

FINANCE & ADMINISTRATION COMMITTEE

TAB 3

**FINANCIAL REPORT FOR THE
SIX MONTHS ENDED DECEMBER 31, 2019**



DATE: January 27, 2020

TO: Nathan J. Mortimer
Vice President of Operations

Amy S. Gilliland

FROM: Amy S. Gilliland, Director of Resource Analysis & Budgeting

**SUBJECT: General Fund, Auxiliary Funds, and Departmental Sales and Services Funds:
Budget to Actual Results for the Six Months Ended December 31, 2019**

As requested, the Office of Resource Analysis & Budgeting provides the accompanying Financial Report for the six months ended December 31, 2019 for the General Fund, Auxiliary Funds, and Departmental Sales and Services Funds (Akron and Wayne combined) together with accompanying FY20 budget assumptions and narratives.

This Financial Report should be presented for consideration and approval at the February 12, 2020 Board of Trustees meeting.

Resource Analysis & Budgeting
Akron, OH 44325-6202
330-972-6521 Office · 330-972-6317 Fax

The University of Akron
General Fund, Auxiliary Funds, and Departmental Sales and Services Funds
Budget to Actual Results
For the Six Months Ended December 31, 2019

Table of Contents

<u>Description</u>	<u>Page</u>
General Fund Budget and Actual (Akron and Wayne Combined)	1
General Fund FY20 Budget Assumptions (Akron and Wayne Combined)	2
General Fund Narrative (Akron and Wayne Combined)	5
Auxiliary Funds Budget and Actual	9
Auxiliary Funds FY20 Budget Assumptions	18
Auxiliary Funds Narrative	22
Departmental Sales and Services Funds Budget and Actual	37
Departmental Sales and Services Funds FY20 Budget Assumptions	43
Departmental Sales and Services Funds Narrative	45

GENERAL FUND

For the Six Months Ended December 31, 2019

The University of Akron
Akron and Wayne General Fund Combined
FY20 Annual Budget and Actual Results for the six months ended December 31, 2019

	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Tuition & General Service Fees	\$186,251,268	\$97,986,203	\$178,742,000	\$92,220,135	(\$86,521,865)	
Other Fees	21,732,648	11,545,885	21,495,000	11,105,222	(10,389,778)	
Scholarships	(52,787,389)	(31,080,004)	(61,764,000)	(32,386,100)	29,377,900	
Net Tuition and Fees	155,196,527	78,452,084	138,473,000	70,939,256	(67,533,744)	51%
State Share of Instruction	101,851,513	51,753,349	99,139,000	50,065,131	(49,073,869)	
Indirect Cost Recovery	5,188,151	2,642,019	5,247,000	2,337,797	(2,909,203)	
Investment Income	1,087,866	289,845	1,410,000	484,777	(925,223)	
Miscellaneous Revenues	1,959,430	1,334,286	2,571,000	1,705,861	(865,139)	
Total Revenues	265,283,486	134,471,584	246,840,000	125,532,822	(121,307,178)	51%
Payroll	140,283,371	66,334,876	139,719,000	65,243,718	74,475,282	
Fringes	50,643,511	25,717,015	43,853,000	20,237,581	23,615,419	
Total Compensation	190,926,882	92,051,891	183,572,000	85,481,300	98,090,700	47%
Utilities	10,692,070	4,241,781	10,258,000	3,222,985	7,035,015	
Operating	33,846,757	20,399,304	36,515,000	20,587,752	15,927,248	
Total Non Personnel	44,538,828	24,641,085	46,773,000	23,810,736	22,962,264	51%
Total Expenditures	235,465,710	116,692,976	230,345,000	109,292,036	121,052,964	47%
Net Before Transfers	29,817,777	17,778,608	16,495,000	16,240,787	(254,213)	
Transfers-In (Draw on Operating Reserves)	3,795,965	0	11,584,000	0	(11,584,000)	
Transfers-In Plant Fund and Other	2,569,633	3,299,511	1,000,000	131,571	(868,429)	
Advance-In	596,972	267,972	140,000	93,028	(46,972)	
Transfers-In Encumbrance	3,832,133	3,832,133	2,600,000	3,234,688	634,688	
Transfers-Out Plant Fund	(2,822,400)	(644,650)	(1,000,000)	(141,696)	858,304	
Transfers-Out Other	(34,369,392)	(15,660,173)	(30,819,000)	(15,409,650)	15,409,351	
Advance-Out	(77,000)	(77,000)	0	(290,000)	(290,000)	
Transfers-Out - Encumbrance	(3,343,688)	0	0	0	0	
Net Transfers	(29,817,776)	(8,982,206)	(16,495,000)	(12,382,059)	4,112,941	
Difference	\$0	\$8,796,402	\$0	\$3,858,728	\$3,858,728	

The University of Akron
Akron and Wayne General Fund Combined
FY 2020 Budget Assumptions

Revenues

Tuition & General Service Fees

- Overall blended enrollment reduction of over four percent; and
- Tuition and certain fee increase of one and a half percent for the fall 2019 Tuition Guarantee Cohort.

Other Fees

- Overall blended enrollment reduction of over four percent.

Scholarships

- Undergraduate, \$46.2 million including College Credit Plus and Early College;
- Graduate assistant fee remissions, \$11.7 million; and
- Law School, \$3.9 million.

State Share of Instruction

- Based upon information received from the Ohio Department of Higher Education.

Indirect Cost Recovery

- No significant change as compared to FY19; and
- Distributions now limited to the Principal Investigator at 10 percent with remainder to the Center.

Investment Income

- Market fluctuations either way will impact the actual amount.

Miscellaneous Revenues

- Major revenues include \$1 million from the University of Akron Research Foundation, and \$0.5 million from Federal energy tax credit.

Expenditures

Payroll and Vacancies

- Four percent increase pursuant to collective bargaining agreements;
- A raise pool equivalent to two percent for qualifying non-represented employees;
- \$4.3 million of vacancy savings created by employee departures until a replacement employee is hired; and
- \$1 million in reallocation of General Fund compensation to grants, leaves without pay, and professional development leaves.

The University of Akron
Akron and Wayne General Fund Combined
FY 2020 Budget Assumptions

Fringes

- Pooled fringe rate reduced from 37 percent for full time employees to 32 percent and a further percentage reduction;
- Reduced percentage allocated to the self-insurance fund from the General Fund in the amount of \$1.5 million; and
- Voluntary Retirement Incentive Program (VRIP) year two installment of the three year program in the amount of \$0.9 million.

Utilities

- Electric, natural gas, and water and sewer.

Operating

- The designated fees such as course fees and technology fees, etc., are enrollment driven and are assumed to roughly follow the four percent enrollment decline;
- The designated fees and start-ups assume that only current-year revenues and/or allocations are expended; however, a certain level of carry over exists within these fees and start-ups, which may be expended by the units and therefore cause expenditures to exceed the initial allocations;
- The unit allocations reflect adjustments recommended as part of the reduction process, including elimination of revenue share allocations and college and department level IDC distributions while the Center assumes certain research related costs in the amount of \$0.6 million;
- State minimum wage adjustment; and
- Assumes \$2 million underspending of awarded spending authority.

Other

Transfers-In (Draw on Operating Reserves)

- Assumes \$11.6 million from general reserves; and

Transfers-In Plant Fund and Other

- \$1 million from plant fund reserves.

Advances-In

- National Museum of Psychology; and
- CAST in support of the Musson Industrial Control Systems Test Bed.

Transfers-Out Plant Fund

- Capital projects will be funded by \$1 million.

The University of Akron
Akron and Wayne General Fund Combined
FY 2020 Budget Assumptions

Transfers-Out Other

- Transfers to Auxiliaries of General Services Fee, \$11.9 million; Other, \$12.7 million (operations and debt service); and Facilities Fee, \$6.3 million.
- The Facilities Fees maintains a reserve, and a portion of that reserve, in the amount of \$1.9 million, will be used to help service the Auxiliaries' debt service for FY20; therefore, a reduction to Transfers-Out Other was applied to the Student Union, Recreation Center, and Athletics, respectively by \$1.9 million.

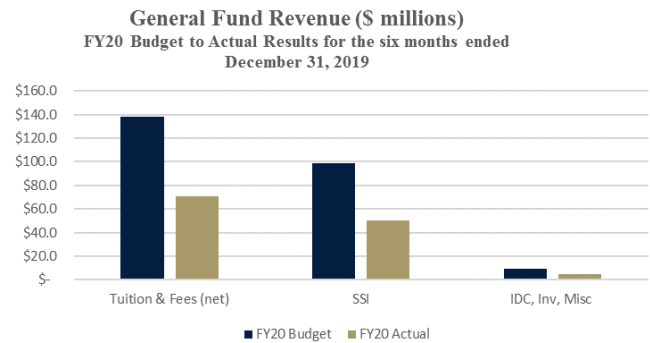
Debt Service

- The General Fund debt service requirement for FY20 reflects \$5 million temporary relief as a result of the debt deferral initiative, and reserves that reside in the plant and debt reserves will service the remaining \$7 million of FY20 General Fund debt service obligation.

