

FINANCE & ADMINISTRATION COMMITTEE

TAB 3

**FINANCIAL REPORT FOR THE
FISCAL YEAR ENDED JUNE 30, 2019**



DATE: September 23, 2019

TO: Nathan J. Mortimer, Vice President for Finance & Administration/CFO

Amy 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 Fiscal Year Ended June 30, 2019**

As requested, the Office of Resource Analysis & Budgeting provides the accompanying Financial Report for the fiscal year ended June 30, 2019 for the General Fund, Auxiliary Funds, and Departmental Sales and Services Funds (Akron and Wayne combined) together with accompanying FY19 budget assumptions and narratives.

This Financial Report should be presented for consideration and approval at the October 9, 2019 Board of Trustees meeting.

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The University of Akron
General Fund, Auxiliary Funds, and Departmental Sales and Services Funds
Budget to Actual Results
For the Fiscal Year Ended June 30, 2019

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GENERAL FUND

For the Fiscal Year Ended June 30, 2019

The University of Akron
Akron and Wayne General Fund Combined
FY19 Revised Budget and Actual Results for the fiscal year ended June 30, 2019

	Original Budget	Revised Budget	Actual	\$ Budget Variance	% of Budget
Tuition & General Service Fees	\$186,872,000	\$187,500,000	\$186,251,268	(\$1,248,732)	
Other Fees	22,305,000	21,900,000	21,732,648	(167,352)	
State Share of Instruction	103,507,000	101,852,000	101,851,513	(487)	
Indirect Cost Recovery	5,800,000	5,400,000	5,188,151	(211,849)	
Investment Income	3,000,000	1,068,000	1,087,866	19,866	
Miscellaneous & Endowment	2,312,000	2,100,000	1,959,430	(140,570)	
Total Revenues	323,796,000	319,820,000	318,070,876	(1,749,124)	99%
Payroll	153,038,000	140,993,000	140,283,371	709,629	
Fringes	52,782,000	53,341,000	50,643,511	2,697,489	
Total Compensation	200,220,000	194,334,000	190,926,882	3,407,118	98%
Utilities	11,501,000	10,901,000	10,692,070	208,930	
Operating	36,761,000	34,785,000	33,406,324	1,378,676	
Bad Debt	1,000,000	400,000	440,433	(40,433)	
Scholarships	59,464,000	54,748,000	52,787,389	1,960,611	
Total Non Personnel	108,726,000	100,834,000	97,326,217	3,507,783	97%
Total Expenditures	308,946,000	295,168,000	288,253,099	6,914,901	98%
Net Before Transfers and Advances	14,850,000	24,652,000	29,817,777	5,165,777	
Transfers-In	16,180,000	3,604,600	3,795,965	191,365	
Transfers-In Plant and Other	1,000,000	2,472,400	2,569,633	97,233	
Transfers-In Encumbrance	0	3,832,000	3,832,133	133	
Advances-In	290,000	487,000	596,972	109,972	
Transfers-Out - Plant Fund	(1,000,000)	(3,492,000)	(2,822,400)	669,600	
Transfers-Out - Other	(31,320,000)	(31,479,000)	(34,369,392)	(2,890,392)	
Advances-Out	0	(77,000)	(77,000)	0	
Transfers-Out - Encumbrance	0	0	(3,343,688)	(3,343,688)	
Net Transfers and Advances	(14,850,000)	(24,652,000)	(29,817,777)	(5,165,777)	
Difference	\$0	\$0	\$0	\$0	

The University of Akron
Akron and Wayne General Fund Combined
FY19 Revised Budget Assumptions

Revenues

Tuition & General Service Fees: The original assumptions are expected to materialize with overall blended enrollment declining approximately seven percent. The Guaranteed Tuition Program was implemented while tuition and fee rates remained flat for continuing students. The original assumption presumed undergraduate, graduate, and law school declines approximating six percent, 14 percent, and two percent, respectively.

Other Fees: The original assumptions are expected to materialize with overall blended enrollment declining approximately seven percent plus the Guaranteed Tuition Program was implemented while tuition and fee rates remained flat for continuing students.

State Share of Instruction: The original assumption presumed a two percent decline from FY18 to \$103.5 million. That original assumption was based upon information received from the Ohio Department of Higher Education (ODHE). However, the ODHE subsequently refined its estimate during the fall 2018, and the revised assumption estimates that SSI will be \$101.9 million.

Indirect Cost Recovery: The original assumption presumed no significant change as compared to FY18; however, current estimates indicate revenues closer to \$5.4 million with allocations remaining unchanged as follows: General Fund, 66 percent; Department, 13 percent; College, 11 percent; and Principal Investigator account, 10 percent.

Investment Income: The original assumption included investment income from all operating funds. Income earned and redemptions made within the short, intermediate, and long-term operating fund portfolios are immediately reinvested; therefore, unavailable to the General Fund as resources for expenditure.

Expenditures

Payroll: The original assumptions presumed a three percent increase pursuant to collective bargaining agreements, a raise pool equivalent to three percent for non-represented full-time employees and part-time faculty, vacant positions would yield \$5.6 million towards vacancy savings, and the year-one installment for the Voluntary Retirement Incentive Program (VRIP) in the amount of \$1.7 million.

The revised assumptions include the application of the raises and a reclassification of the VRIP installment to Fringes since the recipients are technically no longer employees. Plus, several planned hires did not materialize during the fiscal year while the effort to maintain vacant positions continues.

The University of Akron
Akron and Wayne General Fund Combined
FY19 Revised Budget Assumptions

Fringes: The original assumption presumed 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. The revised assumptions include the reclassification of the Voluntary Retirement Incentive Program (VRIP) one-year installment to Fringes.

Operating: The original assumptions presumed that designated fees such as course fees and technology fees, etc., follow the seven percent enrollment decline. The designated fees and start-ups assume that only current-year allocation is expended; however, a certain level of carry over exists within these fees and start-ups, which may depending upon circumstances be expended by the units. Current estimates presume the University will continue to closely manage and control its spending which will lead to a reduced level of expenditures. The change from original budget also contemplates a return of startup allocations in the amount of \$2 million which will be budgeted and expended in subsequent fiscal years.

Scholarships: The original assumption presumed \$59.4 million as follows for graduate assistants (\$11.4 million); Law School (\$3.7 million); and undergraduate (\$44.4 million) while the revised assumption presumes \$54.7 million as follows for graduate assistants (\$9.7 million); Law School (\$4 million); and undergraduate (\$41 million).

This revision represents a \$4.7 million decline from both the original budget and from FY18.

Transfers and Advances

Transfers-In: The original assumption presumed \$16.2 million from General Fund reserves and \$1 million from plant fund reserves. However, continued control of both personnel and operating costs has reduced anticipated need for General Fund reserves to approximately \$3.6 million.

