

FINANCE & ADMINISTRATION COMMITTEE

TAB 2

**QUARTERLY FINANCIAL REPORT
FOR JULY 2012-JUNE 2013**



October 16, 2013

SUBJECT: Quarterly Financial Report for April through June 2013

ACTION SUMMARY

The overall FY13 budget trailed estimates by \$2.9 million. This variance is the result of total revenues falling short of the budget estimate by \$10.3 million (2.7%); and total year-to-date expenditures slightly below the budget estimate by \$7.1 million (2.1%). In addition, there was a favorable net variance in transfers of \$0.3 million.

The shortfall in tuition and fees is \$8.9 million (3.3%) relative to original budget. FY13 credit hour production trailed FY12 by 4.1%.

Total compensation was slightly below estimate. Fringe benefit expenses were \$5.1 million (8.7%) below original budget. However, payroll exceeded the original budget by nearly \$3.9 million (2.4%). Supplies and services were well below budget by \$16.0 million (28.7%). Concerns about enrollment and revenue likely impacted spending in this area. Utilities were \$1.4 million (12.1%) below budget reflecting favorable rates for energy and mild weather. Student Aid was well above original budget by \$4.1 million (9.4%). The focus to attract more college-ready students has increased the number of scholarship recipients even though enrollment is declining.

With the inclusion of transfers-in and transfers-out, the net change in the current fund balance is a reduction of \$2.9 million. This takes into account the \$5.1 million in Internal Loan Repayment which reflects the reductions to departmental carry-overs toward resolving the \$26 million liability for the Early Retirement Incentive program.

THE UNIVERSITY OF AKRON - Akron Campus
Statement of Unrestricted Current Fund - BY EXPENSE POOL (\$'s in thousands)
July 1, 2012 to June 30, 2013

	YEAR-TO-DATE JUNE						
	June 12 Actual	June 13 Actual	June 13 Orig. Budget	YTD Variance		FY13 Orig. Budget	Carryover From FY12
RESOURCES							
Revenues:							
Tuition and Fees:							
Undergraduate Tuition & Fees	\$ 183,204.2	\$ 181,019.3	\$ 189,778.6	\$ (8,759.3)		\$ 189,778.6	\$ 0.0
Graduate Tuition & Fees	41,098.4	42,022.1	42,559.5	(537.4)		42,559.5	0.0
Non-resident Surcharge	11,511.7	12,756.1	11,943.9	812.2		11,943.9	0.0
Other Student Fees ¹	24,471.3	24,512.6	24,941.7	(429.1)		24,941.7	0.0
Total Tuition and Fees	\$ 260,285.6	\$ 260,310.0	\$ 269,223.7	\$ (8,913.6)	-3.3%	\$ 269,223.7	\$ 0.0
State Appropriations	\$ 90,578.6	\$ 91,008.6	\$ 91,089.7	\$ (81.1)	-0.1%	\$ 91,089.7	\$ 0.0
Other Sources:							
Earnings on Investments	\$ 2,494.4	\$ 2,449.7	\$ 2,209.0	\$ 240.7		\$ 2,209.0	\$ 0.0
Unrealized gain (loss)	705.2	(1,418.6)	0.0	(1,418.6)		0.0	0.0
Departmental Sales & Services	14,960.6	13,734.5	14,401.1	(666.6)		14,401.1	0.0
Workforce Dev /Cont. Ed.	489.9	515.9	471.2	44.7		471.2	0.0
Indirect Cost	4,883.3	5,335.9	4,346.5	989.4		4,346.5	0.0
Miscellaneous	576.2	485.9	1,050.0	(564.1)		1,050.0	0.0
Total Other Sources	\$ 24,109.8	\$ 21,103.2	\$ 22,477.7	\$ (1,374.5)	-6.1%	\$ 22,477.7	\$ 0.0
Endowment	\$ 224.9	\$ 239.8	\$ 220.0	\$ 19.8	9.0%	\$ 220.0	\$ 0.0
Total Revenues	\$ 375,199.0	\$ 372,661.6	\$ 383,011.1	\$ (10,349.5)	-2.7%	\$ 383,011.1	\$ 0.0
Transfers-In	\$ 4,064.6	\$ 10,738.8	\$ 5,000.0	\$ 5,738.8	114.8%	\$ 5,000.0	\$ 56,883.4
Total Resources Available	\$ 379,263.5	\$ 383,400.4	\$ 388,011.1	\$ (4,610.7)	-1.2%	\$ 388,011.1	\$ 56,883.4
EXPENDITURES & TRANSFERS-OUT							
E & G Expenses by Pool							
Payroll	\$ 166,368.8	\$ 168,892.4	\$ 164,948.8	\$ (3,943.6)		\$ 164,948.8	\$ 5,007.9
Sick leave accrual	764.1	305.7	0.0	(305.7)		0.0	0.0
Fringe Benefits	54,078.8	53,427.2	58,526.1	5,098.8		58,526.1	364.4
Subtotal Compensation	\$ 221,211.7	\$ 222,625.3	\$ 223,474.9	\$ 849.6	0.4%	\$ 223,474.9	\$ 5,372.3
Student assistants	\$ 4,027.3	\$ 4,103.3	\$ 3,687.0	\$ (416.4)		\$ 3,687.0	\$ 410.1
Supplies & services	40,716.8	39,779.6	55,804.3	16,024.7		55,804.3	34,670.8
Utilities	9,725.9	10,241.8	11,648.2	1,406.5		11,648.2	234.9
Communications	3,177.0	2,435.2	2,144.4	(290.8)		2,144.4	318.7
Travel	4,226.6	3,940.7	3,026.2	(914.6)		3,026.2	985.8
Student aid	44,047.5	47,105.1	43,025.8	(4,079.3)		43,025.8	847.8
Other	2,330.6	2,481.5	(2,951.1)	(5,432.6)		(2,951.1)	13,882.9
Subtotal Non-compensation	\$ 108,251.7	\$ 110,087.2	\$ 116,384.8	\$ 6,297.6	5.4%	\$ 116,384.8	\$ 51,351.0
Total Educational & General	\$ 329,463.4	\$ 332,712.5	\$ 339,859.7	\$ 7,147.2	2.1%	\$ 339,859.7	\$ 56,723.4
Transfers-Out:							
Mandatory	\$ 9,011.7	\$ 7,973.1	\$ 8,259.9	\$ 286.8		\$ 8,259.9	\$ 0.0
Non-Mandatory	52,020.2	45,598.1	39,891.6	(5,706.5)		39,891.6	160.0
Total Transfers-Out	\$ 61,031.9	\$ 53,571.2	\$ 48,151.5	\$ (5,419.7)	-11.3%	\$ 48,151.5	\$ 160.0
Total Expend. & Transfers-Out	\$ 390,495.4	\$ 386,283.6	\$ 388,011.1	\$ 1,727.5	0.4%	\$ 388,011.1	\$ 56,883.4
NET CHANGE IN FUND BALANCE	\$ (11,231.8)	\$ (2,883.2)	\$ 0.0	\$ (2,883.2)		\$ 0.0	\$ 0.0
PLUS Transfers-in for Dept'l Carryovers	\$ 64,181.5	\$ 52,949.7	\$ 0.0	\$ 52,949.7			
Minus transfers-out for carryover reserve	(52,949.7)	(50,066.4)	0.0	(50,066.4)			
Ending balances	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0			