**The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Revenues

Tuition & General Service Fees: Tuition & General Service Fees revenues total \$92.2 million or approximately 52 percent as compared to the annual budget of \$178.7 million. These revenues reflect summer and fall activities and do not include deferred revenues associated with spring 2020.



As already known, the combined summer and fall credit hours were short of projections; therefore, current expectations through fall Census are that Tuition and General Service Fees revenues will fall short of the budget. An updated projection will be completed after the January 2020 Census.

Other Fees: Other Fees revenues total \$11.1 million or approximately 52 percent as compared to the annual budget of \$21.5 million. These revenues reflect summer and fall activities and do not include deferred revenues associated with spring 2020.

Other Fees include various student fees such as facility fees (29 percent), technology fees (21 percent), and unit and course/content, administrative, career advantage and other fees (50 percent). The University recently began to more routinely implement electronic content fees. Those fees are charged to a student’s account, the proceeds of which then pass along to Barnes & Noble. This pass-through is expected to exceed \$1.5 million for the fiscal year.

Many of the fees remain within the General Fund and are used for operations while the facility fee passes through to Auxiliary units and contributes toward the debt service requirements of the Student Recreation and Wellness Center, Student Union, InfoCision Stadium, and the Fieldhouse.

Current expectations are that Other Fees will fall short of the budget and an updated projection will be completed after the January 2020 Census.

Scholarships: Scholarships total \$32.3 million or approximately 52 percent of the \$61.8 million annual budget. Year-to-date Scholarships include undergraduate (\$25.4 million), graduate tuition remissions (\$5.2 million), and law (\$1.7 million). The undergraduate scholarships include \$6.8 million and \$1 million associated with College Credit Plus and Early College, respectively. Funds from the Making a Difference Moving Forward (MDMF) campaign were used to reduce the General Fund scholarships by more than \$300,000.

Current expectations are that actual Scholarships will be less than budgeted; however, a projection will be completed after the January 2020 Census.

State Share of Instruction: State Share of Instruction (SSI) revenues total \$50.1 million or 50 percent as compared to the annual budget of \$99.1 million.

**The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

The Ohio Department of Higher Education (ODHE) revised its funding estimate after the Board of Trustees approved the General Fund Budget; however, ODHE has since returned its projection to the original budgeted level.

Indirect Cost Recovery: IDC revenues total \$2.3 million or approximately 45 percent as compared to the annual budget of \$5.2 million.

IDC is proportionately related to externally funded research activities and is currently allocated with 90 percent used to pay the general expenditures of the University and 10 percent allocated to the principal investigators.

Current expectations are that IDC revenues will fall short of budget. A projection will be completed for an upcoming financial report.

Investment Income: Investment Income revenues total \$485,000, or 34 percent as compared to the annual budget of \$1.4 million.

Investment Income is based upon the size of the operating funds investment portfolio and conditions that impact the return. Historically, certain realized gains from operating funds that were immediately reinvested were considered investment income. During FY2019, that methodology was changed so that only earnings on the cash and cash equivalent operating funds were recognized for budgetary purposes and the FY2019 YTD investment income reflects that changed methodology.

Current expectations are that budgeted Investment Income revenues will fall short of budget. A projection will be completed for an upcoming financial report.

Miscellaneous Revenues: Miscellaneous Revenues total \$1.7 million, or 66 percent as compared to the annual budget of \$2.6 million. These revenues include \$1 million from The University of Akron Research Foundation and \$706,000 from other various sources.

Current expectations are that budgeted Miscellaneous Revenues will be met.

Expenditures

Compensation: Payroll expenditures total \$65.2 million or approximately 47 percent of the annual budget of \$139.7 million.

Largely due to 9-month employee contracts, compensation is not incurred ratably throughout the year. By September 30; however, all employees became part of the payroll cycle and compensation becomes more ratable for the remainder of the fiscal year.

Current expectations are that Payroll and Fringe benefit expenditures will be less than budget. A projection will be completed for an upcoming financial report.

Employee Type	Actual YTD
Faculty	\$36,815,000
Staff	13,146,000
Contract Professionals	12,709,000
Graduate Assistants	2,573,000
Total Payroll	<u>\$65,243,000</u>
<i>Note 1: Includes all General Fund payroll-related activities (e.g. full time, part time, overload, etc.).</i>	
<i>Note 2: Excludes fringe benefits.</i>	
<i>Note 3: Includes four months of 9-month faculty payroll (full-time, part-time, visiting, etc.).</i>	

The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019

Utilities: The Utilities charges approximated \$3.6 million; however, the University received a water credit which reduced the expenditures by \$400,000 while another utility provider is behind in billing. Based upon past experience, the winter and spring months are the largest campus utility consumption months so it is expected that expenditures will increase, but will still be short of budget for the fiscal year. A projection will be completed for an upcoming financial report.

Operating: Operating expenditures total \$20.6 million or approximately 56 percent of the \$36.5 million budget. These expenditures tend to be higher in the first half of the year as annual contracts and blanket purchase orders are encumbered. The six month results include \$5.6 million in encumbered funds.

The expenditures are incurred within the operating units primarily for software license, supplies and services, transcribing, advertising, travel and occasionally smaller dollar capital items such as computers and equipment.

A projection will be completed for an upcoming financial report.

Transfers, Advances and Loan

Transfers-in (Draw on Operating Reserves): The annual budget assumes draw on reserves will total \$11.6 million. The funds will be transferred in as needed later in the fiscal year.

Transfers-In Plant Fund and Other: Includes \$1 million from reserves for plant fund projects to be transferred in as needed. The year to date transfer-in largely represents a remaining FY2019 balance within Recreation and Wellness Services that was returned to the General Fund.

Transfers-Out Plant Fund: A chiller rebuild project was funded at \$240,000. Upon completion of the Akron Engineering Research Center (AERC) air chiller replacement, \$65,000 remained and was returned to the General Fund. Upon completion of the E.J. Thomas lighting project, \$33,500 was returned to the General Fund.

Transfers-Out Other: The actual transfers of \$15.4 million reflect facilities fees and General Service Fees as well as general support to various auxiliaries. At 50 percent of budget, these transfers are in line with the budget; however, the added two percent shortfall from budgeted enrollment will have an adverse cascading implication for the auxiliary support approximating \$500,000. A projection will be completed for an upcoming financial report.

Advances In/Out:

	Balance July 1, 2019	Advance Out	Repayments Advances-In	Balance Dec. 31, 2019
Musson Industrial Control System Test Bed	\$ 93,028	\$ -	\$ 93,028	\$ -
Test Bed Equipment	-	70,000	-	70,000
Cummings Center	10,000	50,000	-	60,000
Men's Soccer	-	170,000	-	170,000
Total	<u>\$ 103,028</u>	<u>\$ 290,000</u>	<u>\$ 93,028</u>	<u>\$ 300,000</u>

The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019

Loan: The University of Akron Foundation provided a loan to the University in the form of a line of credit of up to \$1 million to help fund the baseball field project until donations materialize. Initially, \$700,000 was accessed while \$200,000 was repaid during December upon receipt of a pledge; therefore, \$500,000 remains outstanding at December 31, 2019. The loan may be further accessed for remaining project phases as other pledge commitments are secured.

