



Department of Finance

# Fiscal Year 2019 Financial Status Report

As of October 31, 2018

**CLEVELAND METROPOLITAN SCHOOL DISTRICT**  
MONTHLY FINANCIAL STATUS REPORT

**Summary**

The following spreadsheet shows the revenue and expenditures by month for the General Funds as of October 31, 2018. The total revenues forecasted in the October five year forecast were \$739,339,439 and expenditures were \$787,021,749. The adopted budget approved by the Board was \$795,148,749 plus carryover encumbrances of \$16,928,436 for a total appropriation of \$812,077,185.

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>Revenues</b>													
Local	\$ 45,364,301	\$ 59,425,459	\$ 3,707,526	\$ 13,547,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,044,938
State	\$ 37,988,664	\$ 45,086,989	\$ 47,132,190	\$ 27,553,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,761,024
Federal	\$ -	\$ -	\$ -	\$ 3,584,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,584,092
Other	\$ 112,186	\$ 83,751	\$ 31,747	\$ 19,205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 246,890
<b>Total Revenues</b>	<b>83,465,151</b>	<b>104,596,199</b>	<b>50,871,463</b>	<b>44,704,131</b>	<b>-</b>	<b>283,636,944</b>							
<b>Expenditures</b>													
Salaries	\$ 39,769,586	\$ 31,668,355	\$ 25,990,552	\$ 28,510,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,938,737
Benefits	\$ 18,932,093	\$ 12,038,310	\$ 10,121,121	\$ 11,312,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,404,450
Purchase Services	\$ 19,785,688	\$ 21,472,280	\$ 23,794,794	\$ 18,199,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,252,466
Materials & Supplies	\$ 3,818,724	\$ 3,166,411	\$ 2,126,606	\$ 2,968,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,080,122
Capital Outlay	\$ 421,806	\$ 429,155	\$ 321,608	\$ 767,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,940,388
Other Objects	\$ 129,701	\$ 3,849,239	\$ 63,828	\$ 85,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,128,405
<b>Total Expenditures</b>	<b>82,857,597</b>	<b>72,623,751</b>	<b>62,418,508</b>	<b>61,844,712</b>	<b>-</b>	<b>279,744,568</b>							
<b>Net Change in Cash</b>	<b>607,554</b>	<b>31,972,448</b>	<b>(11,547,045)</b>	<b>(17,140,581)</b>	<b>-</b>	<b>3,892,377</b>							

*The financial information included in this report is preliminary, unaudited and subject to revision upon completion of the District's closing and audit process*

# CLEVELAND METROPOLITAN SCHOOL DISTRICT

## MONTHLY FINANCIAL STATUS REPORT

### Revenue Summary

The Cleveland Metropolitan School District is forecasting \$739,339,439 in revenue within the General Fund for the 2019 fiscal year as shown on Figure 1. As of October 31, 2018 the District has received revenue in the amount of \$283,636,944. The District will need to collect another \$455,702,495 to reach its target.

**Figure 1: Forecasted Revenues and Actual Revenues**

	FY ' 19 October 12 Month Forecast	FY '19 Actual		Balance
<b>Revenues</b>				
Real Property Tax	\$ 190,236,576	\$ 95,740,041 (a)		\$ 94,496,535
State Foundation	460,606,242	148,100,711 (b)		312,505,531
Property Tax				
Homestead &				
Rollbacks	31,183,975	8,654,562		22,529,413
CAT Tax	115,990	-		115,990
Interest	3,000,000	994,423		2,005,577
Medicaid	3,700,000	3,584,092		115,908
CEAP	9,500,000	5,931,667		3,568,333
Advances-In	4,000,000	-		4,000,000
Casino Receipts	1,918,554	1,005,751		912,803
Other Revenues	35,078,102	19,625,697		15,452,405
<b>Total Revenues</b>	<u>739,339,439</u>	<u>283,636,944</u>		<u>455,702,495</u>

