

Department of Finance

# Fiscal Year 2022 Financial Status Report

As of October 31, 2021

# **Cleveland Metropolitan School District (Cuyahoga County)**

FY2022 MONTHLY OVERSIGHT MONITORING - Budget vs. Actual Variance Analysis

Actuals T	hrough: Octob	er																					
Date Com	pleted: 10/3	31/2021				20							20	22			YTD	YTD	YTD	Remaining	YTD Actual + Remaining	Official Forecast/	FY
REVENUES	6 - OPERATIONAL		Jul Actual	Aug Actual	Sep Actual	Oct Estimate	Oct Actual	Oct Variance	Nov Estimate	Dec Estimate	Jan Estimate	Feb Estimate	Mar Estimate	Apr Estimate	May Estimate	Jun Estimate	Actual	Estimated	Variance	Estimates	Estimates	Estimate	Variance
1.010	General Property Tax	(Real Estate)	22,426,000	79,063,623	0	0	0	0	0	0	14,561,104	94,594,232	1,560,118	0	0	6,927,887	101,489,623	98,547,367	2,942,256	117,643,342	219,132,965	216,190,709	1%
1.020	Tangible Personal Pro	operty Tax	0	19,129,282	0	0	0	0	0	0	0	0	21,191,574	0	0	0	19,129,282	18,761,949	367,333	21,191,574	40,320,856	39,953,523	1%
1.035	Unrestricted State Gr		28,007,137	20,983,697	20,302,472	21,215,884	20,312,473	(903,411)	21,215,884	21,215,883	21,184,891	21,184,891	21,184,891	21,184,891	21,184,891	21,696,380	89,605,779	84,863,537	4,742,242	170,052,603	259,658,382	254,916,140	2%
1.040	Restricted State Gran	nts-in-Aid	4,388,306	4,388,306	4,388,306	4,487,018	4,388,306	(98,712)	4,487,018	4,487,018	4,569,278	4,569,278	4,569,278	4,569,278	4,569,278	4,891,174	17,553,225	17,948,073	(394,849)	36,711,603	54,264,827	54,659,676	-1%
1.050	Property Tax Allocation	on	0	0	0	0	0	0	9,281,637	0	0	0	0	9,856,774	0	0	0	0	0	19,138,411	19,138,411	19,138,411	0%
1.060	All Other Revenues		6,019,055	7,079,034	3,938,375	1,828,758	2,805,221	976,463	2,202,235	7,752,312	1,976,483	2,394,026	3,356,794	1,480,542	1,783,065	1,398,580	19,841,684	12,809,802	7,031,883	22,344,034	42,185,719	35,153,836	20%
TOTAL OPE	ERATING REVENUE		60,840,499	130,643,942	28,629,153	27,531,661	27,506,000	(25,661)	37,186,774	33,455,213	42,291,757	122,742,427	51,862,655	37,091,485	27,537,234	34,914,021	247,619,593	232,930,728	14,688,865	387,081,567	634,701,160	620,012,295	2%
•																							
	S - NON-OPERATING							1															
2.050 Advar			0	0	0	0	0	0	5,000,000	0	0	0	0	0	0	0	0	0	0	5,000,000	5,000,000	5,000,000	0%
	her Financing Sources		2,976	6,034	630,651	20,833	4,488	(16,345)	,	20,833	29,704	29,704	14,185	705	705	0	644,149	83,332	560,817	116,668	760,817	200,000	280%
2.070 Total	Other Financing Sou	irces	2,976	6,034	630,651	20,833	4,488	(16,345)	5,020,833	20,833	29,704	29,704	14,185	705	705	0	644,149	83,332	560,817	5,116,668	5,760,817	5,200,000	11%
	I																						
	2.080 TOTAL REVEN	NUE	60,843,475	130,649,976	29,259,804	27,552,494	27,510,488	(42,006)		33,476,046	42,321,460	122,772,131	51,876,840	37,092,190	27,537,939	34,914,021	248,263,742	233,014,060	15,249,682	392,198,235	640,461,977	625,212,295	2%
EXPENDITU	JRES		Cumulative Rev Variance>					15,249,682															