AUXILIARY FUNDS

For the Six Months Ended December 31, 2019

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Auxiliary Funds Combined	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$43,233,817	\$19,817,101	\$42,450,000	\$18,061,099	(\$24,388,901)	43%
Payroll	10,311,448	4,871,418	10,810,000	5,208,520	5,601,480	
Fringes	4,329,956	2,023,581	3,844,000	1,867,066	1,976,934	
Total Compensation	14,641,404	6,894,999	14,654,000	7,075,586	7,578,414	48%
Operating	29,994,659	17,232,597	28,131,000	16,592,257	11,538,743	
Scholarships	6,506,067	3,235,450	7,004,000	3,600,746	3,403,254	
Total Non Personnel	36,500,726	20,468,047	35,135,000	20,193,003	14,941,997	57%
Total Expenditures	51,142,130	27,363,046	49,789,000	27,268,590	22,520,410	55%
Net Before Transfers	(7,908,313)	(7,545,945)	(7,339,000)	(9,207,491)	(1,868,491)	
Transfers-In - Facilities Fee	9,306,997	4,784,621	8,179,000	4,089,733	(4,089,267)	
Transfers-In - General Service Fee	12,066,760	5,954,430	11,858,000	5,929,000	(5,929,000)	
Transfers-In - Other-Debt Service	0	0	1,361,000	680,398	(680,602)	
Transfers-In - Other	16,231,440	6,367,353	11,365,000	5,694,506	(5,670,494)	
Transfers-In - Fund Balance	0	0	1,066,000	0	(1,066,000)	
Transfers-In - Plant Fund	50,601	0	0	0	0	
Transfers-In - Encumbrances	271,152	271,152	0	137,044	137,044	
Transfers-Out - Plant Fund	(2,116,897)	0	0	(141,581)	(141,581)	
Transfers-Out - Encumbrances	(137,044)	0	0	0	0	
Transfers-Out - Other	0	0	0	(119,331)	(119,331)	
Transfers-Out - Debt Service	(25,798,462)	(12,899,232)	(25,780,000)	(12,890,087)	12,889,913	
Net Transfers	9,874,547	4,478,324	8,049,000	3,379,682	(4,669,318)	
Difference	\$1,966,234	(\$3,067,621)	\$710,000	(\$5,827,809)	(\$6,537,809)	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Athletics	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$9,506,464	\$2,567,714	\$9,406,000	\$2,415,483	(\$6,990,517)	26%
Payroll	7,830,374	3,644,627	8,217,000	4,008,490	4,208,510	
Fringes	3,049,475	1,436,355	2,657,000	1,301,271	1,355,729	
Total Compensation	10,879,849	5,080,982	10,874,000	5,309,761	5,564,239	49%
Operating	13,191,831	7,845,430	10,062,000	8,222,429	1,839,571	
Scholarships	6,506,067	3,235,450	7,004,000	3,600,746	3,403,254	
Total Non Personnel	19,697,898	11,080,880	17,066,000	11,823,175	5,242,825	69%
Total Expenditures	30,577,747	16,161,862	27,940,000	17,132,936	10,807,064	61%
Net Before Transfers	(21,071,283)	(13,594,148)	(18,534,000)	(14,717,453)	3,816,547	
Transfers-In - Facilities Fee	4,828,318	2,482,183	4,254,000	2,126,815	(2,127,185)	
Transfers-In - General Service Fee	12,066,760	5,954,430	11,858,000	5,929,000	(5,929,000)	
Transfers-In - Other-Debt Service	0	0	708,000	354,022	(353,978)	
Transfers-In - Other	9,116,301	3,958,803	6,968,000	3,484,233	(3,483,767)	
Transfers-In - Fund Balance	0	0	0	0	0	
Transfers-In - Plant Fund	0	0	0	0	0	
Transfers-In - Encumbrances	37,088	37,088	0	12,817	12,817	
Transfers-Out - Plant Fund	0	0	0	0	0	
Transfers-Out - Encumbrances	(12,817)	0	0	0	0	
Transfers-Out - Other	0	0	0	0	0	
Transfers-Out - Debt Service	(4,964,367)	(2,482,184)	(4,962,000)	(2,480,837)	2,481,163	
Net Transfers	21,071,283	9,950,320	18,826,000	9,426,050	(9,399,950)	
Difference	\$0	(\$3,643,828)	\$292,000	(\$5,291,403)	(\$5,583,403)	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Residence Life & Housing	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$19,014,962	\$10,288,245	\$19,119,000	\$9,150,607	(\$9,968,393)	48%
Payroll	802,538	392,323	845,000	388,663	456,337	
Fringes	345,161	171,249	307,000	149,295	157,705	
Total Compensation	1,147,699	563,572	1,152,000	537,958	614,042	47%
Operating	7,099,710	3,512,062	7,645,000	3,400,760	4,244,240	
Scholarships	0	0	0	0	0	
Total Non Personnel	7,099,710	3,512,062	7,645,000	3,400,760	4,244,240	44%
Total Expenditures	8,247,409	4,075,634	8,797,000	3,938,718	4,858,282	45%
Net Before Transfers	10,767,553	6,212,611	10,322,000	5,211,889	(5,110,111)	
Transfers-In - Facilities Fee	0	0	0	0	0	
Transfers-In - General Service Fee	0	0	0	0	0	
Transfers-In - Other-Debt Service	0	0	0	0	0	
Transfers-In - Other	0	0	0	0	0	
Transfers-In - Fund Balance	0	0	321,000	0	(321,000)	
Transfers-In - Plant Fund	0	0	0	0	0	
Transfers-In - Encumbrances	5,520	5,520	0	37,458	37,458	
Transfers-Out - Plant Fund	0	0	0	0	0	
Transfers-Out - Encumbrances	(37,458)	0	0	0	0	
Transfers-Out - Other	0	0	0	0	0	
Transfers-Out - Debt Service	(10,646,776)	(5,323,388)	(10,643,000)	(5,321,504)	5,321,496	
Net Transfers	(10,678,714)	(5,317,868)	(10,322,000)	(5,284,046)	5,037,954	
Difference	\$88,839	\$894,743	\$0	(\$72,157)	(\$72,157)	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

