

**FINANCE & ADMINISTRATION COMMITTEE**

**TAB 2**

**FINANCIAL REPORT**

**FOR FISCAL YEAR ENDED JUNE 30, 2017**



**DATE:** September 25, 2017

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

*Amy S. Gilliland*

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

**SUBJECT: General Fund and Auxiliary Funds: Budget to Actual Results for the Fiscal Year Ended June 30, 2017**

As requested, the Office of Resource Analysis & Budgeting is providing the attached Financial Report for the Fiscal Year Ended June 30, 2017 for General Funds (Akron and Wayne combined) and Auxiliary Funds (Akron and Wayne combined) together with accompanying notes.

This Financial Report should be presented for approval at the October 11, 2017 Board of Trustees meeting.

**Resource Analysis & Budgeting**  
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**The University of Akron**  
**General Fund and Auxiliary Funds Budget to Actual Results**  
**For the Fiscal Year Ended June 30, 2017**

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# **GENERAL FUND**

**For the Fiscal Year Ended June 30, 2017**

**The University of Akron**  
**General Fund - Akron and Wayne Combined**  
**Budget to Actual Results for the Fiscal Year Ended June 30, 2017**

	<b>FY17</b>			
	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Tuition & General Service Fees	\$209,560,000	\$213,588,314	\$4,028,314	
Other Fees	23,590,000	24,504,976	914,976	
State Share of Instruction	106,510,000	108,566,094	2,056,094	
Indirect Cost Recovery (IDC)	6,540,000	6,428,489	(111,511)	
Investment Income	2,360,000	3,785,094	1,425,094	
Departmental Sales	9,040,000	8,149,552	(890,448)	
Miscellaneous Income	910,000	1,679,933	769,933	
Total Revenues	<u>358,510,000</u>	<u>366,702,452</u>	<u>8,192,452</u>	102%
Compensation	158,510,000	152,014,163	6,495,837	
Fringe Benefits	60,220,000	53,088,953	7,131,047	
Total Compensation	<u>218,730,000</u>	<u>205,103,116</u>	<u>13,626,884</u>	94%
Purchased Utilities	11,610,000	11,539,132	70,868	
Departmental Sales	4,620,000	3,334,030	1,285,970	
Operating	36,470,000	34,359,675	2,110,325	
Bad Debt	2,500,000	752,132	1,747,868	
Scholarships	60,480,000	59,807,401	672,599	
Total Non Personnel	<u>115,680,000</u>	<u>109,792,369</u>	<u>5,887,631</u>	95%
Total Expenditures	<u>334,410,000</u>	<u>314,895,486</u>	<u>19,514,514</u>	94%
Net Before Transfers	<u>24,100,000</u>	<u>51,806,966</u>	<u>27,706,966</u>	
Transfers-In	18,000,000	0	(18,000,000)	
Transfers-Out - Debt Service	(4,930,000)	(4,859,972)	70,028	
Transfers-Out - Plant Fund	(2,500,000)	(265,946)	2,234,054	
Transfers-Out - Other	(34,670,000)	(34,580,847)	89,153	
Net Transfers	<u>(24,100,000)</u>	<u>(39,706,765)</u>	<u>(15,606,765)</u>	
Difference	<u>\$0</u>	<u>\$12,100,202</u>	<u>\$12,100,202</u>	

**The University of Akron**  
**FY17 General Fund Budget Assumptions**

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- **Revenues/Resources**

- 8.5 percent enrollment decline (\$20 million)
- State Share of Instruction (unchanged)
- Carryover usage (\$18 million)