¹ Major categories of "Other Student Fees" include Course Fees, Information Technology Fees and Facility Fees

² For details of transfers-in and transfers-out see attached

EXPENDITURES BY EXPENSE POOL

**THE UNIVERSITY OF AKRON - Akron Campus
Statement of Unrestricted Current Fund
Detail of Transfer-In and Transfer-Out**

	<u>June 12 Actual</u>	<u>June 13 Actual</u>	<u>June 13 Orig. Budget</u>	<u>YTD Variance</u>		<u>FY13 Orig. Budget</u>	<u>Carryover From FY12</u>
TRANSFER DETAIL							
Transfers-In							
<u>Carryovers and Reallocations:</u>							
Departmental Carryovers	\$ 0.0	\$ 0.0	0.0	\$ 0.0		0.0	\$ 52,949.7
Capital Component	0.0	569.0	0.0	569.0		0.0	0.0
Reserve for Encumbrances	3,816.8	3,933.7	0.0	3,933.7		0.0	3,933.7
Departmental Sales	227.0	1,216.7	0.0	1,216.7		0.0	0.0
<u>Budgeted Transfers-In:</u>							
Contingency reserve	19.2	5,000.0	5,000.0	0.0		5,000.0	0.0
Total Transfers-In	\$ <u>4,064.6</u>	\$ <u>10,738.8</u>	\$ <u>5,000.0</u>	\$ <u>5,738.8</u>	114.8%	\$ <u>5,000.0</u>	\$ <u>56,883.4</u>
Transfers-Out							
Auxiliary Enterprises	\$ 36,035.8	\$ 36,549.2	\$ 37,646.8	\$ 1,097.7		\$ 37,646.8	\$ 160.0
Misc/Dept Sale	292.5	1,260.0	0.0	(1,260.0)		0.0	0.0
Plant Funds	2,000.0	1,000.0	1,000.0	0.0		1,000.0	0.0
Additional Plant Projects	830.7	944.7	1,244.7	300.0		1,244.7	0.0
Bonded Debt Repayment	7,487.5	7,270.4	7,592.2	321.7		7,592.2	0.0
1999 Debt Repayment	0.0	0.0	0.0	0.0		0.0	0.0
2003 Debt Repayment	0.0	0.0	0.0	0.0		0.0	0.0
Exchange St. Debt Repayment	0.0	0.0	0.0	0.0		0.0	0.0
City Assessments per Contract	0.0	0.0	0.0	0.0		0.0	0.0
Budget Stabilization Fund	2,000.0	0.0	0.0	0.0		0.0	0.0
Capital Comp/Int. Financing	1,524.2	702.7	667.7	(35.0)		667.7	0.0
Internal Loan Repayment	5,095.4	5,114.6	0.0	(5,114.6)		0.0	0.0
Year-end closing items:							
2005-06 carryovers and reallocation	0.0	0.0	0.0	0.0		0.0	0.0
Reserve for encumbrances	3,933.7	2,438.9	0.0	(2,438.9)		0.0	0.0
Reserve for departmental sales	1,107.7	(310.1)	0.0	310.1		0.0	0.0
Unrealized gain/loss	705.2	(1,418.6)	0.0	1,418.6		0.0	0.0
Debt service reserve	19.2	19.4	0.0	(19.4)		0.0	0.0
Other	0.0	0.0	0.0	0.0		0.0	0.0
Total Transfers-Out	\$ <u>61,031.9</u>	\$ <u>53,571.2</u>	\$ <u>48,151.5</u>	\$ <u>(5,419.7)</u>	-11.3%	\$ <u>48,151.5</u>	\$ <u>160.0</u>

THE UNIVERSITY OF AKRON
Unrestricted Current Fund Revenues – Akron Campus
Twelve-Month Period Ended 6/30/13

RESOURCES

Tuition & Fees – Total FY13 Tuition and General Fee revenues were less than budgeted as growth in credit hour production fell short of the anticipated levels by 3.9% in summer, 3.4% in the fall, and 4.9% in the spring. Overall, year-end student revenues fell short of budget by \$8.9 million, or 3.3%.

State Appropriations – The FY13 final State Share of Instruction (SSI) came in at \$91.0 million which fell slightly short of the budget by \$0.1 million, or 0.1%.