EJ Thomas Performing Arts Hall	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$2,214,474	\$479,346	\$2,640,000	\$1,053,239	(\$1,586,761)	40%
Payroll	226,936	115,891	312,000	123,932	188,068	
Fringes	87,789	43,971	97,000	38,840	58,160	
Total Compensation	314,725	159,862	409,000	162,772	246,228	40%
Operating	2,322,437	1,377,254	2,775,000	1,014,956	1,760,044	
Scholarships	0	0	0	0	0	
Total Non Personnel	2,322,437	1,377,254	2,775,000	1,014,956	1,760,044	37%
Total Expenditures	2,637,162	1,537,116	3,184,000	1,177,728	2,006,272	37%
Net Before Transfers	(422,688)	(1,057,770)	(544,000)	(124,489)	419,511	
Transfers-In - Facilities Fee	0	0	0	0	0	
Transfers-In - General Service Fee	0	0	0	0	0	
Transfers-In - Other-Debt Service	0	0	0	0	0	
Transfers-In - Other	970,469	468,485	871,000	435,691	(435,309)	
Transfers-In - Fund Balance	0	0	0	0	0	
Transfers-In - Plant Fund	0	0	0	0	0	
Transfers-In - Encumbrances	28,832	28,832	0	0	0	
Transfers-Out - Plant Fund	(213,500)	0	0	33,483	33,483	
Transfers-Out - Encumbrances	0	0	0	0	0	
Transfers-Out - Other	0	0	0	0	0	
Transfers-Out - Debt Service	(326,899)	(163,450)	(327,000)	(163,316)	163,684	
Net Transfers	458,902	333,867	544,000	305,858	(238,142)	
Difference	\$36,214	(\$723,903)	\$0	\$181,369	\$181,369	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Dining (Aramark)	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$4,060,090	\$2,104,762	\$3,186,000	\$1,153,266	(\$2,032,734)	36%
Payroll	78,915	78,051	38,000	15,604	22,396	
Fringes	262,982	90,339	250,000	121,904	128,096	
Total Compensation	341,897	168,390	288,000	137,508	150,492	48%
Operating	1,341,535	888,691	1,747,000	838,576	908,424	
Scholarships	0	0	0	0	0	
Total Non Personnel	1,341,535	888,691	1,747,000	838,576	908,424	48%
Total Expenditures	1,683,432	1,057,081	2,035,000	976,084	1,058,916	48%
Net Before Transfers	2,376,658	1,047,681	1,151,000	177,182	(973,818)	
Transfers-In - Facilities Fee	0	0	0	0	0	
Transfers-In - General Service Fee	0	0	0	0	0	
Transfers-In - Other-Debt Service	0	0	0	0	0	
Transfers-In - Other	0	0	0	0	0	
Transfers-In - Fund Balance	0	0	0	0	0	
Transfers-In - Plant Fund	0	0	0	0	0	
Transfers-In - Encumbrances	22,079	22,079	0	46,397	46,397	
Transfers-Out - Plant Fund	(8,397)	0	0	(175,064)	(175,064)	
Transfers-Out - Encumbrances	(46,397)	0	0	0	0	
Transfers-Out - Other	0	0	0	(12,000)	(12,000)	
Transfers-Out - Debt Service	(776,016)	(388,008)	(777,000)	(388,695)	388,305	
Net Transfers	(808,731)	(365,929)	(777,000)	(529,362)	247,638	
Difference	\$1,567,927	\$681,752	\$374,000	(\$352,180)	(\$726,180)	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Recreation & Wellness Services	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$609,309	\$254,036	\$640,000	\$271,386	(\$368,614)	42%
Payroll	554,518	260,639	558,000	272,301	285,699	
Fringes	242,342	117,596	229,000	105,311	123,689	
Total Compensation	796,860	378,235	787,000	377,612	409,388	48%
Operating	1,827,329	920,334	1,750,000	796,645	953,355	
Scholarships	0	0	0	0	0	
Total Non Personnel	1,827,329	920,334	1,750,000	796,645	953,355	46%
Total Expenditures	2,624,189	1,298,569	2,537,000	1,174,257	1,362,743	46%
Net Before Transfers	(2,014,880)	(1,044,533)	(1,897,000)	(902,871)	994,129	
Transfers-In - Facilities Fee	1,646,177	846,281	1,443,000	721,714	(721,286)	
Transfers-In - General Service Fee	0	0	0	0	0	
Transfers-In - Other-Debt Service	0	0	240,000	119,910	(120,090)	
Transfers-In - Other	2,414,020	1,036,318	1,897,000	948,291	(948,709)	
Transfers-In - Fund Balance	0	0	0	0	0	
Transfers-In - Plant Fund	0	0	0	0	0	
Transfers-In - Encumbrances	61,728	61,728	0	12,152	12,152	
Transfers-Out - Plant Fund	(295,000)	0	0	0	0	
Transfers-Out - Encumbrances	(12,152)	0	0	0	0	
Transfers-Out - Other	0	0	0	(107,331)	(107,331)	
Transfers-Out - Debt Service	(1,692,562)	(846,281)	(1,683,000)	(841,623)	841,377	
Net Transfers	2,122,211	1,098,046	1,897,000	853,113	(1,043,887)	
Difference	\$107,331	\$53,513	\$0	(\$49,758)	(\$49,758)	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Jean Hower Taber Student Union	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$1,002,068	\$370,479	\$947,000	\$431,840	(\$515,160)	46%
Payroll	591,082	273,224	601,000	298,148	302,852	
Fringes	256,526	118,857	220,000	113,291	106,709	
Total Compensation	847,608	392,081	821,000	411,439	409,561	50%
Operating	1,848,739	942,167	1,755,000	747,937	1,007,063	
Scholarships	0	0	0	0	0	
Total Non Personnel	1,848,739	942,167	1,755,000	747,937	1,007,063	43%
Total Expenditures	2,696,347	1,334,248	2,576,000	1,159,376	1,416,624	45%
Net Before Transfers	(1,694,279)	(963,769)	(1,629,000)	(727,536)	901,464	
Transfers-In - Facilities Fee	2,832,502	1,456,157	2,482,000	1,241,204	(1,240,796)	
Transfers-In - General Service Fee	0	0	0	0	0	
Transfers-In - Other-Debt Service	0	0	413,000	206,466	(206,534)	
Transfers-In - Other	1,887,305	903,747	1,629,000	826,291	(802,709)	
Transfers-In - Fund Balance	0	0	0	0	0	
Transfers-In - Plant Fund	0	0	0	0	0	
Transfers-In - Encumbrances	26,670	26,670	0	12,236	12,236	
Transfers-Out - Plant Fund	0	0	0	0	0	
Transfers-Out - Encumbrances	(12,236)	0	0	0	0	
Transfers-Out - Other	0	0	0	0	0	
Transfers-Out - Debt Service	(2,912,314)	(1,456,157)	(2,895,000)	(1,447,670)	1,447,330	
Net Transfers	1,821,927	930,417	1,629,000	838,527	(790,473)	
Difference	\$127,648	(\$33,352)	\$0	\$110,991	\$110,991	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Parking & Transportation Services	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$6,778,971	\$3,732,886	\$6,458,000	\$3,554,787	(\$2,903,213)	55%
Payroll	227,085	106,663	239,000	101,382	137,618	
Fringes	85,681	45,214	84,000	37,154	46,846	
Total Compensation	312,766	151,877	323,000	138,536	184,464	43%
Operating	2,353,874	1,741,255	2,387,000	1,569,241	817,759	
Scholarships	0	0	0	0	0	
Total Non Personnel	2,353,874	1,741,255	2,387,000	1,569,241	817,759	66%
Total Expenditures	2,666,640	1,893,132	2,710,000	1,707,777	1,002,223	63%
Net Before Transfers	4,112,331	1,839,754	3,748,000	1,847,010	(1,900,990)	
Transfers-In - Facilities Fee	0	0	0	0	0	
Transfers-In - General Service Fee	0	0	0	0	0	
Transfers-In - Other-Debt Service	0	0	0	0	0	
Transfers-In - Other	1,843,345	0	0	0	0	
Transfers-In - Fund Balance	0	0	745,000	0	(745,000)	
Transfers-In - Plant Fund	50,601	0	0	0	0	
Transfers-In - Encumbrances	89,235	89,235	0	15,984	15,984	
Transfers-Out - Plant Fund	(1,600,000)	0	0	0	0	
Transfers-Out - Encumbrances	(15,984)	0	0	0	0	
Transfers-Out - Other	0	0	0	0	0	
Transfers-Out - Debt Service	(4,479,528)	(2,239,764)	(4,493,000)	(2,246,442)	2,246,558	
Net Transfers	(4,112,331)	(2,150,529)	(3,748,000)	(2,230,458)	1,517,542	
Difference	\$0	(\$310,775)	\$0	(\$383,448)	(\$383,448)	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Wayne Student Union	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$47,479	\$19,633	\$54,000	\$30,491	(\$23,509)	56%
Payroll	0	0	0	0	0	
Fringes	0	0	0	0	0	
Total Compensation	0	0	0	0	0	0%
Operating	9,204	5,404	10,000	1,713	8,287	
Scholarships	0	0	0	0	0	
Total Non Personnel	9,204	5,404	10,000	1,713	8,287	17%
Total Expenditures	9,204	5,404	10,000	1,713	8,287	17%
Net Before Transfers	38,275	14,229	44,000	28,778	(15,222)	
Transfers-In - Facilities Fee	0	0	0	0	0	
Transfers-In - General Service Fee	0	0	0	0	0	
Transfers-In - Other-Debt Service	0	0	0	0	0	
Transfers-In - Other	0	0	0	0	0	
Transfers-In - Fund Balance	0	0	0	0	0	
Transfers-In - Plant Fund	0	0	0	0	0	
Transfers-In - Encumbrances	0	0	0	0	0	
Transfers-Out - Plant Fund	0	0	0	0	0	
Transfers-Out - Encumbrances	0	0	0	0	0	
Transfers-Out - Other	0	0	0	0	0	
Transfers-Out - Debt Service	0	0	0	0	0	
Net Transfers	0	0	0	0	0	
Difference	\$38,275	\$14,229	\$44,000	\$28,778	(\$15,222)	

The University of Akron
Auxiliaries
FY 2020 Budget Assumptions

Overall Assumptions

Revenues

- Roughly four percent enrollment decline.

Payroll

- Four percent increase pursuant to collectively bargained employee contracts;
- A raise pool equivalent to two percent for qualifying non-represented employees; and
- State minimum wage adjustment.

Fringes

- Benefits such as 14 percent employer contribution to the respective retirement system, University contribution toward employee group insurance, employee and dependent fee remission, and University portion of employee parking permits; and
- Fringe Rate adjustment from 37 percent to 32 percent.

Transfers-In

- Represents debt service and/or operating support passed through or from the General Fund.

Transfers-Out – Debt Service

- Debt service for Auxiliary facilities.

Unit Assumptions

Athletics

Revenues

- Externally generated revenues from various sources such as the MAC, game guarantees, naming rights, ticket sales, grants-in-aid, IMG, and Coca-Cola.

Payroll

- Contemplates rate increases as reflected in respective individual contracts.

Operating

- Athletic supplies, student assistants, game officials and guarantees, maintenance, team travel & recruiting, and utilities.

Scholarships

- Approximately 220 Athletic financial aid awards; and
- The New Z Fund event will support scholarships for 5th year aid.

The University of Akron
Auxiliaries
FY 2020 Budget Assumptions

Transfers-In

- Facilities Fee totaling \$3.3 million through the General Fund and \$1 million from the Facilities Fee reserve;
- General Service Fee totaling \$11.9 million from the General Fund; and
- Other support totaling \$7.7 million from the General Fund.

Residence Life & Housing

Revenues

- 81 percent average occupancy for fall 2019 and spring 2020; and
- Room rate increase of 1.5 percent for the fall 2019 Tuition Guarantee Cohort.

Operating

- Maintenance, resident assistant meals, student employment, and utilities.

Transfers-In

- \$321,000 from Fund Balance.

EJ Thomas Performing Arts Hall

Revenues

- Externally generated revenues from various sources such as Broadway Series sales, Akron Civic Theater pass-through, hall rental, and endowment gifts.

Operating

- Artist fees, advertising, maintenance, stage & wardrobe, student employment, and utilities.

Transfers-In

- Other totaling \$840,000 from the General Fund; and
- \$31,000 from Endowment.

Dining (Aramark)

Revenues

- Rent and other contractually provided revenues such as utilities, maintenance, and equipment repair; and
- Meal plan increase of three percent for the fall 2019 Tuition Guarantee Cohort.

The University of Akron
Auxiliaries
FY 2020 Budget Assumptions

Compensation

- The CWA employees remain University employees, with the University responsible for the difference between FICA and SERS; and
- All other employees are the fiscal responsibility of Aramark.

Operating

- Card access and point of sale software, equipment, maintenance, and utilities.

Recreation & Wellness Services

Revenues

- Externally generated revenues from various sources such as memberships, pool rental, and locker and facility rentals; and
- \$68,000 in new community membership program and rental income.

Operating

- Group exercise, intramural sports, maintenance, outdoor adventures, student employment, and utilities.

Transfers-In

- Facilities Fee totaling \$1.1 million through the General Fund and \$.3 million from Facilities Fee reserve; and
- Other totaling \$2.1 million from the General Fund.

Jean Hower Taber Student Union

Revenues

- Externally generated revenues from various sources such as bookstore space rent, bank space rent, and room rentals.

Payroll

- A \$45,000 savings from eliminating a full-time position.

Operating

- Maintenance, utilities, and student employment.

The University of Akron
Auxiliaries
FY 2020 Budget Assumptions

Transfers-In

- Facilities Fee totaling \$1.9 million through the General Fund and \$.6 million from Facilities Fee reserve; and
- Other support totaling \$2 million from the General Fund.

