

FINANCE & ADMINISTRATION COMMITTEE

TAB 3

**QUARTERLY FINANCIAL REPORT
FOR JULY 2011-JUNE 2012**

THE UNIVERSITY OF AKRON - Akron Campus
Statement of Unrestricted Current Fund - BY EXPENSE CATEGORY

Exhibit A5
EXPENDITURES BY EXPENSE POOL

July 1, 2011 to June 30, 2012 (final 08/06/12)

	YEAR-TO-DATE JUNE				
	June 11 Actual	June 12 Actual	FY12 Orig. Budget	Variance Orig. Budget	Carryover From FY11
RESOURCES					
Revenues:					
Tuition and Fees:					
Undergraduate Tuition & Fees	\$ 178,849.6	\$ 183,204.2	\$ 193,353.8	\$ (10,149.6)	
Graduate Tuition & Fees	39,787.8	41,098.4	40,701.6	396.8	
Non-resident Surcharge	10,147.3	11,511.7	11,186.0	325.7	
Other Student Fees ¹	24,264.4	24,471.3	25,329.0	(857.7)	
Total Tuition and Fees	\$ 253,049.1	\$ 260,285.6	\$ 270,570.4	\$ (10,284.8)	
State Appropriations	\$ 104,679.3	\$ 90,578.6	\$ 89,691.6	\$ 887.0	
Other Sources:					
Earnings on Investments	\$ 2,656.5	\$ 2,494.4	\$ 2,209.0	\$ 285.4	
Unrealized gain (loss)	(319.3)	705.2	0.0	705.2	
Departmental Sales & Services	14,817.8	14,960.6	14,249.1	711.5	
Workforce Dev./Cont. Ed.	536.3	489.9	547.9	(58.0)	
Indirect Cost	4,867.9	4,883.3	4,425.8	457.5	
Miscellaneous	706.0	576.2	1,050.0	(473.8)	
Total Other Sources	\$ 23,265.2	\$ 24,109.8	\$ 22,481.8	\$ 1,628.0	
Endowment	\$ 226.6	\$ 224.9	\$ 220.0	\$ 4.9	
Total Revenues	\$ 381,220.2	\$ 375,199.0	\$ 382,963.8	\$ (7,764.9)	
Transfers-In	\$ 3,594.6	\$ 4,064.6	\$ 8,400.0	\$ (4,335.4)	\$ 55,781.5
Total Resources Available	\$ 384,814.8	\$ 379,263.5	\$ 391,363.8	\$ (12,100.3)	\$ 55,781.5
EXPENDITURES & TRANSFERS-OUT					
E & G Expenses by Pool					
Payroll	\$ 158,258.8	\$ 166,368.8	\$ 162,572.2	\$ (3,796.6)	\$ 1,714.1
Sick leave accrual	185.4	764.1	0.0	(764.1)	0.0
Fringe Benefits	49,431.0	54,078.8	59,357.5	5,278.6	410.7
Subtotal Compensation	\$ 207,875.3	\$ 221,211.7	\$ 221,929.6	\$ 717.9	\$ 2,124.8
Student assistants	\$ 3,934.9	\$ 4,027.3	\$ 3,626.3	\$ (401.0)	\$ 1,021.4
Supplies & services	37,206.8	40,716.8	54,306.0	13,589.2	33,679.0
Utilities	11,266.8	9,725.9	12,149.5	2,423.6	615.9
Communications	2,984.1	3,177.0	2,386.7	(790.3)	964.2
Travel	4,082.4	4,226.6	2,968.3	(1,258.3)	1,768.1
Student aid	40,827.7	44,047.5	38,655.3	(5,392.2)	2,542.5
Other	3,899.4	2,330.6	3,941.7	1,611.2	13,065.6
Subtotal Non-compensation	\$ 104,202.1	\$ 108,251.7	\$ 118,033.9	\$ 9,782.2	\$ 53,656.7
Total Educational & General	\$ 312,077.4	\$ 329,463.4	\$ 339,963.5	\$ 10,500.1	\$ 55,781.5
Transfers-Out:					
Mandatory	\$ 7,402.8	\$ 9,011.7	\$ 9,733.6	\$ 721.9	\$ 0.0
Non-Mandatory	60,996.9	52,020.2	41,666.7	(10,353.5)	0.0
Total Transfers-Out	\$ 68,399.7	\$ 61,031.9	\$ 51,400.3	\$ (9,631.6)	\$ 0.0
Total Expend.& Transfers-Out	\$ 380,477.1	\$ 390,495.4	\$ 391,363.8	\$ 868.5	\$ 55,781.5
NET CHANGE IN FUND BALANCE	\$ 4,337.7	\$ (11,231.8)	\$ 0.0	\$ (11,231.8)	0.0
PLUS Transfers-in for Dept'l Carryovers	\$ 59,843.8	\$ 64,181.5	\$ 0.0	\$ 64,181.5	
Minus transfers-out for carryover reserve	(64,181.5)	(52,949.7)	0.0	(52,949.7)	
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

July 1, 2011 to June 30, 2012 (final 08/06/12)

