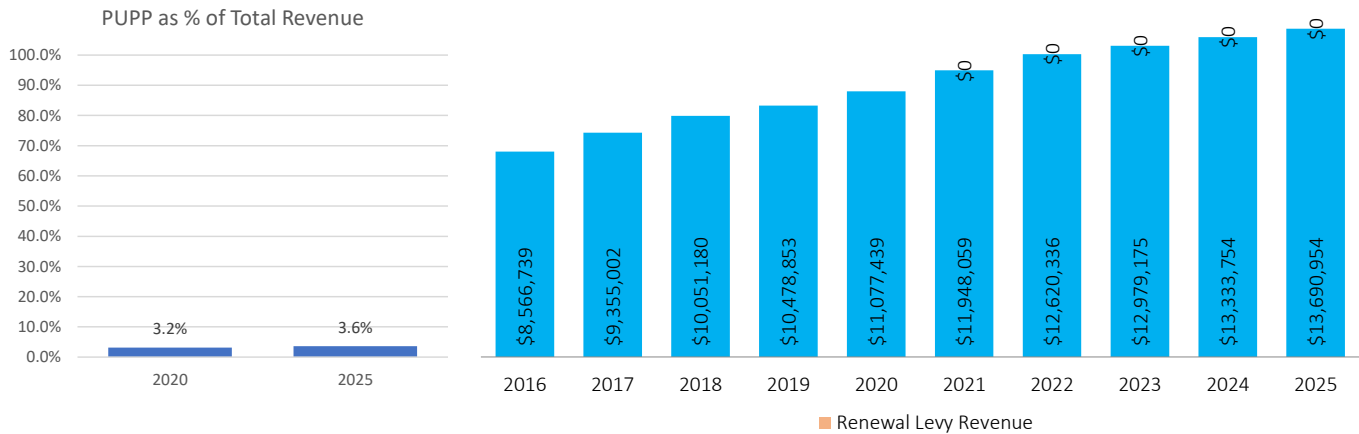
Values, Tax Rates and Gross Collections								Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change		
2019	2,245,849,740	16,548,020	51.76	-	62.25	-	95.8%	
2020	2,543,589,600	297,739,860	46.68	(5.07)	55.05	(7.20)	96.3%	
2021	2,542,684,800	(904,800)	46.82	0.14	55.26	0.21	96.6%	
2022	2,540,961,963	(1,722,837)	46.98	0.16	55.46	0.21	96.8%	
2023	2,583,811,963	42,850,000	46.26	(0.72)	55.14	(0.33)	97.1%	
2024	2,584,311,963	500,000	46.38	0.12	55.33	0.19	97.1%	

Real estate property tax revenue accounts for 30.91% of total revenue. Class I or residential/agricultural taxes make up approximately 65.07% of the real estate property tax revenue. The Class I tax rate is 46.68 mills in tax year 2020. The projections reflect an average gross collection rate of 96.8% annually through tax year 2024. The revenue changed at an average annual historical rate of 1.57% and is projected to change at an average annual rate of 0.20% through FY 2025.

*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



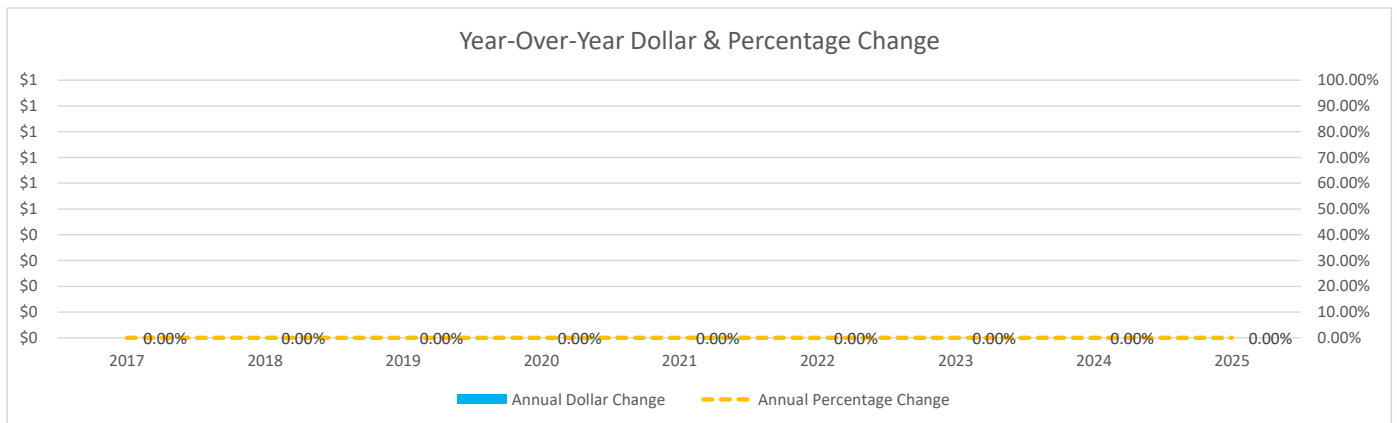
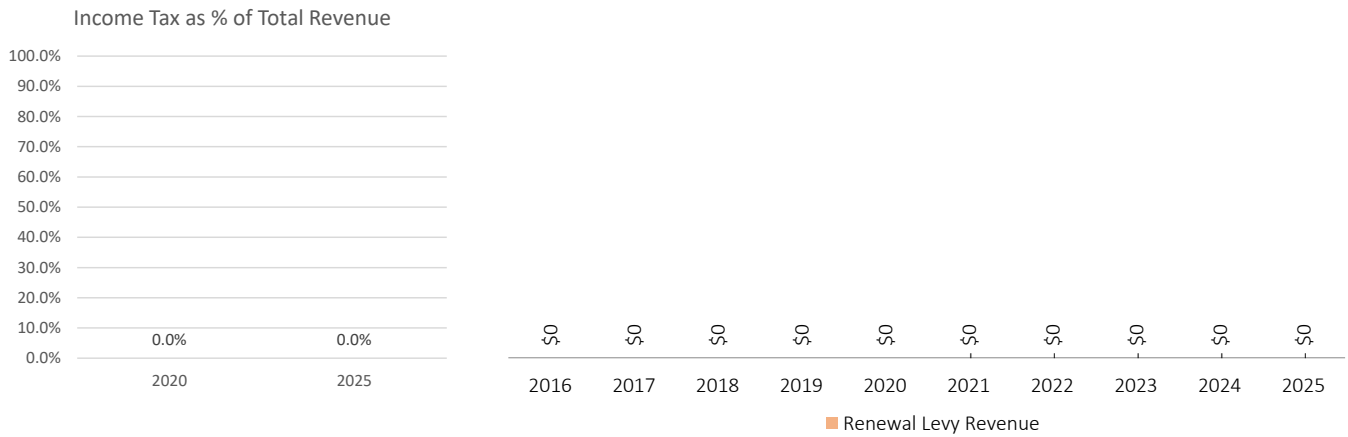
Values and Tax Rates					Gross Collection Rate Including Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2019	150,004,800	8,568,550	76.00	-		100.0%
2020	164,022,330	14,017,530	76.00	-		100.0%
2021	168,459,694	4,437,364	76.00	-		100.0%
2022	173,090,625	4,630,931	76.00	-		100.0%
2023	177,790,625	4,700,000	76.00	-		100.0%
2024	182,490,625	4,700,000	76.00	-		100.0%

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 3.16% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2020 is 76 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$574,146 and is projected to change at an average annual dollar amount of \$522,703 through FY 2025.

*Projected % trends include renewal levies

1.030 - No Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.