Parking & Transportation Services

Revenues

- Parking permits and transportation fee revenues decrease consistent with an overall blended enrollment reduction of four percent.

Operating

- Parking deck and lot maintenance, Roo Express Shuttle, the Metro Dash, and utilities.

Transfers-In

- \$745,000 from Parking Services Fund Balance.

Wayne Student Union

Revenues

- Externally generated revenues from bookstore space rent and room rentals.

Operating

- Artist fees, equipment, and property and fire insurance.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Athletics

Athletics actual revenues total \$2.4 million as compared to annual budgeted revenues of \$9.4 million. Major components of revenue include game guarantees (52 percent), ticket sales (24 percent), and gifts (15 percent). Unearned revenue for season and single tickets is realized in the fiscal year when the game is held. Currently, \$24,000 is unearned. Certain earned but yet to be collected revenues include \$380,000 for pouring rights. Preliminary expectations are that Athletics will achieve many of its revenues but that some level of revenues may not materialize. A projection will be completed for an upcoming financial report.

Description	Actual YTD
Game Guarantees	\$1,259,000
Ticket Sales	572,000
Gifts	368,000
Other	216,000
Total Revenue	<u>\$2,415,000</u>

Employee Type	Actual YTD
Contract Professionals	\$3,630,000
Staff	336,000
Graduate Assistants	39,000
Faculty	3,000
Total Payroll	<u>\$4,008,000</u>

Note 1: Includes all Athletics payroll-related activities (e.g. full-time, part-time, overtime, etc.).
Note 2: Excludes fringe benefits.

Payroll and fringes total \$5.3 million or roughly 49 percent as compared to the annual budget of \$10.9 million. Current expectations are that two percent raises, not included as part of planned expenditures, will generate cost above the total compensation budget. A projection will be completed for an upcoming financial report.

Operating expenditures total \$8.2 million or 82 percent as compared to the annual budget of \$10.1 million. The principal operating expenditures include supplies & services (62 percent) and travel & hospitality (30 percent). The majority of supplies & services spending includes athletic supplies (21 percent), game officials and guarantees (16 percent), and maintenance (14 percent). The majority of operating expenditures in travel & hospitality are team travel and recruiting (71 percent). The contract payout for a former coach will also generate unbudgeted expenditures. Athletics will closely monitor expenditure activity and attempt to control costs.

Description	Actual YTD
Supplies & Services	\$5,090,000
Travel & Hospitality	2,491,000
Utilities	289,000
Student Assistants	230,000
Other	106,000
Equipment	16,000
Total Operating	<u>\$8,222,000</u>

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Scholarships, or Athletics financial aid, totaled \$3.6 million or 51 percent as compared to the annual budget of \$7 million. Current expectations are that actual scholarships and other student aid will remain at or under budget. A projection will be completed in an upcoming financial report.

The other sources of funding include transfers-in of facilities fee (including reserve), general service fee, and other budgeted at \$4.3 million, \$11.9 million, and \$7.7 million, respectively. The actual facilities fee totaling \$2.1 million services a portion of the Stadium and Fieldhouse debt while the Athletics actual general services fee, and other transfers-in combined total \$9.8 million. The additional two percent enrollment decline will have a cascading implication to the transfers. That implication will be addressed in an upcoming financial report.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$13,000 Transfers-In – Encumbrances represent those types of commitments.

The budgeted transfers-out for debt service total \$5 million. To date, \$2.5 million or 50 percent has been transferred out to pay the debt service payment with the remaining transfers to occur throughout the year. The debt service pays the bonded debt related to InfoCision Stadium (94 percent) and the Athletic Fieldhouse.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Residence Life & Housing

Residence Life & Housing actual revenues total \$9.2 million as compared to the annual budgeted revenues of \$19.1 million. The principal revenues include residence hall occupancy and are predominately earned during the academic year. Fall occupancy approximated 78 percent which includes a number of rooms intentionally kept offline.

Description	Actual YTD
Room Rentals	\$8,995,000
Other	<u>156,000</u>
Total Revenue	<u>\$9,151,000</u>

Currently, \$9.1 million of spring 2020 revenue is deferred. Fall semester revenues achieved 48% of the total revenue budget. Actual revenues will be less than the budget by the end of the fiscal year 2020 by approximately 3 percent and will be addressed by expenditure control.

Employee Type	Actual YTD
Contract Professionals	\$269,000
Staff	<u>120,000</u>
Total Payroll	<u>\$389,000</u>

Note 1: Includes all Residence Life & Housing payroll-related activities (e.g. full-time, part-time, overtime, etc.).
Note 2: Excludes fringe benefits.

Payroll and fringes total \$538,000 or roughly 47 percent as compared to the annual budget of \$1.2 million. Current expectations are that budgeted compensation will not be exceeded.

Operating expenditures total \$3.4 million or 44 percent as compared to the annual budget of \$7.6 million. The principal operating expenditures include supplies & services (60 percent) and utilities (20 percent). The major spending component in supplies & services includes maintenance (82 percent). The majority of operating expenditures in utilities are electricity (48 percent) and water (35 percent). Current expectations are that expenditures will remain below budget.

Description	Actual YTD
Supplies & Services	\$2,029,000
Utilities	669,000
Student Assistants	259,000
Other	225,000
Travel & Hospitality	<u>219,000</u>
Total Operating	<u>\$3,401,000</u>

Budgeted Transfers-In – Fund Balance of \$321,000 will support Residence Life & Housing planned fiscal year shortfall.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the

The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019

succeeding fiscal year and become a liability and expenditure in that following year. The \$37,000 Transfers-In – Encumbrances represent those types of commitments.

The budgeted transfers-out for the debt service total \$10.6 million. To date, \$5.3 million or 50 percent has been transferred out to pay the debt service payment with the remaining transfers to occur throughout the year. The debt service pays the debt related to the renovation of seven residence halls and construction of four new buildings.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

EJ Thomas Performing Arts Hall

EJ Thomas Performing Arts Hall actual revenues total nearly \$1.1 million as compared to the annual budgeted revenues of \$2.6 million. The principal revenues include ticket sales (65 percent), endowment (16 percent), and hall rental (12 percent). Ticket revenue is considered unearned until the show is held. Currently, EJ Thomas has \$62,000 in unearned revenue for the Broadway in Akron Series FY20 presale event. Current expectations are that budgeted revenues will be achieved as much of the Performing Arts Hall’s revenue generating programming has yet to occur.

Description	Actual YTD
Ticket Sales	\$689,000
Endowment	172,000
Hall Rental	128,000
Other	64,000
Total Revenue	<u>\$1,053,000</u>

Employee Type	Actual YTD
Staff	\$66,000
Contract Professionals	58,000
Total Payroll	<u>\$124,000</u>

Note 1: Includes all EJ Thomas Performing Arts Hall payroll-related activities (e.g. full-time, part-time, overtime, etc.).
Note 2: Excludes fringe benefits.

Payroll and fringes total \$163,000 or roughly 40 percent as compared to the annual budget of \$409,000. Current expectations are that budgeted compensation will not be exceeded.

Operating expenditures total \$1 million or 37 percent as compared to the annual budget of \$2.8 million. The principal operating expenditures include supplies & services (87 percent). The major spending component in supplies & services includes stage & wardrobe (43 percent), artist fees (23 percent), and maintenance (12 percent). Current expectations are that expenditures will remain at or below budget.

Description	Actual YTD
Supplies & Services	\$880,000
Utilities	81,000
Student Assistants	33,000
Travel & Hospitality	13,000
Other	8,000
Total Operating	<u>\$1,015,000</u>

Transfers-In - Other represents general-fund and endowment support for operations and is budgeted for \$871,000. To date, \$436,000 has been transferred with the expectation the full amount will be transferred throughout the remainder of the fiscal year. The additional two percent enrollment decline will have a cascading implication to the transfers. That implication will be addressed in an upcoming financial report.

Transfers-Out – Plant Fund of \$33,000 represents the remaining balance returned to E J Thomas Performing Arts Hall related to the FY2019 Lighting Upgrade Project.

The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019

The budgeted transfers-out for debt service total \$327,000. To date, \$163,000 or 50 percent has been transferred out to pay the debt service payment with the remaining transfers to occur throughout the year. This debt service pays the bonded debt related to improvements and equipment from approximately 17 years ago. The debt will be retired during the fiscal year ended June 30, 2029.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Dining (Aramark)

Aramark actual revenues total \$1.2 million as compared to the annual budgeted revenues of \$3.2 million. The primary revenues include utilities support (31 percent), facilities support (27 percent), Aramark grant (24 percent), and software support (16 percent). To date, about \$653,000 in Aramark rent is outstanding. The significant variance from FY19 year to date is a result of FY18 Aramark rent of \$953,000 that was not recognized until FY19 due to delays during contract negotiations. Current expectations are in line with the current contract and as long as no significant changes are made, actual revenues will match the budget at the end of the fiscal year.

Description	Actual YTD
Utilities Support	\$352,000
Facilities Support	306,000
Aramark Grant	275,000
POS/Card Access Support	181,000
Other	39,000
Total Revenue	<u>\$1,153,000</u>

Employee Type	Actual YTD
Staff	\$16,000

Note 1: Includes all Dining Services (Aramark) payroll-related activities (e.g. full-time, part-time, overtime, etc.).
Note 2: Excludes fringe benefits.

