



CLEVELAND
METROPOLITAN
SCHOOL DISTRICT
Vision to Victory

**FY 2013-2014
FINANCIAL STATUS REPORT
AS OF
October 31, 2013**

Prepared by
FINANCE DEPARTMENT

The primary goal of the Cleveland Municipal School District is to become a premier school district in the United States of America.

CLEVELAND MUNICIPAL SCHOOL DISTRICT

JULY 1, 2013–OCTOBER 31, 2013 FINANCIAL STATUS REPORT

Summary

The following spreadsheet shows the revenue and expenditures by month for the General Funds as of October 31, 2013. The total revenues forecasted in the October five year forecast were \$703,168,115. The adopted budget approved by the Board in September was \$692,646,527 plus carryover encumbrances of \$12,951,829 for a total appropriation of \$705,598,356.

	July	August	September	October	November	December
Revenues:						
Property Taxes	\$31,651,422	\$48,273,485	\$0	\$9,492,408	\$0	\$0
State Foundation	35,191,520	35,309,934	35,191,519	35,066,276	0	0
State Property Allocation	0	0	0	0	0	0
Other	2,818,821	2,445,377	2,707,172	13,751,003	0	0
Total Revenues	69,661,763	86,028,796	37,898,691	58,309,687	0	0
Expenditures:						
Salaries	23,403,504	30,693,940	23,486,999	23,128,151	0	0
Benefits	12,075,492	5,639,866	7,156,838	9,229,702	0	0
Purchase Services	14,189,034	17,085,632	18,620,718	18,719,070	0	0
Materials and Supplies	170,243	594,158	1,663,753	2,981,251	0	0
Capital Outlay	30,516	230,110	54,232	128,633	0	0
Other Objects	627,813	51,925	136,338	2,483,457	0	0
Total Expenditures	50,496,602	54,295,631	51,118,878	56,670,264	0	0
Net Change in Cash	19,165,161	31,733,165	(13,220,187)	1,639,423	0	0

	January	February	March	April	May	June	Total
Revenues:							
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$89,417,315
State Foundation	0	0	0	0	0	0	140,759,249
State Property Allocation	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	21,722,373
Total Revenues	0	0	0	0	0	0	251,898,937
Expenditures:							
Salaries	0	0	0	0	0	0	100,712,594
Benefits	0	0	0	0	0	0	34,101,898
Purchase Services	0	0	0	0	0	0	68,614,454
Materials and Supplies	0	0	0	0	0	0	5,409,405
Capital Outlay	0	0	0	0	0	0	443,491
Other Objects	0	0	0	0	0	0	3,299,533
Total Expenditures	0	0	0	0	0	0	212,581,375
Net Change in Cash	0	0	0	0	0	0	39,317,562

CLEVELAND MUNICIPAL SCHOOL DISTRICT

JULY 1, 2013–OCTOBER 31, 2013 FINANCIAL STATUS REPORT

REVENUE

The Cleveland Municipal School District is forecasting **\$703,168,115** in revenue within the General Funds in the 2013-2014 fiscal year as shown on figure 1. As of **October 31, 2013** the District has received revenue in the amount of \$251,898,937. The District will need to collect another \$451,269,178 to reach its target.

Figure 1

FORECASTED REVENUES AND ACTUAL REVENUES

	Fiscal Year 2014 Forecast	Fiscal Year 2014 Actual	Over/ (Under)
Revenues			
Real Property Tax	\$199,907,447	\$89,348,933 (a)	(\$110,558,514)
Personal Property Tax	57,169	68,382 (a)	11,213
State Foundation	428,373,060	140,759,249 (b)	(287,613,811)
Property Tax Homestead and Rollbacks	18,165,000	0 (c)	(18,165,000)
CAT Tax	13,913,830	0 (c)	(13,913,830)
Interest	450,000	198,960 (c)	(251,040)
Medicaid	6,216,140	38,183 (c)	(6,177,957)
CEAP	1,000,000	0 (c)	(1,000,000)
Advances-In	9,690,000	9,690,000 (c)	0
Casino Receipts	1,951,084	978,053 (c)	(973,031)
Other Revenues	23,444,385	10,817,177 (c)	(12,627,208)
<i>Total Revenues</i>	<u>\$703,168,115</u>	<u>\$251,898,937</u>	<u>(\$451,269,178)</u>

ON TARGET

AT RISK

- (a) The District received \$174,589,722 in general real property taxes in FY13 and is forecasting \$199,907,447 in FY14. Through October 31, 2013 the District has received \$89,348,933 in general property taxes.
- (b) The District will receive state funding in FY14 based on HB 59.
- (c) These revenues have been received as anticipated.