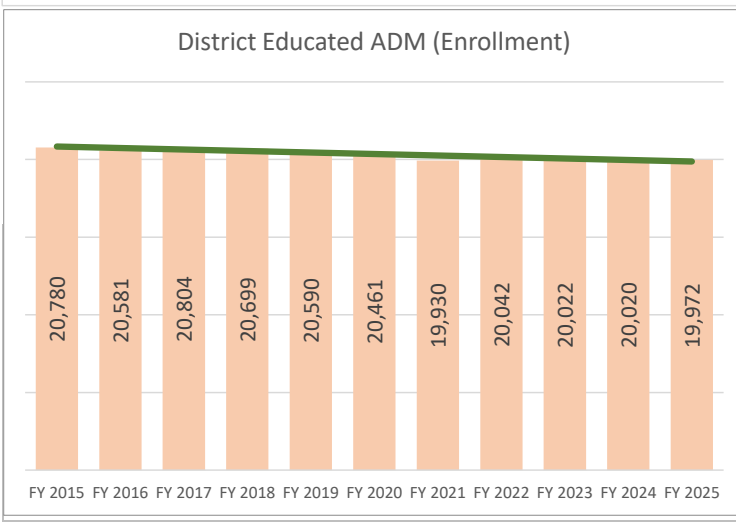
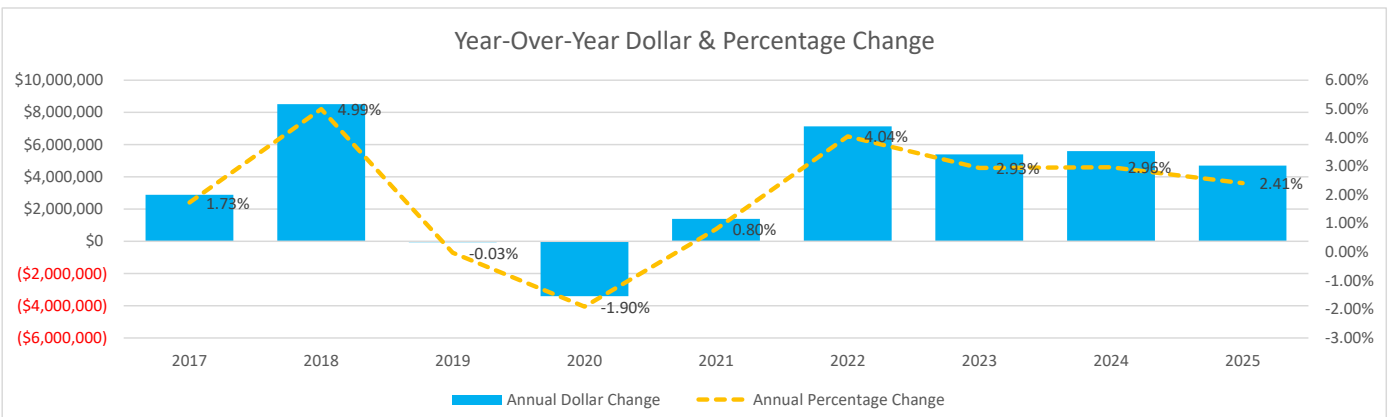
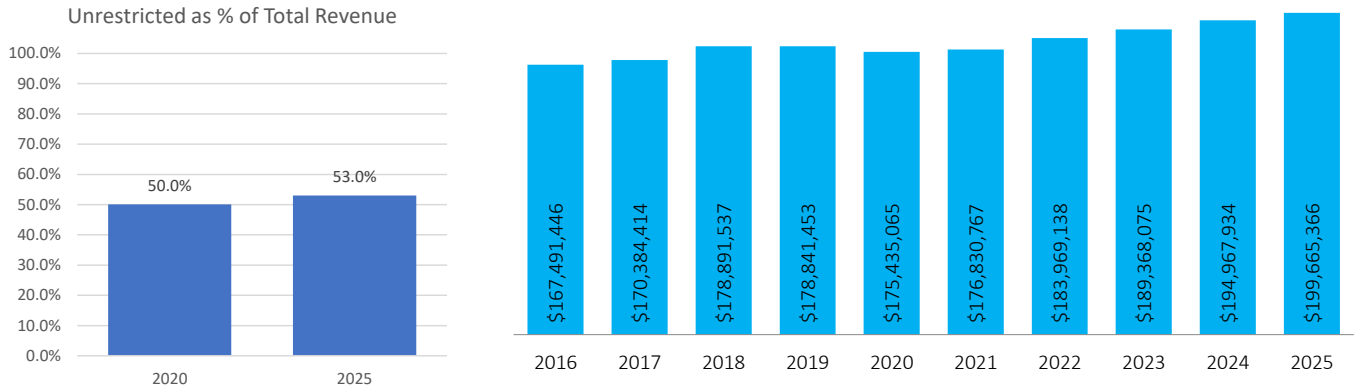


The district does not have an income tax levy.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

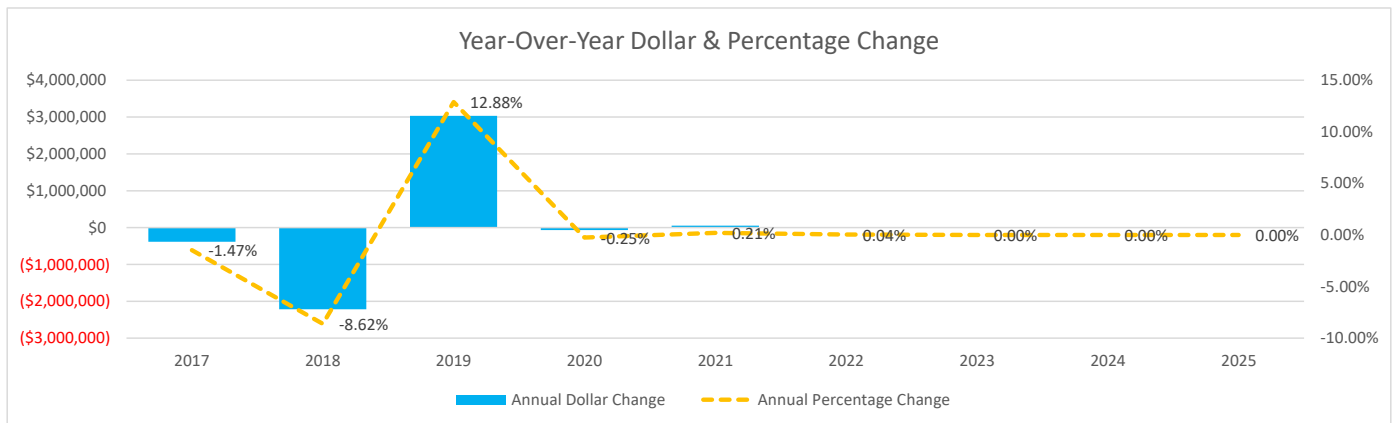
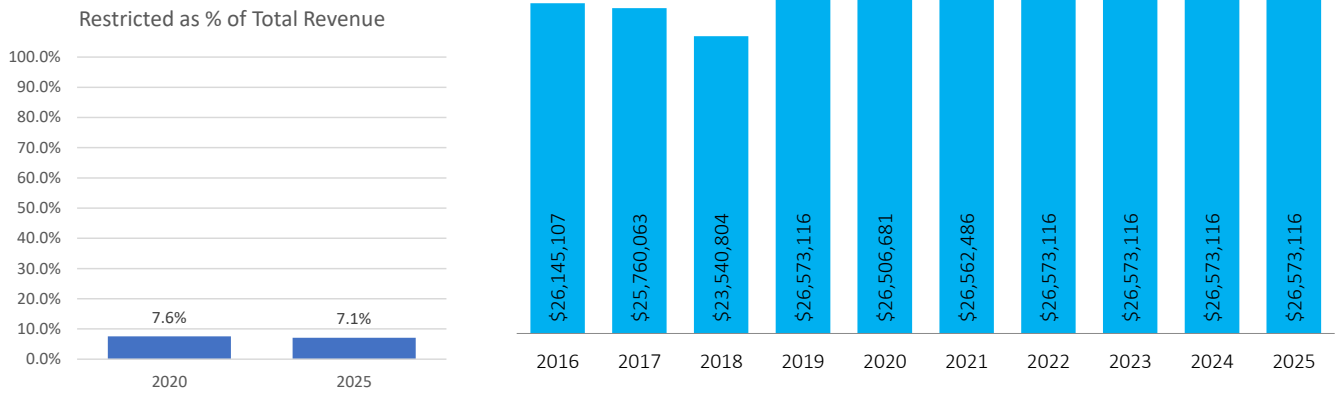
Funds received through the State Foundation Program with no restriction.



The FY 2019 per pupil and foundation revenue amount is the base aid amount used in FY 2021. In addition to its FY 2021 base funding amount of \$174,671,036 the district calculated FY 2021 categorical funding such as spec. ed., preschool, and casino of \$3,732,989. Projected amounts less than the FY 2019 base indicate state budget cuts and other assumed change. For fiscal years 2022 - 2025, the district is projecting an average annual increase of 3.08% Note: Student Success and Wellness funding is not included in these calculations.

