



Department of Finance

Fiscal Year 2018 Financial Status Report

As of July 31, 2017

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 July 31, 2017. The total revenues forecasted in the May five year forecast were \$729,601,873 and expenditures were \$732,435,773. The adopted budget approved by the Board in May was \$749,399,999 plus carryover encumbrances of \$20,340,770 for a total appropriation of \$769,740,769.

| | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|---------------------------|-------------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------------------|
| Revenues | | | | | | | | | | | | | |
| Local | \$ 25,988,972 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,988,972 |
| State | \$ 36,834,906 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 36,834,906 |
| Federal | \$ 786,778 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 786,778 |
| Other | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | 63,610,656 | - | - | - | - | - | - | - | - | - | - | - | 63,610,656 |
| Expenditures | | | | | | | | | | | | | |
| Salaries | \$ 37,480,521 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 37,480,521 |
| Benefits | \$ 9,968,256 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,968,256 |
| Purchase Services | \$ 14,690,553 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,690,553 |
| Materials & Supplies | \$ 715,595 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 715,595 |
| Capital Outlay | \$ 70,520 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 70,520 |
| Other Objects | \$ 40,674 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 40,674 |
| Total Expenditures | 62,966,118 | - | - | - | - | - | - | - | - | - | - | - | 62,966,118 |
| Net Change in Cash | 644,538 | - | - | - | - | - | - | - | - | - | - | - | 644,538 |

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Revenue Summary

The Cleveland Metropolitan School District is forecasting \$729,601,873 in revenue within the General Fund for the 2018 fiscal year as shown on Figure 1. As of July 31, 2017 the District has received revenue in the amount of \$63,610,656. The District will need to collect another \$665,991,217 to reach its target.

Figure 1: Forecasted Revenues and Actual Revenues

| | <u>FY ' 18 May Forecast</u> | <u>FY '18 Actual</u> | <u>Variance</u> |
|--|---------------------------------|----------------------|-------------------------|
| Revenues | | | |
| Real Property Tax | \$ 185,321,705 | \$ 24,902,000 (a) | (160,419,705.00) |
| State Foundation | 457,405,351 | \$ 36,834,906 (b) | (420,570,445) |
| Property Tax Homestead & Rollbacks | 28,911,471 | \$ - | (28,911,471) |
| CAT Tax | 115,990 | \$ - | (115,990) |
| Interest | 1,000,000 | \$ 146,888 | (853,112) |
| Medicaid | 5,530,612 | \$ 783,181 | (4,747,431) |
| CEAP | 9,468,700 | \$ 180,082 | (9,288,618) |
| Advances-In | 4,557,000 | \$ - | (4,557,000) |
| Casino Receipts | 1,918,554 | \$ - | (1,918,554) |
| Other Revenues | 35,372,490 | \$ 763,599 | (34,608,891) |
| Total Revenues | <u>729,601,873</u> | <u>63,610,656</u> | <u>(665,991,217.18)</u> |

Notes

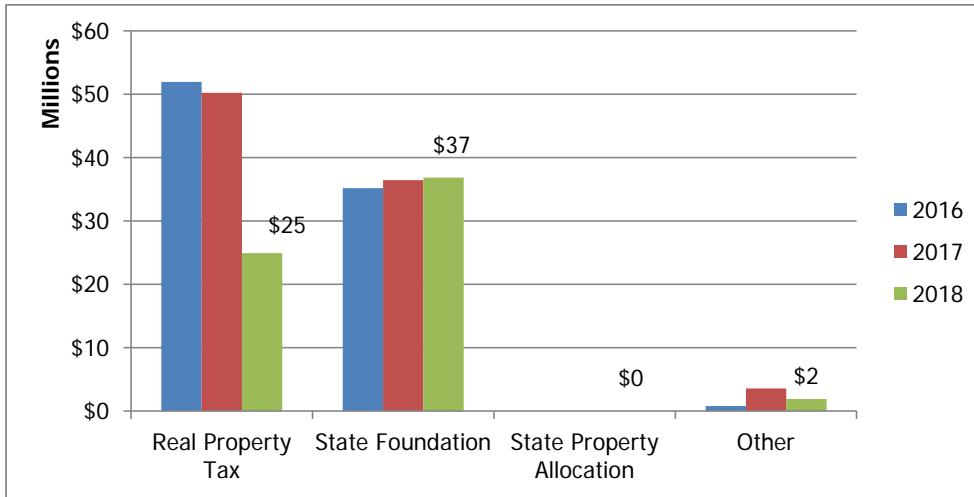
- (a) The District received 212,991,820 in general property taxes in FY17 and is forecasting \$185,321,705 in FY18. Through July 31, 2017, the District has received \$24,902,000 in general property taxes.
- (b) The District will receive state funding in FY18 based on HB 49.