Payroll and fringes total \$138,000 or roughly 48 percent as compared to the annual budget of \$288,000. The \$250,000 fringe benefits also include the difference between SERS and FICA for CWA employees who remained with the University as well as certain Aramark employees performing work at the University.

Operating expenditures total \$839,000 or 48 percent as compared to the annual budget of \$1.7 million. The principal operating expenditures include supplies & services (74 percent) and utilities (15 percent). The major spending component in supplies & services include furniture & equipment repair (66 percent) and maintenance (25 percent). The majority of operating expenditures in utilities are electricity (57 percent) and water (32 percent). Current expectations are that operating expenditures will remain below or at budget.

Description	Actual YTD
Supplies & Services	\$625,000
Utilities	128,000
Equipment	59,000
Other	27,000
Total Operating	<u>\$839,000</u>

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$46,000 Transfers-In – Encumbrances represent those types of commitments.

Transfers-Out – Plant Fund of \$175,000 represents funding to replace the Student Union dishwasher.

Transfers-Out – Other of \$12,000 represents a transfer to the Student Union to support the extended hours for Union Market.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

The budgeted transfers-out for debt service total \$777,000. To date, \$389,000 or 50 percent has been transferred out to pay the upcoming debt service payment with the remaining transfers to occur throughout the year. This debt service pays the bonded debt related to various buildouts of space and renovations including the dining hall and retail sites located throughout the campus over the course of the last 13 to 20 years. The debt will be retired during the fiscal year ended June 30, 2038.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Recreation & Wellness Services

Recreation & Wellness Services actual revenues total \$271,000 as compared to the annual budgeted revenues of \$640,000. The principal revenues include memberships (29 percent), rentals (29 percent), and swimming meets/lessons (27 percent). Current expectations are that Recreation & Wellness Services will achieve revenue budget expectations. A projection will be completed for an upcoming financial report.

Description	Actual YTD
Memberships	\$80,000
Rentals	79,000
Swimming Meets & Lessons	73,000
Other	<u>39,000</u>
Total Revenue	<u>\$271,000</u>

Employee Type	Actual YTD
Contract Professionals	\$221,000
Staff	<u>51,000</u>
Total Payroll	<u>\$272,000</u>
<i>Note 1: Includes all Recreation & Wellness Services payroll-related activities (e.g. full-time, part-time, overtime, etc.).</i>	
<i>Note 2: Excludes fringe benefits.</i>	

Payroll and fringes total \$378,000 or roughly 48 percent as compared to the annual budget of \$787,000. Current expectations are that FLSA changes effective January 1st, not included as part of planned expenditures, will generate cost above the compensation budget. A projection will be completed for an upcoming financial report.

Operating expenditures total \$797,000 or 46 percent as compared to the annual budget of \$1.8 million. The principal operating expenditures include supplies & services (45 percent), student assistants (37 percent), and utilities (16 percent). The majority of supplies & services spending includes maintenance (85 percent). The majority of operating expenditures in utilities are electricity (63 percent), chilled water (14 percent), steam (13 percent), and water (10 percent). The maintenance and utilities budget effect is unknown (at this time) for the six weeks of high-temperature high-water heat loss and closure of the Leisure Pool (Nov. 30 – Jan. 9). Once known the impact will be reflected in a future financial report.

Description	Actual YTD
Supplies & Services	\$360,000
Student Assistants	297,000
Utilities	127,000
Other	9,000
Travel & Hospitality	<u>4,000</u>
Total Operating	<u>\$797,000</u>

Transfers-in of \$1.8 million represents facilities fee (including reserve) and general-fund support to service the building's debt and operations. The additional two percent enrollment decline will have a cascading implication to the transfers. That implication will be addressed in an upcoming financial report.

The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$12,000 Transfers-In – Encumbrances represent those types of commitments.

Transfers-Out – Other represents the \$107,000 remaining balance returned to the General Fund related to FY2019 projects including heat exchanger and domestic hot water boilers. Current expectations are the \$107,000 transfers-out will generate a shortfall at fiscal year-end. The fund balance will absorb any shortfall that may occur.

The budgeted transfers-out for debt service total \$1.7 million. To date, \$842,000 or 50 percent has been transferred out for the debt service requirements.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Jean Hower Taber Student Union

The Student Union actual revenues total \$432,000 as compared to the annual budgeted revenues of \$947,000. The principal revenues include Barnes & Noble bookstore commission income (84 percent) and rental revenue (15 percent). Certain earned but yet to be collected revenue include \$203,000 for PNC commission. Current expectations are that Student Union will achieve its revenue budget.

Description	Actual YTD
Commission Income	\$364,000
Room Rentals	63,000
Other	<u>5,000</u>
Total Revenue	<u>\$432,000</u>

Employee Type	Actual YTD
Contract Professionals	\$253,000
Staff	<u>45,000</u>
Total Payroll	<u>\$298,000</u>

Note 1: Includes all Jean Hower Taber Student Union payroll-related activities (e.g. full-time, part-time, overtime, etc.).
Note 2: Excludes fringe benefits.

Payroll and fringes total \$411,000 or roughly 50 percent as compared to the annual budget of \$821,000. Current expectations are that two percent raises, not included as part of planned expenditures, will generate cost above the compensation budget. A projection will be completed for an upcoming financial report.

Operating expenditures total \$748,000 or 43 percent as compared to the annual budget of \$1.8 million. The principal operating expenditures include supplies & services (43 percent), utilities (30 percent), and student assistants (22 percent). The majority of supplies & services spending include maintenance (79 percent). The majority of operating expenditures in utilities are electricity (49 percent), chilled water (28 percent), and water (12 percent). Current expectations are that operating expenditures will remain below or at budget.

Description	Actual YTD
Supplies & Services	\$321,000
Utilities	228,000
Student Assistants	162,000
Other	<u>37,000</u>
Total Operating	<u>\$748,000</u>

Transfers-in represents facilities fee (including reserve) and general-fund support to service the building's debt service and operations, respectively. To date, \$2.3 million has been transferred with the expectation the remaining amount will be transferred throughout the rest of the fiscal year. The additional two percent enrollment decline will have a cascading implication to the transfers. That implication will be addressed in an upcoming financial report.

Transfers-in - Other includes \$12,000 from Dining (Aramark) to assist the Student Union with the extended hours for Union Market.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the

The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019

succeeding fiscal year and become a liability and expenditure in that following year. The \$12,000 Transfers-In – Encumbrances represent those types of commitments.

The budgeted transfers-out for debt service total \$2.9 million. To date, \$1.4 million or 50 percent has been transferred out for the upcoming debt service requirements.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Parking Transportation & Services

Parking actual revenues total \$3.6 million as compared to the annual budgeted revenues of \$6.5 million. The primary sources of revenues are the student transportation fee and parking permits (96 percent). Unearned revenue generated from parking permits purchased before the semester begins is recognized when the revenue recognition criteria is met. Currently \$2.1 million is being held in unearned revenue. Preliminary expectations are that actual revenues will likely fall slightly short of budget. A projection will be completed for an upcoming financial report.

Description	Actual YTD
Permits	\$3,400,000
Lot Rentals	84,000
Fines & Meters	60,000
Other	11,000
Total Revenue	<u>\$3,555,000</u>

Employee Type	Actual YTD
Staff	\$65,000
Contract Professionals	<u>36,000</u>
Total Payroll	<u>\$101,000</u>

Note 1: Includes all Parking & Transportation Services payroll-related activities (e.g. full-time, part-time, overtime, etc.).

Note 2: Excludes fringe benefits.

Payroll and fringes total \$139,000 or roughly 43 percent as compared to the annual budget of \$323,000. Compensation occurs ratably throughout the year. Current expectations are that budgeted compensation will not be exceeded.

Operating expenditures total \$1.6 million or 66 percent as compared to the annual budget of \$2.4 million. The principal operating expenditures include supplies & services (86 percent). The major spending component in supplies & services includes transportation related activities including busing, parking lot, and deck maintenance (81 percent) and equipment repair (11 percent). The majority of operating expenditures are encumbered in fall generating the 66 percent of budget variance. Current expectations are expenditures will exceed budget at fiscal year-end. The fund balance will absorb the shortfall.

Description	Actual YTD
Supplies & Services	\$1,352,000
Utilities	97,000
Student Assistants	93,000
Travel & Hospitality	22,000
Other	<u>5,000</u>
Total Operating	<u>\$1,569,000</u>

Budgeted Transfers-In – Fund Balance of \$745,000 will support Parking Transportation & Services planned fiscal year shortfall.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$16,000 Transfers-In – Encumbrances represent those types of commitments.

The budgeted transfers-out for debt service total \$4.5 million. Transfers-out of \$2.2 million or 50 percent represents the debt service that pays the bonded debt related to the renovation and construction of six parking decks.