3.010	Personal Services		27,609,690	29,020,517	29,220,713	33,701,844	32,979,160	(722,684)	28,708,787	27,929,630	28,287,489	28,446,885	28,091,584	33,599,007	32,360,542	29,469,867	118,830,080	123,688,304	(4,858,224)	236,893,791	355,723,871	360,582,095	-1%
3.020	Benefits		12,474,075	11,627,081	11,940,571	12,488,042	12,167,351	(320,691)	12,534,942	12,262,078	14,164,655	12,936,446	12,806,709	12,534,942	12,341,457	9,600,741	48,209,077	48,607,548	(398,470)	99,181,971	147,391,049	147,789,519	0%
3.030	Purchased Services		6,482,085	8,126,169	3,393,993	5,680,738	8,015,177	2,334,439	5,748,069	5,748,069	5,739,766	5,631,421	6,117,600	6,045,196	6,111,059	4,635,756	26,017,424	24,447,311	1,570,113	45,776,936	71,794,360	70,224,247	2%
3.040	Supplies and Materia	ls	299,963	1,137,180	1,451,278	1,707,359	1,470,681	(236,678)	1,111,126	1,111,126	1,011,346	608,605	730,464	570,272	639,530	127,054	4,359,103	5,408,182	(1,049,079)	5,909,522	10,268,625	11,317,704	-9%
3.050	Capital Outlay		8,104	36,986	1,914,849	266,576	57,647	(208,929)	174,968	174,968	98,332	80,147	100,713	123,066	197,737	78,381	2,017,586	1,109,187	908,399	1,028,311	3,045,897	2,137,498	42%
4.300	Other Objects		2,186,771	2,608,775	28,769	249,035	245,790	(3,245)	249,035	249,035	249,035	249,035	1,480,882	249,035	249,035	249,035	5,070,105	4,604,000	466,104	3,224,127	8,294,231	7,828,127	6%
5.010 Opera	ating Transfers-Out		0	0	0	0	0	0	0	0	0	0	0	0	0	1,000,000	0	0	0	1,000,000	1,000,000	1,000,000	0%
5.020 Advar			0	0	0	0	0	0	0	0	0	0	0	0	0	5,000,000	0	0	0	5,000,000	5,000,000	5,000,000	0%
5.050 TOTA	L EXPENDITURES		49,060,688	52,556,708	47,950,172	54,093,594	54,935,806	842,212	48,526,926	47,474,905	49,550,622	47,952,539	49,327,952	53,121,519	51,899,360	50,160,834	204,503,375	207,864,531	(3,361,156)	398,014,659	602,518,034	605,879,190	-1%
			Cumulative Exp Variance>					(3,361,156)															
6.010 Month	hly Excess/Shortfall (	(rev exp.)	11,782,786	78,093,267	(18,690,368)	(26,541,100)	(27,425,318)	(884,218)	(6,319,319)	(13,998,859)	(7,229,162)	74,819,591	2,548,888	(16,029,329)	(24,361,421)	(15,246,813)	43,760,367	25,149,529	18,610,839	(5,816,424)	37,943,943		
Beginning E	Balance		102,846,223	114,629,009	192,722,277	154,536,852	174,031,908	19,495,057	127,995,752	121,676,432	107,677,574	100,448,411	175,268,003	177,816,890	161,787,561	137,426,141			FY Begi	nning Cash=>	102,846,223		
6.010 Cumu	ulative Excess/Shortf	all (rev exp.)	11,782,786	89,876,054			43,760,367													urrent Cash=>			
<b>Ending Cas</b>	sh Balance		114,629,009	192,722,277	174,031,908	127,995,752	146,606,590	18,610,839	121,676,432	107,677,574	100,448,411	175,268,003	177,816,890	161,787,561	137,426,141	122,179,328			Projected E	nding Cash=>	140,790,166		
<u> </u>			. , ,	, ,		, ,		, ,		, ,		,		, ,		, , , ,		Using Ass	=	ing Estimates	, , -		
Encumbrand	ces		26,930,443	31,231,265	32,357,586	16,000,000	29,573,584	13,573,584	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000		2 2 3 3 3 3	· ·	<b>J</b>			
UNENCUME	BERED CASH BALAN	NCE	87,698,566	161,491,012	141,674,323	111,995,752	117,033,006	5,037,255	105,676,432	91,677,574	84,448,411	159,268,003	161,816,890	145,787,561	121,426,141	106,179,328							