YEAR-TO-DATE JUNE

	<u>June 11 Actual</u>	<u>June 12 Actual</u>	<u>FY12 Orig. Budget</u>	<u>Variance Orig. Budget</u>	<u>Carryover From FY11</u>
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TRANSFER DETAIL

Transfers-In

Carryovers and Reallocations:

Departmental Sales Accounts					
Departmental Carryovers	\$ 0.0	\$ 0.0	\$ 8,400.0	\$ 8,400.0	55,781.5
	0.0	0.0	0.0	0.0	
Reallocated and Committed	0.0	0.0	0.0	0.0	
ERIP program	0.0	0.0	0.0	0.0	
Capital Component	0.0	0.0	0.0	0.0	
Reserve for Encumbrances	3,129.6	3,816.8	0.0	(3,816.8)	
Departmental Sales	447.8	227.0	0.0	(227.0)	
Debt Service Reserve	17.2	0.0	0.0	0.0	

Budgeted Transfers-In:

Auxiliaries	0.0	0.0	0.0	0.0	
Other	0.0	1.6	0.0	(1.6)	
Capital Component	0.0	0.0	0.0	0.0	
Contingency reserve	0.0	19.2	0.0	(19.2)	

Total Transfers-In	\$ <u>3,594.6</u>	\$ <u>4,064.6</u>	\$ <u>8,400.0</u>	\$ <u>4,335.4</u>	<u>55,781.5</u>
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Transfers-Out

Auxiliary Enterprises	\$ 38,543.6	\$ 36,035.8	\$ 36,860.2	\$ 824.4	
Misc/Dept Sale	1,223.2	292.5	0.0	(292.5)	
Plant Funds	1,000.0	2,000.0	2,000.0	0.0	
Additional Plant Projects	393.4	830.7	806.5	(24.2)	
Bonded Debt Repayment	5,769.7	7,487.5	7,815.9	328.4	
City Assessments per Contract	0.0	0.0	400.0	400.0	
Budget Stabilization Fund	6,039.4	2,000.0	2,000.0	0.0	
Capital Component/Int. Financing	2,005.4	1,524.2	1,517.7	(6.5)	
Internal Loan Repayment	0.0	5,095.4	0.0	(5,095.4)	

Year-end closing items:

Reserve for encumbrances	3,816.8	3,933.7	0.0	(3,933.7)	
Reserve for departmental sales	1,215.6	1,107.7	0.0	(1,107.7)	
Group insurance reserve	8,694.7	0.0	0.0	0.0	
Unrealized gain/loss	(319.3)	705.2	0.0	(705.2)	
Debt service reserve	17.2	19.2	0.0	(19.2)	

Total Transfers-Out	\$ <u>68,399.7</u>	\$ <u>61,031.9</u>	\$ <u>51,400.3</u>	\$ <u>(9,631.6)</u>	
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RESOURCES

Tuition & Fees – Total FY12 Tuition and General Fee revenues were less than budgeted as growth in credit hour production fell short of the anticipated levels by 4.1% in summer, 1.6% in the fall, and 3.8% in the spring. Overall, year-end student revenue fell short of budget by \$10.3 million, or 3.8%,

State Appropriations – The FY12 final State Share of Instruction (SSI) came in at \$89.7 million which exceeded the budget by \$0.9 million, or 1%.

Departmental Sales and Workforce Development – Revenues in the sales and service areas and Workforce Development were greater than the annual budget by \$0.7 million. This variance is the net result of about 140 revenue-generating operations. The primary driver is the English Language Institute which collected \$1.6 million more than expected. Offsetting that positive variance are several operations that fell short of expected receipts, primarily the Computer Store and Literacy Services which fell short of revenue goals by \$0.7 million and \$0.5 million, respectively.

Indirect Cost Recovery – These revenues were 10% 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.

Earnings from Investments and Endowments – The year-end accumulated earnings from investments and endowments exceeded the budget by nearly \$0.3 million, or 12%. In addition to the earnings, the unrealized gain recognized for the fiscal year was \$0.7 million.

Miscellaneous Income – The annual budget of \$1.0 million relates to any income source that is not included in the above-referenced categories. The year-end miscellaneous revenue of \$0.6 million is largely from rental income from the Quaker Square retail spaces (\$252k) and \$112k in support of the Confucius Institute (from the China Ministry of Education). Other revenues from miscellaneous sources total nearly \$0.5 million, however are nearly offset with the write-off of \$0.3 million of receivables.

Transfers-in – Transfers-in of \$3.8 million covered open purchase orders from FY11. Institutional departmental carryover of \$64.1 million was reduced by \$8.4 million to balance the FY12 budget.

Total Resources – In total, the FY12 pre-audit net available resources fell short of the budget by \$12.1 million (see Exhibit A5).

EXPENDITURES BY TYPE

Payroll – Total payroll expenses exceeded the original budget by about \$3.8 million. While there were minimal savings of over \$0.6 million in full time positions, the over-spending was in the areas of part time faculty (\$0.7 million), summer faculty (\$0.9 million), part time and overtime staff (\$0.6 million) and graduate assistant stipends (\$1.8 million). These expenses were covered through reallocations of existing resources.