Departmental Sales and Workforce Development – Revenues in the sales and service areas and Workforce Development were less than the annual budget by \$0.6 million. This variance (-4.2%) is the net result of about 170 revenue-generating operations. The English Language Institute collected \$0.3 million more than budget, however this was more than offset by the areas that didn't meet planned revenues. The major contributors to this negative offset were the Computer Store, the Center for Child Development, Literacy Services, and the Quaker Square Inn. A plan is under way to restructure the Center for Child Development and the Quaker Square Inn has been converted to residence hall space.

Indirect Cost Recovery – These revenues were 22.8% greater than budgeted through the end of the fiscal year. The receipts, which relate to externally funded grant activity, are based on the related spending and vary greatly from period to period. A portion of these funds is distributed to offset indirect costs resulting from research activity and the related overhead. As overhead functions face budget reductions, appropriate operating costs are being shifted to these increasing resources.

Earnings from Investments and Endowments – The year-end accumulated earnings from investments and endowments exceeded the budget by nearly \$0.3 million, or 10.7%. This favorable variance is more than offset by recognition of the year-end unrealized loss of \$1.4 million.

Miscellaneous Income – The annual budget of \$1,050,000 relates to any income source that is not included in the above-referenced categories. The year-end miscellaneous revenue of \$0.5 million is largely from rental income from the Quaker Square retail spaces of \$219k, and \$78k in support of the Confucius Institute (from the China Ministry of Education). Other revenues from miscellaneous sources total nearly \$0.4 million, however are nearly offset with the write-off of \$0.2 million of receivables.

Transfers-in – Transfers-in of \$3.9 million covered open purchase orders from FY12. Institutional departmental carryover from FY12 was \$52.9 million. FY13 was the first year that all areas were required to contribute to the repayment of the early retirement program and carryover balances were reduced by \$5.1 million in recognition of the commitments. To date, the outstanding internal loan of \$26.2 million has been reduced by \$10.2 million, or 39%. All deans and vice presidents have been given five years to make the related "payments" in the form of reduction of carryover balances.

Total Resources – In total, the FY13 pre-audit net available resources fell short of the budget by \$2.9 million.

EXPENDITURES BY TYPE

Compensation – Overall compensation expenses were \$0.8 million, or 0.4% less than the original budget. Total payroll expenses exceeded the original budget by about \$3.9 million. This is primarily attributed to temporary and visiting appointments that were funded with carryover resources. Total fringe benefit expenses were significantly (\$5.1 million) less than anticipated, primarily in group insurance, retirement system, and workers compensation lines. Employee and dependent fee remissions were in line with budget as was the institutional support of employee parking.

Student Assistants – The payments to students employed on campus were \$4.1 million. This was 12% greater than the original budget however there were sufficient carryover resources to cover the shortfall.

Supplies and Services - The annual budget of \$55.8 million was more than sufficient to support the FY13 spending of \$39.8 million for supplies and services. This is the largest category of non-compensation expenses and primarily includes office supplies, computers and peripherals, and contracted services. The campus community was cognizant of the fiscal concerns related to less-than-anticipated enrollment outcomes, and this was reflected in spending results.

Utilities – A combination of improved rates and mild weather led to favorable results in purchased utilities. The total utility spending of \$10.2 million in FY13 was \$1.4 million or 12.1% less than anticipated.

Communications – Communications expenses range from phones to postage and in FY13 these expenses exceeded the budget by \$0.3 million, or 13.6%. The expenses in excess of budget were funded through budgetary reallocations as needed.

Travel and Entertainment – While expenses for travel and entertainment exceeded the original budget by about \$0.9 million, they were about 7% lower than in FY12. This \$3.9 million category includes travel as well as hospitality and efforts have been mildly successful at limiting these types of expenses.

THE UNIVERSITY OF AKRON
Unrestricted Current Fund Revenues – Akron Campus
Twelve-Month Period Ended 6/30/13

Student Aid – Total unrestricted current fund expenses related to student aid exceeded the original budget by nearly \$4.1 million. This is a combination of growth in post-secondary education, unfunded recruitment and retention initiatives, and early college programming.

Transfers-Out – Mandatory transfers-out reflect debt obligations and were slightly (\$0.3 million, or 3.5%) less than the original budget. The non-mandatory transfers reflect support to auxiliaries as well as transfers to retire internal debt, facility fee set-aside, and plant funds.

EXPENDITURES BY FUNCTION

Introduction: The expenses in each of the functional categories are compared to the budget to reflect the FY13 spending against the original budget. Through the end of FY13, total functional expenditures were \$7.1 million less than budgeted.

Instruction – All expenses in this category reflect the direct cost of providing instruction to the students. These expenses are primarily compensation at 92% of the total. Expenses within this function were less than budgeted by \$22.7 million, or 14.4%. This variance is largely due to the fact that various reserves are budgeted within this function and then distributed to other functions throughout the fiscal year. Examples are the course fee budget, technology fee budget, start-up funds, merit pool, etc.

FY13 - AKRON E&G EXPENDITURES (\$ in thousands)	JUNE		Variance	
	ACTUAL	Original Budget		
Instruction	\$134,729.1	\$157,412.6	\$22,683.5	14.4%
Research	12,134.2	5,484.0	(6,650.2)	-121.3%
Public Service	7,169.7	7,756.5	586.8	7.6%
Academic Support	36,447.0	30,109.2	(6,337.9)	-21.0%
Student Services	11,058.4	14,721.6	3,663.3	24.9%
Institutional Support	59,472.4	55,205.7	(4,266.7)	-7.7%
Plant Operation & Maintenance	23,761.7	24,771.0	1,009.2	4.1%
Scholarships	47,634.3	44,399.1	(3,235.2)	-7.3%
Total	\$332,712.5	\$339,859.7	\$7,147.2	2.1%

Research – Through June, the activity in Research reflects an unfavorable spending variance of \$6.7 million, or -121.3%. This is partially offset by the year-end positive variance in indirect cost revenue. Expenses in the function include start-ups, indirect cost, testing operations and administrative and operational costs associated with research activities.