Advances-In: The original assumption presumed the Musson Industrial Control Systems Test Bed and the National Museum of Psychology would repay \$200,000 and \$90,000 of prior year advances, respectively. The revised assumption presumes the \$290,000 repayment plus additional repayments totaling \$120,000 and the James A. Rhoades (JAR) weight room advance in the amount of \$77,000.

Transfers-Out Plant Fund: The original assumption presumed capital projects would be funded as needs arise by \$1 million. However, the General Fund has funded approximately \$3.5 million in support of capital projects, and as circumstances merit additional capital projects funding could materialize over the remainder of the fiscal year.

Transfers-Out Other: The original assumptions presumed transfers to Auxiliaries of General Services Fee (\$11.9 million); Other (\$12.6 million); and Facilities Fee (\$6.8 million) while the revised assumptions presume transfers to Auxiliaries of General Services Fee (\$12.3 million); Other (\$12.2 million); and Facilities Fee (\$6.5 million). The Facilities Fee and other reserves

The University of Akron
Akron and Wayne General Fund Combined
FY19 Revised Budget Assumptions

will now fund \$3.1 million of the debt for the current fiscal year. In addition, funding in the amount of \$400,000 was provided to NCERCAMP which will be offset to the General Fund by an identical amount of NCERCAMP capital resources for University usage.

Advances-Out: The original assumption presumed no Advances-Out; however, a loan was made for the James A. Rhoades (JAR) weight room.

Debt Service: The original assumptions are holding in that the University achieved its debt deferral initiative, reserves that reside in plant funds, and debt reserves fully service the General Fund debt this fiscal year.

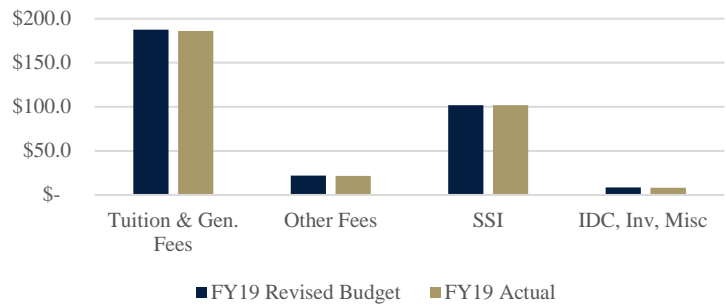
**The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY19 Revised Budget and Actual Results for the fiscal year ended June 30, 2019**

Revenues

Tuition & General Service Fees: Tuition & General Service Fees revenues total \$186.3 million or approximately 99 percent as compared to the revised budget of \$187.5 million. The revenues for the first part of the summer 2019 term are reflected in the year-end results.

The overall credit hour production for the current fiscal year is roughly eight percent less than the prior year.

Revenues (\$ millions)
Revised Budget to Actual Results for the Fiscal Year
Ended June 30, 2019



Other Fees: Other Fees revenues total \$21.7 million or approximately 99 percent as compared to the revised budget of \$21.9 million. The revenues for the first part of the summer 2019 term are reflected in the year-end results.

Other Fees include various student fees such as facility fees (30 percent), technology fees (23 percent), and unit and course fees (18 percent). Course fee revenues reflect an increase associated with the growth in electronic content agreements. The associated revenues are directly offset by the cost of the purchased content.

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

State Share of Instruction: State Share of Instruction (SSI) revenues total \$101.9 million or 100 percent as compared to the revised budget of \$101.9 million.

Indirect Cost Recovery: IDC revenues total \$5.2 million or approximately 96 percent as compared to the revised budget of \$5.4 million.

IDC is proportionately related to externally funded research activities and is currently allocated with 66 percent used to pay the general expenditures of the University and 34 percent allocated to the academic units.

Investment Income: Investment Income revenues total \$1.1 million or 100 percent as compared to the revised budget.

Investment Income is based upon the size of the operating funds investment portfolio and conditions that impact the return.

**The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY19 Revised Budget and Actual Results for the fiscal year ended June 30, 2019**

Expenditures

Payroll and Fringe Benefits: Payroll expenditures total \$140.3 million or approximately 99 percent of the revised budget of \$141 million.

The fringe benefit costs total \$50.6 million or 95 percent of the revised budget of \$53.3 million.

Utilities: Utilities expenditures total \$10.7 million or approximately 98 percent of the revised budget of \$10.9 million.

Operating: Operating expenditures total \$33.4 million or approximately 96 percent of the \$34.8 million revised budget.

Description	Actual FY19
Faculty	\$80,522,000
Staff	29,079,000
Contract Professionals	25,469,000
Graduate Assistants	6,009,000
Sick Leave Accrual	(795,000)
Total Payroll	<u>\$140,284,000</u>

Note: Includes all General Fund payroll-related activities (e.g. full time, part time, stipends, overload, etc.) but no fringes.

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.

Scholarships: Scholarships total \$52.8 million or approximately 96 percent of the \$54.7 million revised budget. Scholarships include undergraduate (\$39.7 million), graduate tuition remissions (\$9.2 million), and law scholarships (\$3.9 million).

Transfers and Advances

Transfers-In: At year-end, \$3.8 million was transferred in to cover the FY19 General Fund shortfall.

Transfers-In Plant and Other: The General Fund's retiree dependent healthcare funding was sufficient without additional support; therefore, the fiscal year 2017 support in the amount of \$2.3 million was reversed. A transfer-in of \$173,000 from Telecommunications reflects the remaining fund balance of the auxiliary operation. That activity shifted to the General Fund in FY18.

Advances:

	Balance July 1, 2018	Advances	Repayments	Balance June 30, 2019
Musson Industrial Control System Test Bed	\$ 353,000	\$ -	\$ 259,972	\$ 93,028
National Museum of Psychology (Cummings Center)	270,000	-	260,000	10,000
James A. Rhoades Weight Room	-	77,000	77,000	-
Total	<u>\$ 623,000</u>	<u>\$ 77,000</u>	<u>\$ 596,972</u>	<u>\$ 103,028</u>

Transfers-Out - Plant Fund: A total of \$2.8 million was transferred to plant funds in support of various projects including the Ballet Center insurance proceeds (\$797,000), campus surveillance system (\$722,000), Boiler Controls (\$277,000), Gallucci Hall demolition (\$275,000), the Roadway building air handler (\$200,000), the AERC air chiller (\$170,000), Polsky elevator (\$150,000), and others.