Fringe Benefits – Total fringe benefit expenses were significantly less than the original budget. While group insurance costs were \$5 million less than expected, the retirement and Medicare costs were \$0.8 million greater than anticipated. Employee and dependent fee remissions were in line with budget as was the support of employee parking.

Unrestricted Current Fund Revenues – Akron Campus**Twelve-Month Period Ended 6/30/12 – (pre-audit)**

Student Assistants – The payments to students employed on campus were just over \$4 million. This was 13.8% greater than anticipated. This is partially attributed to the January increase of 4% in the minimum wage rate.

Supplies and Services - The annual budget of \$54.3 million was more than sufficient to support the FY12 spending of \$40.7 million for supplies and services. This is the largest category of 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 growth, 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 \$9.7 million in FY12 was \$2.4 million or 20% less than anticipated.

Communications – Communications expenses range from phones to postage and in FY12, these expenses exceeded the budget by \$0.8 million, or 33%. This is due, in part, to an increase in the use of cellular phone and other portable technology. The expenses in excess of budget were funded through budgetary reallocations as needed.

Travel and Entertainment – Expenses for travel and entertainment exceeded the original budget by about \$1.3 million, but increased only 3.5% above the FY11 expenditure level.

Student Aid – Total unrestricted current fund expenses related to student aid exceeded the original budget by nearly \$5.4 million. About half of the over-spending was planned and was offset by related carryover dollars. Graduate assistant fee remissions are included in this category and surpassed the budgeted amount by \$1.2 million.

Transfers Out – Mandatory transfers out reflect debt obligations and are in line with the original budget. The non-mandatory transfers reflect support to auxiliaries as well as transfers to reserves in support of the budget stabilization fund, facility fee set-aside, and plant funds. In addition, the five-year plan to address the \$26 million issue related to the payment of the early retirement program was planned to be implemented in FY13, however, several areas addressed their commitments and reduced carryover balances by an additional \$5.1 million in FY12.

EXPENDITURES BY FUNCTION

Introduction: The expenses in each of the functional categories are compared to the budget to reflect the FY12 spending against the original budget. Through the end of FY12, total functional expenditures were \$10.5 million less than budgeted.

FY12 - AKRON E&G EXPENDITURES (\$ in thousands)	YTD JUNE		Variance	
	ACTUAL	Original Budget		
Instruction	\$133,089.5	\$151,625.6	\$18,536.1	12.2%
Research	10,782.0	5,025.9	(5,756.1)	-114.5%
Public Service	8,948.3	9,348.8	400.5	4.3%
Academic Support	35,346.8	30,162.4	(5,184.4)	-17.2%
Student Services	10,991.8	14,571.5	3,579.7	24.6%
Institutional Support	61,193.4	64,222.1	3,028.7	4.7%
Plant Operation & Maintenance	23,401.9	24,963.8	1,561.9	6.3%
Scholarships	44,945.6	40,043.5	(4,902.2)	-12.2%
Sick Leave Accrual	764.1	-	(764.1)	n/a
Total	\$329,463.4	\$339,963.5	\$10,500.1	3.1%

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 \$18.5 million, or 12.2%. 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.

Research – Through June, the activity in Research reflects an unfavorable spending variance of \$5.8 million, or 114.5%. This is partially offset by the year-end positive variance in indirect cost revenue. Resources are also allocated to this function from the start-up fund reserve within the Instruction function.

Public Service – Activity in this function was in line with the original budget as the year-end results reflect a favorable variance of \$0.4 million, or 4.3%

Academic Support – Spending in the Academic Support areas was greater than budget by 17.2%, or \$5.2 million. While library-related expenses exceeded the base budget by \$2.7 million, the remaining academic support operations were greater than the base budget by \$2.5 million. The original budget was adjusted during the year for salary changes, filling of positions, etc. Such expenses were originally included in the Instruction category.

Student Services – Total FY12 spending was 24.6% 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 \$59.3 million were less than the budgeted \$62.8 million. This favorable variance of \$3 million, or 4.7%, includes the Reserve for Bad Debt (last line of E&G data)

Unrestricted Current Fund Revenues – Akron Campus**Twelve-Month Period Ended 6/30/12 – (pre-audit)**

activity. The amount of bad debt written off in FY12 was about \$1.9 million – against a budget of \$1.4 million.

Plant Operation & Maintenance – Activity in this function was less than the original budget by \$1.6 million, or 6.3%. Favorable utility spending is partially offset by overtime and other expenses in excess of the base budget.

Scholarships – The results in the scholarship function are greater than budgeted. Fee remissions for graduate assistants exceeded the annual budget by around \$1.7 million. Also, scholarships are awarded following a long-term allocation plan that relies on accumulated carryover balances. Overall expenses related to the scholarship function exceeded the annual budget by \$4.9 million or 12.2%.