Public Service – Activity in this function was less than the original budget as the year-end results reflect a favorable variance of \$0.6 million, or 7.6%. Workforce development and departmental sales operations are a significant component of this function and less-than-anticipated revenues are partially offset by related favorable expense variances.

Academic Support – Spending in the Academic Support areas was greater than budget by 21.0%, or \$6.3 million. While library-related expenses exceeded the base budget by \$2.4 million, the remaining academic support operations were also greater than the base budget by \$3.9 million.

Student Services – Total FY13 spending was 24.9% less than the original budget. This is primarily attributed to the budget for the revenue share related to off-campus instruction. Throughout the year, the funds are dispersed in support of outreach programming.

Institutional Support - Expenses of \$59.5 million exceeded the budgeted \$55.2 million. This unfavorable variance of \$4.3 million, or 7.7%, includes the Reserve for Bad Debt activity. The amount of bad debt written off in FY13 was about \$2.4 million – against a budget of \$1.4 million. The expenses in excess of budget were funded through budgetary reallocations as needed.

Plant Operation & Maintenance – Activity in this function was less than the original budget by \$1 million, or 4.1%. Favorable utility spending is partially offset by overtime and other expenses in excess of the base budget.

Scholarships – The Scholarship function includes student aid as well as costs of administering certain programs such as Choose Ohio First and Success and Achieve. Overall expenses related to the scholarship function exceeded the annual budget by \$3.2 million or 7.3%.

THE UNIVERSITY OF AKRON-WAYNE COLLEGE
Statement of Unrestricted Current Fund - BY EXPENSE POOL (\$'s in thousands)
July 1, 2012 to June 30, 2013

YEAR-TO-DATE JUNE

RESOURCES	June 2012 Actual	June 2013 Actual	June 2013 Orig. Budget	YTD Variance		FY13 Orig. Budget	Carryover From FY12
REVENUES							
Tuition and Fees:							
Undergraduate Tuition & Fees	\$ 9,055.5	\$ 9,042.6	\$ 9,440.6	\$ (398.0)		\$ 9,440.6	\$ 0.0
Non-resident Surcharge	53.0	50.8	50.0	0.8		50.0	0.0
Other Fees	431.0	440.8	425.0	15.8		425.0	0.0
Total Tuition and Fees	\$ 9,539.5	\$ 9,534.2	\$ 9,915.6	\$ (381.4)	-3.8%	\$ 9,915.6	\$ 0.0
State Appropriations	\$ 3,579.6	\$ 3,653.1	\$ 3,638.5	\$ 14.6	0.4%	\$ 3,638.5	\$ 0.0
Other Sources:							
Workforce Dev./Cont. Ed.	\$ 526.6	\$ 521.9	\$ 689.0	\$ (167.1)		\$ 689.0	\$ 0.0
Departmental Sales & Services	7.4	4.9	4.8	0.1		4.8	0.0
Miscellaneous	1.0	5.6	1.0	4.6		1.0	0.0
Total Other Sources	\$ 535.0	\$ 532.4	\$ 694.8	\$ (162.4)	-23.4%	\$ 694.8	\$ 0.0
Total Revenues	\$ 13,654.1	\$ 13,719.7	\$ 14,248.9	\$ (529.2)	-3.7%	\$ 14,248.9	\$ 0.0
TRANSFERS-IN							
FY12 Departmental Carryover	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 2,768.1
Reserve for Encumbrances	106.5	5.6	0.0	5.6		0.0	0.0
Departmental Sales Account	1.0	1.4	0.0	1.4		0.0	0.0
Contingency	50.0	50.0	50.0	0.0		50.0	0.0
	\$ 157.5	\$ 57.0	\$ 50.0	\$ 7.0	14.0%	\$ 50.0	\$ 2,768.1
Total Resources Available	\$ 13,811.6	\$ 13,776.7	\$ 14,298.9	\$ (522.2)	-3.7%	\$ 14,298.9	\$ 2,768.1
EXPENDITURES & TRANSFERS-OUT							
E & G Expenses by Pool							
Payroll	\$ 6,763.5	\$ 6,696.0	\$ 8,290.2	\$ 1,594.2		\$ 8,290.2	\$ 632.1
Fringe Benefits	2,139.4	2,189.1	2,897.3	708.2		2,897.3	733.8
Subtotal Compensation	\$ 8,902.9	\$ 8,885.1	\$ 11,187.5	\$ 2,302.4	20.6%	\$ 11,187.5	\$ 1,365.9
Student Assistants	\$ 140.3	\$ 156.2	\$ 164.0	\$ 7.8		\$ 164.0	\$ 57.8
Supplies & Services	1,161.6	910.6	1,394.5	483.9		1,394.5	1,078.5
Utilities	335.4	313.9	414.5	100.6		414.5	119.7
Communications	100.7	58.6	48.0	(10.6)		48.0	76.1
Travel	153.1	126.8	107.9	(18.9)		107.9	60.6
Student Aid	629.1	930.9	500.0	(430.9)		500.0	3.3
Other	467.2	240.7	332.5	91.8		332.5	6.2
Subtotal Non-Compensation	\$ 2,987.4	\$ 2,737.7	\$ 2,961.4	\$ 223.7	7.6%	\$ 2,961.4	\$ 1,402.2
Total Educational & General	\$ 11,890.3	\$ 11,622.8	\$ 14,148.9	\$ 2,526.1	17.9%	\$ 14,148.9	\$ 2,768.1
NON-MANDATORY TRANSFERS-OUT							
Founders Scholarships	\$ 600.0	\$ 550.0	\$ 50.0	\$ (500.0)		\$ 50.0	\$ 0.0
Contingency	50.0	50.0	50.0	0.0		50.0	0.0
Reserve for Changing Enrollment	150.0	1,400.0	0.0	(1,400.0)		0.0	0.0
Reserve for Dept. Sales Accts.	(75.4)	(109.1)	0.0	109.1		0.0	0.0
Reserve for Encumbrances	5.6	65.5	0.0	(65.5)		0.0	0.0
Plant Funds	550.0	50.0	50.0	0.0		50.0	0.0
Total Transfers-Out	\$ 1,280.2	\$ 2,006.4	\$ 150.0	\$ (1,856.4)		\$ 150.0	\$ 0.0
Total Expenditures & Transfers-Out	\$ 13,170.5	\$ 13,629.2	\$ 14,298.9	\$ 669.7	4.7%	\$ 14,298.9	\$ 2,768.1
NET CHANGE IN FUND BALANCE	\$ 641.1	\$ 147.5	\$ 0.0	\$ 147.5		\$ 0.0	\$ 0.0
PLUS: Trf-in for Dept'l Carryover	\$ 2,127.0	\$ 2,768.1	\$ -	\$ 2,768.1			
LESS: Trf-out for carryover reserves	(2,768.1)	(2,915.6)	0.0	(2,915.6)			
Ending Balances	\$ 0.0	\$ (0.0)	\$ 0.0	\$ (0.0)			