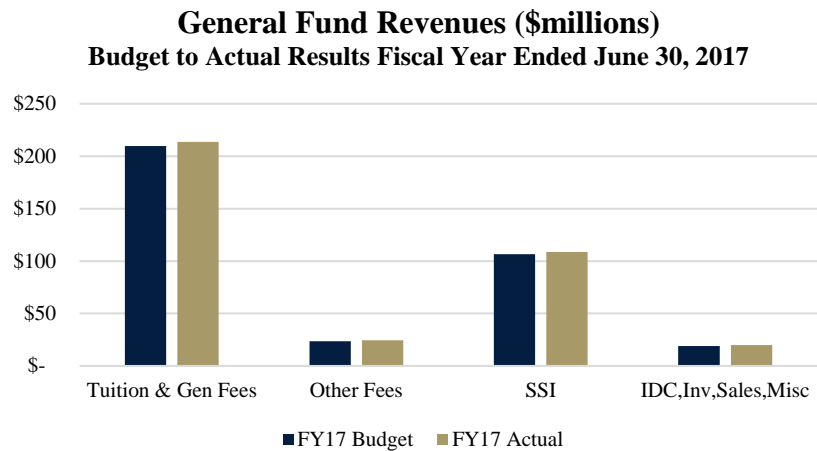
- **Expenditures**

- Bargaining unit employees including Law School faculty (\$2.6 million) and non-bargaining unit employees (\$2.1 million) wage increase of three percent; later revised to bargaining unit employees including Law School faculty only
- Vacancy savings and expenditure control (\$10 million)
- Capital outlay (\$2.5 million) including Law School building renovation \$1.5 million
- Savings from debt refinance (\$7.2 million)

**REVENUES AND RESOURCES**

**Tuition & General Service Fees**

– Final Tuition & General Service Fees revenues total \$213.6 million or approximately 102 percent as compared to the annual budget of \$209.6 million. While revenues surpassed budget estimates, they reflect a decline of \$14.7 million from the prior year, illustrating recent enrollment challenges.



**Other Fees**

– Other Fees revenues total \$24.5 million or approximately 104 percent as compared to the annual budget of \$23.6 million.

Other Fees include various student fees such as facilities fee (32 percent), technology fee (25 percent), and unit and course fees (15 percent). Some of the fees remain within the General Fund to fund operations while the facilities fee revenues are transferred to auxiliary units and contribute towards the debt service requirement 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 \$108.6 million or approximately 102 percent as compared to the annual budget of \$106.5 million.

**Indirect Cost Recovery**

– Indirect Cost Recovery (IDC) revenues total \$6.4 million or approximately 98 percent as compared to the annual budget of \$6.5 million. Approximately \$5.8 million was initially reported and during final close roughly \$600,000 was reclassified from Miscellaneous Income since it more closely reflected IDC.

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.

While collections fell short of budget, the related departmental expenditures were managed to actual distributions.

**Investment Income**

– Investment Income revenues total \$3.8 million or approximately 160 percent as compared to the annual budget of \$2.4 million. Approximately \$3.7 million was initially reported and during final close roughly \$100,000 was reclassified from Miscellaneous Income since it more closely reflected Investment Income.

**The University of Akron  
 Unrestricted General Fund – Akron and Wayne Combined  
 Budget to Actual Results for the Fiscal Year Ended June 30, 2017**

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

**Departmental Sales** – Departmental Sales revenues approximate \$8.1 million or approximately 90 percent as compared to the annual budget of \$9 million.

Departmental Sales revenues are proportionately related to the level of activities including materials and other testing for external parties. These revenues predominately remain within the operating units to pay for the costs associated to the activity including compensation and supplies.

**Miscellaneous Income** – Miscellaneous Income revenues total \$1.7 million or approximately 185 percent as compared to the annual budget of \$910,000. Approximately \$2.4 million was initially reported as Miscellaneous Income and during final close, approximately \$700,000 was reclassified to IDC revenues (\$600,000) and Investment Income (\$100,000) since it more closely reflected IDC revenues and Investment Income, respectively.

**EXPENDITURES**

**Compensation and Fringe Benefits** – Compensation and Fringe Benefits approximate \$205.1 million or approximately 94 percent of the annual budget of \$218.7 million.

	<b>FY17</b>	<b>FY17</b>	
	<b>Budget</b>	<b>Actual</b>	
Compensation	\$ 158.5	\$ 152.0	The compensation budget assumed \$10 million in vacancy savings and hiring controls. The final compensation expenditures of \$152 million were \$6.5 million less than the budget, indicating significant savings from cost control efforts. The fringe benefits costs of \$53.1 million were 88 percent of budget, partially the result of the expenditure controls.
Fringe Benefits	60.2	53.1	
Utilities	11.6	11.5	
Dept Sales	4.6	3.3	
Operating	36.5	34.4	
Bad Debt	2.5	0.8	
Scholarships	60.5	59.8	
	<u>\$ 334.4</u>	<u>\$ 314.9</u>	

**Departmental Sales** – Departmental Sales operating expenditures approximate \$3.3 million or approximately 72 percent of the \$4.6 million budget.

Departmental Sales expenditures are related to the level of sales activities (see Departmental Sales revenues above) and expenditures are historically managed to the revenues.

**Operating** – Operating expenditures approximate \$34.4 million or approximately 94 percent of the \$36.5 million budget.