1.040 & 1.045 - Restricted Grants-in-Aid

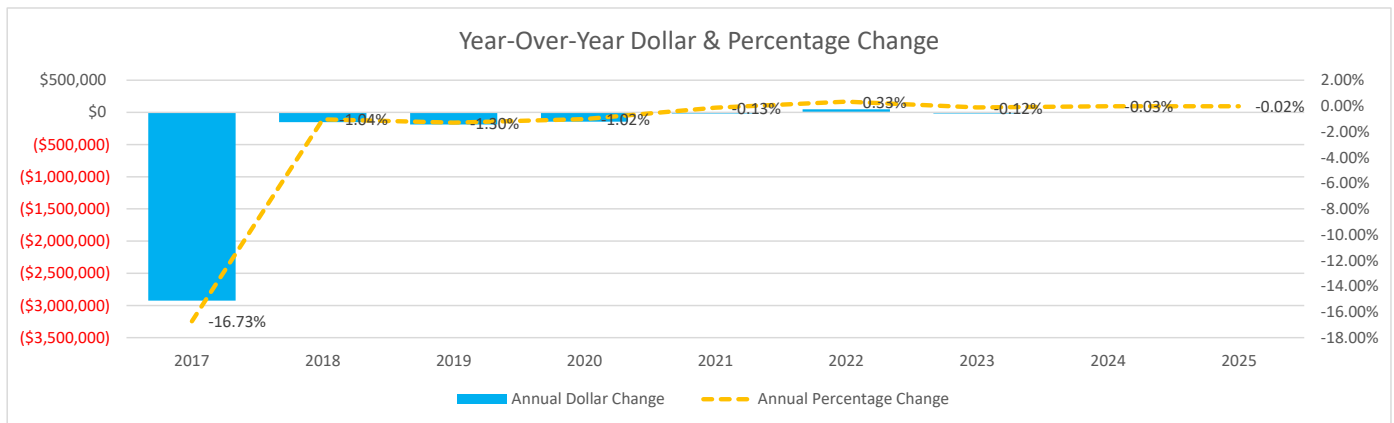
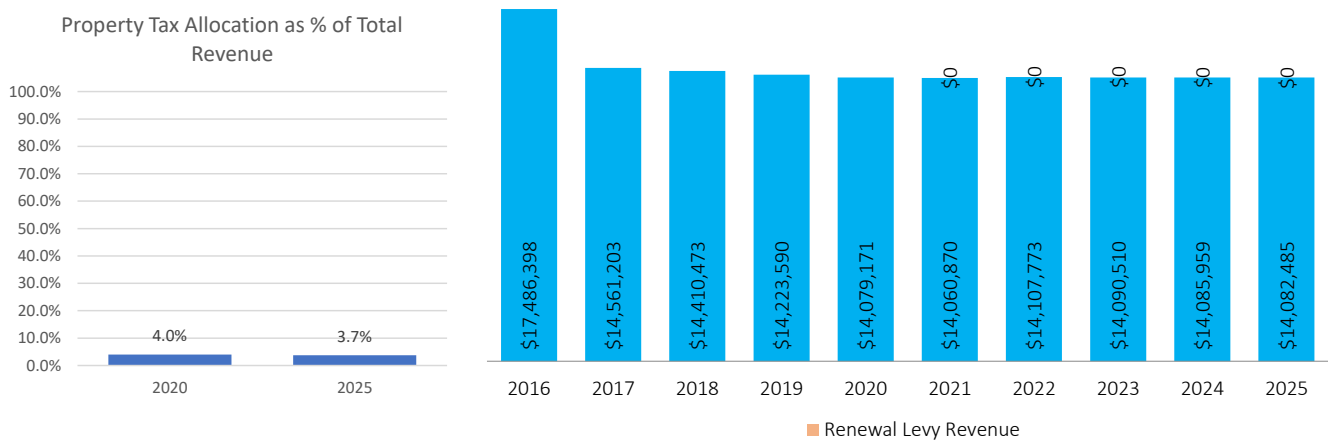
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$248,873 and is projected to change annually on average by \$13,287. Restricted funds represent 7.56% of total revenue.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.

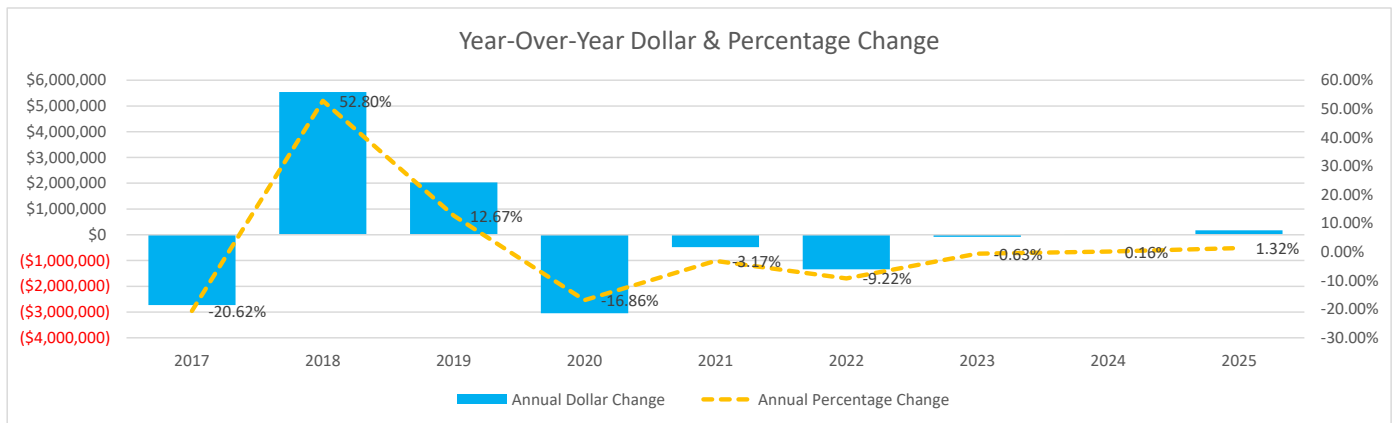
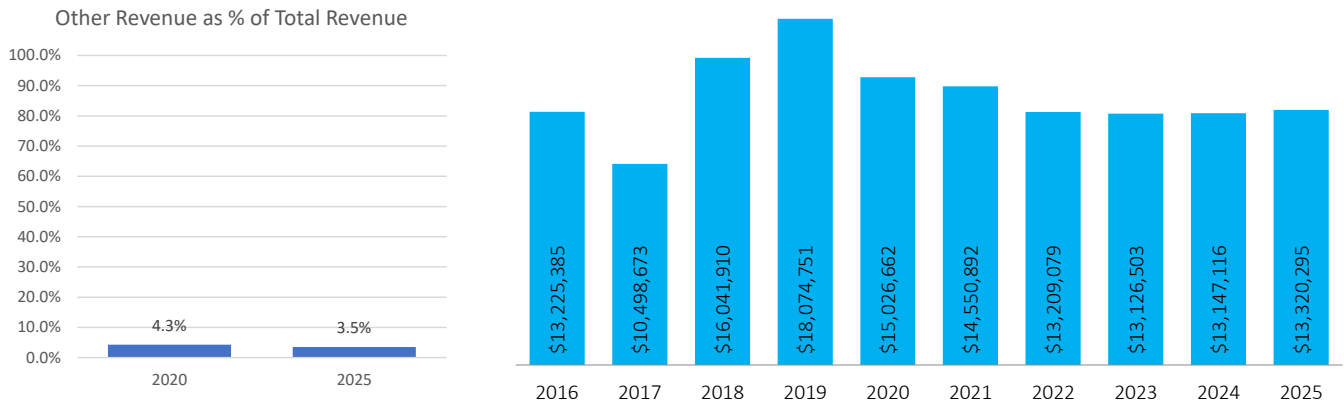


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2021, approximately 11.7% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 5.3% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