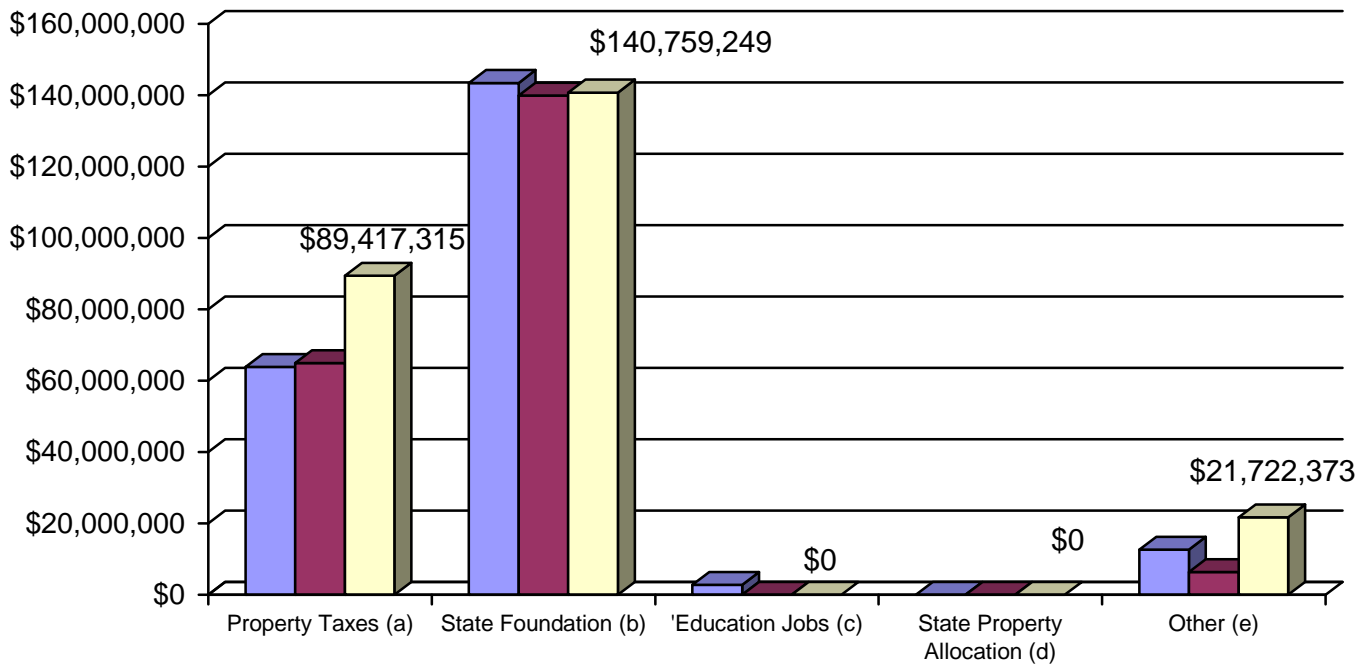
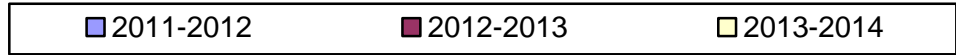
CLEVELAND MUNICIPAL SCHOOL DISTRICT

JULY 1, 2013–OCTOBER 31, 2013 FINANCIAL STATUS REPORT

Figure 2 compares revenue sources to the prior two years as of October 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 As of October 31