THE UNIVERSITY OF AKRON
Unrestricted Current Fund Expenditures – Wayne Campus
Twelve Month Period Ended 6/30/13

RESOURCES:

Tuition & Fees – The FY13 tuition and general fees revenue was budgeted to remain unchanged from the previous year. The year-to-date unfavorable tuition and fee variance of \$381,400, or 3.8% is the result of an unexpected 3% decline in enrollment.

State Appropriations – FY13 State Appropriations slightly exceeded the twelve-month budget projection of \$3.6 million by \$14,600.

Departmental Sales and Workforce Development – Revenue in sales and service is less than budgeted, with an unfavorable variance of 24%. This is primarily driven by the Continuing Education/Workforce Development activities.

Miscellaneous Income – Since a Wayne College Auxiliary account was established to house revenue from Barnes & Noble, the Farmhouse rentals and other “student union” like activities, the miscellaneous income is only budgeted to receive revenue of \$1,000 for the fiscal year. To date, miscellaneous income of \$5,600 has been received.

Total Revenues – In total, revenues are below the twelve-month projections by \$529,200 (or 3.7%).

Transfers-in – In addition to the revenue categories listed above, the FY13 annual budget also includes transfers-in of \$50,000 from the contingency reserve. Transfers-in of \$2,768,058 and \$5,625 are related to departmental carryover and encumbrances, respectively.

EXPENDITURES:

Introduction: The expenses in each of the functional categories are compared to the budget in an effort to reflect the year-to-date spending against the approved budget. Overall, functional expenditures are less than the twelve-month expenditure guideline.

FY13 - WAYNE E&G EXPENDITURES (\$ in thousands)	YTD June 2013		YTD Variance %	Annual Budget FY13	Business Indicator
	ACTUAL	BUDGET			
Instruction	\$4,353.9	\$7,043.3	38.2%	\$7,043.3	●
Research	0.6	5.0	88.2%	5.0	●
Public Service	643.2	689.0	6.7%	689.0	●
Academic Support	1,023.0	1,027.6	0.4%	1,027.6	●
Student Services	1,216.0	1,215.9	0.0%	1,215.9	●
Institutional Support	2,209.8	2,084.5	-6.0%	2,084.5	●
Plant Operation & Maintenance	1,348.4	1,583.6	14.9%	1,583.6	●
Scholarships	827.7	500.0	-65.5%	500.0	●
Total	\$11,622.8	\$14,148.9	17.9%	\$14,148.9	●

● On/Above target
● Caution
● Warning

Instruction – All expenses in this category reflect the direct cost of providing instruction to the students. The largest expense component is faculty compensation. Budget surpluses in this area are primarily related to the fact that all vacant positions for the college fall in this category.

Research – The total internally funded research expenditures came in below the twelve-month expenditure guideline, with only \$600 of the \$5,000 budget being expensed.

Public Service – The activity in this area is related to Workforce Development & Continuing Education programs. The total expenditures for Public Service came in below budget by 6.7%.

Academic Support – FY13 spending in the Academic Support areas came in slightly below budget with a favorable variance of \$4,600, or 0.4%.

Student Services – The twelve-month expenditures in Student Services came in at budget level.

Institutional Support – As a result of an increased number of advertisements, expenditures for institutional support are greater than the twelve-month guideline by 6.0%.





Plant Operation & Maintenance – Expenditures in this function came in below the twelve-month expenditure guideline by 14.9%.

Scholarships – The results in the scholarship function are largely the result of Wayne College’s growing dual enrollment and post-secondary education programs. The Ohio Department of Education and various participating school districts pay a portion of the tuition and fees while the remainder is reflected as a scholarship expense.

Total E & G – Overall, the total Educational & General expenditures are below the FY13 year-end budget, with a favorable variance of 17.9% (or \$2.5 million). Before final close the following transfers-out took place; Plant Funds \$50,000, Scholarships \$550,000 and Reserve for Changing Enrollment \$1.4 million.