THE UNIVERSITY OF AKRON - Akron Campus
AUXILIARY ENTERPRISES
July 1, 2011 to June 30, 2012
(\$ in Thousands)

YEAR-TO-DATE JUNE

	FY 2011 Actual	FY 2012 Actual	FY 2012 Budget	YTD Variance	Comments	FY12 Approved Budget
INFOCISION STADIUM						
<i>Beginning Fund Balance</i>	\$ -	\$ -	\$ -	\$ -	General Fund assistance of \$492K for Football ticket sales allowed for Athletics to meet its share of the debt service costs associated with the facility for FY12. The expense side is favorable due to less than budgeted utility costs.	
Operating Resources	\$ 5,356.0	\$ 5,327.4	\$ 5,397.8	\$ (70.4)		\$ 5,397.3
Expenditures	5,356.0	5,285.0	5,397.8	112.8		5,397.3
Net Surplus (Deficit)	\$ -	\$ 42.4	\$ -	\$ 42.4		0.0
<i>Ending Fund Balance</i>	\$ -	\$ 42.4	\$ -	\$ 42.4		
ATHLETICS						
<i>Beginning Fund Balance</i>	\$ -	\$ 59.0	\$ 59.0	\$ -	The FY12 budget initially projected a \$400K shortfall, which did <u>not</u> include the transition costs associated with a new football coaching staff. For various sports, coaching contracts with a built in bonus structure also led to higher-than-expected expenses.	
Operating Resources	\$ 23,981.9	\$ 25,473.2	\$ 24,664.4	\$ 808.8		\$ 24,650.8
Expenditures	23,922.9	25,530.6	24,664.4	(866.2)		24,650.8
Net Surplus (Deficit)	\$ 59.0	\$ (57.4)	\$ -	\$ (57.4)		0.0
<i>Ending Fund Balance</i>	\$ 59.0	\$ 1.6	\$ 59.0	\$ (57.4)		
DINING SERVICES						
<i>Beginning Fund Balance</i>	\$ 2,909.6	\$ 3,233.8	\$ 3,233.8	\$ -	Surplus revenues of \$400K were sufficient to offset expense overages of about \$300 K. Capital projects of \$300K were partially responsible for the expense overage.	
Operating Resources	\$ 17,047.9	\$ 17,442.0	\$ 17,010.2	\$ 431.8		\$ 17,002.1
Expenditures	16,723.7	17,264.7	17,010.2	(254.5)		17,002.1
Net Surplus (Deficit)	\$ 324.2	\$ 177.3	\$ -	\$ 177.3		0.0
<i>Ending Fund Balance</i>	\$ 3,233.8	\$ 3,411.1	\$ 3,233.8	\$ 177.3		
EJ THOMAS PERFORMING ARTS HALL						
<i>Beginning Fund Balance</i>	\$ -	\$ 57.9	\$ 57.9	\$ -	EJ Thomas Performing Arts Hall operated in line with budget for FY12. A minimal revenue surplus was more than enough to offset a minimal expense overage.	
Operating Resources	\$ 3,093.8	\$ 2,943.9	\$ 2,921.8	\$ 22.2		\$ 2,918.1
Expenditures	3,035.9	2,938.9	2,921.8	(17.1)		2,918.1
Net Surplus (Deficit)	\$ 57.9	\$ 5.1	\$ -	\$ 5.1		0.0
<i>Ending Fund Balance</i>	\$ 57.9	\$ 63.0	\$ 57.9	\$ 5.1		

THE UNIVERSITY OF AKRON - Akron Campus
AUXILIARY ENTERPRISES
July 1, 2011 to June 30, 2012
(\$ in Thousands)