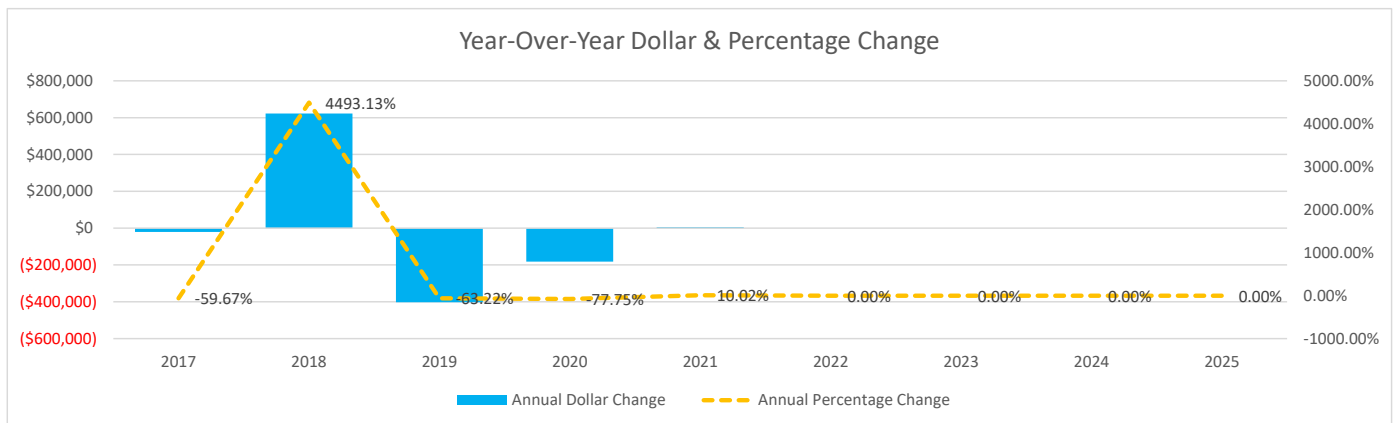
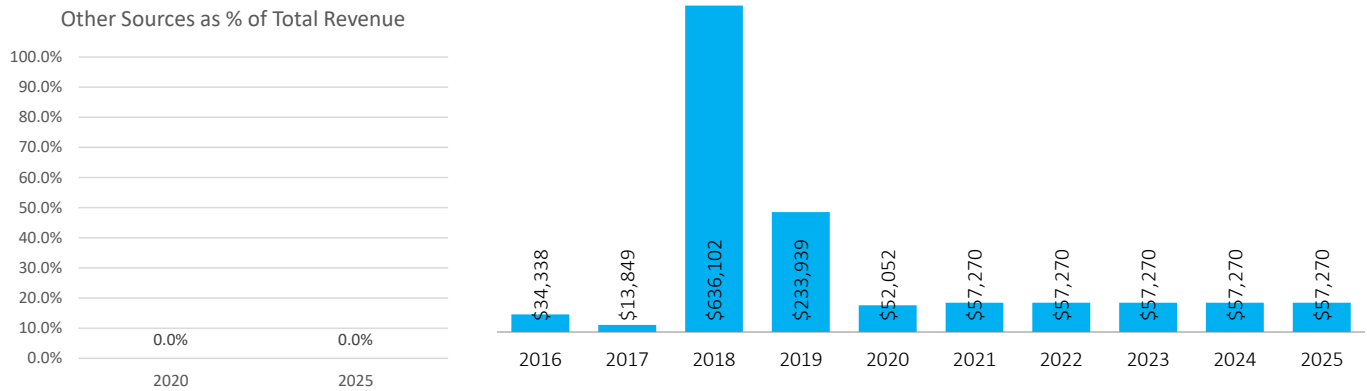
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$1,509,330. The projected average annual change is -\$341,273 through FY 2025.

2.070 - Total Other Financing Sources

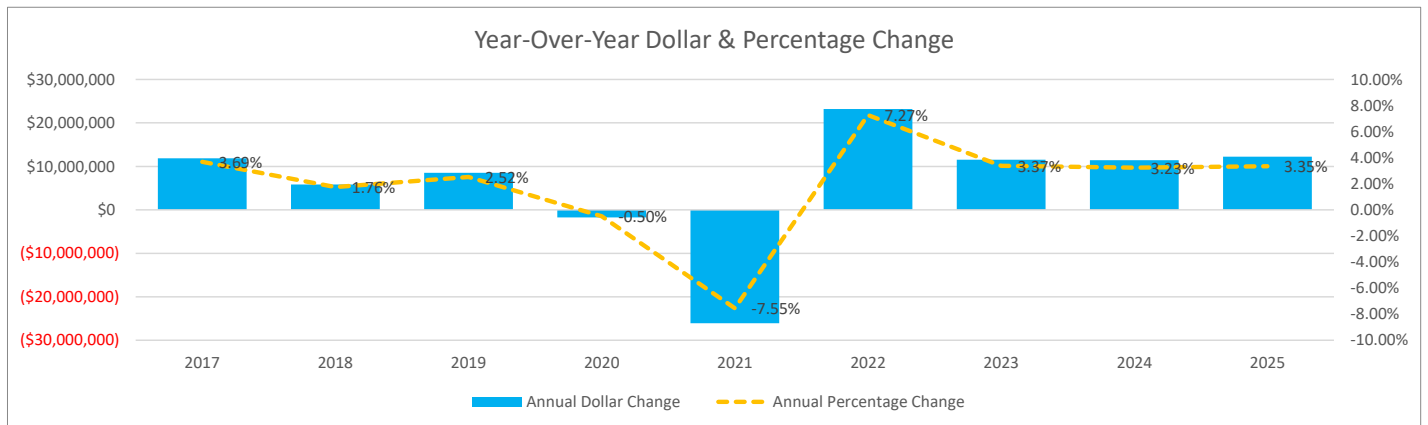
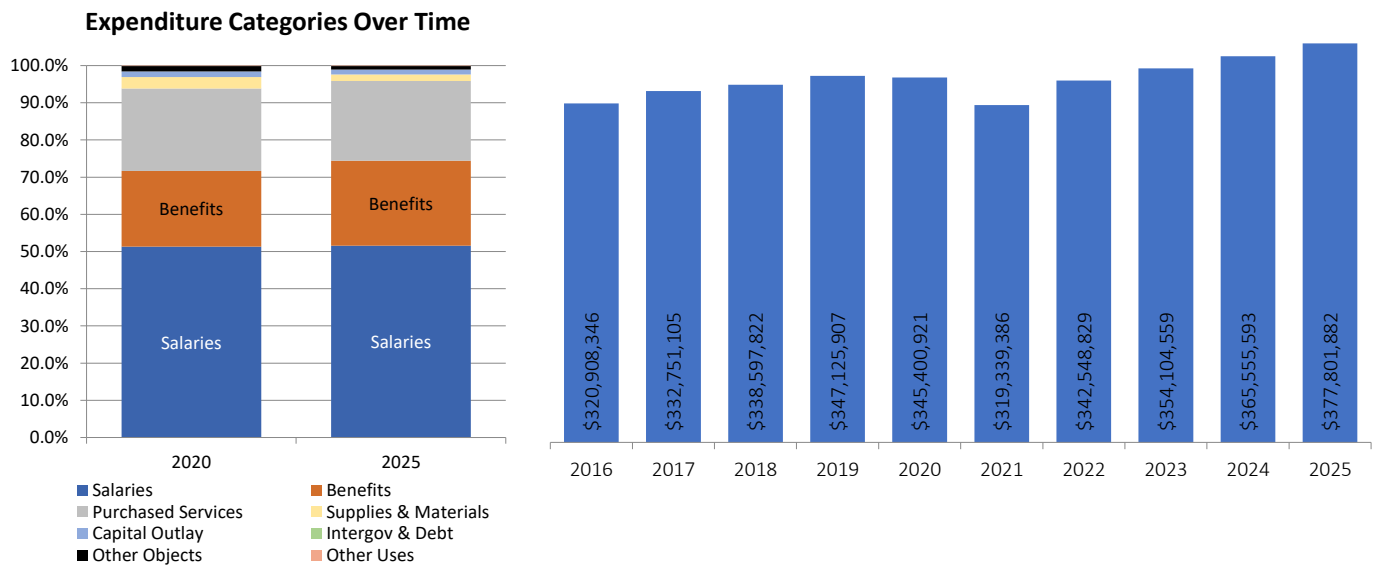
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	2020	FORECASTED				
		2021	2022	2023	2024	2025
Transfers In	22,462	11,489	11,489	11,489	11,489	11,489
Advances In	-	-	-	-	-	-
All Other Financing Sources	29,590	45,781	45,781	45,781	45,781	45,781

Other sources includes revenue that is generally classified as non-operating. It is typically in the form of transfers-in. In FY 2020 the district received \$0 as advances-in and is projecting advances of \$0 in FY 2021. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$45,781 in FY 2021 and average \$45,781 annually through FY 2025.