THE UNIVERSITY OF AKRON - Akron Campus
 AUXILIARY ENTERPRISES
 July 1, 2012 to June 30, 2013
 (\$ in Thousands)

YEAR-TO-DATE JUNE (FINAL)

	FY 2012 Actual	FY 2013 Actual	FY 2013 Budget	YTD Variance	Indicator	Comments
INFOCISION STADIUM						
<i>Beginning Fund Balance</i>	\$ -	\$ 42.4	\$ 42.4	\$ -		
Operating Revenue	\$ 1 804.1	\$ 1 840 8	\$ 1 824.9	\$ 15.9		One time expense of \$36k for purchase of Pepsi fountain machine remaining in stadium upon contract termination has created the shortfall in this auxiliary. Maintenance work to the stadium (\$20K) and the field (\$16.7K) also major expenses for the year. Will begin FY14 with minimal \$5k negative fund balance.
Transfer-in General Fund	3 522.9	3 520.1	3 520.1	-		
Transfer-in Other	0.4	13 0	13.0	-		
LESS: Expenditures	5 285.0	5 421 3	5 358.0	(63.3)		
Net Surplus (Deficit)	\$ 42.4	\$ (47.4)	\$ -	\$ (47.4)		
<i>Ending Fund Balance</i>	\$ 42.4	\$ (5.0)	\$ 42.4	\$ (47.4)		
ATHLETICS						
<i>Beginning Fund Balance</i>	\$ 59.0	\$ 1 6	\$ 1.6	\$ -		
Operating Resources	\$ 6 142.1	\$ 5 298 6	\$ 4 745.6	\$ 553.0		Compensation exceeded original budget projections due in part to bonuses earned based on team performance as well as payouts for employee vacation and sick leave accruals.
Transfer-in General Fund	19 317.5	20 744 5	20 670.2	74.3		
Transfer-in Other	13.6	112 0	112.0	-		
LESS: Expenditures	25 530.6	26 564 5	25 527.8	(1 036.7)		
Net Surplus (Deficit)	\$ (57.4)	\$ (409.4)	\$ -	\$ (409.4)		
<i>Ending Fund Balance</i>	\$ 1.6	\$ (407.8)	\$ 1.6	\$ (409.4)		
DINING SERVICES						
<i>Beginning Fund Balance</i>	\$ 3 233.8	\$ 3 411.1	\$ 3 411.1	\$ -		
Operating Resources	\$ 17 408.9	\$ 16 526 3	\$ 19 368.7	\$ (2 842.5)		Enrollment decline had obvious financial affect on the Dining operation as revenues were down \$880K from FY12 (and \$2.8 million less than FY13 budget). Final shortfall truly closer to \$500K as \$1 million of fund balance transferred out to fund FY14 projects.
Transfer-in General Fund	-	-	-	-		
Transfer-in Other	33.1	22 6	22.6	-		
LESS: Expenditures	17 264.7	18 057 6	19 391.3	1 333.7		
Net Surplus (Deficit)	\$ 177.3	\$ (1,508.7)	\$ -	\$ (1,508.7)		
<i>Ending Fund Balance</i>	\$ 3,411.1	\$ 1,902.4	\$ 3,411.1	\$ (1,508.7)		
EJ THOMAS PERFORMING ARTS HALL						
<i>Beginning Fund Balance</i>	\$ 57.9	\$ 63 0	\$ 63.0	\$ -		
Operating Resources	\$ 986.0	\$ 1 017.4	\$ 756.6	\$ 260.8		An increase in Productions revenue allowed for EJ Thomas Hall to turn a small profit for the second consecutive fiscal year. Depending upon the programming model involved the financial results for EJ can be difficult to project.
Transfer-in General Fund	1 954.2	2 122 3	2 282.3	(160.0)		
Transfer-in Other	3.7	-	-	-		
LESS: Expenditures	2 938.9	3 076.1	3 038.9	(37.2)		
Net Surplus (Deficit)	\$ 5.1	\$ 63.5	\$ -	\$ 63.5		
<i>Ending Fund Balance</i>	\$ 63.0	\$ 126.5	\$ 63.0	\$ 63.5		

THE UNIVERSITY OF AKRON - Akron Campus
 AUXILIARY ENTERPRISES
 July 1, 2012 to June 30, 2013
 (\$ in Thousands)

YEAR-TO-DATE JUNE (FINAL)

	FY 2012 Actual	FY 2013 Actual	FY 2013 Budget	YTD Variance	Indicator	Comments
PARKING SERVICES						
<i>Beginning Fund Balance</i>	\$ 337.3	\$ 1 094.0	\$ 1 094.0	\$ -		
Operating Resources	\$ 9 495.3	\$ 9 326.8	\$ 9 724.8	\$ (398.0)		While the enrollment decline did affect the amount of transportation fee collections. Parking Services was still able to stay in the black for FY13. The auxiliary maintains a fund balance that should cover moderate maintenance projects as they arise.
Transfer-in General Fund	-	-	-	-		
Transfer-in Other	1 795.5	130.2	130.2	-		
LESS: Expenditures	10 534.1	9 439.3	9 855.0	415.7		
Net Surplus (Deficit)	\$ 756.7	\$ 17.7	\$ -	\$ 17.7		
<i>Ending Fund Balance</i>	\$ 1,094.0	\$ 1,111.6	\$ 1,094.0	\$ 17.7		
RESIDENCE LIFE & HOUSING						
<i>Beginning Fund Balance</i>	\$ 4 834.1	\$ 3 817.8	\$ 3 817.8	\$ -		
Operating Resources	\$ 18 898.4	\$ 19 407.6	\$ 22 989.9	\$ (3 582.3)		Enrollment declines along with debt costs associated with new facilities and community competition heavily affecting the finances of Residence Life and Housing. Having begun FY12 with nearly a \$5 million fund balance - over 80% of which has been lost in two most recent fiscal years.
Transfer-in General Fund	600.0	600.0	600.0	-		
Transfer-in Other	104.5	(153.4)	65.3	(218.7)		
LESS: Expenditures	20 619.2	22 728.9	23 655.2	926.3		
Net Surplus (Deficit)	\$ (1,016.3)	\$ (2,874.7)	\$ 0.0	\$ (2,874.7)		
<i>Ending Fund Balance</i>	\$ 3,817.8	\$ 943.1	\$ 3,817.8	\$ (2,874.7)		
STUDENT RECREATION & WELLNESS						
<i>Beginning Fund Balance</i>	\$ 975.6	\$ 1 262.9	\$ 1 262.9	\$ -		
Operating Resources	\$ 587.0	\$ 592.0	\$ 568.3	\$ 23.7		SRWS invested in three major projects in FY13 to keep the facility current and positioned for the future. Those projects were (1) New weight room flooring \$109K (2) ONAT Ultraviolet pool disinfection \$73K and (3) new Woodway treadmills \$150K. The SRWS still maintains a healthy \$1 million fund balance while continuing to invest in the facility.
Transfer-in General Fund	4 270.6	4 261.9	4 261.9	-		
Transfer-in Other	143.2	3.3	3.3	-		
LESS: Expenditures	4 713.6	5 073.6	4 833.6	(240.0)		
Net Surplus (Deficit)	\$ 287.3	\$ (216.3)	\$ 0.0	\$ (216.3)		
<i>Ending Fund Balance</i>	\$ 1,262.9	\$ 1,046.6	\$ 1,262.9	\$ (216.3)		
STUDENT UNION						
<i>Beginning Fund Balance</i>	\$ 930.1	\$ 1 132.9	\$ 1 132.9	\$ -		
Operating Resources	\$ 1 783.0	\$ 1 726.2	\$ 1 786.3	\$ (60.0)		Modest less than budgeted revenues (\$60K) almost identically offset by less than budgeted operational expenses. The net surplus is chiefly a function of utility expenses being less than projected by \$81K. Overall expense reduction (and matching transfer in) due to Off Campus Student Service department no longer being part of the Student Union operation or finances.
Transfer-in General Fund	4 843.2	4 487.4	4 487.4	-		
Transfer-in Other	67.6	10.2	10.2	-		
LESS: Expenditures	6 491.1	6 130.5	6 283.9	153.3		
Net Surplus (Deficit)	\$ 202.8	\$ 93.3	\$ 0.0	\$ 93.3		
<i>Ending Fund Balance</i>	\$ 1,132.9	\$ 1,226.1	\$ 1,132.9	\$ 93.3		