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



**The University of Akron  
Unrestricted General Fund – Akron and Wayne Combined  
Budget to Actual Results for the Fiscal Year Ended June 30, 2017**

**Bad Debt** – Bad debt approximates \$752,000 and compares favorably to the \$2.5 million budget. This favorable result is the result of consistent application of drop policies. This number should stabilize going into the future.

**Scholarships** – Scholarships approximate \$59.8 million or approximately 99 percent of the \$60.5 million budget. The scholarships include UA undergraduate scholarships, graduate assistant fee remission, and Law scholarships. The undergraduate scholarship expenditures were closely aligned with expectations while the graduate assistant fee remissions were less than expected and the Law scholarships exceeded expectations.

**TRANSFERS**

**Transfers-In** – The budget assumed a need for transfers-in from reserves of \$18 million. As a result of higher than expected revenues and tightly controlled expenditures, there was not a fiscal need for a draw on reserves.

**Transfers-Out** – The debt service budget represents \$4.9 million. Actual transfers-out of \$4.9 million are in line with the budget and represent bonded debt obligations for building and renovation of general purpose and academic space, and includes the performance contract obligation to improve energy efficiency.

\$1.4 million of the budgeted plant fund transfers, in support of the Law building renovation, were not needed as the project accumulated sufficient funds. Transfers of \$266,000 in support of various renovations and other capital improvements have been made.

The remaining transfers of \$34.6 million reflect facilities fee and general service fee as well as general support to auxiliaries. At 100 percent of budget, these transfers are in line with budget.

# **AUXILIARY FUNDS**

**For the Fiscal Year Ended June 30, 2017**

**THE UNIVERSITY OF AKRON****Auxiliaries - Akron and Wayne****Budget to Actual Results for the Fiscal Year Ended June 30, 2017**

<b>Auxiliaries Combined</b>	<b>FY17</b>			
	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Revenues	\$45,500,000	\$41,570,843	(\$3,929,157)	91%
Compensation	10,860,000	9,900,996	959,004	
Fringes	4,590,000	4,515,279	74,721	
Total Compensation	15,450,000	14,416,274	1,033,726	93%
Operating	29,070,000	27,280,038	1,789,962	
Capital	400,000	0	400,000	
Scholarships	7,880,000	6,934,296	945,704	
Total Non Personnel	37,350,000	34,214,334	3,135,666	92%
Total Expenditures	52,800,000	48,630,609	4,169,391	92%
Net Before Transfers	(7,300,000)	(7,059,765)	240,235	
Transfers-In - Facilities Fee	7,720,000	7,663,491	(56,509)	
Transfers-In - General Services Fee	13,630,000	13,544,774	(85,226)	
Transfers-In - Other	13,330,000	13,522,331	192,331	
Transfers-Out - Other	0	(20,000)	(20,000)	
Transfers-Out - Debt Service	(26,130,000)	(25,885,876)	244,124	
Net Transfers	8,550,000	8,824,720	274,720	
Difference	\$1,250,000	\$1,764,955	\$514,955	

**THE UNIVERSITY OF AKRON****Auxiliaries - Akron and Wayne****Budget to Actual Results for the Fiscal Year Ended June 30, 2017**

<b>Athletics Auxiliary</b>	<b>FY17</b>			
	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Revenues	\$8,410,000	\$8,825,516	\$415,516	105%
Compensation	7,790,000	7,113,149	676,851	
Fringes	2,940,000	2,840,945	99,055	
Total Compensation	10,730,000	9,954,094	775,906	93%
Operating	9,710,000	10,445,176	(735,176)	
Capital	0	0	0	
Scholarships	7,880,000	6,934,296	945,704	
Total Non Personnel	17,590,000	17,379,472	210,528	99%
Total Expenditures	28,320,000	27,333,566	986,434	97%
Net Before Transfers	(19,910,000)	(18,508,051)	1,401,949	
Transfers-In - Facilities Fee	4,090,000	4,032,911	(57,089)	
Transfers-In - General Services Fee	13,630,000	13,544,774	(85,226)	
Transfers-In - Other	7,450,000	7,063,478	(386,522)	
Transfers-Out - Other	0	0	0	
Transfers-Out - Debt Service	(5,240,000)	(4,979,123)	260,877	
Net Transfers	19,930,000	19,662,040	(267,960)	
Difference	\$20,000	\$1,153,989	\$1,133,989	

**THE UNIVERSITY OF AKRON****Auxiliaries - Akron and Wayne****Budget to Actual Results for the Fiscal Year Ended June 30, 2017****Residence Life & Housing Auxiliary****FY17**