Expenditure Categories and Forecast Year-Over-Year Projected Overview



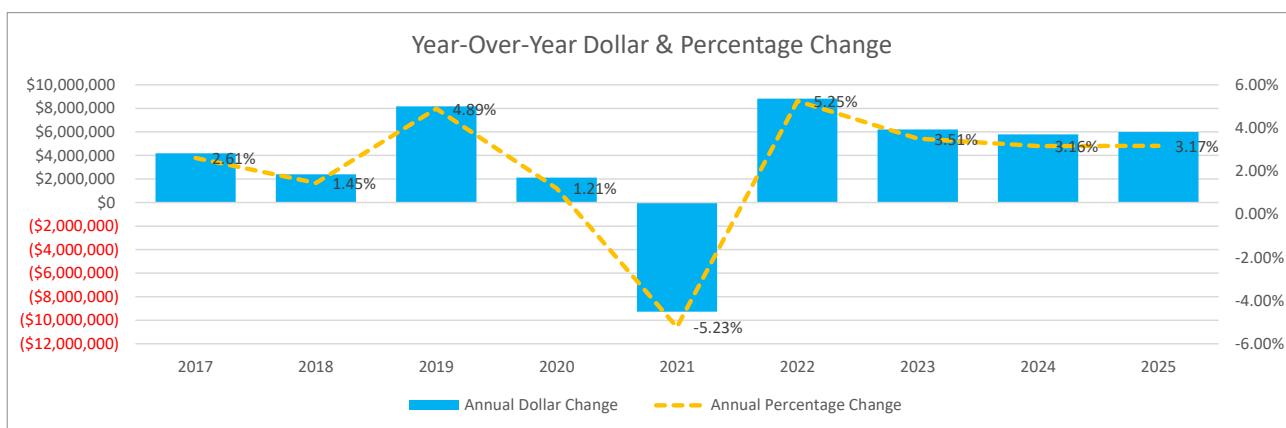
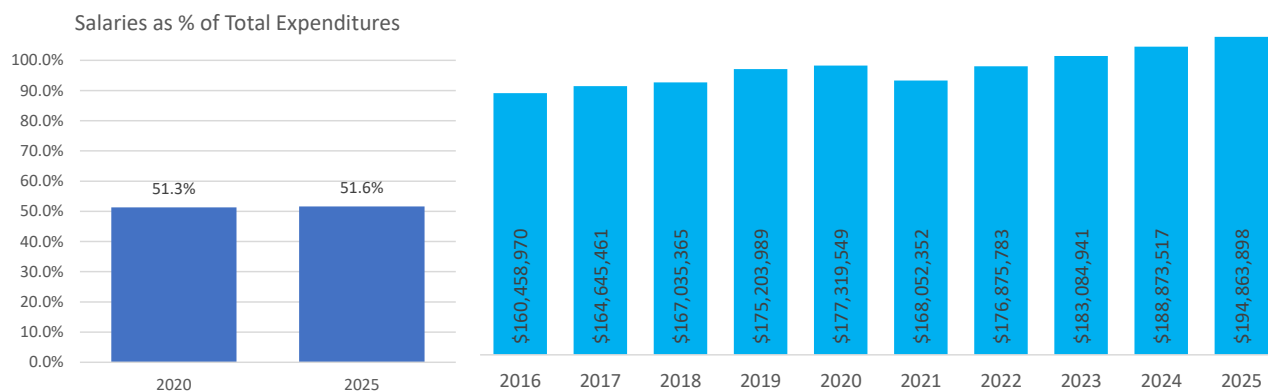
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 1.26% or \$4,216,605 annually during the past five years and is projected to increase 1.88% or \$6,480,192 annually through FY 2025. Benefits has the largest projected average annual variance compared to the historical average at \$4,367,335.
Salaries	\$4,224,696	\$3,508,870	(\$715,826)	
Benefits	(\$1,150,883)	\$3,216,453	\$4,367,335	
Purchased Services	(\$1,499,747)	\$843,767	\$2,343,514	
Supplies & Materials	\$1,062,272	(\$747,647)	(\$1,809,919)	
Capital Outlay	\$1,146,865	(\$56,814)	(\$1,203,679)	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	\$557,176	(\$286,778)	(\$843,954)	
Other Uses	(\$123,774)	\$2,343	\$126,116	
Total Average Annual Change	\$4,216,605	\$6,480,192	\$2,263,587	
	1.26%	1.88%	0.62%	

Note: Expenditure average annual change is projected to be > \$6,480,192 On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

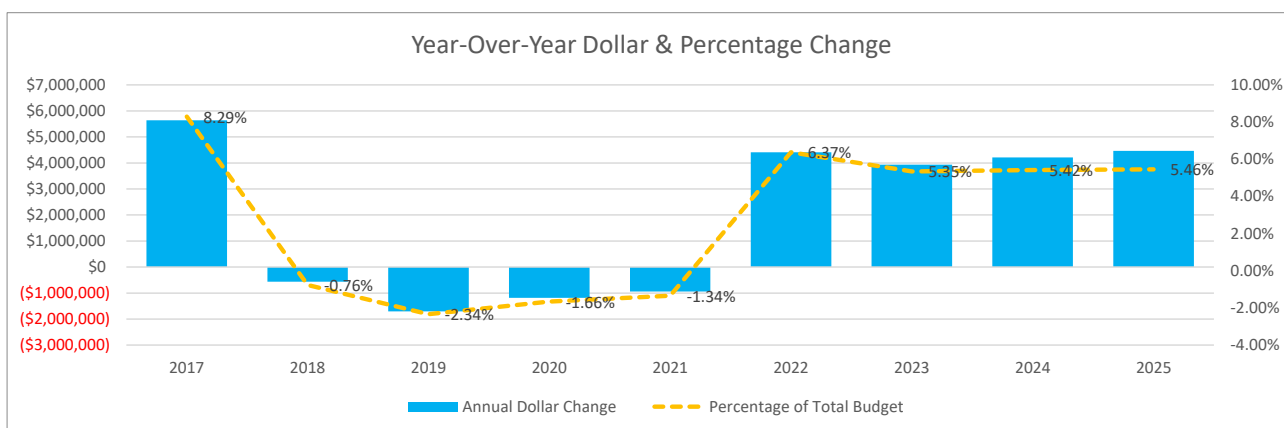
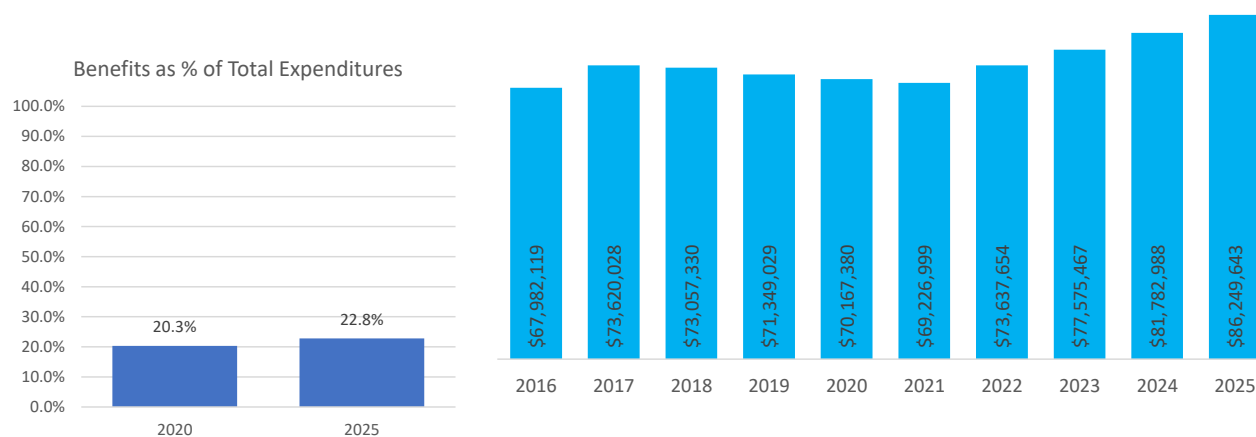
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 51.34% of total expenditures and increased at a historical average annual rate of 2.52% or \$4,224,696. This category of expenditure is projected to grow at an average annual rate of 1.97% or \$3,508,870 through FY 2025. The projected average annual rate of change is -0.54% less than the five year historical annual average.