THE UNIVERSITY OF AKRON - Akron Campus
 AUXILIARY ENTERPRISES
 July 1, 2012 to June 30, 2013
 (\$ in Thousands)

YEAR-TO-DATE JUNE (FINAL)

	FY 2012 Actual	FY 2013 Actual	FY 2013 Budget	YTD Variance	Indicator	Comments
TELECOMMUNICATIONS						
<i>Beginning Fund Balance</i>	\$ 1 102.6	\$ 1 244.1	\$ 1 244.1	\$ -		
Operating Resources	\$ 3 326.6	\$ 3 304.4	\$ 3 312.0	\$ (7.6)	●	Infrastructure project expenses were approximately 25% less than budgeted resulting in \$241K of unused funds for the year. Savings to be invested on future Telecom upgrades.
Transfer-in General Fund	-	-	-	-		
Transfer-in Other	47.4	24.6	24.6	-		
LESS: Expenditures	3 232.5	3 027.6	3 336.5	308.9		
Net Surplus (Deficit)	\$ 141.5	\$ 301.4	\$ -	\$ 301.4		
<i>Ending Fund Balance</i>	\$ 1,244.1	\$ 1,545.5	\$ 1,244.1	\$ 301.4		


TOTAL AUXILIARY ENTERPRISES - AKRON CAMPUS

<i>Beginning Fund Balance</i>	\$ 11,530.3	\$ 12,069.6	\$ 12,069.6	\$ -	●	
Operating Resources	\$ 60,431.5	\$ 59,040.1	\$ 65,077.0	\$ (6,036.9)		
Transfer-in General Fund	34,508.4	35,736.2	35,821.9	(85.7)		
Transfer-in Other	2,209.0	162.5	381.2	(218.7)		
LESS: Expenditures	96,609.7	99,519.4	101,280.2	1,760.8		
Net Surplus (Deficit)	\$ 539.3	\$ (4,580.6)	\$ 0.0	\$ (4,580.6)		
<i>Ending Fund Balance</i>	\$ 12,069.6	\$ 7,489.0	\$ 12,069.6	\$ (4,580.6)		

* Approved budget includes transfers-in to support prior year open purchase orders.

THE UNIVERSITY OF AKRON - Wayne Campus
 AUXILIARY ENTERPRISES
 July 1, 2012 to June 30, 2013
 (\$ in Thousands)

YEAR-TO-DATE JUNE

	FY 2012	FY 2013	FY 2013	YTD	Indicator	Comments	FY13 Approved Budget
	Actual	Actual	Budget	Variance			
Wayne Student Union							
Beginning Fund Balance	\$ 236.4	\$ 319.7	\$ 319.7	\$ -		While revenues surpassed the FY13 projected revenue budget, expenses were minimal. Therefore, the operation ended the year with a substantial fund balance of \$383,789.	
Operating Resources	\$ 86.6	\$ 86.4	\$ 85.0	\$ 1.4			\$ 85.0
Expenditures	3.3	22.3	85.0	62.7			85.0
Net Surplus (Deficit)	\$ 83.3	\$ 64.1	\$ -	\$ 64.1			\$ -
Ending Fund Balance	\$ 319.7	\$ 383.8	\$ 319.7	\$ 64.1			

THE UNIVERSITY OF AKRON
Restricted Current Fund Activity
Twelve-Month Period Ended 6/30/13

Introduction: Restricted funds are available for financing operations but limited by donors and other external agencies to specific purposes, programs, or departments.

FY13 - RESTRICTED ACTIVITY (\$ in thousands)	Balance *	YTD (06/30/13)		Balance
	07/01/12	Revenues	Expenditures	06/30/13
University scholarships	\$ 9 538	\$ 2 417	\$ 3 091	\$ 8 864
Research grants and contracts	3 301	39 919	39 314	3 906
Student Aid	(57)	41 218	41 218	(57)
UA Foundation income	4 240	2 717	2 465	4 492
Other departmental funds	21 347	9 996	11 071	20 272
Totals	\$ 38,369	\$ 96,267	\$ 97,159	\$ 37,477

University Scholarships — Income from the University's endowments to be used for scholarships.