	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Revenues	\$20,870,000	\$19,037,151	(\$1,832,849)	91%
Compensation	870,000	773,252	96,748	
Fringes	340,000	354,403	(14,403)	
Total Compensation	1,210,000	1,127,655	82,345	93%
Operating	8,520,000	7,516,725	1,003,275	
Capital	0	0	0	
Scholarships	0	0	0	
Total Non Personnel	8,520,000	7,516,725	1,003,275	88%
Total Expenditures	9,730,000	8,644,381	1,085,619	89%
Net Before Transfers	11,140,000	10,392,771	(747,229)	
Transfers-In - Facilities Fee	0	0	0	
Transfers-In - General Services Fee	0	0	0	
Transfers-In - Other	0	0	0	
Transfers-Out - Other	0	0	0	
Transfers-Out - Debt Service	(10,670,000)	(10,665,161)	4,839	
Net Transfers	(10,670,000)	(10,665,161)	4,839	
Difference	\$470,000	(\$272,390)	(\$742,390)	

**THE UNIVERSITY OF AKRON****Auxiliaries - Akron and Wayne****Budget to Actual Results for the Fiscal Year Ended June 30, 2017****EJ Performing Arts Hall Auxiliary****FY17**

	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Revenues	\$1,810,000	\$1,606,343	(\$203,657)	89%
Compensation	260,000	266,256	(6,256)	
Fringes	100,000	112,109	(12,109)	
Total Compensation	360,000	378,365	(18,365)	105%
Operating	2,160,000	1,815,476	344,524	
Capital	0	0	0	
Scholarships	0	0	0	
Total Non Personnel	2,160,000	1,815,476	344,524	84%
Total Expenditures	2,520,000	2,193,841	326,159	87%
Net Before Transfers	(710,000)	(587,498)	122,502	
Transfers-In - Facilities Fee	0	0	0	
Transfers-In - General Services Fee	0	0	0	
Transfers-In - Other	1,030,000	991,143	(38,857)	
Transfers-Out - Other	0	0	0	
Transfers-Out - Debt Service	(330,000)	(327,267)	2,733	
Net Transfers	700,000	663,876	(36,124)	
Difference	(\$10,000)	\$76,378	\$86,378	

**THE UNIVERSITY OF AKRON****Auxiliaries - Akron and Wayne****Budget to Actual Results for the Fiscal Year Ended June 30, 2017****Dining Services (Aramark) Auxiliary**

	<b>FY17</b>			
	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Revenues	\$3,090,000	\$2,678,767	(\$411,234)	87%
Compensation	310,000	263,324	46,676	
Fringes	450,000	529,872	(79,872)	
Total Compensation	760,000	793,196	(33,196)	104%
Operating	1,500,000	1,329,687	170,313	
Capital	0	0	0	
Scholarships	0	0	0	
Total Non Personnel	1,500,000	1,329,687	170,313	89%
Total Expenditures	2,260,000	2,122,883	137,117	94%
Net Before Transfers	830,000	555,883	(274,117)	
Transfers-In - Facilities Fee	0	0	0	
Transfers-In - General Services Fee	0	0	0	
Transfers-In - Other	0	149,749	149,749	
Transfers-Out - Other	0	0	0	
Transfers-Out - Debt Service	(770,000)	(778,614)	(8,614)	
Net Transfers	(770,000)	(628,865)	141,135	
Difference	\$60,000	(\$72,982)	(\$132,982)	

**THE UNIVERSITY OF AKRON****Auxiliaries - Akron and Wayne****Budget to Actual Results for the Fiscal Year Ended June 30, 2017**

<b>Student Recreation &amp; Wellness Ctr - Auxiliary</b>	<b>FY17</b>			
	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Revenues	\$580,000	\$567,032	(\$12,969)	98%
Compensation	530,000	517,900	12,100	
Fringes	230,000	217,390	12,610	
Total Compensation	760,000	735,290	24,710	97%
Operating	2,130,000	1,938,517	191,483	
Capital	0	0	0	
Scholarships	0	0	0	
Total Non Personnel	2,130,000	1,938,517	191,483	91%
Total Expenditures	2,890,000	2,673,807	216,193	93%
Net Before Transfers	(2,310,000)	(2,106,775)	203,225	
Transfers-In - Facilities Fee	1,330,000	1,334,597	4,597	
Transfers-In - General Services Fee	0	0	0	
Transfers-In - Other	2,660,000	2,631,031	(28,969)	
Transfers-Out - Other	0	0	0	
Transfers-Out - Debt Service	(1,710,000)	(1,711,874)	(1,874)	
Net Transfers	2,280,000	2,253,754	(26,246)	
Difference	(\$30,000)	\$146,979	\$176,979	