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Figure 2 below compares revenue sources to the prior two years as of July. 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

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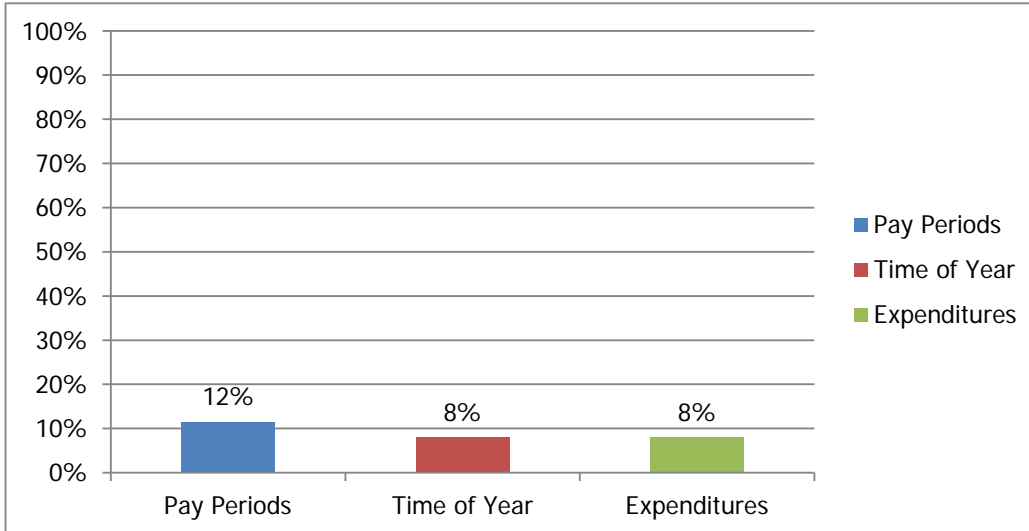
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Expenditure Summary

The fiscal year 2018 adopted General Fund budget for the District is \$749,399,999. This budget, coupled with carryover encumbrances of \$20,340,770, resulted in a \$769,740,769 appropriation for FY 2018. The following information is a financial update of the status of this appropriation through July 31, 2017.

Through July 31, 2017 the District has expended \$62,966,118 which reflects 8.00% of the District's total appropriation (see Exhibit A). The District also has outstanding encumbrances of \$37,698,069. A statistical spending range for the District is based on two analyses: first, time elapsed is one months, or 8.33%, of the fiscal year. Secondly, 3 of the 26, or 11.54%, of the total pay periods have passed. Figure 3 illustrates these points.