Research — Activities specifically organized to produce research outcomes. Includes research projects, training programs, or similar instructional activities for which amounts are received or expenditures are reimbursable under the terms of a government or private grant or contract.

Student Aid — Federal grants and aid activity to the students.

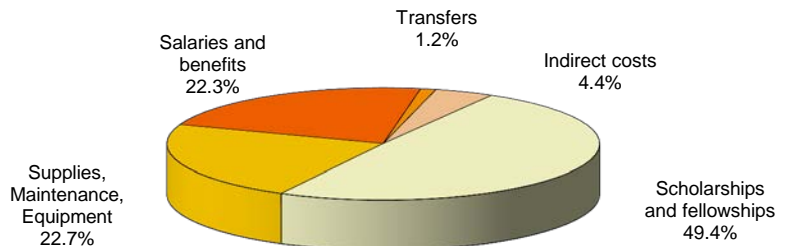
UA Foundation Income — Income from the Foundation used for student scholarships.

Other Departmental Funds — Other resources given to the University for a specific purpose. Includes resources designated for campus departments, sports programs, or unique events.

* Note – Beginning balances were restated for an account realignment in May 2013.

Restricted Expenditures by Type

(\$ thousands)	Total YTD Expenditures
Salaries and benefits	\$ 21,612
Supplies, maint., equipment	22,089
Scholarships and fellowships	48,045
Indirect costs	4,291
Transfers	1,122
Totals	\$ 97,159

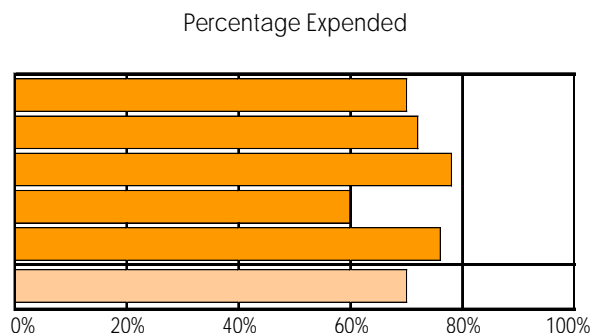


Percentage of Completion by Type of Research Project (Active Projects)

Generally, research grants and contracts are awarded for longer than one year, with many awarded for up to a three-year period. This shows the total amount completed for the entire grant award period.

Federal – from US governmental agencies
State – from State of Ohio governmental agencies
Local – from county or other agencies
Private – from institutes, foundations, or corporations
UARF – from the UA Research Foundation

(\$ thousands)	Total Active Project Budgets	Total Active Project Expenditures	Percentage Expended	Number of Active Projects
Federal	\$ 121,413	\$ 85,413	70%	345
State	30,323	21,727	72%	95
Local	1,751	1,343	77%	23
Private	17,319	10,467	60%	208
UARF	13,448	10,255	76%	82
Totals	\$ 184,254	\$ 129,205	70%	753



The percentage expended reflects the actual grant expenditures and not the status of the work involved on these grants.

THE UNIVERSITY OF AKRON
Plant Fund Activity
Twelve-Month Period Ended 6/30/13

Exhibit A10

Introduction: Plant funds are resources for capital facility project costs, debt service costs, and the cost of long-lived assets.

Current Capital Projects are accounts for unexpended resources accumulated to finance the acquisition of long-lived assets. Each capital project is recorded in a separate account.

FY13 - PLANT ACTIVITY (\$ in thousands)	Balance	YTD (06/30/13)		Balance
	07/01/12	Revenues	Expenditures	06/30/13
University funded	\$ 10,262	\$ 3,464	\$ 6,442	\$ 7,284
Billable	3,695	9,954	8,883	4,766
Bonds	(1,512)	7,650	2,478	3,660
Totals	\$ 12,445	\$ 21,068	\$ 17,803	\$ 15,710

University funded – projects funded with general fund or auxiliary enterprise resources.

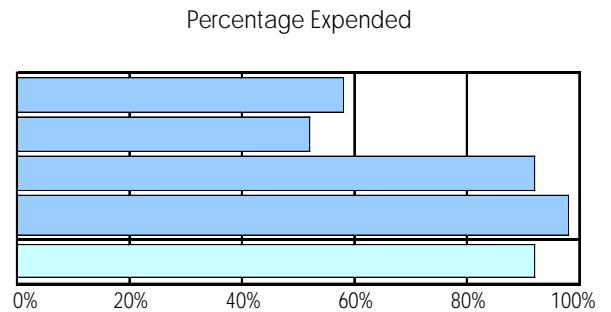
Billable – projects funded with external resources such as pledges or Foundation money.

Bonds – projects funded with the sale of bonded debt.

Percentage of Completion by Source of Funding (Active Plant Project)

Plant projects are budgeted for the entire projects which may last longer than one year. This shows the total amount completed for entire plant projects by funding source.

(\$ thousands)	Total	Total	Percentage Expended	Number of Projects
	Project Budgets	Project Expenditures		
University funded	\$ 22,690	\$ 13,166	58%	40
Billable	10,685	5,503	52%	16
State Appropriations	40,253	36,681	91%	12
Bond 2008 ²	183,393	179,157	98%	29
Totals	\$ 257,021	\$ 234,507	91%	97



The percentage completed reflects the actual plant expenditures and not the status of the work involved on these projects.

Bond 2008 is for several campus improvements including the Multiplex – Football Stadium, Quaker Square, Robertson Café, Exchange Street Parking Deck expansion, and other renovations. The balance reflects excess interest earnings spent on additional current projects.

THE UNIVERSITY OF AKRON

RESOLUTION 10 - - 13

Acceptance of the Quarterly Financial Report for April through June 2013

BE IT RESOLVED, that the recommendation presented by the Finance & Administration Committee on October 16, 2013, accepting the Quarterly Financial Report for April through June 2013, be approved.

Ted A. Mallo, Secretary
Board of Trustees

October 16, 2013