**THE UNIVERSITY OF AKRON****Auxiliaries - Akron and Wayne****Budget to Actual Results for the Fiscal Year Ended June 30, 2017****Student Union Auxiliary****FY17**

	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Revenues	\$1,730,000	\$1,093,666	(\$636,334)	63%
Compensation	530,000	529,764	236	
Fringes	200,000	221,553	(21,553)	
Total Compensation	730,000	751,318	(21,318)	103%
Operating	2,560,000	1,954,310	605,690	
Capital	0	0	0	
Scholarships	0	0	0	
Total Non Personnel	2,560,000	1,954,310	605,690	76%
Total Expenditures	3,290,000	2,705,627	584,373	82%
Net Before Transfers	(1,560,000)	(1,611,961)	(51,961)	
Transfers-In - Facilities Fee	2,300,000	2,295,983	(4,017)	
Transfers-In - General Services Fee	0	0	0	
Transfers-In - Other	2,190,000	2,686,930	496,930	
Transfers-Out - Other	0	0	0	
Transfers-Out - Debt Service	(2,940,000)	(2,945,035)	(5,035)	
Net Transfers	1,550,000	2,037,878	487,878	
Difference	(\$10,000)	\$425,917	\$435,917	

**THE UNIVERSITY OF AKRON****Auxiliaries - Akron and Wayne****Budget to Actual Results for the Fiscal Year Ended June 30, 2017**

	<b>FY17</b>			
	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Parking & Transportation Svcs Auxiliary				
Revenues	\$8,920,000	\$7,663,782	(\$1,256,218)	86%
Compensation	370,000	269,787	100,213	
Fringes	230,000	126,400	103,600	
Total Compensation	600,000	396,187	203,813	66%
Operating	2,950,000	2,474,985	475,015	
Capital	240,000	0	240,000	
Scholarships	0	0	0	
Total Non Personnel	3,190,000	2,474,985	715,015	78%
Total Expenditures	3,790,000	2,871,171	918,829	76%
Net Before Transfers	5,130,000	4,792,610	(337,390)	
Transfers-In - Facilities Fee	0	0	0	
Transfers-In - General Services Fee	0	0	0	
Transfers-In - Other	0	0	0	
Transfers-Out - Other	0	(20,000)	(20,000)	
Transfers-Out - Debt Service	(4,440,000)	(4,448,450)	(8,450)	
Net Transfers	(4,440,000)	(4,468,450)	(28,450)	
Difference	\$690,000	\$324,160	(\$365,840)	

**THE UNIVERSITY OF AKRON****Auxiliaries - Akron and Wayne****Budget to Actual Results for the Fiscal Year Ended June 30, 2017****Telecommunications Auxiliary**

	<b>FY17</b>			
	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Revenues	\$20,000	\$12,776	(\$7,225)	64%
Compensation	200,000	167,564	32,436	
Fringes	100,000	112,606	(12,606)	
Total Compensation	300,000	280,170	19,830	93%
Operating	(470,000)	(205,757)	(264,243)	
Capital	160,000	0	160,000	
Scholarships	0	0	0	
Total Non Personnel	(310,000)	(205,757)	(104,243)	66%
Total Expenditures	(10,000)	74,413	(84,413)	(744%)
Net Before Transfers	30,000	(61,638)	(91,638)	
Transfers-In - Facilities Fee	0	0	0	
Transfers-In - General Services Fee	0	0	0	
Transfers-In - Other	0	0	0	
Transfers-Out - Other	0	0	0	
Transfers-Out - Debt Service	(30,000)	(30,352)	(352)	
Net Transfers	(30,000)	(30,352)	(352)	
Difference	\$0	(\$91,990)	(\$91,990)	

**THE UNIVERSITY OF AKRON****Auxiliaries - Akron and Wayne****Budget to Actual Results for the Fiscal Year Ended June 30, 2017**

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**Wayne College Auxiliary****FY17**

	<b>Annual Budget</b>	<b>Actual June 2017</b>	<b>\$ Budget Variance</b>	<b>% of Budget</b>
Revenues	\$70,000	\$85,811	\$15,811	123%
Compensation	0	0	0	
Fringes	0	0	0	
Total Compensation	0	0	0	0%
Operating	10,000	10,919	(919)	
Capital	0	0	0	
Scholarships	0	0	0	
Total Non Personnel	10,000	10,919	(919)	109%
Total Expenditures	10,000	10,919	(919)	109%
Difference	\$60,000	\$74,892	\$16,731	