The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY19 Revised Budget and Actual Results for the fiscal year ended June 30, 2019

Transfers-Out - Other: Transfers of \$34.4 million reflect distribution of \$6.5 million actual facilities fees, \$12.1 million general service fees revenues and other general support to Auxiliaries of \$12.8 million. In addition to the budgeted transfers, \$1.2 million was transferred to Athletics to offset the FY19 operating shortfall. Also reflected are transfers of \$1.1 million to Parking Services for deck repairs, \$400,000 to a departmental sales account in support of Corrosion Engineering, \$295,000 to Recreation and Wellness Center projects, and \$33,500 to E.J. Thomas Performing Arts Hall for a lighting project.

Advances-Out: A loan to Athletics of \$77,000 in support of the James A. Rhoades Arena weight room renovation was repaid during March.

AUXILIARY FUNDS

For the Fiscal Year Ended June 30, 2019

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Auxiliary Funds Combined

	Original Budget	Actual	\$ Budget Variance	% of Budget
Revenues	\$43,605,000	\$43,233,817	(\$371,183)	99%
Payroll	10,722,000	10,311,448	410,552	
Fringes	4,455,000	4,329,956	125,044	
Total Compensation	15,177,000	14,641,404	535,596	96%
Operating	29,547,000	29,994,659	(447,659)	
Scholarships	7,326,000	6,506,067	819,933	
Total Non Personnel	36,873,000	36,500,726	372,274	99%
Total Expenditures	52,050,000	51,142,130	907,870	98%
Net Before Transfers	(8,445,000)	(7,908,313)	536,687	
Transfers-In - Facilities Fee	9,569,000	9,306,997	(262,003)	
Transfers-In - General Service Fee	12,335,000	12,066,760	(268,240)	
Transfers-In - Other	13,909,000	16,231,440	2,322,440	
Transfers-In - Plant Fund	0	50,601	50,601	
Transfers-In - Encumbrances	0	271,152	271,152	
Transfers-Out - Plant Fund	(1,000,000)	(2,116,897)	(1,116,897)	
Transfers-Out - Encumbrances	0	(137,044)	(137,044)	
Transfers-Out - Debt Service	(25,799,000)	(25,798,462)	538	
Net Transfers	9,014,000	9,874,547	860,547	
Difference	\$569,000	\$1,966,234	\$1,397,234	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Athletics

	Original Budget	Actual	\$ Budget Variance	% of Budget
Revenues	\$9,232,000	\$9,506,464	\$274,464	103%
Payroll	7,974,000	7,830,374	143,626	
Fringes	3,085,000	3,049,475	35,525	
Total Compensation	11,059,000	10,879,849	179,151	98%
Operating	10,674,000	13,191,831	(2,517,831)	
Scholarships	7,326,000	6,506,067	819,933	
Total Non Personnel	18,000,000	19,697,898	(1,697,898)	109%
Total Expenditures	29,059,000	30,577,747	(1,518,747)	105%
Net Before Transfers	(19,827,000)	(21,071,283)	(1,244,283)	
Transfers-In - Facilities Fee	4,964,000	4,828,318	(135,682)	
Transfers-In - General Service Fee	12,335,000	12,066,760	(268,240)	
Transfers-In - Other	7,492,000	9,116,301	1,624,301	
Transfers-In - Plant Fund	0	0	0	
Transfers-In - Encumbrances	0	37,088	37,088	
Transfers-Out - Plant Fund	0	0	0	
Transfers-Out - Encumbrances	0	(12,817)	(12,817)	
Transfers-Out - Debt Service	(4,964,000)	(4,964,367)	(367)	
Net Transfers	19,827,000	21,071,283	1,244,283	
Difference	\$0	\$0	\$0	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Residence Life & Housing

	Original Budget	Actual	\$ Budget Variance	% of Budget
Revenues	\$19,830,000	\$19,014,962	(\$815,038)	96%
Payroll	847,000	802,538	44,462	
Fringes	356,000	345,161	10,839	
Total Compensation	1,203,000	1,147,699	55,301	95%
Operating	7,980,000	7,099,710	880,290	
Scholarships	0	0	0	
Total Non Personnel	7,980,000	7,099,710	880,290	89%
Total Expenditures	9,183,000	8,247,409	935,591	90%
Net Before Transfers	10,647,000	10,767,553	120,553	
Transfers-In - Facilities Fee	0	0	0	
Transfers-In - General Service Fee	0	0	0	
Transfers-In - Other	0	0	0	
Transfers-In - Plant Fund	0	0	0	
Transfers-In - Encumbrances	0	5,520	5,520	
Transfers-Out - Plant Fund	0	0	0	
Transfers-Out - Encumbrances	0	(37,458)	(37,458)	
Transfers-Out - Debt Service	(10,647,000)	(10,646,776)	224	
Net Transfers	(10,647,000)	(10,678,714)	(31,714)	
Difference	\$0	\$88,839	\$88,839	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

EJ Thomas Performing Arts Hall

	Original Budget	Actual	\$ Budget Variance	% of Budget
Revenues	\$2,441,000	\$2,214,474	(\$226,526)	91%
Payroll	357,000	226,936	130,064	
Fringes	127,000	87,789	39,211	
Total Compensation	484,000	314,725	169,275	65%
Operating	2,567,000	2,322,437	244,563	
Scholarships	0	0	0	
Total Non Personnel	2,567,000	2,322,437	244,563	90%
Total Expenditures	3,051,000	2,637,162	413,838	86%
Net Before Transfers	(610,000)	(422,688)	187,312	
Transfers-In - Facilities Fee	0	0	0	
Transfers-In - General Service Fee	0	0	0	
Transfers-In - Other	937,000	970,469	33,469	
Transfers-In - Plant Fund	0	0	0	
Transfers-In - Encumbrances	0	28,832	28,832	
Transfers-Out - Plant Fund	0	(213,500)	(213,500)	
Transfers-Out - Encumbrances	0	0	0	
Transfers-Out - Debt Service	(327,000)	(326,899)	101	
Net Transfers	610,000	458,902	(151,098)	
Difference	\$0	\$36,214	\$36,214	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Dining (Aramark)

	Original Budget	Actual	\$ Budget Variance	% of Budget
Revenues	\$3,297,000	\$4,060,090	\$763,090	123%
Payroll	125,000	78,915	46,085	
Fringes	275,000	262,982	12,018	
Total Compensation	400,000	341,897	58,103	85%
Operating	1,606,000	1,341,535	264,465	
Scholarships	0	0	0	
Total Non Personnel	1,606,000	1,341,535	264,465	84%
Total Expenditures	2,006,000	1,683,432	322,568	84%
Net Before Transfers	1,291,000	2,376,658	1,085,658	
Transfers-In - Facilities Fee	0	0	0	
Transfers-In - General Service Fee	0	0	0	
Transfers-In - Other	0	0	0	
Transfers-In - Plant Fund	0	0	0	
Transfers-In - Encumbrances	0	22,079	22,079	
Transfers-Out - Plant Fund	0	(8,397)	(8,397)	
Transfers-Out - Encumbrances	0	(46,397)	(46,397)	
Transfers-Out - Debt Service	(776,000)	(776,016)	(16)	
Net Transfers	(776,000)	(808,731)	(32,731)	
Difference	\$515,000	\$1,567,927	\$1,052,927	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Recreation & Wellness Services