CLEVELAND MUNICIPAL SCHOOL DISTRICT

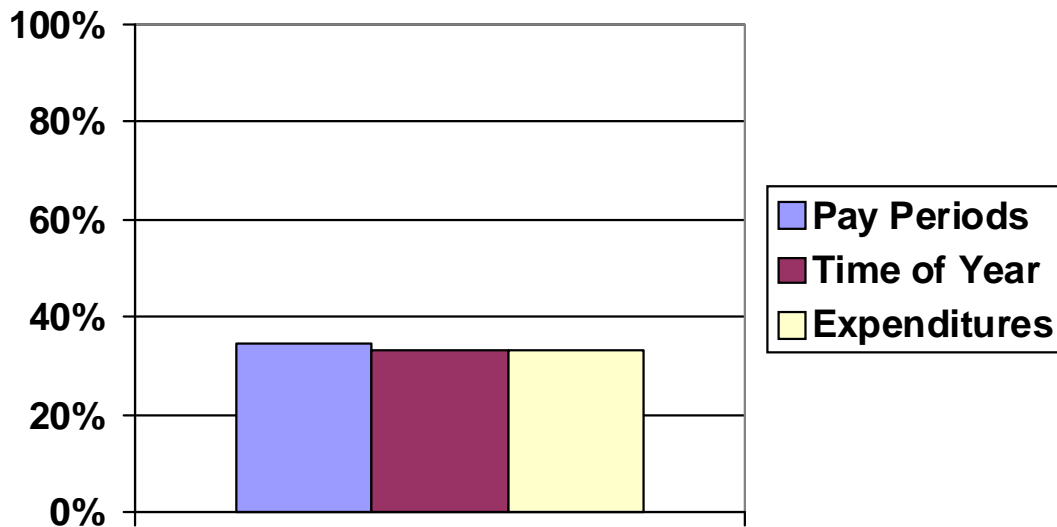
JULY 1, 2013–OCTOBER 31, 2013 FINANCIAL STATUS REPORT

EXPENDITURES

The fiscal year 2014 adopted General Fund budget for the District is \$692.6 million. This budget, coupled with carryover encumbrances of \$13.0 million, resulted in a \$705.6 million General Funds appropriation for FY 2014. The following information is a financial update of the status of this appropriation through October 31, 2013.

Through October 31, 2013 the District has expended \$212.6 million and has outstanding encumbrances of \$22.8 million. This total of \$235.4 million reflects 33.36% 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 four months or 33.33% of the fiscal year has passed. Secondly, nine of twenty-six (9/26), or 34.62% of the total pay periods have passed. Figure 1 illustrates these points.

Figure 3



Overall, the District's encumbrance/expenditure level through October is on 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.