## **The University of Akron**

### **FY17 Auxiliary Budget Assumptions**

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#### **Overall Assumptions**

- Expenditures
  - Bargaining unit employees (\$24,000) and non-bargaining unit employees (\$310,000) wage increase of three percent; later revised to bargaining unit employees only
  - Utilities increase three percent
  - Full year impact of centralizing maintenance under Physical Facilities Operations Center (PFOC)

#### **Athletics**

- Revenues
  - One-time payment from NCAA (\$600,000)
- Expenditures/Uses
  - MAC requirement of increased ESPN media coverage (\$300,000)
  - Athletic financial aid awards approximate 240
  - Debt service based upon current debt profile

#### **Residence Life & Housing**

- Revenues
  - 84 percent occupancy
  - 6 percent rate increase for designated dorms (\$496,000)
- Expenditures/Uses
  - Debt service based upon current debt profile

#### **EJ Thomas Performing Arts Hall**

- Revenues
  - Facility rentals to remain flat
  - Subscriptions and box office ticket sales to remain flat
  - \$2 facility support fee per ticket to remain flat
- Uses
  - Debt service based upon current debt profile

#### **Aramark**

- First full year of implementation with Aramark
- Revenues
  - Rent and unrestricted grant allocation (\$2.1 million)
  - Utility support revenue (\$332,000)
  - Maintenance, equipment repair, and custodial (\$280,000)
  - Zip-Card point of sale and black board (\$181,000)
- Expenditures
  - Except for CWA employees, all employees now reside within Aramark
  - University responsible for difference between FICA and SERS
  - Planned increase of Zip-Card software license

**The University of Akron**  
**FY17 Auxiliary Budget Assumptions**

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**Student Recreation & Wellness Services**

- Revenues
  - Remain flat
- Expenditures/Uses
  - General building and equipment maintenance consistent with prior year
  - Debt service based upon current debt profile

**Student Union**

- Revenues
  - Rental and other revenues to remain relatively flat
- Uses
  - Debt service based upon current debt profile

**Parking Transportation & Services**

- Revenues
  - Parking permits and transportation fee revenues decrease based upon enrollment decline
- Expenditures/Uses
  - Capital project to replace expansion joints and drains in Schrank parking deck (\$240,000)
  - Debt service based upon current debt profile

**Telecommunications**

- Revenues
  - Revenues generated through departmental charges based upon 90 percent of FY 15 actual
- Expenditures/Uses
  - Operations and installations increase as a result of FCC mandate to upgrade radio communications devices (\$450,000)
  - Increased vendor costs and rates for long distance and cable TV (\$83,000)
  - Capital project to replace phone and internet cable lines for employees (\$160,000)
  - Debt service based upon current debt profile

**Wayne College**

- Revenues
  - Barnes & Noble rental and commission revenues decrease (\$19,000)
- Expenditures
  - Remain flat

**The University of Akron  
Auxiliaries – Akron and Wayne  
Budget to Actual Results for the Fiscal Year Ended June 30, 2017**

**Athletics**

Athletics actual revenues total \$8.8 million as compared to annual budgeted revenues of \$8.4 million. Major components of revenue include Mid-American Conference (40 percent), gifts (16 percent), game guarantees (16 percent), ticket sales (11 percent), and pouring rights (4 percent). Earned revenues exceed the budget by \$415,500, largely due to supplements from Mid-American Conference.

Compensation and fringes expenditures total \$10 million or roughly 93 percent as compared to the annual budget of \$10.7 million.

Operating expenditures total \$10.4 million or 108 percent as compared to the annual budget of \$9.7 million. The principal operating expenditures include team travel and recruiting (26 percent), maintenance (12 percent), uniforms and athletic supplies (9 percent), and game guarantees (7 percent).

Scholarships, or Athletic financial aid, totaled \$6.9 million or 88 percent as compared to the annual budget of \$7.9 million.

The other sources of funding include transfers-in of facilities fee, general services fee, and other budgeted at \$4.1 million, \$13.6 million, and \$7.5 million, respectively. The facilities fee totaling \$4 million services a portion of the Stadium and Fieldhouse debt while the Athletics actual general services fee and other transfers-in combined total \$20.6 million.

The budgeted transfers-out for debt service total \$5.2 million. The actual transfer-out of \$5 million pays the bonded debt related to InfoCision Stadium and the Athletic Fieldhouse.

**Residence Life & Housing**

Residence Life & Housing actual revenues total \$19 million as compared to the annual budgeted revenues of \$20.9 million. The principal revenues include residence hall occupancy (annual average of 80 percent), and are predominately earned during the academic year. Fall 2016 and spring 2017 stopped short of occupancy goals while summer 2016 revenue exceeded goals due to the occupancy from the Republican National Convention.