	Original Budget	Actual	\$ Budget Variance	% of Budget
Revenues	\$573,000	\$609,309	\$36,309	106%
Payroll	551,000	554,518	(3,518)	
Fringes	245,000	242,342	2,658	
Total Compensation	796,000	796,860	(860)	100%
Operating	1,850,000	1,827,329	22,671	
Scholarships	0	0	0	
Total Non Personnel	1,850,000	1,827,329	22,671	99%
Total Expenditures	2,646,000	2,624,189	21,811	99%
Net Before Transfers	(2,073,000)	(2,014,880)	58,120	
Transfers-In - Facilities Fee	1,693,000	1,646,177	(46,823)	
Transfers-In - General Service Fee	0	0	0	
Transfers-In - Other	2,073,000	2,414,020	341,020	
Transfers-In - Plant Fund	0	0	0	
Transfers-In - Encumbrances	0	61,728	61,728	
Transfers-Out - Plant Fund	0	(295,000)	(295,000)	
Transfers-Out - Encumbrances	0	(12,152)	(12,152)	
Transfers-Out - Debt Service	(1,693,000)	(1,692,562)	438	
Net Transfers	2,073,000	2,122,211	49,211	
Difference	\$0	\$107,331	\$107,331	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Jean Hower Taber Student Union

	Original Budget	Actual	\$ Budget Variance	% of Budget
Revenues	\$946,000	\$1,002,068	\$56,068	106%
Payroll	602,000	591,082	10,918	
Fringes	260,000	256,526	3,474	
Total Compensation	862,000	847,608	14,392	98%
Operating	1,891,000	1,848,739	42,261	
Scholarships	0	0	0	
Total Non Personnel	1,891,000	1,848,739	42,261	98%
Total Expenditures	2,753,000	2,696,347	56,653	98%
Net Before Transfers	(1,807,000)	(1,694,279)	112,721	
Transfers-In - Facilities Fee	2,912,000	2,832,502	(79,498)	
Transfers-In - General Service Fee	0	0	0	
Transfers-In - Other	1,807,000	1,887,305	80,305	
Transfers-In - Plant Fund	0	0	0	
Transfers-In - Encumbrances	0	26,670	26,670	
Transfers-Out - Plant Fund	0	0	0	
Transfers-Out - Encumbrances	0	(12,236)	(12,236)	
Transfers-Out - Debt Service	(2,912,000)	(2,912,314)	(314)	
Net Transfers	1,807,000	1,821,927	14,927	
Difference	\$0	\$127,648	\$127,648	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Parking & Transportation Services

	Original Budget	Actual	\$ Budget Variance	% of Budget
Revenues	\$7,222,000	\$6,778,971	(\$443,029)	94%
Payroll	266,000	227,085	38,915	
Fringes	107,000	85,681	21,319	
Total Compensation	373,000	312,766	60,234	84%
Operating	2,969,000	2,353,874	615,126	
Scholarships	0	0	0	
Total Non Personnel	2,969,000	2,353,874	615,126	79%
Total Expenditures	3,342,000	2,666,640	675,360	80%
Net Before Transfers	3,880,000	4,112,331	232,331	
Transfers-In - Facilities Fee	0	0	0	
Transfers-In - General Service Fee	0	0	0	
Transfers-In - Other	1,600,000	1,843,345	243,345	
Transfers-In - Plant Fund	0	50,601	50,601	
Transfers-In - Encumbrances	0	89,235	89,235	
Transfers-Out - Plant Fund	(1,000,000)	(1,600,000)	(600,000)	
Transfers-Out - Encumbrances	0	(15,984)	(15,984)	
Transfers-Out - Debt Service	(4,480,000)	(4,479,528)	472	
Net Transfers	(3,880,000)	(4,112,331)	(232,331)	
Difference	\$0	\$0	\$0	

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Wayne Student Union

	Original Budget	Actual	\$ Budget Variance	% of Budget
Revenues	\$64,000	\$47,479	(\$16,521)	74%
Payroll	0	0	0	
Fringes	0	0	0	
Total Compensation	0	0	0	
Operating	10,000	9,204	796	
Scholarships	0	0	0	
Total Non Personnel	10,000	9,204	796	92%
Total Expenditures	10,000	9,204	796	92%
Net Before Transfers	54,000	38,275	(15,725)	
Transfers-In - Facilities Fee	0	0	0	
Transfers-In - General Service Fee	0	0	0	
Transfers-In - Other	0	0	0	
Transfers-In - Plant Fund	0	0	0	
Transfers-In - Encumbrances	0	0	0	
Transfers-Out - Plant Fund	0	0	0	
Transfers-Out - Encumbrances	0	0	0	
Transfers-Out - Debt Service	0	0	0	
Net Transfers	0	0	0	
Difference	\$54,000	\$38,275	(\$15,725)	

The University of Akron
Auxiliaries
FY19 Budget Assumptions

Overall Assumptions

Revenues: Assumes an overall seven percent enrollment decline.

Payroll: Assumes three percent increase pursuant to collective bargaining agreements and a raise pool equivalent to three percent for non-represented full-time employees.

Fringes: Assumes 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.

Transfers-Out Debt Service: Assumes debt service for Auxiliary facilities.

Unit Assumptions

Athletics

Revenues: Assumes 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: Assumes a decrease of \$242,000 as compared to the FY18 projection.

Scholarships: Assumes 225 Athletic financial aid awards.

Transfers-In: Revised Budget assumes Facilities Fee of \$3.4 million from the General Fund and \$1.6 million from Facilities Fee reserve, General Service Fee of \$12.3 million, and Other of \$7.5 million in transfers from the General Fund.

Residence Life & Housing

Revenues: Assumes an 88 percent average occupancy.

Operating: Assumes an increase of \$310,000 over the FY18 projection.

EJ Thomas Performing Arts Hall

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

Operating: Assumes largely flat operating as compared to the FY18 projection.

The University of Akron
Auxiliaries
FY19 Budget Assumptions

Transfers-In: Assumes \$.9 million which consists of \$.8 million from the General Fund net of a \$32,000 reduction and \$91,000 from unrestricted reserve.

Dining (Aramark)

Revenues: Assumes rent and other contractually provided revenues such as utilities, maintenance, and equipment repair.

Compensation: The CWA employees remain University employees, with the University responsible for the difference between FICA and SERS. All other employees are the sole responsibility of Aramark.