Notes

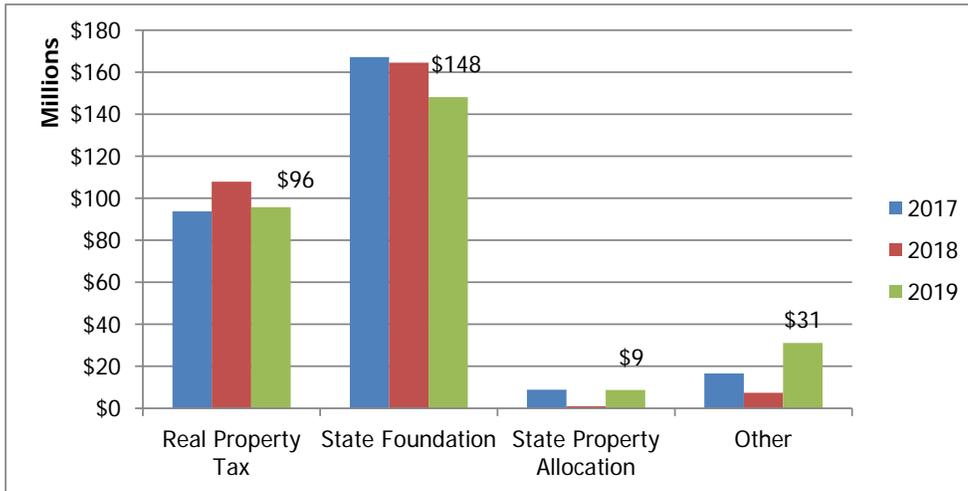
- (a) The District received \$219,694,578 in general property taxes in FY18 and is forecasting \$190,236,576 in FY19. As of October 31, 2018 the District received \$95,740,041 in general property taxes.
- (b) The District received state funding in FY19 based on HB 529.

# CLEVELAND METROPOLITAN SCHOOL DISTRICT

## 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



\*Data labels represent figures for current FY\*

# CLEVELAND METROPOLITAN SCHOOL DISTRICT

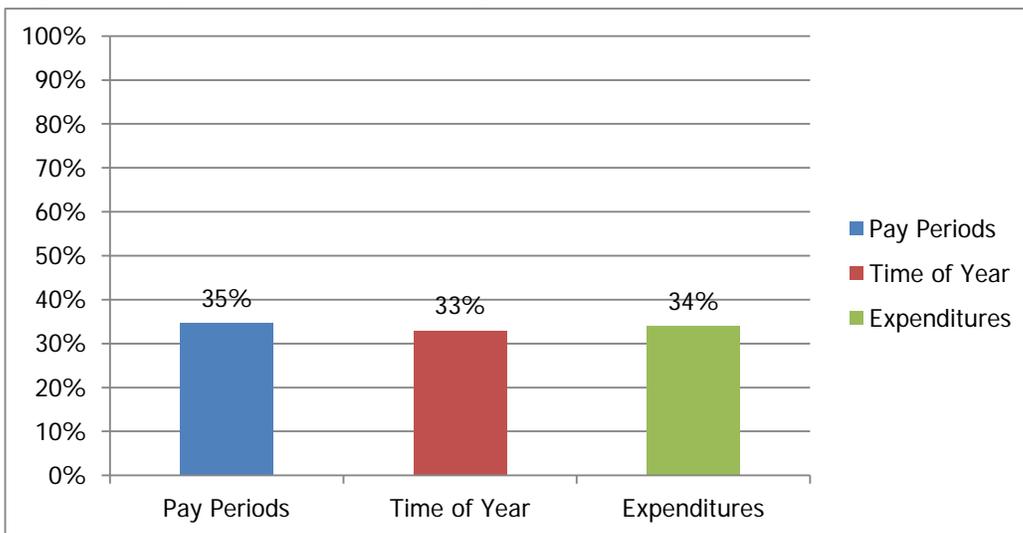
## MONTHLY FINANCIAL STATUS REPORT

### Expenditure Summary

The fiscal year 2019 adopted General Fund budget for the District is \$795,148,749. This budget, coupled with carryover encumbrances of \$16,928,436, resulted in a \$812,077,185 appropriation for FY 2019. The following information is a financial update of the status of this appropriation through October 31, 2018.