Figure 3: Expenditure Level Through July



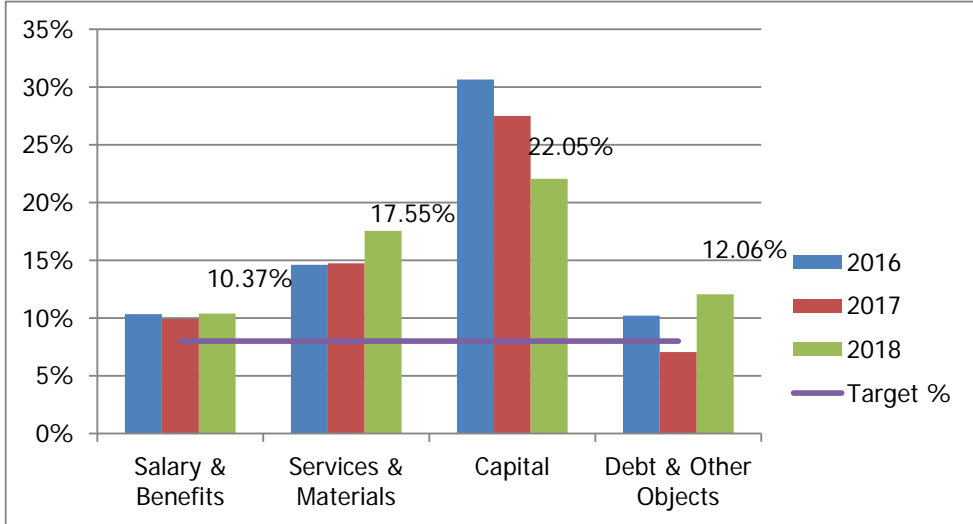
Overall, the District's expenditure level through July is on target based on the above analysis. As an examination of the categories of expenditures is performed, cyclical variances are noted between categories which related specifically to school opening activities.

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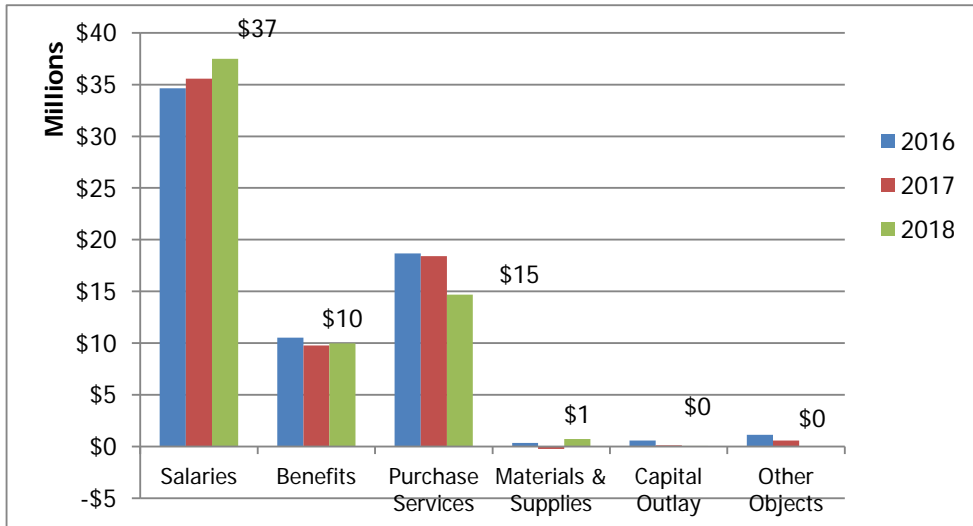
Figure 4 compares the various expenditure categories to the expected level and to the prior two years. Figure 5 provides the year to date expenditure level by category for the current year as well as the prior two. The three years of data will be beneficial for trend analysis performed throughout the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

Figure 4: % Spend to Budget for YTD Expenditures



Target percent of 8.33% is based on the # of months completed in the current year.

Figure 5: Expenditure by Category



Data labels represent figures for current FY

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As Figures 4 and 5 illustrate, overall salaries and fringe benefits are slightly higher than prior years. Salaries are slightly higher than last year for this time of year which is expected in the budget and primarily due to an increase in total employees and less open positions. We will continue to monitor this trend closely. Salaries averaged \$13.9 million in July which is slightly higher than the \$12.5 million average in June. Fringe benefits are slightly below last year for this time of year. Health care costs are forecasted to increase 11.03% in FY 18 from FY 17.

The current year Purchased Services and Materials categories indicate a 17% 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 22% 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 July 31, 2017. Debt payments occur in July and April while the transfer of monies to other District funds will occur in June.