Operating: Assumes an increase of \$80,000 over the FY18 projection.

Recreation & Wellness Services

Revenues: Assumes externally generated revenues from various sources such as memberships, pool rental, and locker and facility rentals.

Operating: Assumes largely flat operating as compared to the FY18 projection.

Transfers-In: Assumes Facilities Fee of \$1.2 million from the General Fund and \$.5 million from Facilities Fee reserves, and Other of \$2.1 million in transfers from the General Fund net of \$108,000 reduction.

Jean Hower Taber Student Union

Revenues: Assumes externally generated revenues from various sources such as bookstore space rent, bank space rent, and room rentals.

Operating: Assumes an increase of \$82,000 over the FY18 projection.

Transfers-In: Assumes Facilities Fee of \$2 million from the General Fund and \$.9 million from Facilities Fee reserves; and Other of \$1.8 million in transfers from the General Fund net of \$94,000 reduction.

The University of Akron
Auxiliaries
FY19 Budget Assumptions

Parking & Transportation Services

Revenues: Assumes parking permits and transportation fee revenues decrease consistent with an overall blended enrollment reduction of seven percent.

Operating: Assumes an increase of \$382,000 over the FY18 projection.

Transfers-In: Assumes a \$1 million transfer from the General Fund as well as Fund Balance transfers to finance the West Campus Parking Deck repairs and other projects including lot and deck repairs and lighting upgrades.

Transfers-Out Plant Fund: Original assumption reflected a transfer to fund the Administrative Services Building (ASB) parking deck in the amount of \$1 million. However, that \$1 million plus an additional \$500,000 will be transferred to Plant Funds make capital repairs at the West Campus Parking Deck.

Wayne Student Union

Revenues: Assumes externally generated revenues from bookstore space rent and room rentals.

Operating: Assumes largely flat operating as compared to the FY18 projection.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019**

Athletics

Athletics actual revenues total \$9.5 million as compared to annual budgeted revenues of \$9.2 million. Major components of revenue include game guarantees (35 percent), Mid-American Conference (27 percent), naming rights and gifts (15 percent), and ticket sales (10 percent). Unearned revenue for season and single tickets is realized in the fiscal year when the game is held. Currently, \$278,000 is unearned. Earned revenues exceed the budget by \$274,000, largely due to supplements from game guarantees.

Description	Actual
Game Guarantees	\$3,366,000
Mid-American Conference	2,525,000
Naming Rights and Gifts	1,413,000
Other	919,000
Ticket Sales	904,000
Pouring Rights	380,000
Total	\$9,507,000

Payroll and fringes total \$10.9 million or roughly 98 percent as compared to the annual budget of \$11.1 million.

Operating expenditures total \$13.2 million or 124 percent as compared to the annual budget of \$10.7 million. The principal operating expenditures include team travel and recruiting (28 percent) and athletic supplies (11 percent). Game guarantee payout generated additional cost that caused the budget to be exceeded.

Scholarships, or Athletics financial aid, totaled \$6.5 million or 89 percent as compared to the annual budget of \$7.3 million.

The other sources of funding include transfers-in of facilities fee (including reserve), general service fee, and other budgeted at \$5 million, \$12.3 million, and \$7.5 million, respectively. The actual facilities fee totaling \$4.8 million services a portion of the Stadium and Fieldhouse debt while the Athletics actual general services fee, and other transfers-in combined total \$21.2 million. An unbudgeted Transfers-In - Other of \$1.2 million offsets Athletics operating deficit.

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 \$37,000 Transfers-In – Encumbrances represents those types of commitments. The \$13,000 Transfers-Out – Encumbrances represents the liability and expenditures that carried over into FY20.

Transfers-Out – Debt Service of \$5 million is in line with the budget and pays for 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 FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019**

Residence Life & Housing

Residence Life & Housing actual revenues total \$19 million as compared to the annual budgeted revenues of \$19.8 million. The principal revenues include residence hall occupancy (annual average of 80 percent) and are predominately earned during the academic year. Currently, \$598,000 is considered unearned revenue. While revenues fell short of projections, expenditures were managed and did not exceed actual revenues earned.

Description	Actual
Room Rentals	\$18,587,000
Other	428,000
Total	\$19,015,000

Payroll and fringes total \$1.1 million or roughly 95 percent as compared to the annual budget of \$1.2 million.

Operating expenditures total \$7.1 million or 89 percent as compared to the annual budget of \$8 million. The principal operating expenditures include maintenance (47 percent) and utilities (22 percent). Expenditures were managed to offset the decline in revenue and came in under budget by \$880,000.

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 \$6,000 Transfers-In – Encumbrances represents those types of commitments. The \$37,000 Transfers-Out – Encumbrances represents the liability and expenditures that carried over into FY20.

Transfer-Out – Debt Service of \$10.6 million is in line with the budget and pays for 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 FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019**

EJ Thomas Performing Arts Hall

EJ Thomas Performing Arts Hall actual revenues total \$2.2 million as compared to the annual budgeted revenues of \$2.4 million. The principal revenue include ticket sales (76 percent) and hall rental (10 percent). Ticket revenue is considered unearned until the show is held. Currently, EJ Thomas has \$61,000 in unearned revenue for the Broadway in Akron Series FY20 presale event.

Description	Actual
Ticket Sales	\$1,681,000
Hall Rental	223,000
Endowment	171,000
Other	139,000
Total	\$2,214,000

Payroll and fringes total \$315,000 or roughly 65 percent as compared to the annual budget of \$484,000. Expenditures came in under budget by \$169,000 through vacant position savings.

Operating expenditures total \$2.3 million or 90 percent as compared to the annual budget of \$2.6 million. The principal operating expenditures include artist fees (33 percent), stage & wardrobe (32 percent), consultant fees (14 percent), and utilities (10 percent). Expenditures were managed and did not exceed the actual revenues earned.

Transfers-In – Other of \$970,000 represents general-fund support for operations.

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 \$29,000 Transfers-In – Encumbrances represents those types of commitments.

Transfers-Out – Plant Fund of \$214,000 represents the funding for EJ Thomas Performing Arts Hall Lighting Upgrade Project.

Transfers-Out – Debt Service of \$327,000 is in line with the budget and pays for the bonded debt related to improvements and equipment from approximately 16 years ago.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019**

Dining (Aramark)

Aramark actual revenues total \$4.1 million as compared to the annual budgeted revenues of \$3.3 million. Actual revenue collection accounts for 123% percent of the budget. The primary revenues include rent (63 percent), and Aramark grant (14 percent).