3.020 - Employees' Benefits

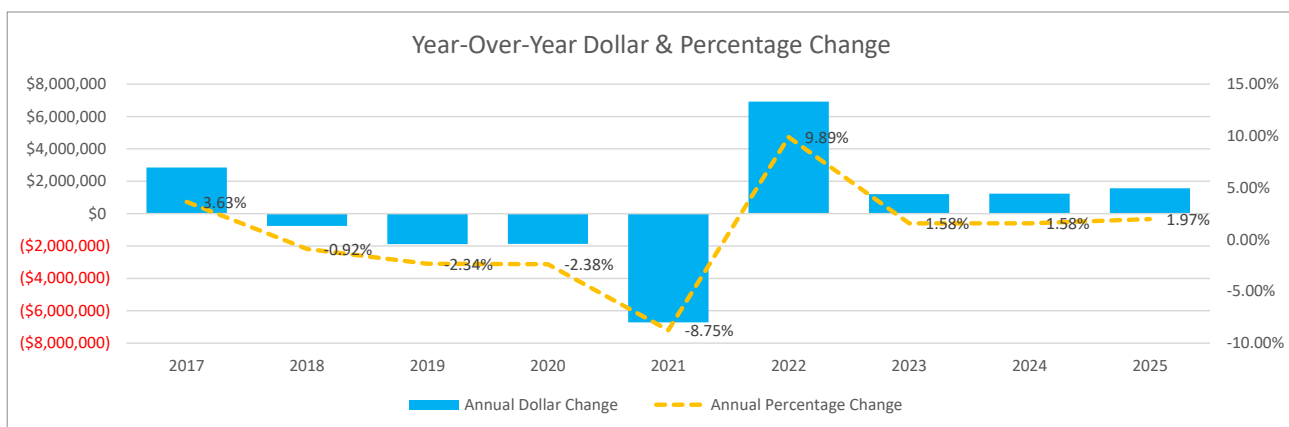
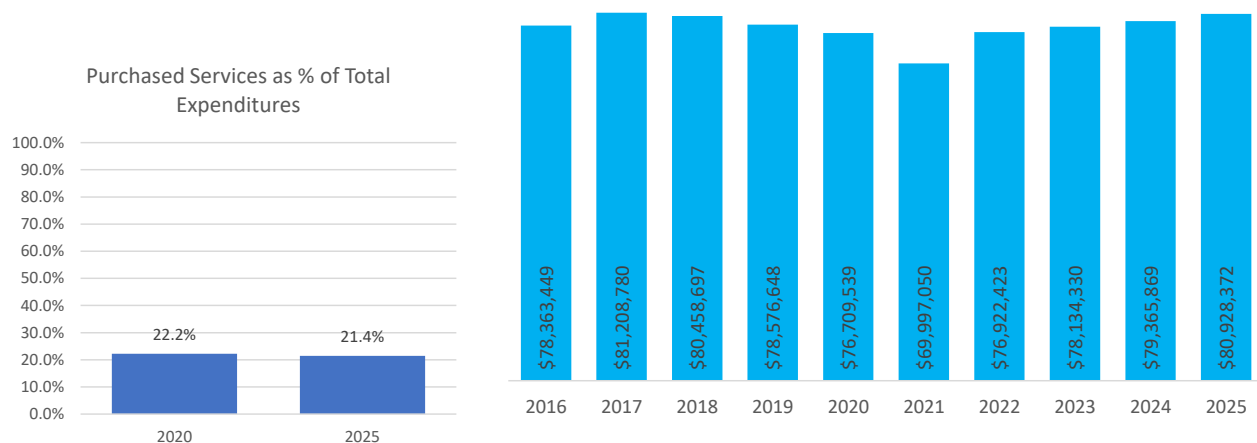
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 20.31% of total expenditures and decreased at a historical average annual rate of -1.59%. This category of expenditure is projected to grow at an annual average rate of 4.25% through FY 2025. The projected average annual rate of change is 5.84% more than the five year historical annual average.

3.030 - Purchased Services

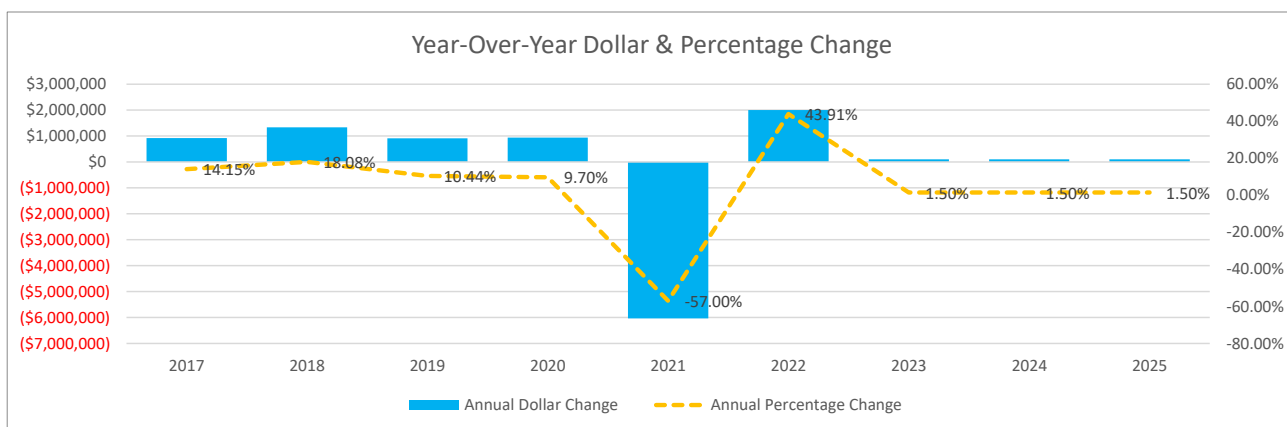
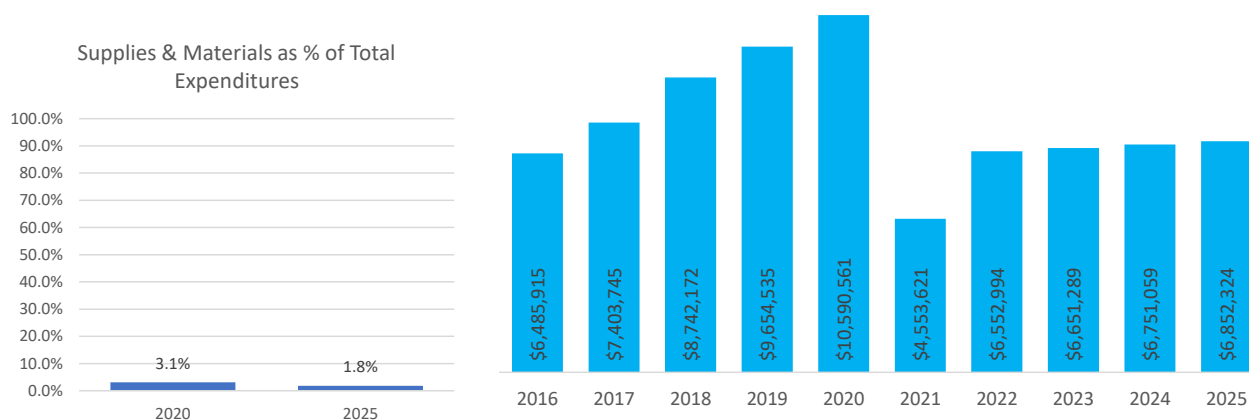
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 22.21% of total expenditures and decreased at a historical average annual rate of -1.88%. This category of expenditure is projected to grow at an annual average rate of 1.25% through FY 2025. The projected average annual rate of change is 3.13% more than the five year historical annual average.