Through October 31, 2018 the District has expended \$279,744,568 which reflects 34.00% of the District's total appropriation (see Exhibit A). The District also has outstanding encumbrances of \$36,052,858. 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, 9 of the 26, or 34.62%, of the total pay periods have passed. Figure 3 illustrates these points.

Figure 3: Expenditure Level Through October



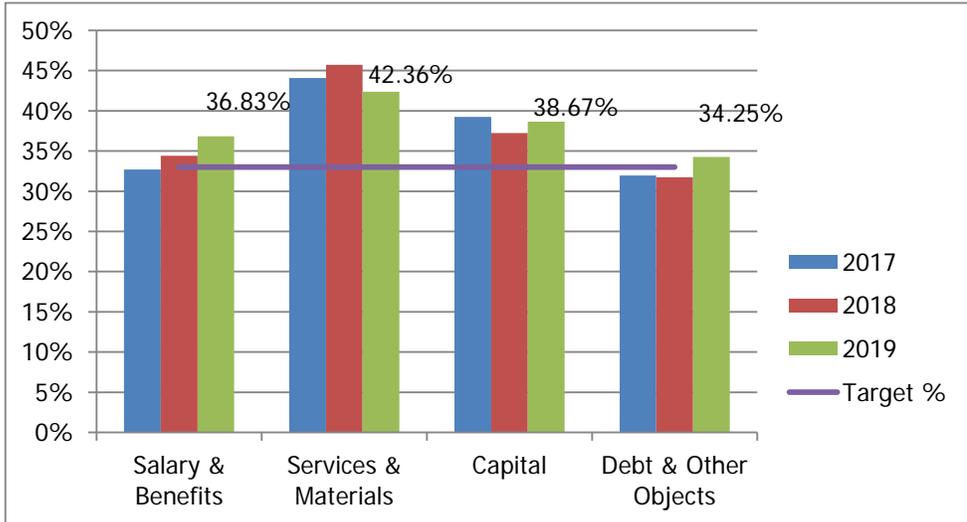
Overall, the District's expenditure level through October is trending slightly above target based on the above analysis. As an examination of the categories of expenditures is performed, cyclical variances are noted between categories which related specifically to school opening activities.

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## MONTHLY FINANCIAL STATUS REPORT

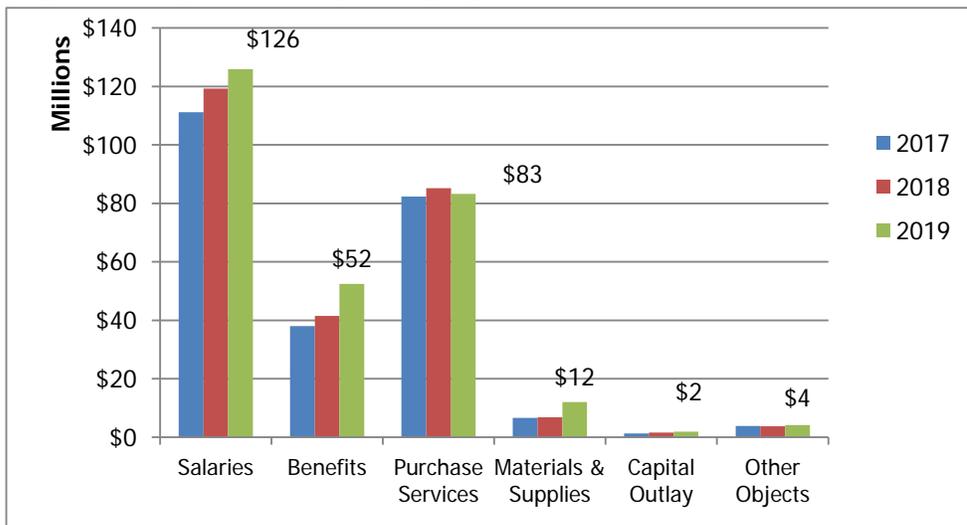
Figure 4 compares the various expenditure categories to the expected level and to the prior two years. Figure 5 provides the year to date expenditure level by category for the current year as well as the prior two. The three years of data will be beneficial for trend analysis performed throughout the 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**