YEAR-TO-DATE JUNE

	FY 2011	FY 2012	FY 2012	YTD	Comments	FY12
	Actual	Actual	Budget	Variance		Approved Budget
PARKING SERVICES						
<i>Beginning Fund Balance</i>	\$ 931.8	\$ 337.3	\$ 337.3	\$ -	The Transportation Fee provided sufficient resources to cover expenses while leaving a surplus at year end. Funds brought forward from FY11 have covered \$1.5 million in capital project/repair costs for the year.	
Operating Resources	\$ 10,229.4	\$ 11,290.8	\$ 11,466.4	\$ (175.6)		\$ 9,988.0
Expenditures	10,823.9	10,534.1	11,466.4	932.3		9,988.0
Net Surplus (Deficit)	\$ (594.5)	\$ 756.7	\$ -	\$ 756.7		0.0
<i>Ending Fund Balance</i>	\$ 337.3	\$ 1,094.0	\$ 337.3	\$ 756.7		
RESIDENCE LIFE & HOUSING						
<i>Beginning Fund Balance</i>	\$ 5,223.7	\$ 4,834.1	\$ 4,834.1	\$ -	Current year shortfall is all on the revenue side. Spring occupancy rate fell into the low-mid 80's%. Potential cost savings from lower-than-anticipated occupancy were offset by capital purchases near \$.5 million. A healthy fund balance is sufficient to absorb the deficit for the year.	
Operating Resources	\$ 19,918.3	\$ 19,602.9	\$ 20,808.4	\$ (1,205.6)		\$ 20,767.9
Expenditures	20,307.8	20,619.2	20,808.4	189.2		20,767.9
Net Surplus (Deficit)	\$ (389.5)	\$ (1,016.3)	\$ 0.0	\$ (1,016.4)		0.0
<i>Ending Fund Balance</i>	\$ 4,834.1	\$ 3,817.8	\$ 4,834.2	\$ (1,016.4)		
STUDENT RECREATION & WELLNESS						
<i>Beginning Fund Balance</i>	\$ 786.9	\$ 975.6	\$ 975.6	\$ -	An additional \$209K transfer in from the Facility Fee in February, initiated by the VP of Student Engagement to assist with costs of re-carpeting facility, and fitness equipment replacement should allow for the SRWS to finish with a surplus for the year. Also a major factor, favorable weather has allowed for utility costs to be \$171k less than estimated.	
Operating Resources	\$ 5,057.9	\$ 5,000.9	\$ 4,680.8	\$ 320.1		\$ 4,537.6
Expenditures	4,869.2	4,713.6	4,680.8	(32.8)		4,537.6
Net Surplus (Deficit)	\$ 188.7	\$ 287.3	\$ 0.0	\$ 287.3		(0.0)
<i>Ending Fund Balance</i>	\$ 975.6	\$ 1,262.9	\$ 975.6	\$ 287.3		
STUDENT UNION						
<i>Beginning Fund Balance</i>	\$ 879.8	\$ 930.1	\$ 930.1	\$ -	Both revenues and expenses virtually even with budget. Favorable weather has assisted this auxiliary as well, with utility costs approximately \$99K less than estimated.	
Operating Resources	\$ 6,373.0	\$ 6,693.8	\$ 6,668.8	\$ 25.0		\$ 6,601.2
Expenditures	6,322.7	6,491.1	6,668.8	177.8		6,601.2
Net Surplus (Deficit)	\$ 50.3	\$ 202.8	\$ 0.0	\$ 202.8		0.0
<i>Ending Fund Balance</i>	\$ 930.1	\$ 1,132.9	\$ 930.1	\$ 202.8		

THE UNIVERSITY OF AKRON - Akron Campus
 AUXILIARY ENTERPRISES
 July 1, 2011 to June 30, 2012
 (\$ in Thousands)

YEAR-TO-DATE JUNE

	FY 2011 Actual	FY 2012 Actual	FY 2012 Budget	YTD Variance	Comments	FY12 Approved Budget
TELECOMMUNICATIONS						
<i>Beginning Fund Balance</i>	\$ 743.1	\$ 1,102.6	\$ 1,102.6	\$ -		
Operating Resources	\$ 4,050.3	\$ 3,374.1	\$ 3,433.4	\$ (59.4)	Very stable while still investing significantly in University infrastructure. No rate changes necessary in FY13 budget.	\$ 3,386.0
Expenditures	3,690.9	3,232.5	3,433.4	200.9		3,386.0
Net Surplus (Deficit)	\$ 359.4	\$ 141.5	\$ -	\$ 141.5		0.0
<i>Ending Fund Balance</i>	\$ 1,102.6	\$ 1,244.1	\$ 1,102.6	\$ 141.5		

TOTAL AUXILIARY ENTERPRISES - AKRON CAMPUS

<i>Beginning Fund Balance</i>	\$ 11,474.9	\$ 11,530.3	\$ 11,530.3	\$ -		
Operating Resources	\$ 95,108.4	\$ 97,148.9	\$ 97,052.1	\$ 96.9		\$ 95,249.1
Expenditures	95,053.0	96,609.7	97,052.0	442.4		\$ 95,249.1
Net Surplus (Deficit)	\$ 55.4	\$ 539.3	\$ 0.0	\$ 539.3		0.0
<i>Ending Fund Balance</i>	\$ 11,530.3	\$ 12,069.6	\$ 11,530.4	\$ 539.3		

THE UNIVERSITY OF AKRON - Wayne Campus
 AUXILIARY ENTERPRISES
 July 1, 2011 to June 30, 2012
 (\$ in Thousands)

YEAR-TO-DATE JUNE

	FY 2011 Actual	FY 2012 Actual	FY 2012 Budget	YTD Variance	Comments	FY12 Approved Budget
Wayne Student Union						
Beginning Fund Balance	\$ 27.7	\$ 127.2	\$ 127.2	\$ -	While revenues were in line with the budget, the FY12 expenses were minimal, therefore the operation ended the year with a substantial fund balance of \$210,500.	
Operating Resources	\$ 106.2	\$ 86.6	\$ 84.0	\$ 2.6		\$ 84.0
Expenditures	6.7	3.4	84.0	80.6		84.0
Net Surplus (Deficit)	\$ 99.5	\$ 83.3	\$ -	\$ 83.3		0.0
Ending Fund Balance	\$ 127.2	\$ 210.5	\$ 127.2	\$ 83.3		

THE UNIVERSITY OF AKRON
Restricted Current Fund Activity
Twelve-Month Period Ended 6/30/12

Exhibit A9

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

FY12 - RESTRICTED ACTIVITY (\$ in thousands)	Balance	YTD (06/30/12)		Balance
	07/01/11	Revenues	Expenditures	06/30/12
University scholarships	\$ 9,324	\$ 2,194	\$ 1,979	\$ 9,539
Research grants and contracts	9,758	33,078	35,806	7,030
Student Aid	87	46,409	46,553	(57)
UA Foundation income	3,327	1,890	1,749	3,468
Other departmental funds	16,292	12,633	11,823	17,102
Totals	\$ 38,788	\$ 96,204	\$ 97,910	\$ 37,082

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.