<sup>\*</sup>Projected total year is based on YTD actuals plus remaining monthly estimates. Timing of revenues and expenditures can make a signicant swing in projections.

#### Notes-Monthly Significant Variances Between Estimated Amounts and Actual Amounts of Revenue and Expenditure Lines Above (Add monthly headings and lines as needed for all notes throughout the year for a cumulative history of significant variances):

Jul Notes: On the revenue side, there is a significant variance between the estimate and actual for Unrestricted State Grants. This category contains the revenue of the new State formula, there should be a correction to bring us back to our estimated amounts. Additionally on the revenue side, there was a positive variance in other revenue, this was a result in the District recieving our Medicaid reimbursement we expected to receive back in June. On the expenditure side, there was a positive variance in Personal Services, as the District continues to fill vacant positions, we would expect this to get closer to our variance. Also on the expenditure side, there was negative variance in Purchased Services and Other Objects. On the Purchased Services side this was a result in the District paying all of its liability insurance for the entire year in July.

Aug Notes: In revenue, Property Tax collected for the 2nd half of calendar year of 2021 came in slightly above than what was expected. Our current collection rate increased less than 1% from the previous year. We are still monitoring the change in the state formula as it should be fully implemented in October. In expenses, all areas except Purchased Services came in below than its estimate. Purchased Services continue to be slightly above expectations because we have been catching up in some passed due utility bills

Sept Notes: In revenue, Other revenue exceed its September estimated because the District received about \$2.1 million in reimbursements. Also, under Other Financing Sources, the District received a \$630,000 reimbursement from the State Employee Retirement System regarding payments made from the previous fiscal year. On the Expense side, Salary and Benefits continue to come in right around their estimated amounts. The large variance in Capital Outlay line.

Oct Notes: Overall revenue came in what was expected during the month. In November, the District will receive its Property Tax Allocation from the State and will record the Return of Advance from the Previous Year. On the expense side, all categories other than Purchased Services came in below the expected amount. Purchased Services was higher than expected as bills for out of district tuition started to roll in for the current fiscal year.

MONTHLY FINANCIAL STATUS REPORT

## **Revenue Summary**

The Cleveland Metropolitan School District forecasted \$625,212,295 in revenue within the General Fund for the 2022 fiscal year as shown on Figure 1. As of October 31, 2021 the District has received revenue in the amount of \$248,263,743. The District will need to collect another \$376,948,552 to reach its target.

Figure 1: Forecasted Revenues and Actual Revenues

	FY	'21 Budget	F	Y '22 Actual		Balance
Revenues						
General Property Tax	\$	216,190,709	\$	101,489,623	(a)	\$ (114,701,086)
Personal Property Tax		39,953,523	\$	19,129,282	(b)	(20,824,241)
State Grants-in-Aid		309,575,816	\$	107,159,005		(202,416,811)
Property Tax Allocation		19,138,411	\$	-		(19,138,411)
Other Revenues		35,153,836	\$	19,841,684		(15,312,152)
Advances In		5,000,000	\$	-		(5,000,000)
Other Financing Sources		200,000	\$	644,149		444,149
Total Revenues		625,212,295		248,263,743		(376,948,552)

Negative balance represents amount remaining to be collected for the year, positive balances represent amount collected in excess of estimate. Numbers listed in green are On Target to meet or exceed forecast, those listed in red are At Risk of not meeting the forecast.