3.040 - Supplies & Materials

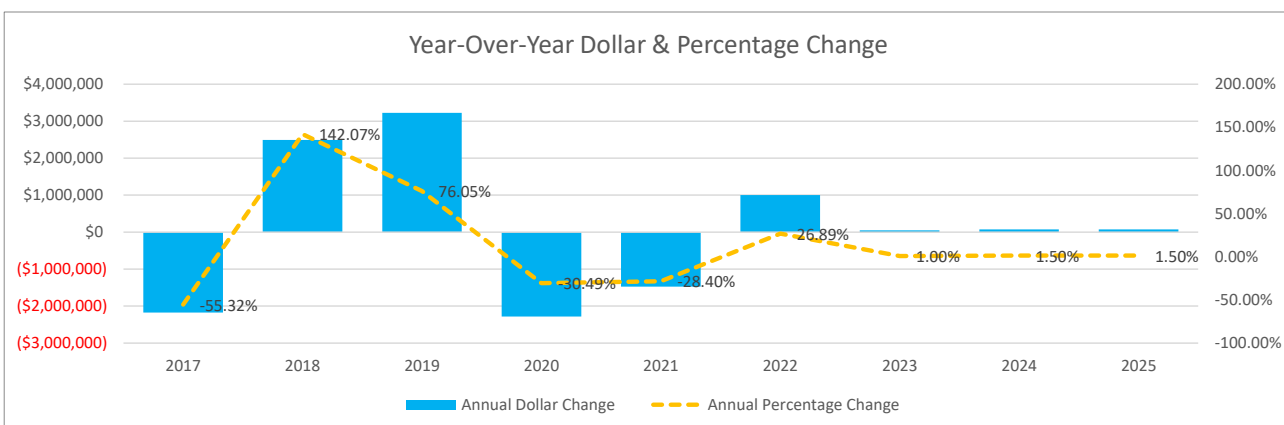
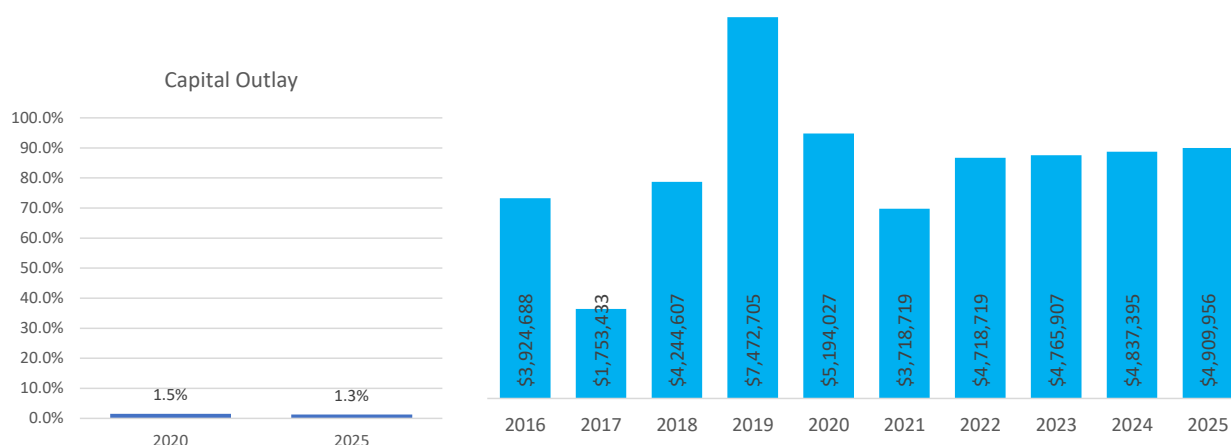
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 3.07% of total expenditures and increased at a historical average annual rate of 12.74%. This category of expenditure is projected to decrease at an annual average rate of -1.72% through FY 2025. The projected average annual rate of change is -14.46% less than the five year historical annual average.

3.050 - Capital Outlay

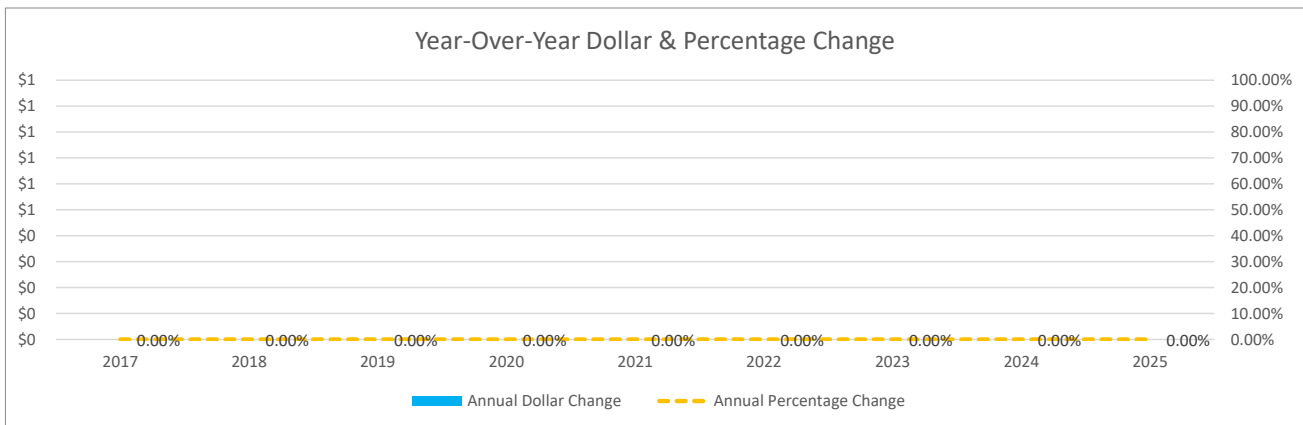
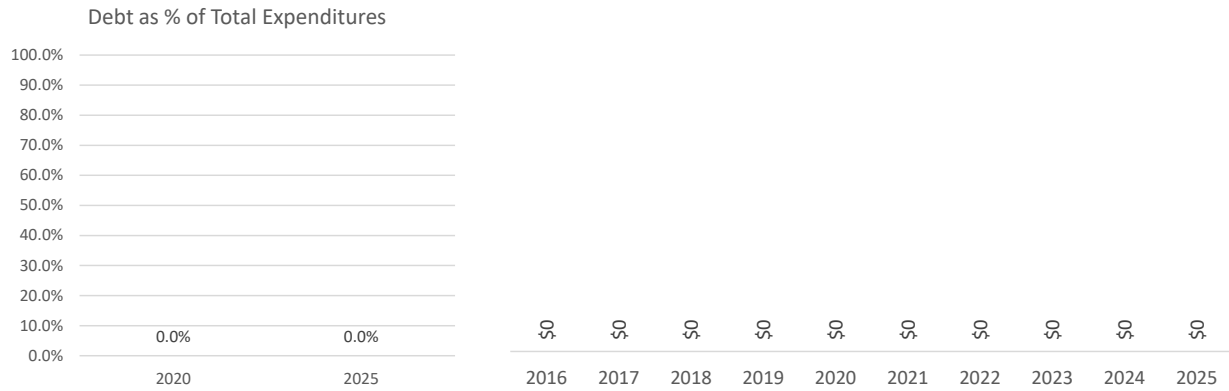
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 1.50% of total expenditures and increased at a historical average annual amount of \$1,146,865. This category of expenditure is projected to grow at an annual average amount of -\$56,814 through FY 2025. The projected average annual change is less than the five year historical annual average.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

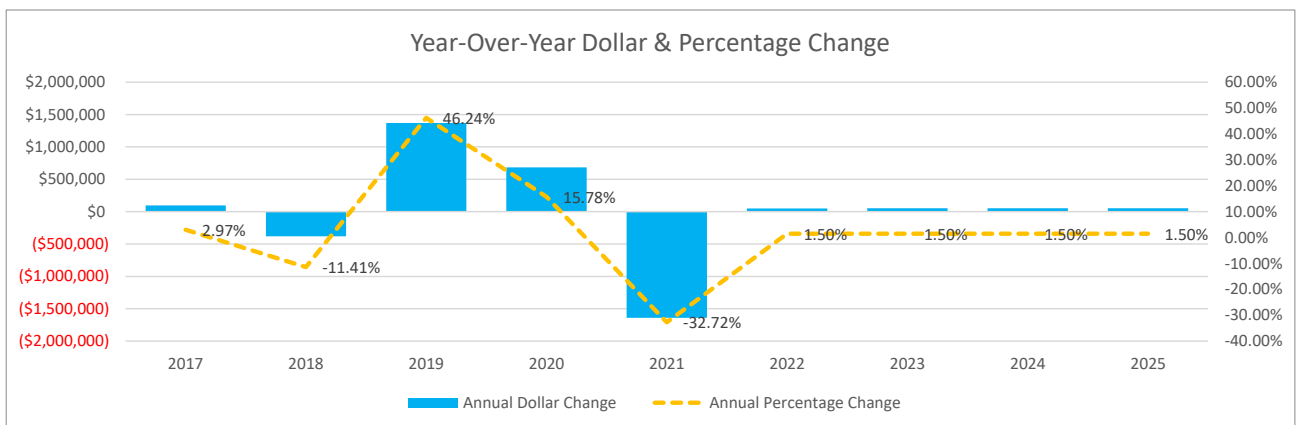
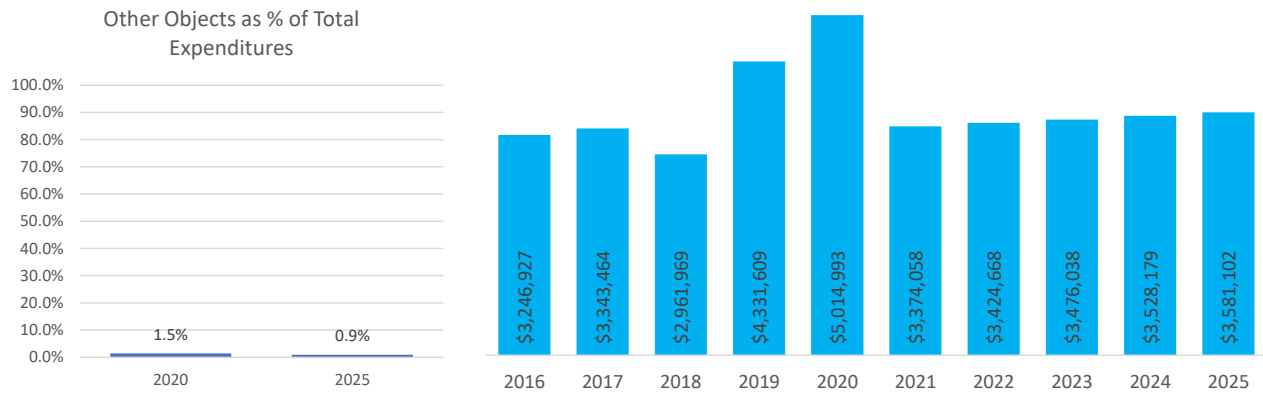