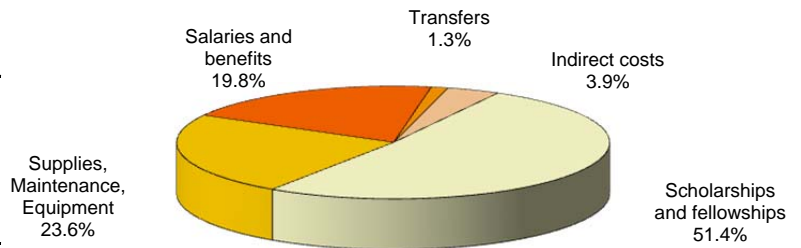
Student Aid - Federal grants and aid activity to the students.

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.

Restricted Expenditures by Type

(\$ thousands)	Total YTD Expenditures
Salaries and benefits	\$ 19,350
Supplies, maint., equipment	23,117
Scholarships and fellowships	50,342
Indirect costs	3,861
Transfers	1,240
Totals	\$ 97,910

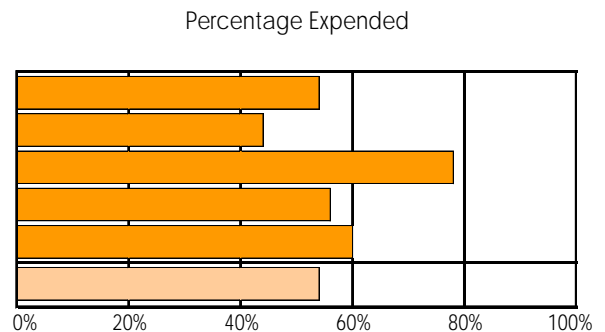


Percentage of Completion by Type of Research Project (Active Projects)

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	\$ 73,682	\$ 37,955	52%	145
State	18,601	9,486	51%	94
Local	1,795	1,413	79%	9
Private	29,109	17,235	59%	131
UARF	7,768	4,925	63%	52
Totals	\$ 130,955	\$ 71,014	54%	431



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 6/30/12

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.

FY12 - PLANT ACTIVITY (\$ in thousands)	Balance	YTD (06/30/12)		Balance
	07/01/11	Revenues	Expenditures	06/30/12
University funded	\$ 11,773	\$ 5,754	\$ 7,265	\$ 10,262
Billable	223	33,926	30,454	3,695
Bonds	3,793	4,548	9,853	(1,512)
Totals	\$ 15,789	\$ 44,228	\$ 47,572	\$ 12,445

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

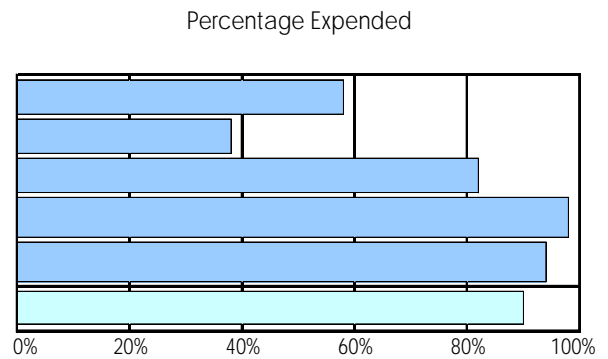
Billable - projects funded with external resources such as pledges or Foundation money.

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 Project Budgets	Total Project Expenditures	Percentage Expended	Number of Projects
	University funded	\$ 19,721	\$ 11,447	58%
Billable	7,881	2,885	37%	17
State Appropriations	45,636	36,982	81%	16
Bond 2004 ¹	37,262	36,827	99%	4
Bond 2008 ²	183,356	176,898	96%	29
Totals	\$ 293,856	\$ 265,039	90%	106



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

¹ Bond 2004 is for the Exchange Street housing project which is substantially completed. The balance reflects excess interest earnings spent on additional current projects.

² 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 UNIVERSITY OF AKRON
 Unrestricted Current Fund Expenditures – Wayne Campus
 Twelve-Month Period Ended 6/30/12

Exhibit W2

FY12 - WAYNE E&G EXPENDITURES (\$ in thousands)	YTD June 2012		YTD Variance \$'s	YTD Variance %
	ACTUAL	BUDGET		
Instruction	\$4,638.0	\$6,235.7	\$ 1,598	25.6%
Research	1.0	5.0	4.0	79.8%
Public Service	596.8	663.8	67.0	10.1%
Academic Support	1,101.9	1,290.7	188.9	14.6%
Student Services	1,247.5	1,271.8	24.2	1.9%
Institutional Support	2,099.7	2,319.4	219.8	9.5%
Plant Operation & Maintenance	1,576.4	1,941.3	364.9	18.8%
Scholarships	629.1	632.4	3.3	0.5%
Total	\$11,890.5	\$14,360.1	2,469.7	17.2%

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. In total, functional expenditures for all categories are below FY 12 budget.