#### **Notes**

- (a) The District received \$207,515,493 in general property taxes in FY21 and forecasted \$216,190,709 in FY22. As of October 31, 2021 the District has received \$101,489,622.
- (b) The District will receive state funding in FY22 based on HB 110.

MONTHLY FINANCIAL STATUS REPORT

Figure 2 below compares revenue sources to the prior two years as of October. The three years of data will be beneficial for trend analysis performed throughout the year.

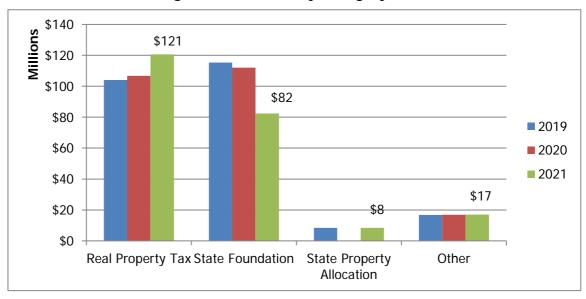


Figure 2: Revenue by Category

<sup>\*</sup>Data labels represent figures for current FY\*

MONTHLY FINANCIAL STATUS REPORT

Figure 2 below compares revenue sources to the prior two years as of October. The three years of data will be beneficial for trend analysis performed throughout the year.

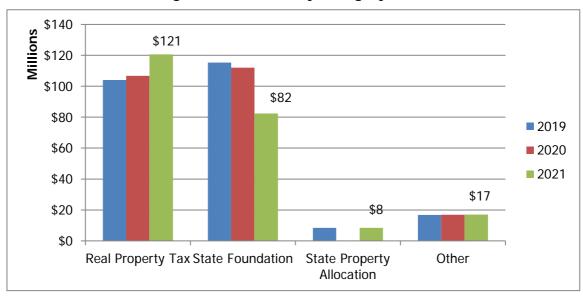


Figure 2: Revenue by Category

<sup>\*</sup>Data labels represent figures for current FY\*

MONTHLY FINANCIAL STATUS REPORT

# **Expenditure Summary**

For fiscal year 2022 the board passed a full appropriation of \$605,879,190, 605879190. This budget, coupled with carryover encumbrances of \$12,982,836, resulted in a \$618,862,026 appropriation for FY 2022. The following information is a financial update of the status of this appropriation through October 31, 2021.

Through October 31, 2021 the District has expended \$204,503,375 which reflects 33.00% of the District's total appropriation (see Exhibit A). The District also has outstanding encumbrances of \$32,357,586. 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. Secondly, 17 of the 50, or 34.00%, of the total pay periods have passed. Figure 3 illustrates these points.

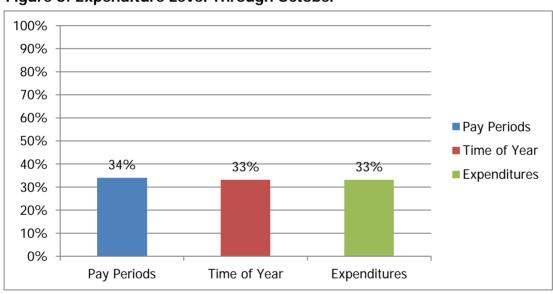


Figure 3: Expenditure Level Through October

Overall, the District's expenditure level through October is trending slightly above target based on the above analysis. As an examination of the categories of expenditures is performed, cyclical variances are noted between categories which related specifically to school opening activities.

MONTHLY FINANCIAL STATUS REPORT

Figure 4 compares the various expenditure categories to the expected level and to the prior two years. Figure 5 provides the year to date expenditure level by category for the current year as well as the prior two. The three years of data will be beneficial for trend analysis performed throughout the year. Further discussion of these two figures is included on the following page.