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

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4.300 - Other Objects

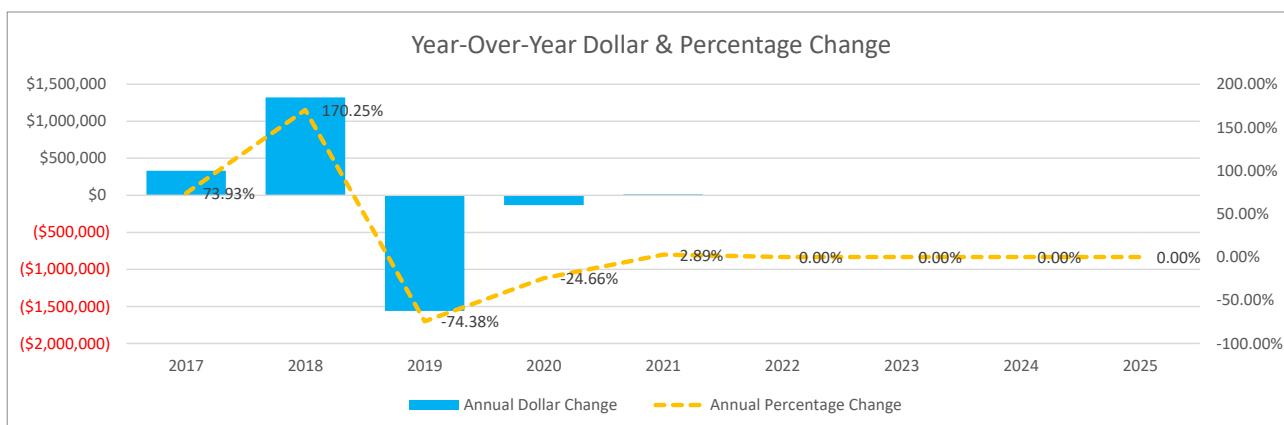
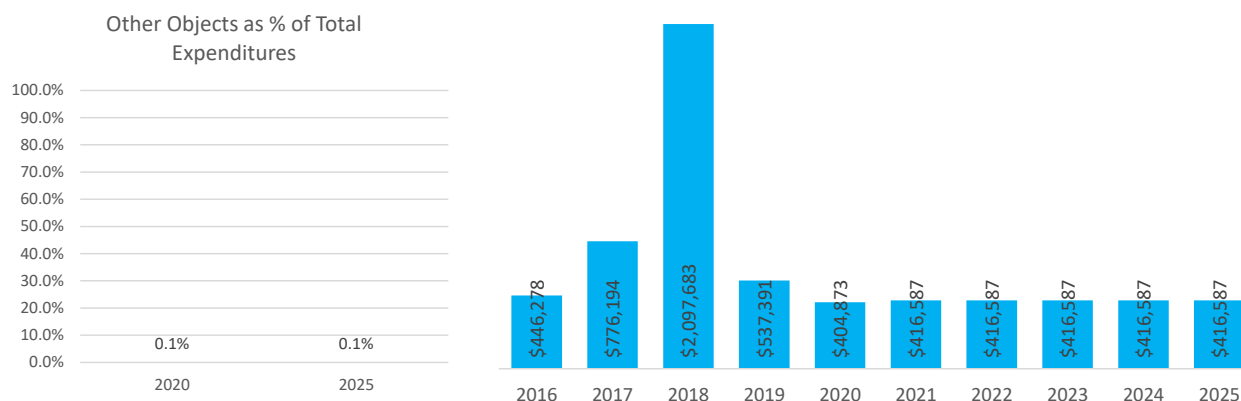
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.45% of total expenditures and increased at a historical average annual rate of 16.87%. This category of expenditure is projected to decrease at an annual average rate of -5.34% through FY 2025. The projected average annual rate of change is -22.21% less than the five year historical annual average.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	2020	FORECASTED				
		2021	2022	2023	2024	2025
Transfers Out	404,873	416,587	416,587	416,587	416,587	416,587
Advances Out	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses include expenditures that are generally classified as non-operating. It is typically in the form of transfers-out. The district can move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2025. In FY 2020 the district had no advances-out and has no advances-out forecasted through FY 2025. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Akron City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2020	2021	2022	2023	2024	2025
Revenue:						
1.010 - General Property Tax (Real Estate)	108,365,484	105,192,445	107,876,583	107,970,457	108,745,162	109,385,147
1.020 - Public Utility Personal Property	11,077,439	11,948,059	12,620,336	12,979,175	13,333,754	13,690,954
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	175,435,065	176,830,767	183,969,138	189,368,075	194,967,934	199,665,366
1.040 - Restricted Grants-in-Aid	26,506,681	26,562,486	26,573,116	26,573,116	26,573,116	26,573,116
1.050 - Property Tax Allocation	14,079,171	14,060,870	14,107,773	14,090,510	14,085,959	14,082,485
1.060 - All Other Operating Revenues	15,026,662	14,550,892	13,209,079	13,126,503	13,147,116	13,320,295
1.070 - Total Revenue	350,490,502	349,145,519	358,356,025	364,107,836	370,853,041	376,717,363
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	22,462	11,489	11,489	11,489	11,489	11,489
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	29,590	45,781	45,781	45,781	45,781	45,781
2.070 - Total Other Financing Sources	52,052	57,270	57,270	57,270	57,270	57,270
2.080 - Total Rev & Other Sources	350,542,554	349,202,789	358,413,295	364,165,106	370,910,311	376,774,633
Expenditures:						
3.010 - Personnel Services	177,319,549	168,052,352	176,875,783	183,084,941	188,873,517	194,863,898
3.020 - Employee Benefits	70,167,380	69,226,999	73,637,654	77,575,467	81,782,988	86,249,643
3.030 - Purchased Services	76,709,539	69,997,050	76,922,423	78,134,330	79,365,869	80,928,372
3.040 - Supplies and Materials	10,590,561	4,553,621	6,552,994	6,651,289	6,751,059	6,852,324
3.050 - Capital Outlay	5,194,027	3,718,719	4,718,719	4,765,907	4,837,395	4,909,956
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	5,014,993	3,374,058	3,424,668	3,476,038	3,528,179	3,581,102
4.500 - Total Expenditures	344,996,048	318,922,799	342,132,242	353,687,972	365,139,006	377,385,295
Other Financing Uses						
5.010 - Operating Transfers-Out	404,873	416,587	416,587	416,587	416,587	416,587
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	404,873	416,587	416,587	416,587	416,587	416,587
5.050 - Total Exp and Other Financing Uses	345,400,921	319,339,386	342,548,829	354,104,559	365,555,593	377,801,882
6.010 - Excess of Rev Over/(Under) Exp	5,141,633	29,863,403	15,864,466	10,060,547	5,354,718	(1,027,249)
7.010 - Cash Balance July 1 (No Levies)	62,100,651	67,242,284	97,105,687	112,970,153	123,030,699	128,385,417
7.020 - Cash Balance June 30 (No Levies)	67,242,284	97,105,687	112,970,153	123,030,699	128,385,417	127,358,168
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	67,242,284	97,105,687	112,970,153	123,030,699	128,385,417	127,358,168
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	67,242,284	97,105,687	112,970,153	123,030,699	128,385,417	127,358,168
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	67,242,284	97,105,687	112,970,153	123,030,699	128,385,417	127,358,168