Description	Actual
Rent	\$2,572,000
Aramark Grant	550,000
Utilities Support	342,000
Facilities Support	297,000
POS/Card Access Support	181,000
Other	119,000
Total	\$4,061,000

Payroll and fringes total \$342,000 or roughly 85 percent as compared to the annual budget of \$400,000. The \$263,000 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 \$1.3 million or 84 percent as compared to the annual budget of \$1.6 million.

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 \$22,000 Transfers-In – Encumbrances represents those types of commitments. The \$46,000 Transfers-Out – Encumbrances represents the liability and expenditures that carried over into FY20.

Transfers-Out – Plant Fund of \$8,000 represents funding for the Dining Service Freshens Project.

Transfers-Out – Debt Service of \$776,000 is in line with the budget and 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 12 to 19 years.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019**

Recreation & Wellness Services

Recreation & Wellness Services actual revenues total \$609,000 as compared to the annual budgeted revenues of \$573,000. The principal revenues include memberships (33 percent), swimming meets/lessons (29 percent), and rentals (21 percent). Facility rentals generated the additional revenue above budget.

Description	Actual
Memberships	\$203,000
Swimming Meets & Lessons	178,000
Rentals	126,000
Other	102,000
Total	\$609,000

Payroll and fringes total \$797,000 or roughly 100 percent as compared to the annual budget of \$796,000. Three percent raises are reflected.

Operating expenditures total \$1.8 million or 99 percent as compared to the annual budget of \$1.9 million. The primary operating expenditures include maintenance (39 percent), student assistants (36 percent), and utilities (17 percent). SRWS has over 200 student employees (90,000+ hours of student employment) and has reviewed the hours and number of students working based on facility use trends and strategically reduced the number of staff working to bring student assistant compensation below budget by \$40,000.

Transfers-in of \$4.1 million represents facilities fee (including reserve) and general-fund support to service the building's bonded debt and operations, including support for capital projects of \$295,000.

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 \$62,000 Transfers-In – Encumbrances represents those types of commitments. The \$12,000 Transfers-Out – Encumbrances represents the liability and expenditures that carried over into FY20.

Transfers-Out – Plant Funds of \$295,000 supported various capital projects including heat exchanger and domestic hot water boilers.

Transfer-Out – Debt Service of \$1.7 million is in line with the budget and services the debt requirements.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019**

Jean Hower Taber Student Union

The Student Union actual revenues total \$1 million as compared to the annual budgeted revenues of \$946,000. The principal revenues include rental income (98 percent). Actual revenue collection accounts for 106% percent of the budget. Increase in bookstore sales and new and repeat game and room rentals, generated the additional revenue above budget.

Description	Actual
Barnes & Noble Rental	\$700,000
Bank Rental	167,000
Room Rentals	113,000
Other	22,000
Total	\$1,002,000

Payroll and fringes total \$848,000 or roughly 98 percent as compared to the annual budget of \$862,000. Three percent raises are reflected.

Operating expenditures total \$1.8 million or 98 percent as compared to the annual budget of \$1.9 million. The primary operating expenditures include maintenance (30 percent), utilities (26 percent), and student assistants (25 percent). Expenditures were below budget by \$42,000.

Transfers-in of \$4.7 million represents facilities fee and general-fund support to service the building's bonded debt and for operations, respectively.

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 \$27,000 Transfers-In – Encumbrances represents those types of commitments. The \$12,000 Transfers-Out – Encumbrances represents the liability and expenditures that carried over into FY20.

Transfers-Out – Debt Service of \$2.9 million is in line with the budget and services the debt requirements.

The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Parking Transportation & Services

Parking actual revenues total \$6.8 million as compared to the annual budgeted revenues of \$7.2 million. The primary sources of revenues are the student transportation fee and parking permits (95 percent). Unearned revenue generated from parking permits purchased before the semester begins is recognized when the revenue recognition criteria is met. Currently, \$110,000 is being held in unearned revenue. Revenues fell short of projection due to enrollment decline.

Description	Actual
Permits	\$6,436,000
Fines & Meters	152,000
Lot Rentals	143,000
Other	49,000
Total	\$6,780,000

Payroll and fringes total \$313,000 or roughly 84 percent as compared to the annual budget of \$373,000.

Operating expenditures total \$2.4 million or 79 percent as compared to the annual budget of \$3 million. The primary operating costs include transportation related activities including busing, parking lot, and deck maintenance (64 percent), and utilities (13 percent). Operating expenditures were below budget by \$615,000.

Transfers-In – Other of \$1.8 million represents \$1.1 million in general fund support for West Campus Parking deck repairs and \$743,000 from Parking Transportation & Services reserve.

The budgeted Transfers-Out – Plant Fund was intended to fund operations in the amount of \$600,000 and capital repairs of the Administrative Services Building (ASB) parking deck in the amount of \$1 million. However, a transfer to Plant Funds of \$1.6 million will instead make capital repairs at the West Campus Parking Deck while the ASB parking deck was not repaired this fiscal year.

The capital expenditures to replace the expansion joints and drains within the Schrank Parking Deck which has been isolated as the cause of water leakage occurring within Schrank Hall came in under budget. The project did not require \$51,000; therefore, it was returned from the Plant Fund.

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 \$89,000 Transfers-In – Encumbrances represents those types of commitments. The \$16,000 Transfers-Out – Encumbrances represents the liability and expenditures that carried over into FY20.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019**

Transfers-Out – Debt Service of \$4.5 million is in line with the budget and services the debt service requirement related to the renovation and construction of six parking decks.

Wayne Student Union

Wayne Student Union revenues total \$47,000 as compared to the annual budgeted revenues of \$64,000. The principal revenues include bookstore rent (85 percent). While revenues fell short of projections, expenditures were managed and did not exceed the actual revenues earned.

Description	Actual
Barnes & Noble Rental	\$40,000
Other	6,000
Gifts	1,000
Total	\$47,000

Operating expenditures total \$9,200 or 92 percent as compared to the annual budget of \$10,000.

Telecommunications

Telecommunications is no longer an operating auxiliary; thus, the related residual balance of \$173,000 in the Telecom auxiliary was transferred to the General Fund in November 2018.