The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019

Wayne Student Union

Wayne Student Union revenues total \$30,000 as compared to the annual budgeted revenues of \$54,000. The principal revenues include Barnes & Noble bookstore commission (93 percent) predominately earned evenly throughout the fiscal year.

Description	Actual YTD
Commission Income	\$28,000
Other	<u>2,000</u>
Total Revenue	<u>\$30,000</u>

Operating expenditures total \$2,000 or 17 percent as compared to the annual budget of \$10,000. The major operating costs include property and fire insurance (100 percent). Expenditures will be managed in such a way to ensure expenditures remain below or at budget.

Description	Actual YTD
Supplies & Services	\$2,000

**DEPARTMENTAL SALES AND
SERVICES FUNDS**

For the Six Months Ended December 31, 2019

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

**Departmental Sales and Services
Combined**

	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$37,539,741	\$18,200,523	\$32,784,000	\$13,399,494	(\$19,384,506)	41%
Payroll	2,740,341	1,294,018	2,394,000	1,396,836	997,164	
Fringes	948,298	459,413	697,000	419,343	277,657	
Total Compensation	3,688,639	1,753,431	3,091,000	1,816,179	1,274,821	59%
Operating	3,412,730	1,868,324	3,131,000	2,263,763	867,237	
Premiums and Claims	26,392,457	12,431,721	28,027,000	12,854,923	15,172,077	
Capital	27,354	88,482	10,000	16,960	(6,960)	
Total Non Personnel	29,832,541	14,388,527	31,168,000	15,135,646	16,032,354	49%
Total Expenditures	33,521,180	16,141,958	34,259,000	16,951,825	17,307,175	49%
Net Before Transfers	4,018,562	2,058,565	(1,475,000)	(3,552,331)	(2,077,331)	
Transfers-In - Other	400,000	0	0	0	0	
Transfers-In - Encumbrances	384,113	384,113	0	293,452	293,452	
Transfers-In - Carryover	77,633	0	0	0	0	
Transfers-Out - Other	(2,368,534)	(2,265,000)	0	0	0	
Transfers-Out - Encumbrances	(293,452)	0	0	0	0	
Net Transfers	(1,800,240)	(1,880,887)	0	293,452	293,452	
Difference	\$2,218,321	\$177,678	(\$1,475,000)	(\$3,258,879)	(\$1,783,879)	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Self-Insurance Health Care	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$30,303,422	\$14,611,366	\$25,826,000	\$9,993,016	(\$15,832,984)	39%
Payroll	129,893	56,852	143,000	75,822	67,178	
Fringes	48,410	21,433	46,000	24,263	21,737	
Total Compensation	178,303	78,285	189,000	100,085	88,915	53%
Operating	286,947	122,427	208,000	108,289	99,711	
Premiums and Claims	26,392,457	12,431,721	28,027,000	12,854,923	15,172,077	
Capital	0	0	0	0	0	
Total Non Personnel	26,679,404	12,554,148	28,235,000	12,963,212	15,271,788	46%
Total Expenditures	26,857,707	12,632,433	28,424,000	13,063,297	15,360,703	46%
Net Before Transfers	3,445,715	1,978,933	(2,598,000)	(3,070,282)	(472,282)	
Transfers-In - Other	0	0	0	0	0	
Transfers-In - Encumbrances	0	0	0	0	0	
Transfers-In - Carryover	0	0	0	0	0	
Transfers-Out - Other	(2,265,000)	(2,265,000)	0	0	0	
Transfers-Out - Encumbrances	0	0	0	0	0	
Net Transfers	(2,265,000)	(2,265,000)	0	0	0	
Difference	\$1,180,715	(\$286,067)	(\$2,598,000)	(\$3,070,282)	(\$472,282)	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Workforce Training Solutions	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$899,436	\$403,995	\$750,000	\$344,893	(\$405,107)	46%
Payroll	327,217	140,811	218,000	163,740	54,260	
Fringes	104,741	47,571	56,000	45,352	10,648	
Total Compensation	431,958	188,382	274,000	209,092	64,908	76%
Operating	304,990	139,785	377,000	160,427	216,573	
Premiums and Claims	0	0	0	0	0	
Capital	0	0	0	0	0	
Total Non Personnel	304,990	139,785	377,000	160,427	216,573	43%
Total Expenditures	736,948	328,167	651,000	369,519	281,482	57%
Net Before Transfers	162,488	75,827	99,000	(24,626)	(123,626)	
Transfers-In - Other	0	0	0	0	0	
Transfers-In - Encumbrances	19,740	19,740	0	34,193	34,193	
Transfers-In - Carryover	0	0	0	0	0	
Transfers-Out - Other	0	0	0	0	0	
Transfers-Out - Encumbrances	(34,193)	0	0	0	0	
Net Transfers	(14,453)	19,740	0	34,193	34,193	
Difference	\$148,036	\$95,567	\$99,000	9,567	(\$89,434)	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

New Student Orientation	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$529,885	\$122,490	\$551,000	\$91,510	(\$459,490)	17%
Payroll	161,959	79,368	177,000	70,234	106,766	
Fringes	68,272	34,283	65,000	24,955	40,045	
Total Compensation	230,231	113,651	242,000	95,189	146,811	39%
Operating	355,663	227,560	452,000	132,171	319,829	
Premiums and Claims	0	0	0	0	0	
Capital	0	0	0	0	0	
Total Non Personnel	355,663	227,560	452,000	132,171	319,829	29%
Total Expenditures	585,894	341,211	694,000	227,360	466,640	33%
Net Before Transfers	(56,009)	(218,721)	(143,000)	(135,850)	7,150	
Transfers-In - Other	0	0	0	0	0	
Transfers-In - Encumbrances	0	0	0	0	0	
Transfers-In - Carryover	56,009	0	0	0	0	
Transfers-Out - Other	0	0	0	0	0	
Transfers-Out - Encumbrances	0	0	0	0	0	
Net Transfers	56,009	0	0	0	0	
Difference	\$0	(\$218,721)	(\$143,000)	(\$135,850)	\$7,150	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

English Language Institute	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$279,840	\$184,923	\$325,000	\$95,165	(\$229,835)	29%
Payroll	224,465	133,146	216,000	94,326	121,674	
Fringes	69,393	40,348	54,000	24,178	29,822	
Total Compensation	293,858	173,494	270,000	118,504	151,496	44%
Operating	7,605	3,382	8,000	6,224	1,776	
Premiums and Claims	0	0	0	0	0	
Capital	0	0	0	0	0	
Total Non Personnel	7,605	3,382	8,000	6,224	1,776	78%
Total Expenditures	301,463	176,876	278,000	124,728	153,272	45%
Net Before Transfers	(21,624)	8,047	47,000	(29,563)	(76,563)	
Transfers-In - Other	0	0	0	0	0	
Transfers-In - Encumbrances	0	0	0	0	0	
Transfers-In - Carryover	21,624	0	0	0	0	
Transfers-Out - Other	0	0	0	0	0	
Transfers-Out - Encumbrances	0	0	0	0	0	
Net Transfers	21,624	0	0	0	0	
Difference	\$0	\$8,047	\$47,000	(\$29,563)	(\$76,563)	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY20 Budget and Actual Results for the six months ended December 31, 2019

Other	FY19		FY20			
	YTD June 30	YTD December 31	Approved Budget	YTD December 31	\$ Budget Variance	% of Budget
Revenues	\$5,527,158	\$2,877,749	\$5,332,000	\$2,874,910	(\$2,457,090)	54%
Payroll	1,896,807	883,841	1,640,000	992,714	647,286	
Fringes	657,481	315,778	476,000	300,595	175,405	
Total Compensation	2,554,288	1,199,619	2,116,000	1,293,309	822,691	61%
Operating	2,457,525	1,375,170	2,086,000	1,856,652	229,348	
Premiums and Claims	0	0	0	0	0	
Capital	27,354	88,482	10,000	16,960	(6,960)	
Total Non Personnel	2,484,879	1,463,652	2,096,000	1,873,612	222,388	89%
Total Expenditures	5,039,167	2,663,271	4,212,000	3,166,921	1,045,079	75%
Net Before Transfers	487,991	214,478	1,120,000	(292,011)	(1,412,011)	
Transfers-In - Other	400,000	0	0	0	0	
Transfers-In - Encumbrances	364,373	364,373	0	259,260	259,260	
Transfers-In - Carryover	0	0	0	0	0	
Transfers-Out - Other	(103,534)	0	0	0	0	
Transfers-Out - Encumbrances	(259,260)	0	0	0	0	
Net Transfers	401,579	364,373	0	259,260	259,260	
Difference	\$889,570	\$578,851	\$1,120,000	(32,751)	(\$1,152,751)	

Overall Assumptions

Payroll

- Four percent increase for bargaining unit employees;
- A raise pool equivalent to two percent for qualifying non-represented employees; and
- State minimum wage adjustment.

Fringes

- Application of the pooled rate for benefits such as 14 percent employer contribution to the respective retirement system, University contribution toward employee group insurance, employee and dependent fee remission, and University portion of employee permits; and
- Fringe rate adjustment from 37 percent to 32 percent.