CLEVELAND MUNICIPAL SCHOOL DISTRICT

JULY 1, 2013–OCTOBER 31, 2013 FINANCIAL STATUS REPORT

Figure 4

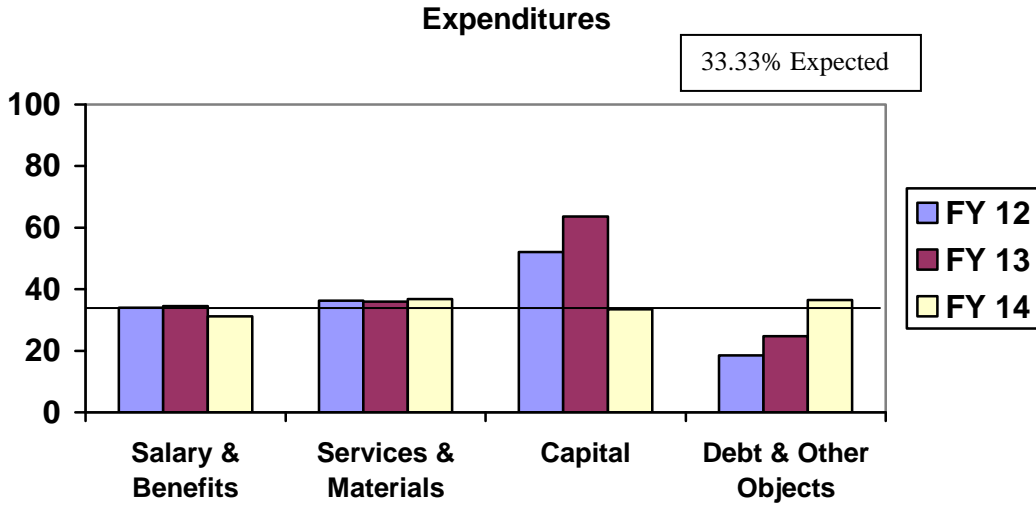
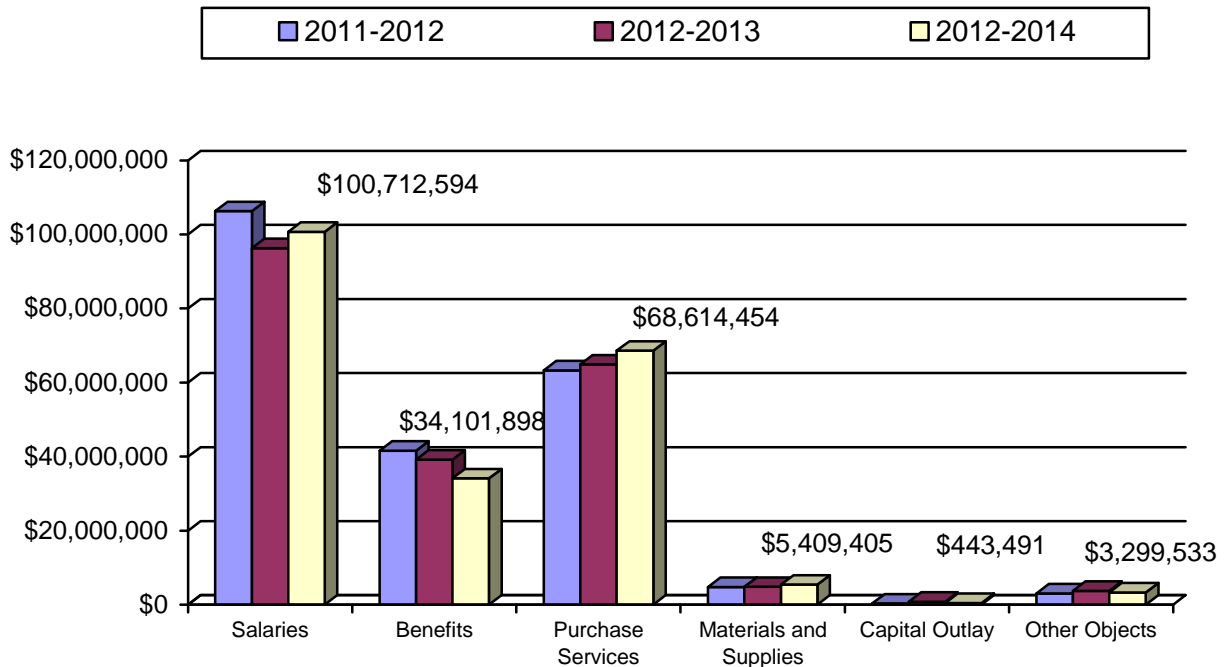


Figure 5

**Cleveland Municipal School District - Expenditures by Category
As of October 31**



CLEVELAND MUNICIPAL SCHOOL DISTRICT

JULY 1, 2013–OCTOBER 31, 2013 FINANCIAL STATUS REPORT

As Figure 5 illustrates, salaries are slightly higher than last year for this time of year which is primarily due to the negotiated salary increases and the restoration of 193 teacher positions associated with the levy passage. We will continue to closely monitor this area the remainder of the fiscal year. Salaries averaged \$11.5 million in October which is slightly lower than the \$11.7 million average in September. Fringe benefits are slightly lower than last year for this time of year which is primarily due to an accounting entry that was not completed until November. Health care costs are forecasted to increase 7.3% in FY 14 from FY 13.

The current year Purchased Services and Materials categories indicate a 36.79% encumbrance/expenditure level for October. This encumbrance/expenditure rate is mainly attributable to school opening costs (mainly textbooks). In addition many of the annual maintenance contracts are encumbered at the beginning of the fiscal year and then are spent down during the year. This is consistent with prior years and the cyclical nature of school operations.

The Capital encumbrance/expenditure level, whose budget comprises only .38% of the total General Fund budget, indicates a 33.42% encumbrance/expenditure level for October. This encumbrance/expenditure rate is mainly attributable to school opening costs. 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 October 31, 2013. Debt payments occur in July and April while the transfer of monies to other District funds will occur in June.

CLEVELAND MUNICIPAL SCHOOL DISTRICT

JULY 1, 2013–OCTOBER 31, 2013 FINANCIAL STATUS REPORT

CASH BALANCES

The cash balance as of October 31, 2013 is \$108,666,686. The unencumbered balance as of October 31, 2013 is \$85,827,151. See Figure 6 for details.

Figure 6

	FY 2014
Beginning Cash Balance	\$69,349,024
Total Revenues	251,898,937
Total Expenses	212,581,375
Revenue over Expenses	39,317,562
Total Payables	100
Ending Cash Balance	108,666,686
Encumbrances/Reserves	22,839,535
Unencumbered Balance	<u>\$85,827,151</u>