**DEPARTMENTAL SALES AND
SERVICES FUNDS**

For the Fiscal Year Ended June 30, 2019

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

**Departmental Sales and Services
Combined**

	Original Budget	Actual	Budget Variance \$	% of Budget
Revenues	\$39,632,000	\$37,539,741	(\$2,092,259)	95%
Payroll	2,535,000	2,740,341	(205,341)	
Fringes	898,000	948,298	(50,298)	
Total Compensation	3,433,000	3,688,639	(255,639)	107%
Operating	3,142,000	3,412,730	(270,730)	
Premiums and Claims	31,670,000	26,392,457	5,277,543	
Capital	8,000	27,354	(19,354)	
Total Non Personnel	34,820,000	29,832,541	4,987,459	86%
Total Expenditures	38,253,000	33,521,180	4,731,820	88%
Net Before Transfers	1,379,000	4,018,561	2,639,561	
Transfers-In - Other	0	400,000	400,000	
Transfers-In - Encumbrances	0	384,113	384,113	
Transfers-In - Carryover	0	77,633	77,633	
Transfers-Out - Other	0	(2,368,534)	(2,368,534)	
Transfers-Out - Encumbrances	0	(293,452)	(293,452)	
Net Transfers	0	(1,800,240)	(1,800,240)	
Difference	\$1,379,000	\$2,218,321	\$839,321	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Self-Insurance Health Care

	Original Budget	Actual	Budget Variance \$	% of Budget
Revenues	\$32,979,000	\$30,303,422	(\$2,675,578)	92%
Payroll	\$141,000	129,893	11,107	
Fringes	53,000	48,410	4,590	
Total Compensation	194,000	178,303	15,697	92%
Operating	158,000	286,947	(128,947)	
Premiums and Claims	31,670,000	26,392,457	5,277,543	
Total Non Personnel	31,828,000	26,679,404	5,148,596	84%
Total Expenditures	32,022,000	26,857,707	5,164,293	84%
Net Before Transfers	957,000	3,445,715	2,488,715	
Transfers-Out - Other	0	(2,265,000)	(2,265,000)	
Net Transfers	0	(2,265,000)	(2,265,000)	
Difference	\$957,000	\$1,180,715	\$223,715	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Workforce Training Solutions
(Formerly UA Solutions)

	Original Budget	Actual	Budget Variance \$	% of Budget
Revenues	\$750,000	\$899,436	\$149,436	120%
Payroll	211,000	327,217	(116,217)	
Fringes	60,000	104,741	(44,741)	
Total Compensation	271,000	431,958	(160,958)	159%
Operating	377,000	304,990	72,010	
Total Non Personnel	377,000	304,990	72,010	81%
Total Expenditures	648,000	736,948	(88,948)	114%
Net Before Transfers	102,000	162,488	60,488	
Transfers-In - Encumbrances	0	19,740	19,740	
Transfers-Out - Encumbrances	0	(34,193)	(34,193)	
Net Transfers	0	(14,453)	(14,453)	
Difference	\$102,000	148,036	\$46,036	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

New Student Orientation

	Original Budget	Actual	Budget Variance \$	% of Budget
Revenues	\$551,000	\$529,885	(\$21,115)	96%
Payroll	171,000	161,959	9,041	
Fringes	71,000	68,272	2,728	
Total Compensation	242,000	230,231	11,769	95%
Operating	449,000	355,663	93,337	
Total Non Personnel	449,000	355,663	93,337	79%
Total Expenditures	691,000	585,894	105,106	85%
Net Before Transfers	(140,000)	(56,009)	83,991	
Transfers-In - Carryover	0	56,009	56,009	
Net Transfers	0	56,009	56,009	
Difference	(\$140,000)	\$0	\$140,000	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

English Language Institute

	Original Budget	Actual	Budget Variance \$	% of Budget
Revenues	\$580,000	\$279,840	(\$300,160)	48%
Payroll	311,000	224,465	86,535	
Fringes	102,000	69,393	32,607	
Total Compensation	413,000	293,858	119,142	71%
Operating	30,000	7,605	22,395	
Total Non Personnel	30,000	7,605	22,395	25%
Total Expenditures	443,000	301,463	141,537	68%
Net Before Transfers	137,000	(21,624)	(158,624)	
Transfers-In - Carryover	0	21,624	21,624	
Net Transfers	0	21,624	21,624	
Difference	\$137,000	\$0	(\$137,000)	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019

Other

	Original Budget	Actual	Budget Variance \$	% of Budget
Revenues	\$4,772,000	\$5,527,158	\$755,158	116%
Payroll	1,701,000	1,896,807	(195,807)	
Fringes	612,000	657,481	(45,481)	
Total Compensation	2,313,000	2,554,288	(241,288)	110%
Operating	2,128,000	2,457,525	(329,525)	
Capital	8,000	27,354	(19,354)	
Total Non Personnel	2,136,000	2,484,879	(348,879)	116%
Total Expenditures	4,449,000	5,039,167	(590,167)	113%
Net Before Transfers	323,000	487,991	164,991	
Transfers-In - Other	0	400,000	400,000	
Transfers-In - Encumbrances	0	364,373	364,373	
Transfers-Out - Other	0	(103,534)	(103,534)	
Transfers-Out - Encumbrances	0	(259,260)	(259,260)	
Net Transfers	0	401,579	401,579	
Difference	\$323,000	889,570	\$566,570	

The University of Akron
Departmental Sales and Services
FY19 Budget Assumptions

Overall Assumptions

Payroll: Assumes three percent increase pursuant to collective bargaining agreements and a raise pool equivalent to three percent for non-represented full-time employees.

Fringes: Assumes 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.

Fund Assumptions

Self-Insurance Health Care

Revenues: Assumes University contributions to employee-provided benefits such as medical, prescription drug, dental, long-term disability, and life insurance. Also assumes employee and retiree contributions to benefit program 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: Assumes the amounts expected to be paid for administrative and consulting fees.

Premiums and Claims: Assumes estimated cost for insurance premiums and self-insured claim payments related to employee benefit program. Expenditures include components such as medical, prescription drug, dental, stop loss insurance, and other ancillary benefits.

Workforce Training Solutions (Formerly UA Solutions)

Revenues: Assumes 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.

Operating: Assumes expenditures such as student assistants, supplies and services, and travel and hospitality. UA Solutions will manage to ensure expenditures are limited to revenues.

New Student Orientation

Revenues: Assumes commitment fee revenues to support the activities related to orientation and first-year experience programs.

Operating: Assumes expenditures such as peer mentoring, New Roo Weekend, supplies and services, and travel and hospitality. New Student Orientation will manage to ensure expenditures are limited to revenues.

The University of Akron
Departmental Sales and Services
FY19 Budget Assumptions

English Language Institute

Revenues: Assumes 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: Assumes expenditures such as student assistants, supplies and services, and travel and hospitality. English Language Institute will manage to ensure expenditures are limited to revenues.

Other

Revenues: Assumes about 140 smaller, revenue-generating activities such as internal Printing Services, Hearing Aid Dispensary, and Akron Polymer Technology Services Testing.

