FY 2014-2015
FINANCIAL STATUS REPORT
AS OF
March 31, 2015

Prepared by
FINANCE DEPARTMENT
Summary

The following spreadsheet shows the revenue and expenditures by month for the General Funds as of March 31, 2015. The total revenues forecasted in the October five year forecast were $697,385,881. The adopted budget approved by the Board in October was $724,706,151 plus carryover encumbrances of $17,653,353 for a total appropriation of $742,359,504.

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$50,450,747</td>
<td>$31,262,843</td>
<td>$113,526</td>
<td>$7,748,289</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>State Property Allocation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>16,024,562</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>1,123,302</td>
<td>2,006,205</td>
<td>6,749,677</td>
<td>4,304,834</td>
<td>1,750,908</td>
<td>1,713,349</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>86,625,709</td>
<td>68,324,235</td>
<td>41,901,045</td>
<td>47,084,242</td>
<td>52,949,743</td>
<td>36,749,222</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>23,568,636</td>
<td>36,766,874</td>
<td>23,822,459</td>
<td>23,421,628</td>
<td>24,190,015</td>
<td>23,853,365</td>
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<tr>
<td>Benefits</td>
<td>14,327,372</td>
<td>9,930,780</td>
<td>7,946,256</td>
<td>9,216,754</td>
<td>11,397,918</td>
<td>9,508,791</td>
</tr>
<tr>
<td>Purchase Services</td>
<td>15,315,742</td>
<td>18,425,802</td>
<td>25,295,943</td>
<td>17,795,203</td>
<td>19,082,942</td>
<td>18,830,718</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>614,504</td>
<td>1,833,946</td>
<td>1,908,093</td>
<td>607,835</td>
<td>582,650</td>
<td>456,531</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>242,007</td>
<td>270,224</td>
<td>827,559</td>
<td>832,528</td>
<td>657,727</td>
<td>602,051</td>
</tr>
<tr>
<td>Other Objects</td>
<td>41,518</td>
<td>1,146,287</td>
<td>444,706</td>
<td>1,984,229</td>
<td>226,407</td>
<td>65,738</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>54,109,779</td>
<td>68,373,913</td>
<td>60,245,016</td>
<td>53,858,177</td>
<td>56,137,659</td>
<td>53,317,194</td>
</tr>
</tbody>
</table>

Net Change in Cash

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$17,022,731</td>
<td>$82,107,567</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>State Foundation</td>
<td>35,741,917</td>
<td>35,924,672</td>
<td>41,649,590</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>State Property Allocation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>3,559,770</td>
<td>751,730</td>
<td>1,544,304</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>56,324,418</td>
<td>118,783,969</td>
<td>43,193,894</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>34,944,592</td>
<td>20,198,534</td>
<td>24,090,677</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Benefits</td>
<td>7,383,343</td>
<td>6,975,516</td>
<td>9,606,095</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Purchase Services</td>
<td>18,597,655</td>
<td>21,040,687</td>
<td>18,698,264</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>598,232</td>
<td>476,309</td>
<td>882,745</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>74,464</td>
<td>209,789</td>
<td>153,146</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Objects</td>
<td>688,123</td>
<td>40,921</td>
<td>154,726</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>62,286,409</td>
<td>48,941,756</td>
<td>53,585,653</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Net Change in Cash

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5,961,991)</td>
<td>69,842,213</td>
<td>(10,391,759)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>41,081,021</td>
</tr>
</tbody>
</table>
REVENUE

The Cleveland Municipal School District is forecasting $697,385,881 in revenue within the General Funds in the 2014-2015 fiscal year as shown on figure 1. As of March 31, 2015 the District has received revenue in the amount of $551,936,577. The District will need to collect another $145,449,304 to reach its target.

Figure 1

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Fiscal Year 2015 Forecast</th>
<th>Fiscal Year 2015 Actual</th>
<th>Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Property Tax</td>
<td>$205,453,334</td>
<td>$188,705,703</td>
<td>($16,747,631)</td>
</tr>
<tr>
<td>State Foundation</td>
<td>420,420,858</td>
<td>323,702,131</td>
<td>(96,718,727)</td>
</tr>
<tr>
<td>Property Tax Homestead and Rollbacks</td>
<td>18,287,110</td>
<td>9,067,647</td>
<td>(9,219,463)</td>
</tr>
<tr>
<td>CAT Tax</td>
<td>13,913,830</td>
<td>6,956,915</td>
<td>(6,956,915)</td>
</tr>
<tr>
<td>Interest</td>
<td>650,000</td>
<td>533,336</td>
<td>(116,664)</td>
</tr>
<tr>
<td>Medicaid</td>
<td>2,050,000</td>
<td>927,861</td>
<td>(1,122,139)</td>
</tr>
<tr>
<td>CEAP</td>
<td>1,950,000</td>
<td>950,000</td>
<td>(1,000,000)</td>
</tr>
<tr>
<td>Advances-In</td>
<td>3,722,250</td>
<td>3,722,250</td>
<td>0</td>
</tr>
<tr>
<td>Casino Receipts</td>
<td>1,801,142</td>
<td>1,903,333</td>
<td>102,191</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>29,137,357</td>
<td>15,467,401</td>
<td>(13,669,956)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$697,385,881</td>
<td>$551,936,577</td>
<td>($145,449,304)</td>
</tr>
</tbody>
</table>

(a) The District received $198,205,277 in general real property taxes in FY14 and is forecasting $205,453,334 in FY15. Through March 31, 2015 the District has received $188,705,703 in general property taxes. The current collection rate for 2014 declined from 82.6% to 80.3%.
(b) The District will receive state funding in FY15 based on HB 59.
(c) These revenues have been received as anticipated.
(d) Revenues trending lower than anticipated.
Figure 2 compares revenue sources to the prior two years as of March 31. The three years of data will be beneficial for trend analysis performed throughout the year.