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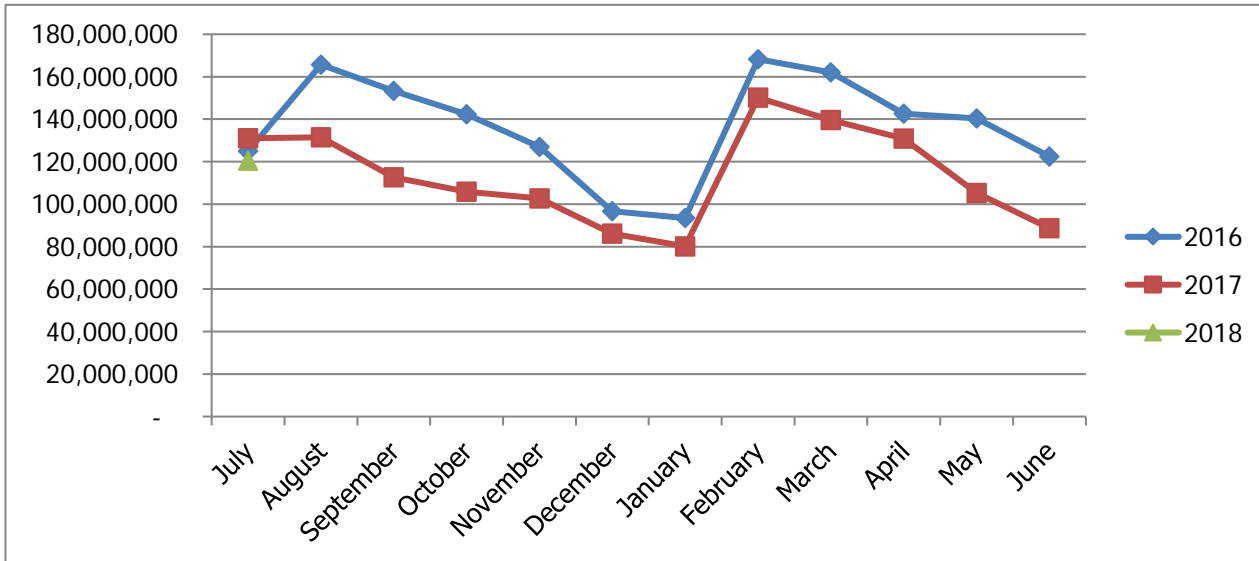
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Cash Balances

The cash balance as of July 31, 2017 is \$120,517,869. The unencumbered balance as of July 31, 2017 is \$82,819,800. See below for details.

| | FY '18 |
|------------------------|----------------|
| Beginning Cash Balance | \$ 119,752,599 |
| Total Revenues | 63,610,656 |
| Total Expenses | 62,966,118 |
| Revenue over Expenses | 644,538 |
| Total Payables | 120,732 |
| Ending Cash Balance | 120,517,869 |
| Encumbrances/Reserves | 37,698,069 |
| Unencumbered Balance | \$ 82,819,800 |

Figure 6: Cash Balances Last 3 Years





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

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First Day of Month: 07/02/2017