\*Data labels represent figures for current FY\*

# CLEVELAND METROPOLITAN SCHOOL DISTRICT

## MONTHLY FINANCIAL STATUS REPORT

As Figures 4 and 5 illustrate, overall salaries and fringe benefits are slightly higher than prior years but this was anticipated and budgeted for. The trend line in Figure 4 is based on the time elapsed for the year and does not take into account that we had three payrolls in July. Salaries averaged \$14.3 million in September which is more than the \$13.0 million average in September. The District received a \$2.9 million Impact Aid grant for students displaced by Hurricane Maria. In September, we moved salaries in this amount from the general fund to this grant. This resulted in a lower than average monthly salary amount for that month. Health care costs are forecasted to increase 7.5% in FY 19 from FY 18.

The current year Purchased Services and Materials categories indicate a 42% encumbrance/expenditure level for this month. This is consistent with prior years and the cyclical nature of school operations.

The Capital encumbrance/expenditure level, whose budget comprises only .6% of the total General Fund budget, indicates a 38% 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 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, 2018. Debt payments occur in July and April while the transfer of monies to other District funds will occur in June.

# CLEVELAND METROPOLITAN SCHOOL DISTRICT

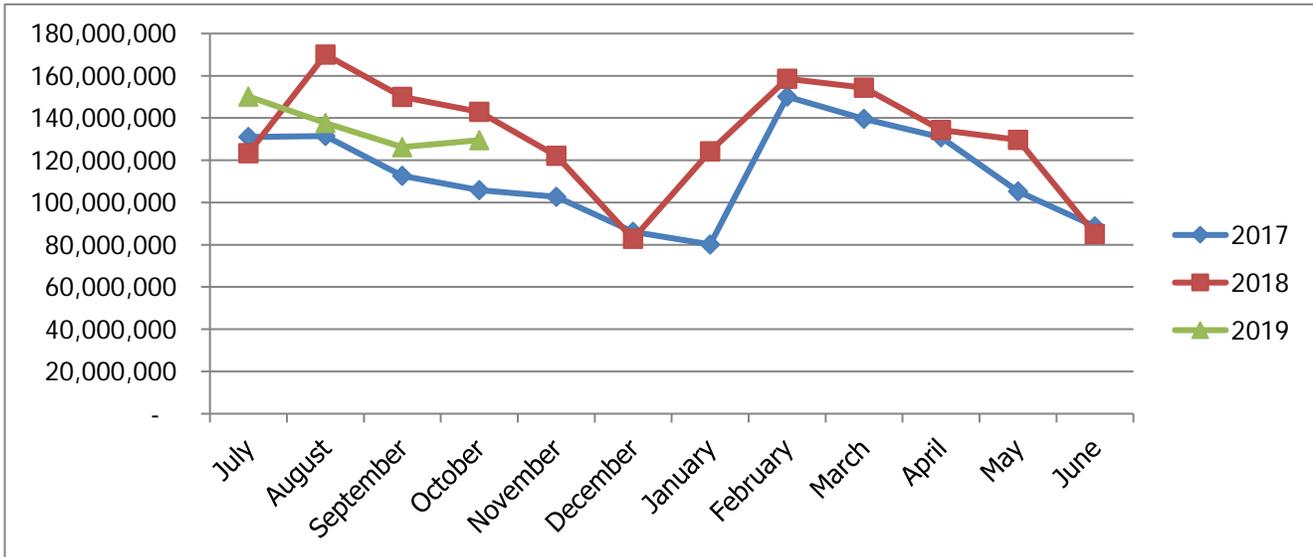
## MONTHLY FINANCIAL STATUS REPORT

### Cash Balances

The cash balance as of October 31, 2018 is \$129,494,593. The unencumbered balance as of October 31, 2018 is \$93,441,735. See below for details.