Compensation and fringes expenditures total \$1.1 million or roughly 93 percent as compared to the annual budget of \$1.2 million.

Operating expenditures total \$7.5 million or 88 percent as compared to the annual budget of \$8.5 million. The principal operating expenditures include maintenance costs (45 percent) and purchased utilities (23 percent). Purchased utilities came in below budget with only 77 percent or \$1.8 million of the total \$2.3 million budget consumed due to the mild winter. A savings of just over \$400,000 was realized in student assistant costs due to restructuring the staffing needed for summer conference programs.

The budgeted transfers-out for debt service total \$10.7 million. The actual transfer-out of \$10.7 million pays the bonded debt related to the renovation of eight residence halls and construction of two new buildings.



**EJ Thomas Performing Arts Hall**

EJ Thomas actual revenues total \$1.6 million as compared to the annual budgeted revenues of \$1.8 million. The principal revenues include commissions (30 percent), hall and space rental (27 percent), ticket sales (24 percent), and endowments (12 percent). Ticket deferred revenue is realized when the show is held. Currently EJ Thomas has \$127,000 in deferred revenue for the Broadway in Akron Series FY18 presale event.

Compensation and fringes expenditures total \$378,400 or roughly 105 percent as compared to the annual budget of \$360,000. Technical complications generated the need to hire a part-time backstage technician which produced the added cost above budget.

Operating expenditures total \$1.8 million or 84 percent as compared to the annual budget of \$2.2 million. The principal operating expenditures include stage and wardrobe (41 percent), purchased utilities (13 percent), artist fees (11 percent), and consultant fees (6 percent). Anticipated purchased utilities came in below budget with only 50 percent or \$235,600 of the total \$468,000 budget consumed due to steps taken to conserve energy.

Transfers-in of \$1 million represents general fund support for operations and is in line with the budget.

Transfer-out of \$327,300 is in line with the \$330,000 budget for the bonded debt related to improvements and equipment from approximately 15 years ago.

**Dining Services (Aramark)**

Aramark actual revenues total \$2.7 million as compared to the annual budgeted revenues of \$3.1 million. The primary revenues include rent (38 percent), unrestricted grant (19 percent), utilities support (12 percent); facilities support (10 percent), and software support (7 percent). Zip card deposits are allocated to deferred revenue until the income is expensed. Currently \$334,000 is being held in deferred revenue. Given recent enrollment challenges, meal plan purchases are down substantially.

Compensation and fringes expenditures total \$793,200 or roughly 104 percent as compared to the annual budget of \$760,000. The \$450,000 fringe benefits budget also includes the difference between SERS and FICA for CWA employees who remained with the University as well as Aramark employees performing work at the University. Along with a higher than anticipated cost in fee remission, the fringe benefits for the CWA and Aramark employees came in higher than projected which propelled the total benefit cost above budget.

Operating expenditures total just over \$1.3 million or 89 percent as compared to the annual budget of \$1.5 million.

Dining Services paid the Robertson Hall Hood Ventilation project with a \$500,000 transfer-out to plant funds in FY16. The project is now complete, and the remaining unused funds represent the transfer-in of \$149,700.

The budgeted transfers-out for debt service totals \$770,000. The transfer-out of \$778,600 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 10 to 17 years.

### **Student Recreation & Wellness Center**

Student Recreation & Wellness Services actual revenues total \$567,000 as compared to the annual budgeted revenues of \$580,000. The principal revenues include memberships (38 percent), swimming meets/lessons (36 percent), and rentals (13 percent). Earned revenue stopped short of budget in instructional courses and memberships. New programs are scheduled in FY18 to meet revenue projections.

Compensation and fringes expenditures total \$735,300 or roughly 97 percent as compared to the annual budget of \$760,000.

Operating expenditures total \$1.9 million or 91 percent as compared to the annual budget of \$2.1 million. The primary operating expenditures include student assistants (37 percent), supplies and maintenance (35 percent), and purchased 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 \$86,000.

Transfers-in of \$4 million represents facilities fees and general-fund support to service the building's bonded debt and for operations, respectively.

The Student Recreation and Wellness Center is largely dependent upon the facilities fees and general fund for debt service resources and operational support both of which are tied directly to enrollment.

The transfer-out of \$1.7 million is in line with the budget and supports upcoming debt service requirements.