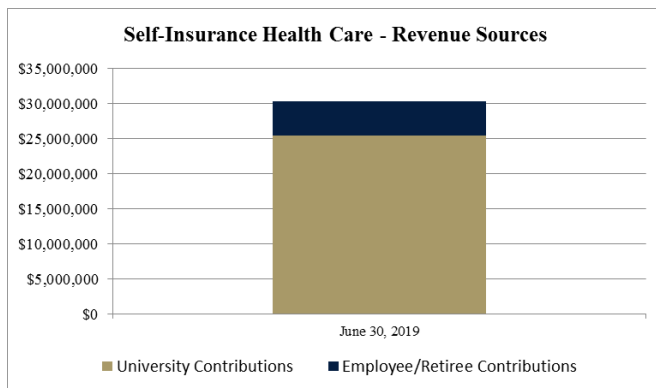
Operating: Assumes expenditures such as student assistants, cost of goods sold (Crystal Room, Computer Store, and Hearing Aid Dispensary), supplies and services, and travel and hospitality. Individual management and the units will manage to ensure expenditures are limited to revenues. In general, the units are anticipated to break even or generate a surplus.

Capital: Assumes equipment purchase related to chemistry testing activities.

**The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
Narrative of FY19 Original Budget and Actual Results for the fiscal year ended June 30, 2019**

Self-Insurance Health Care

Self-Insurance Health Care actual revenues total \$30.3 million as compared to annual budgeted revenues of \$33 million. Major components of revenue include University contributions (84 percent) to employee-provided benefits such as medical, prescription drug, dental, long-term disability, and life insurance. Revenues also include employee and retiree contributions (16 percent) to the benefit program for coverage that requires an employee cost share or is voluntary participation (100 percent employee paid) such as medical, prescription drug, short-term and long-term disability, life insurance, vision, and flexible spending accounts. Revenues are roughly 8% less than expected, largely attributable to a lower number of full-time employees than contemplated in the budget.



Payroll and fringes total \$178,000 compared to the annual budget of \$194,000.

Operating expenditures total \$287,000 for consulting and administrative services compared to the annual budget of \$158,000.

Premiums and Claims expenditures total \$26.4 million as compared to the annual budget of \$31.7 million. The variance is

attributable to reduced headcount and better than expected medical and prescription drug plan experience.

The General Fund’s retiree dependent healthcare funding was sufficient without additional support; therefore, the fiscal year 2017 support in the amount of \$2.3 million was reversed and is reflected under Transfers-Out – Other.

Workforce Training Solutions (Formerly UA Solutions)

Workforce Training Solutions actual revenues from open enrollment and contract training fees total \$899,000 or 120 percent as compared to the annual budgeted revenues of \$750,000. Multiple corporate training contracts are in place during the fiscal year. Revenue exceeded budget in part due to a training contract for an 18 month period being collected prior to the completion of the entire training. As a rule, revenue is collected after the completion of the training. Workforce Training Solutions will have payroll expenditures deducted from this revenue through fiscal year 2020.

Payroll and fringes total \$432,000 or 159 percent as compared to the annual budget of \$271,000. Generally payroll costs related to contract training is incurred prior to the associated revenue being collected.

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Operating expenditures total \$305,000 or 81 percent as compared to the annual budget of \$377,000. The principal operating expenditures include supplies and services (87 percent) related to training and instructional support.

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 \$20,000 Transfers-In – Encumbrances represents those types of commitments. The \$34,000 Transfers-Out – Encumbrances represents the liability and expenditures that carried over into fiscal year 2020.

New Student Orientation

New Student Orientation actual revenues total \$530,000 or 96 percent as compared to the annual budgeted revenues of \$551,000.

Payroll and fringes total \$230,000 or 95 percent as compared to the annual budget of \$242,000.

Operating expenditures total \$356,000 or 79 percent as compared to the annual budget of \$449,000. The principal operating expenditures include student assistants (33 percent) and Peer Mentoring and New Roo Weekend (27 percent). Total expenditures are below budget.

The \$56,000 deficit was offset by New Student Orientation carryover from fiscal year ended June 30, 2018.

English Language Institute

English Language Institute actual revenues total \$280,000 or 48 percent as compared to the annual budgeted revenues of \$580,000.

Payroll and fringes total \$294,000 or 71 percent as compared to the annual budget of \$413,000.

Operating expenditures total \$7,600 or 25 percent as compared to the annual budget of \$30,000. The principal operating expenditures include supplies and services (50 percent), communications (37 percent) and student assistants (10 percent). Total expenditures are below budget.

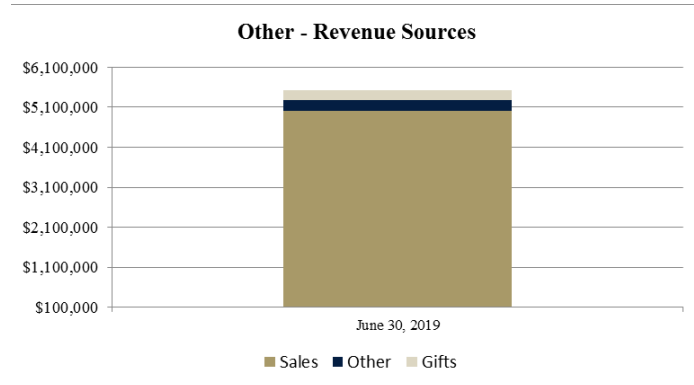
The \$22,000 deficit was offset by English Language Institute's carryover from fiscal year ended June 30, 2018.

Other

The Other departmental sales and services actual revenues total \$5.5 million or 116 percent as compared to the annual budgeted revenues of \$4.8 million. The principal revenues are generated from roughly 98 activities including Printing Services (16 percent), Hearing Aid Dispensary (six

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percent), University Credit Card Program (five percent), Installment Payment Plan (five percent) and CBA Executive Education (five percent).



Payroll and fringes total \$2.6 million or 110 percent as compared to the annual budget of \$2.3 million.

Operating expenditures total \$2.5 million or 115 percent as compared to the annual budget of \$2.1 million. The primary operating expenditures are supplies and services (78 percent).

Capital expenditures total \$27,000 compared to the annual budget of \$8,000. 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 \$364,000 Transfers-In – Encumbrances represents those types of commitments. The \$259,000 Transfers-Out – Encumbrances represents the liability and expenditures that carried over into fiscal year 2020.

The \$400,000 Transfers-In – Other represents general fund support for the University’s National Center for Education and Research on Corrosion and Materials Performance. The \$104,000 Transfers-Out – Other represents the return to the general fund of the University Credit Card Program balance and funding support for a Computer Aided Dispatch System.

THE UNIVERSITY OF AKRON

RESOLUTION 10- -19

Acceptance of the Financial Report for the Fiscal Year Ended June 30, 2019

BE IT RESOLVED, That the recommendation presented by the Finance & Administration Committee on October 9, 2019, accepting the Financial Report for the Fiscal Year Ended June 30, 2019, be approved.

M. Celeste Cook, Secretary
Board of Trustees

October 9, 2019