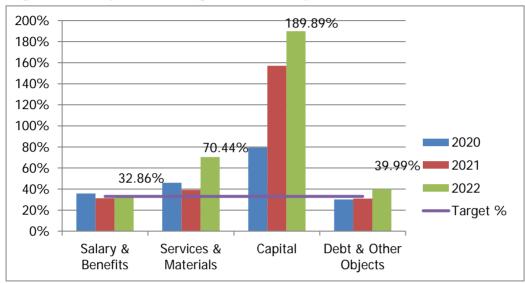


Figure 4: % Spend to Budget for YTD Expenditures

Target percent of 33.33% is based on the # of months completed in the current year.

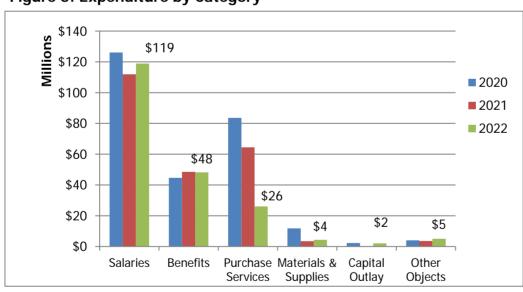


Figure 5: Expenditure by Category

<sup>\*</sup>Data labels represent figures for current FY\*

MONTHLY FINANCIAL STATUS REPORT

As Figures 4 and 5 illustrate, overall salaries and fringe benefits are less than prior years due to the pandemic. The trend line in Figure 4 is based on the time elapsed for the year. Health care costs are forecasted to increase 6.5% in FY 22 from FY 21.

The current year Purchased Services and Materials categories indicate a 70.44% encumbrance/expenditure level for this month.

The Capital encumbrance/expenditure level, whose budget comprises only .7% of the total General Fund budget, indicates a 189% encumbrance/expenditure level for this month. 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 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, 2021. Debt payments occur in November and April while the transfer of monies to other District funds will occur in June.

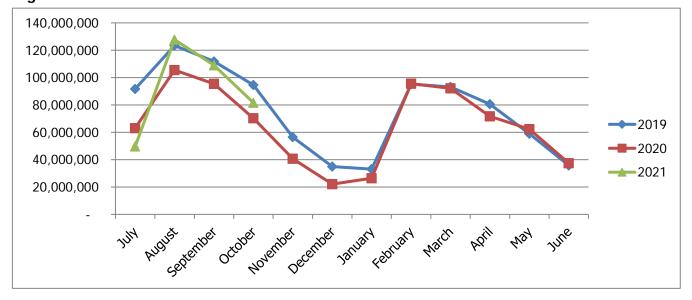
MONTHLY FINANCIAL STATUS REPORT

#### **Cash Balances**

The cash balance as of October 31, 2021 is \$146,606,591. The unencumbered balance as of October 31, 2021 is \$117,033,007. See below for details.

	FY '22
Beginning Cash Balance	\$ 102,846,223
Total Revenues	248,263,743
Total Expenses	204,503,375
Revenue over Expenses	43,760,368
Ending Cash Balance	146,606,591
Encumbrances/Reserves	29,573,584
Unencumbered Balance	\$ 117,033,007

Figure 6: Cash Balances Last 3 Years



# CMSD FNA Board Report - Receipts





Fund: 001FD\_L General Fund Period: FY 2021 - 2022 - Jun Time Period: Current Period YTD

Start Date: 10/01/2021 End Date: 10/31/2021

Fund	Amount
001FD_L General Fund	(27,510,488.02)
Total	(27,510,488.02)

# CMSD FNA Board Report - Expenditures





Fund: 001FD\_L General Fund Period: FY 2021 - 2022 - Jun

Time Period: Last 24 Periods (from June) (Fiscal Year)