Fund Assumptions

Self-Insurance Health Care

Revenues

- University contributions to employee-provided benefits such as medical, prescription drug, dental, long-term disability, and life insurance with fringe rate changed from 37 percent to 32 percent; and
- Employee and retiree contributions for coverage that requires an employee cost share or is voluntary (100 percent employee paid) such as medical, prescription drug, short-term and long-term disability, life insurance, vision, and flexible spending accounts.

Operating

- Amounts expected to be paid for administrative and consulting fees; and
- The Self-Insurance Health Care reserves will fund the retiree dependent health care premiums in the amount of \$2.6 million.

Premiums and Claims

- Estimated cost for insurance premiums and self-insured claim payments related to employee benefit program; and
- Medical, prescription drug, dental, stop loss insurance, and other ancillary benefits.

Workforce Training Solutions

Revenues

- Open enrollment and contract training fees revenues to support the coordination of noncredit professional development classes open to the public and to provide customized training for local companies.

The University of Akron
Departmental Sales and Services
FY 2020 Budget Assumptions

Operating

- Student assistants, supplies and services, and travel and hospitality; and
- Workforce Training Solutions will manage to ensure expenditures are limited to revenues.

New Student Orientation

Revenues

- Commitment fee revenues to support the activities related to orientation and first-year experience programs.

Operating

- Peer mentoring, New Roo Weekend, supplies and services, and travel and hospitality; and
- New Student Orientation will monitor expenditures; however, the budgeted deficit will be offset by the New Student Orientation carryover from fiscal year ended June 30, 2019.

English Language Institute

Revenues

- Externally generated revenues from non-credit courses to teach English to non-English speaking students who plan to attend a university in the United States.

Operating

- Student assistants, supplies and services, and travel and hospitality; and
- English Language Institute will manage to ensure expenditures are limited to revenues.

Other

Revenues

- Includes about 145 smaller, revenue-generating activities such as internal Printing Services, Hearing Aid Dispensary, and Akron Polymer Technology Services.

Operating

- Student assistants, cost of goods sold (Hearing Aid Dispensary), supplies and services, and travel and hospitality;
- Individual management and the units will manage to ensure expenditures are limited to revenues; and
- In general, the units are anticipated to “break-even” or generate surpluses.

Capital

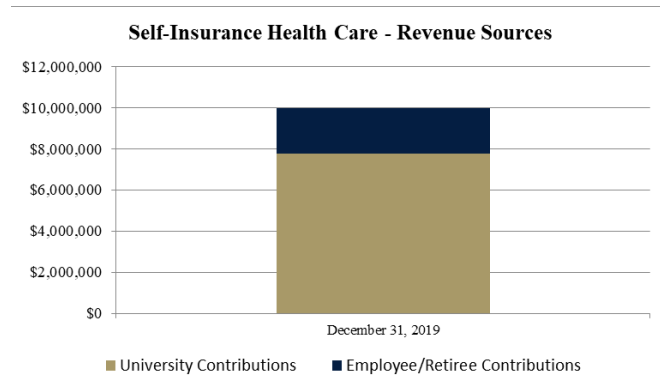
- Equipment purchase related to Akron Polymer Technology Services.

**The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Self-Insurance Health Care

Self-Insurance Health Care revenues total \$10.0 million as compared to annual budgeted revenues of \$25.8 million. For the fiscal year ended June 30, 2020, revenues are projected to approximate \$22.4 million, or \$3.4 million less than budget.

The revenues are derived from the University (78 percent) and employee/retiree contributions (22 percent). Some benefits are funded solely by the University and/or employee while some benefits are funded by the University, employee, and retiree as follows: medical (University, employee, and retiree), prescription drug (University, employee, and retiree), dental (University and employee), short-term disability (employee), long-term disability (University and employee), life insurance (University and employee), vision (employee), and flexible spending accounts (University and employee).



Payroll and fringes total \$100,000 compared to the annual budget of \$189,000.

Operating expenditures total \$108,000 compared to the annual budget of \$208,000.

Premiums and Claims expenditures total \$12.9 million as compared to the annual budget of \$28 million. For the fiscal year ended June 30, 2020, premiums and claims are projected to

approximate \$26.1 million, or \$1.9 million less than budget.

The Self-Insurance fund budgeted a planned \$2.6 million shortfall while the fiscal year ended June 30, 2020 shortfall is now projected to approximate \$3.9 million. The shortfall will help the Self-Insurance fund achieve a more appropriate reserve in the \$5 million to \$7 million range. The reserve is expected to approximate \$10 million at June 30, 2020. The revenues and expenditures will be monitored and evaluated throughout the remainder of the fiscal year and the shortfall projection will be updated if needed.

Workforce Training Solutions

Workforce Training Solutions actual revenues from open enrollment and contract training fees total \$345,000 or 46 percent as compared to the annual budgeted revenues of \$750,000. Multiple corporate training contracts are in place during the fiscal year. Current expectations are that budgeted revenues will be achieved.

Payroll and fringes total \$209,000 or 76 percent as compared to the annual budget of \$274,000. Generally, payroll costs related to contract training are incurred prior to the associated revenue being collected.

**The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Operating expenditures total \$160,000 or 43 percent as compared to the annual budget of \$377,000. The principal operating expenditures include supplies and services (92 percent) related to training and instructional support. Current expectations are that expenditures will remain at or below budget.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$34,000 Transfers-In – Encumbrances represents those types of commitments.

New Student Orientation

New Student Orientation actual revenues total \$92,000 or 17 percent as compared to the annual budgeted revenues of \$551,000. New Student Orientation revenues are cyclical. Most of the confirmation fee revenues are received during the months of January to June. Fee receipts based upon enrollment projections change as the class matriculates. Current expectations are that projected revenues will fall short of budget. If by fiscal year end there is a deficit, it will be fully offset by New Student Orientation carryover from fiscal year ended June 30, 2019.

Payroll and fringes total \$95,000 or 39 percent as compared to the annual budget of \$242,000.

Operating expenditures total \$132,000 or 29 percent as compared to the annual budget of \$452,000. The principal operating expenditures include New Roo Weekend (42 percent) and student assistants (31 percent). Current expectations are that expenditures will remain at or below budget. Expenditures will continue to be closely monitored and managed throughout the course of the year.

English Language Institute

English Language Institute actual revenues total \$95,000 or 29 percent as compared to the annual budgeted revenues of \$325,000. Current expectations are that budgeted revenues will not be achieved.

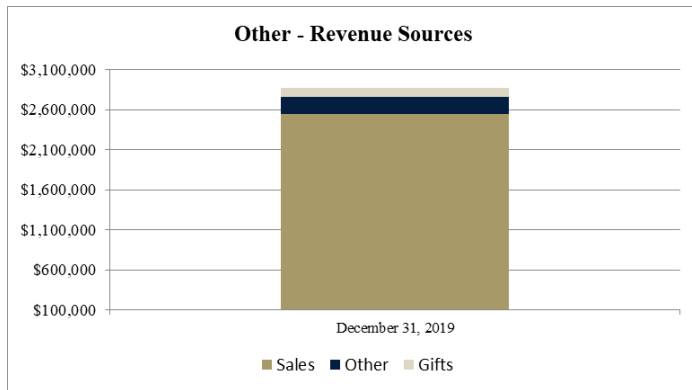
Payroll and fringes total \$119,000 or 44 percent as compared to the annual budget of \$270,000.

Operating expenditures total \$6,200 or 78 percent as compared to the annual budget of \$8,000. The principal operating expenditures include student aid (46 percent) and supplies and services (31 percent). Current expectations are that expenditures will remain at or exceed budget. Expenditures will continue to be closely monitored and managed throughout the course of the year. If by fiscal year end there is a deficit, it will fully be offset by English Language Institute carryover from fiscal year ended June 30, 2019.

**The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
Narrative of FY20 Budget and Actual Results for the six months ended December 31, 2019**

Other

The Other departmental sales and services actual revenues total \$2.9 million or 54 percent as compared to the annual budgeted revenues of \$5.3 million. The principal revenues are generated from roughly 70 activities including Printing Services (15 percent), University Credit Card Program (nine percent), College of Business Administration Executive Education (seven percent), and Law Enforcement Training Center (seven percent).



Payroll and fringes total \$1.3 million or 61 percent as compared to the annual budget of \$2.1 million.

Operating expenditures total \$1.9 million or 89 percent as compared to the annual budget of \$2.1 million. The primary operating expenditures are supplies and services (82 percent). Current expectations are that individual units will manage to ensure

expenditures are limited to revenues.

Capital expenditures total \$17,000 compared to the annual budget of \$10,000. Primary capital expenditures are related to a middle-ear analyzer for the Hearing Aid Dispensary and the purchase and servicing of equipment related to Polymer testing.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$259,000 Transfers-In – Encumbrances represents those types of commitments.

THE UNIVERSITY OF AKRON

RESOLUTION 2- -20

Acceptance of the Financial Report for the Six Months Ended December 31, 2019

BE IT RESOLVED, That the recommendation presented by the Finance & Administration Committee on February 12, 2020, accepting the Financial Report for the Six Months Ended December 31, 2019, be approved.

M. Celeste Cook, Secretary
Board of Trustees