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.

Public Service – The activity in this area is related to Workforce Development & Continuing Education programs. The expenditures for Public Service came in below the FY 12 budget 10.1%.

Total E & G – Overall, the total Educational & General expenditures are below the FY 12 budget with a favorable variance of 17.2% or \$2.4 million. Revenue surpassed expenditures by \$1.7 million plus the \$2.1 million carry-over from FY11 left Wayne College with a positive balance of \$3.8 million. Before final close the following transfer-out took place; Plant Funds \$500,000, Scholarships \$500,000 and Reserve for Changing Enrollment \$150,000. The overall result is a carry-over of \$2.7 million into FY13.

THE UNIVERSITY OF AKRON-WAYNE COLLEGE
12th Month General Fund Results

RESOURCES	YEAR-TO-DATE JUNE				
	June 11 Actual	June 12 Actual	FY12 Orig. Budget	Variance	FY11 Carry-Over
REVENUES					
Tuition and Fees:					
Undergraduate Tuition & Fees	\$ 9 139.3	\$ 9 055.5	\$9 697.2	\$ (641.7)	\$ 0.0
Non-resident Surcharge	\$ 58.0	\$ 53.0	35.0	18.0	0.0
Other Fees	456.9	431.0	425.0	6.0	0.0
Total Tuition and Fees	\$ 9,654.2	\$ 9,539.5	\$ 10,157.2	\$ (617.7)	\$ 0.0
State Appropriations	\$ 4,086.1	\$ 3,579.6	\$ 3,588.1	\$ (8.3)	\$ 0.0
Other Sources:					
Workforce Dev./Cont. Ed.	694.0	526.6	650.2	(123.6)	\$ 0.0
Departmental Sales & Services	5.9	7.4	7.2	0.2	0.0
Miscellaneous	1.0	1.0	1.0	0.0	0.0
Total Other Sources	\$ 700.9	\$ 535.0	\$ 658.4	\$ (123.4)	\$ 0.0
Total Revenues	\$ 14,441.2	\$ 13,654.1	\$ 14,403.7	\$ (749.4)	\$ 0.0
Transfers-In	\$ 82.8	\$ 157.5	\$ 156.5	\$ 1.0	\$ 0.0
Total Resources Available	\$ 14,524.0	\$ 13,811.6	\$ 14,560.2	\$ (748.4)	\$ 0.0
EXPENDITURES & TRANSFERS-OUT					
E & G Expenses by Pool					
Payroll	\$ 6 529.4	\$ 6 746.9	\$ 7 473.7	\$ 726.8	\$ 377.6
Vacant Positions (net)	0.0	0.0	585.1	585.1	0.0
Sick leave accrual	(8.9)	16.6	0.0	(16.6)	0.0
Fringe Benefits	2 183.2	2 139.4	2 872.2	732.7	148.3
Subtotal Compensation	\$ 8,703.7	\$ 8,902.9	\$ 10,931.0	\$ 2,028.0	\$ 525.9
Student Assistants	\$ 149.6	\$ 140.3	\$ 186.7	\$ 46.4	\$ 38.6
Supplies & Services	1 156.3	1 161.6	1 514.8	353.2	1 099.9
Utilities	333.7	335.4	454.5	119.1	215.4
Communications	93.8	100.7	167.0	66.3	53.5
Travel	145.1	153.1	99.7	(53.5)	28.4
Student Aid	577.8	629.1	625.0	(4.1)	23.4
Other	151.6	467.2	381.5	(85.7)	141.9
Subtotal Non-Compensation	\$ 2,607.9	\$ 2,987.4	\$ 3,429.2	\$ 441.7	\$ 1,601.1
Total Educational & General	\$ 11,311.6	\$ 11,890.3	\$ 14,360.2	\$ 2,469.7	\$ 2,127.0
Transfers-Out:					
Mandatory	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Non-Mandatory	4 268.2	1 280.2	200.0	(1 080.2)	0.0
Total Transfers-Out	\$ 4 268.2	\$ 1 280.2	\$ 200.0	\$ (1 080.2)	\$ 0.0
Total Expenditures & Transfers-Out	\$ 15,579.8	\$ 13,170.5	\$ 14,560.2	\$ 1,389.5	\$ 2,127.0
NET CHANGE IN FUND BALANCE	\$ (1,055.8)	\$ 641.1	\$ 0.0	\$ 641.1	\$ 2,127.0
PLUS: Trf-in for Dept'l Carryover	\$ 3 182.8	\$ 2 127.0	0.0	\$ 2 127.0	
LESS: Trf-out for carryover reserves	(2 127.0)	(2 768.1)	0.0	(2 768.1)	
Ending Balances	\$ 0.0	\$ 0.0	0.0	\$ 0.0	

The University of Akron
Office of Resource Analysis and Budget
GLOSSARY OF FINANCIAL REPORTING TERMS

AUXILIARY – An accounting entity within the current fund conducted primarily to provide goods, facilities and services to – and generate revenue from – students, faculty, staff and the general public.