Start Date: 10/01/2021 End Date: 10/31/2021

Fund	Exp Cat Hier	Expense Category	Amount
001FD_L General Fund	100SCH Personal Services - Employees Salaries and Wages	Personal Services - Employees Salaries and Wages	32,979,159.78
001FD_L General Fund	200SCH Employees' Retirement and Insurance Benefits	Employees' Retirement and Insurance Benefits	12,167,351.38
001FD_L General Fund	400SCH Purchased Services	Purchased Services	8,015,177.10
001FD_L General Fund	500SCH Supplies and Materials	Supplies and Materials	1,455,778.23
001FD_L General Fund	600SCH Capital Outlay	Capital Outlay	57,647.28
001FD_L General Fund	800SCH Other Objects	Other Objects	245,789.88
001FD_L General Fund	(Blank)	(Blank)	14,902.36
Total			54,935,806.01



# CMSD FNA Board Report Contracts Issued in Month Between \$25K and \$50K

Issued On or After: 10/01/2021 Issued On or Before: 10/31/2021

Accounting Date for Operational Transaction	Supplier	Supplier Contract	Total Contract Amount
10/01/2021	Powerschool Group LLC	CON-10028372: Talent Dept. Smartfind Express 2021-2022 Contract	37,828.87
10/08/2021	Windows On The River	CON-10028768: Student Advisory Committee	43,452.00
10/12/2021	Momentuum,LLC	CON-10029178: GINN ACADEMY-FY22 - MOMENTUUM	48,150.00
10/13/2021	LaTonya Johnson	CON-10029190: Title I-Interdistrict Service Contract-Magnificat	29,004.13
10/17/2021	Cavaliers Operating Co LLC or Rocket Mortgage Fieldhouse	CON-10029234: 2021-2022 Senate Playoffs w/ Cavaliers	28,000.00
10/18/2021	Cleveland Hearing And Speech C Speech Center	CON-10029250: Cleveland Hearing and Speech - Outstanding Invoices	25,000.00
10/19/2021	Masonry Restoration Maintenanc	CON-10029284: Michael R. White - Front Entry Retaining Wall Repairs - \$37,750.00	37,750.00
10/19/2021	Mcmahon Masonry Restoration Ltd.	CON-10029281: Collinwood - Concrete Repairs & Parking Structure	44,950.00
10/26/2021	Invo Healthcare Associates LLC	CON-10029382: Speech & Language Pathology Services @ Various Nonpublic Schools	47,490.10
10/29/2021	Cannon Salt And Supply Inc.	CON-10029462: 2021/2022 Bulk Salt	48,300.00



# CMSD FNA Board Report POs Issued in Month Between \$25K and \$50K



Issued On or After: 10/01/2021 Issued On or Before: 10/31/2021

Issued Date	PO Number	Supplier	Total PO Amount
10/13/2021	PO-10057850	Houghton Mifflin Harcourt	25,304.56
10/13/2021	PO-10057861	Tierney Brothers, Inc.	26,398.00
10/15/2021	PO-10055861	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055862	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055865	Guitar Center Stores, Inc. DBA Music & Arts	42,097.05
10/15/2021	PO-10055866	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055867	Guitar Center Stores, Inc. DBA Music & Arts	42,097.05
10/15/2021	PO-10055868	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055870	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055871	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055874	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055878	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055883	Guitar Center Stores, Inc. DBA Music & Arts	42,097.05
10/15/2021	PO-10055886	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055888	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055890	Guitar Center Stores, Inc. DBA Music & Arts	42,792.59
10/15/2021	PO-10055892	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055900	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055901	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055904	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055905	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055907	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055911	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/15/2021	PO-10055912	Guitar Center Stores, Inc. DBA Music & Arts	42,792.69
10/18/2021	PO-10057674	Allied Building Service Company of Detroit, Inc. The Mellocraft Company aka Allied Eagle Supply Company, LLC	46,563.00
10/21/2021	PO-10055898	Guitar Center Stores, Inc. DBA Music & Arts	42,811.75