	FY '19
Beginning Cash Balance	\$ 83,545,699
Total Revenues	283,636,944
Total Expenses	279,744,568
Revenue over Expenses	3,892,377
Total Payables	42,056,517
Ending Cash Balance	129,494,593
Encumbrances/Reserves	36,052,858
Unencumbered Balance	\$ 93,441,735

**Figure 6: Cash Balances Last 3 Years**





Purchase Orders Issued in Month Between  
\$25,000 and \$50,000

Issued On or After: 10/01/2018  
Issued On or Before: 10/31/2018

Issued Date	PO Number	Supplier	Total PO Amount
10/03/2018	PO-10022483	Sysco Food Services Of Cleveland, Inc.	47,720.23
10/08/2018	PO-10022649	Tierney Brothers, Inc.	26,226.00
10/12/2018	PO-10022986	Dell Computer Corp.	33,750.00
10/15/2018	PO-10022995	Apple Education Mailstop #198-Ed	37,600.00
10/22/2018	PO-10022659	Lakeshore Learning Materials	25,403.64
10/30/2018	PO-10023560	Trimark SS Kemp	28,739.24



Contracts Issued in Month Between \$25,000  
and \$50,000

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First Day of Month: 10/01/2018

Last Day of Month: 10/31/2018

Company: Cleveland Metropolitan School District

Accounting Date for Operational Transaction	Supplier	Supplier Contract	Total Contract Amount
10/01/2018	Package Boiler Systems & Hvac	CON-10012905: BOILER/HVAC REPAIRS	25,000.00
10/01/2018	Nsip, Sam Process	CON-10013034: SAMs Process: Multiple Schools	42,050.00
10/01/2018	Vbrick Systems Inc	CON-10013345: Vbrick Maintenance & Cloud Subscription Renewal	26,932.55
10/01/2018	Dynamix LLC	CON-10013432: Professional Development	35,750.00
10/01/2018	Safety To Go	CON-10013567: Hillary Thomas and Jacqueline Williams	49,999.00
10/01/2018	Multi-County Juvenile Attention System	CON-10013996: Outstanding Tuition Invoices	25,870.98
10/01/2018	Educational Service Center Of Northeast Ohio	CON-10013997: CLE4006, CLE4005	38,450.00
10/02/2018	Daly Refrigeration Co	CON-10013575: Emergency Refrigeration Repairs Daly	35,000.00
10/02/2018	New Technology Network, LLC	CON-10013613: FHNT NEW TECH NETWORK CONTRACT FEES	33,270.00
10/04/2018	Joshen Paper & Packaging	CON-10013661: Joshen 90 Day Drop 2018_19	41,505.30
10/08/2018	Inlet Dance Theatre	CON-10013701: Inlet Dance Theatre - Newton D Baker	25,000.00
10/09/2018	Houghton Mifflin Harcourt	CON-10013719: CogAT-7	25,625.72
10/09/2018	Teaching Channel, Inc.	CON-10013728: Teaching Channel Plus - OPD 2018	41,500.00
10/10/2018	The Cleveland Music School Settlement	CON-10013749: The Cleveland Music School Settlement- Newton D. Baker	27,840.00
10/16/2018	Agm Energy Services, LLC	CON-10013875: Integrate JACE	34,376.19
10/17/2018	National Boiler Works Inc	CON-10013907: Boilers	33,060.00
10/17/2018	Reading Ramm	CON-10013928: Reading R.A.M.M - 2018/2019	31,679.25
10/19/2018	Michael Eric Mathis	CON-10013970: Mike Mathis - X Block 2018	30,000.00
10/22/2018	Construction Resources, Inc.	CON-10014011: Consultant - Roof	38,500.00
10/22/2018	Agm Energy Services, LLC	CON-10014014: Consulting Services - HVAC Segment 1-7	43,200.00