CAPITAL COMPONENT – A line item in the state of Ohio operating budget which provides funds for capital projects. This line item is included in the state's operating budget. The state has provided universities with the ability to accept 15 annual installments in lieu of forgone capital allocations either in a lump sum, or over time. The University of Akron has agreed to collect the capital component allocation over time – we currently collect roughly \$2.5 million per year and transfer it out to the reserves for retirement of debt related to capital projects.

CARRYOVER – At the end of each fiscal year, the current fund has unspent resources. These resources are transferred into the succeeding fiscal year to provide spending authority in addition to the annual budget.

DEPARTMENTAL SALES – Revenues and expenditures which:

1. relate incidentally to the conduct of instruction, research and public service; and
2. relate to activities that exist to provide an instructional and/or laboratory experience for students while creating goods or services that may be sold to the campus community or the general public.

FUNDS:

Unrestricted Current Funds

- General fund – Classification of resources and expenditures that are either directly or indirectly in support of instruction, research and public service without specific restrictions. Primary sources of these funds are student tuition and fees, departmental sales, state share of instruction, investment income and indirect cost recovery.
- Auxiliary funds – Revenues and expenditures directly linked to the annual operation of any of the institution's auxiliaries and that are not restricted (see definition of Auxiliary).

Restricted Current Funds

- Sponsored programs – Research grants funded with state, federal, corporate, or other resources. The funds are required to be spent on the specific projects as outlined in the contract.
- Restricted gifts – Monetary donations to the institution that carry restrictions on how they can be used. Most common restrictions are that the funds be used for scholarships or as supplements to operations in specified departments.
- Other restricted funds for a specific purpose.

Loan Funds – The primary purpose of this fund group is to account for the resources available for loans to students.

Endowment Funds - These include funds received from a donor with the restriction that the principal is not expendable. The principal is invested for the purpose of producing present and future income which may be expended or added to the principal.

Plant Funds

- Current capital expenses
- Capital assets and equipment

Agency funds

- Student organizations
- Other outside agencies

EXPENSE POOLS – Classifications of types of expenditures broken into two major categories: Personnel and Operating (non-personnel). The pools are general, such as supplies and travel. Within each pool, there are more specific expense accounts which enable users to report types of purchases. For example, within the Supplies & Services expense pool, there is an account for Instructional Supplies.

E&G FUNCTIONS – (Education & General – also referred to as I&G, or Instructional and General). Reporting requirements define the functions into which we must categorize all unrestricted current fund expenditures. These functions group expenses based on how they contribute to the institution’s mission. They are as follows (including examples):

- Instruction and Departmental Research – All direct and applicable expenditures for activities that are part of an institution’s instructional program (i.e., faculty compensation and supplies related to the classroom).
- Separately Budgeted Research – All expenditures for activities specifically organized to produce research outcomes (i.e., indirect cost redistributions, faculty research grants).
- Public Service – All funds expended for activities that are established primarily to provide non-credit courses and services to the community at large (i.e., workforce development, continuing education, and departmental sales operations offering products or services to the public).
- Academic Support – All funds expended for support services that assist those operations directly focused on instruction, research and public service (i.e., libraries, dean’s offices, information technology fee expenses).
- Student Services – All funds expended for the administration and operation of offices of admission and registration and those activities whose primary purpose is to contribute to the students’ emotional, physical, cultural and social growth outside the context of formal instructional programs (i.e., admissions, financial aid, and registrar).
- Institutional Support – Expenditures for operations that provide support services to the total University (i.e., information technology services, legal, financial overhead).

- Operation and Maintenance of Plant – Expenditures for operation and maintenance of the physical plant – does not include capital expenditures for new construction (i.e., utilities, custodial, buildings and grounds maintenance).
- Scholarships and Fellowships – Expenditures for institutional scholarships and set-asides for need-based scholarships.

IGB (Institute for Global Business) – A line item in the state budget which is intended to supplement The University of Akron’s International Business program.

INDIRECT COST RECOVERY/DISTRIBUTION – Funds built into external grants to reimburse overhead of the institution and the investigating parties.

STATE SHARE OF INSTRUCTION (SSI) – State funds provided to Ohio’s public colleges and universities in support of core academic activities. The distribution calculations are primarily enrollment-driven and based on actual average costs.

TRANSFERS IN – The movement of resources into one fund from another. In the unrestricted current fund, transfers-in most often are to fund carryovers. The budget assumes transfers-in from reserves and from auxiliary fund balances to meet the need for resources.

TRANSFERS OUT MANDATORY – The movement of resources out of a fund to meet a required need. In the unrestricted current fund, mandatory transfers-out are to meet debt retirement requirements.

TRANSFERS OUT NON-MANDATORY – The movement of resources out of a fund for various purposes. In the unrestricted current fund, non-mandatory transfers-out are to supplement various auxiliary revenues, establish reserves, support plant funds, etc.

THE UNIVERSITY OF AKRON

RESOLUTION 9- -12

Acceptance of the Quarterly Financial Report for April through June 2012

BE IT RESOLVED, that the recommendation presented by the Finance and Administration Committee on September 19, 2012, accepting the Quarterly Financial Report for April through June 2012, be approved.

Ted A. Mallo, Secretary
Board of Trustees

September 19, 2012