Figure 2

Cleveland Municipal School District - Revenues by Category

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes (a)</td>
<td>$188,755,703</td>
<td>$323,702,131</td>
<td></td>
</tr>
<tr>
<td>State Foundation (b)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Property Allocation (d)</td>
<td>$16,024,562</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (e)</td>
<td></td>
<td></td>
<td>$23,504,181</td>
</tr>
</tbody>
</table>
EXPENDITURES

The fiscal year 2015 adopted General Fund budget for the District is $724.7 million. This budget, coupled with carryover encumbrances of $17.7 million, resulted in a $742.4 million General Funds appropriation for FY 2015. The following information is a financial update of the status of this appropriation through March 31, 2015.

Through March 31, 2015 the District has expended $510.9 million and has outstanding encumbrances of $18.8 million. This total of $529.7 million reflects 71.35% of the District’s total appropriation (see Exhibit A). A statistical spending range for the District is based on two analyses: first, time elapsed is nine months or 75.00% of the fiscal year has passed. Secondly, twenty of twenty-six (20/26), or 76.92% of the total pay periods have passed. Figure 1 illustrates these points.

Figure 3

Overall, the District’s encumbrance/expenditure level through December is below target based on the above analysis. As an examination of the categories of expenditures is performed, cyclical variances are noted between categories which relate specifically to school opening activities. Figure 3 compares the various expenditure categories to the expected level and to the prior two years. The three years of data will be beneficial for trend analysis performed throughout the year.
Figure 4

**Expenditures**

![Bar chart showing expenditures for Cleveland Municipal School District for FY 13, FY 14, and FY 15.](image)

- **Salary & Benefits**
  - FY 13: $234,856,779
  - FY 14: $86,292,825
  - FY 15: $173,082,957

- **Services & Materials**
  - FY 13: $7,960,845
  - FY 14: $3,869,496
  - FY 15: $4,792,655

- **Capital Outlay & Other Objects**
  - FY 13: $129,000,000

Figure 5

**Cleveland Municipal School District - Expenditures by Category**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$234,856,779</td>
<td>$86,292,825</td>
<td>$173,082,957</td>
</tr>
<tr>
<td>Benefits</td>
<td>$7,960,845</td>
<td>$3,869,496</td>
<td>$4,792,655</td>
</tr>
<tr>
<td>Purchase Services</td>
<td>$129,000,000</td>
<td>$173,082,957</td>
<td>$7,960,845</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>$3,869,496</td>
<td>$4,792,655</td>
<td>$7,960,845</td>
</tr>
<tr>
<td>Capital Outlay Other Objects</td>
<td>$4,792,655</td>
<td>$7,960,845</td>
<td>$129,000,000</td>
</tr>
</tbody>
</table>
As Figure 4 and 5 illustrates, overall salaries and fringe benefits are slightly lower for this time of year. Salaries are slightly higher than last year for this time of year which is primarily due to the differentiated compensation stipend payments and less open positions. Salaries are trending under budget. We will continue to closely monitor this area the remainder of the fiscal year. Salaries averaged $8.0 million in March which is lower than the $10.1 million average in February. Fringe benefits are higher than last year for this time of year which is primarily due to healthcare. Health care costs are forecasted to increase 10% in FY 15 from FY 14.

The current year Purchased Services and Materials categories indicate a 70.18% encumbrance/expenditure level for March. This is consistent with prior years and the cyclical nature of school operations.

The Capital encumbrance/expenditure level, whose budget comprises only .9% of the total General Fund budget, indicates a 72.04% encumbrance/expenditure level for March. It should be noted that the vast majority of on-going construction projects are accounted for in other funds and therefore not reflected in the encumbrances/expenditures above.

Finally, the debt service and other objects category of encumbrance/expenditures, which mainly reflects the payment of principal and interest for the energy conservation notes and QZAB notes, treasurer and auditor fees, and the transfer of monies to other District funds (as required by State regulations), is as expected as of March 31, 2015. Debt payments occur in July and April while the transfer of monies to other District funds will occur in June.
CASH BALANCES

The cash balance as of March 31, 2015 is $139,592,677. The unencumbered balance as of March 31, 2015 is $120,800,397. See Figure 6 for details.

Figure 6

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash Balance</td>
<td>$98,511,656</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>551,936,577</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>510,855,556</td>
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<tr>
<td>Revenue over Expenses</td>
<td>41,081,021</td>
</tr>
<tr>
<td>Total Payables</td>
<td>0</td>
</tr>
<tr>
<td>Ending Cash Balance</td>
<td>139,592,677</td>
</tr>
<tr>
<td>Encumbrances/Reserves</td>
<td>18,792,280</td>
</tr>
<tr>
<td>Unencumbered Balance</td>
<td>$120,800,397</td>
</tr>
</tbody>
</table>

Cash Balances Last 3 Years
<table>
<thead>
<tr>
<th>Date</th>
<th>Code</th>
<th>Category</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/01/21</td>
<td></td>
<td>Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/02/21</td>
<td></td>
<td>Supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/03/21</td>
<td></td>
<td>Travel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/04/21</td>
<td></td>
<td>Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/05/21</td>
<td></td>
<td>Utilities</td>
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<td></td>
</tr>
<tr>
<td>01/06/21</td>
<td></td>
<td>Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/07/21</td>
<td></td>
<td>Wages and Salaries</td>
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</tr>
<tr>
<td>01/08/21</td>
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<td>Other Operating</td>
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</tr>
<tr>
<td>01/09/21</td>
<td></td>
<td>Total</td>
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<td></td>
</tr>
</tbody>
</table>

**Total:** $7,890.34