**Student Union**

The Student Union actual revenues total \$1.1 million as compared to the annual budgeted revenues of \$1.7 million. The principal revenues include rental income (99 percent). Actual revenue collection accounts for 63 percent of the budget.

Compensation and fringes expenditures total \$751,300 or roughly 103 percent as compared to the annual budget of \$730,000. Fee remission expenditures were greater than anticipated which accelerated the benefits cost above budget.

Operating expenditures total \$2 million or 76 percent as compared to the annual budget of \$2.6 million. The primary operating expenditures include maintenance (31 percent), student assistants (30 percent), and purchase utilities (26 percent), and are predominately incurred evenly throughout the fiscal year. Expenditures were below budget by \$605,700.

Transfers-in of \$5 million represents facilities fees and general-fund support to service the building's bonded debt and for operations, respectively and are in line with budget.

The Student Union is largely dependent upon the facilities fees and general fund for debt service resources and operational support both of which are tied directly to enrollment.

Transfers-out of \$2.9 million are line with the budget and are for the debt service requirement.

### **Parking Services & Transportation**

Parking Services actual revenues total \$7.7 million are 14% less than the annual budgeted revenues of \$8.9 million, mostly due to a decline in enrollment. The primary sources of revenues are the student transportation fee and parking permits (88 percent) while revenues fell short of projections, expenditures were maintained to remain within the actual revenues earned.

Compensation and fringes expenditures total \$396,200 or roughly 66 percent as compared to the annual budget of \$600,000. Expenditures came in under budget by \$203,800 through vacant position savings.

Operating expenditures total \$2.5 million or 84 percent as compared to the annual budget of \$3 million. The major operating costs include transportation related activities including busing, parking lot, and deck maintenance (62 percent) and utilities (12 percent). Significant cost-savings were realized over the previous year by contracting with METRO RTA to reduce Roo Express shuttle service hours and fleet size. Some surface lot asphalt repairs were deferred to FY18 or beyond, and a mild winter left budgeted snow-removal funds unused. Operating expenditures were below budget by \$475,000.

The \$240,000 budgeted capital expenditures are intended to replace the expansion joints and drains within the Schrank Parking Deck which have been isolated as the cause of water leakage occurring within Schrank Hall. At year end, \$20,000 transferred-out to fund the project. The remainder of the project will be funded in FY18.

The budgeted transfers-out for debt service total \$4.4 million. Transfers-out of \$4.4 million or 100 percent represents the debt service that pays the bonded debt related to the renovation and construction of four parking decks.

### **Telecommunications**

Telecommunications actual revenues total \$12,800 as compared to annual budgeted revenues of \$20,000. The revenue budget initially contained projections for fiber optic service, telephone and wire installations. With recent changes; however, only charges for fiber optic service are being assessed.

Telecommunications also records revenues through internal departmental charges assessed to campus departments. Actual revenues fell short of projections; however, revenues generated through internal charges exceeded expenditures.

Compensation and fringes expenditures total \$280,200 or roughly 93 percent as compared to the annual budget of \$300,000.

Operating surplus totals (\$205,800) as compared to the annual budget of (\$470,000) which includes \$2.5 million in charge-back revenue. Excluding \$2.2 million in charge-back, the principal operating expenditures, includes communication (69 percent), and web server maintenance contract (19 percent).

The \$160,000 budgeted capital expenditures are intended to upgrade the network inside the data center. The upgrade will occur in FY18.

The budgeted transfers-out for debt service total \$30,000. Transfers-out of \$30,400 or 101 percent are to pay the upcoming debt service payment for the bonded debt related to network infrastructure improvements, deferred maintenance, and enhancements.

### **Wayne College**

Wayne College revenues of \$85,800 exceed the annual budgeted revenues of \$70,000 by \$15,800 or 123 percent. The primary revenues include bookstore rent (87 percent) predominately earned evenly throughout the fiscal year.

Operating expenditures total \$10,900 or 109 percent as compared to the annual budget of \$10,000. Special events generated additional expenditures above budget; however, these costs were offset by revenue.

**THE UNIVERSITY OF AKRON**

**RESOLUTION 10- -17**

Acceptance of the General Fund and Auxiliary Funds Budget-to-Actual Financial Report  
for the Fiscal Year Ended June 30, 2017

BE IT RESOLVED, That the recommendation presented by the Finance &  
Administration Committee on October 11, 2017, accepting the General Fund and Auxiliary  
Funds Budget-to-Actual Financial Report for the Fiscal Year Ended June 30, 2017, be approved.

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M. Celeste Cook, Secretary  
Board of Trustees

October 11, 2017