Last Day of Month: 07/31/2017

Company: Cleveland Metropolitan School District

| Accounting Date for Operational Transaction | Supplier | Supplier Contract | Total Contract Amount |
|---|--|---|-----------------------|
| 07/12/2017 | Premise Solutions, LLC | CON-10003117: Technology Services | 30,207.00 |
| 07/13/2017 | Premise Solutions, LLC | CON-10003131: Technology Services | 37,740.00 |
| 07/13/2017 | Kristen R. Weber | CON-10003136: Substitute Teacher Recruitment Services | 36,000.00 |
| 07/14/2017 | Works International, Inc. | CON-10003150: Employeeen Safe Suite | 48,000.00 |
| 07/14/2017 | Abm Parking Services | CON-10003157: ABM 2017-2018 Parking | 48,000.00 |
| 07/14/2017 | Hylant Group - Independence | CON-10003169: Medical Professional Insurance | 26,870.00 |
| 07/17/2017 | Squire Patton Boggs (US) LLP | CON-10003186: Attorney Fees | 32,856.50 |
| 07/17/2017 | Hylant Group - Independence | CON-10003189: Insurance Broker Fee | 40,000.00 |
| 07/17/2017 | Mds Advisors Consulting Group LLC | CON-10003364: Educational consulting | 32,000.00 |
| 07/19/2017 | Cleveland State University Cashier Office | CON-10003256: FY17 CSU Shared Responsibility Agreement | 44,400.00 |
| 07/19/2017 | Mobile Medical Service Inc. | CON-10003260: 17-18 Physicals | 49,985.00 |
| 07/19/2017 | Drake Construction Co Inc | CON-10003267: Renovation | 33,397.00 |
| 07/19/2017 | Physicians & Surgeons Ambulance Service Inc. | CON-10003269: EMS Services | 48,767.00 |
| 07/19/2017 | Positive Education Program | CON-10003277: April 2017 | 30,036.00 |
| 07/19/2017 | Hylant Group - Independence | CON-10003283: Athletic Insurance | 25,176.00 |
| 07/20/2017 | Hamilton County Educational Service Center | CON-10003289: Services March/April 2017 | 33,384.97 |
| 07/20/2017 | Education Research and Development, LLC | CON-10003300: Case Study principal supervisor work | 45,000.00 |
| 07/21/2017 | Premise Solutions, LLC | CON-10003306: James F. Rhodes Installation/ Technology Services | 26,201.00 |
| 07/21/2017 | Apple Education Mailstop #198-Ed | CON-10003312: Apple Inc. EDU price Quote orchard 17-18 SY | 44,400.00 |
| 07/21/2017 | Citizens Academy | CON-10003315: Citizens Academy Property Taxes Advance #2 | 37,662.84 |
| 07/21/2017 | Citizens Academy East | CON-10003317: Citizens Academy East Property Tax Advance #2 | 33,560.06 |
| 07/24/2017 | Reliance Mechanical Corp | CON-10003326: WDC - Repair AC for 1st floor offices | 26,520.00 |
| 07/24/2017 | Clev. Entrepreneurship Prep Sc | CON-10003337: Cleveland Entrepreneurship Prep Cliff Property Taxes | 26,868.80 |
| 07/24/2017 | Entrepreneurship Prep Sch Wdln | CON-10003338: ENTREPRENEURSHIP PREP WOODLAND PROPERTY TAXES | 27,333.05 |
| 07/24/2017 | Village Preparatory School | CON-10003340: Village Prep Cliff Superior Property Taxes | 36,127.58 |
| 07/25/2017 | Stepstone Academy | CON-10003357: Stepstone Academy Property Taxes | 29,148.13 |
| 07/25/2017 | Village Prep School - Woodland | CON-10003358: Village Prep Woodland Property Taxes | 39,441.25 |
| 07/25/2017 | Cleveland College Prep School | CON-10003359: Cleveland College Prep Property Taxes | 25,860.66 |
| 07/25/2017 | Northeast Ohio College Prep | CON-10003360: Northeast Ohio College Prep Property Taxes Advance #2 | 48,821.58 |
| 07/25/2017 | Horizon Educational Services, Inc. | CON-10003363: Horizon Science Academy Cleveland Property Taxes | 37,811.66 |
| 07/26/2017 | The Achievement Network, Ltd. | CON-10003380: ANet Partnership | 30,000.00 |
| 07/27/2017 | ABC Fire Inc. | CON-10003409: Fire Extinguisher Services | 25,000.00 |



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

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| Accounting Date for Operational Transaction | Supplier | Supplier Contract | Total Contract Amount |
|---|------------------------------|--|-----------------------|
| 07/27/2017 | The Fairmount Group LLC | CON-10003410: CDC-HIV Marketing Support | 49,000.00 |
| 07/27/2017 | S.A. Comunale Co., Inc. | CON-10003411: Fire Extinguishers and Service | 25,000.00 |
| 07/27/2017 | Tab's Pest Control Serv | CON-10003412: Pest Control Services | 45,000.00 |
| 07/28/2017 | Renaissance Cleveland Hotel | CON-10003808: Army of Believers | 44,501.96 |
| 07/29/2017 | The Russell Flooring Company | CON-10003430: Install floor tile in various classrooms | 26,300.00 |



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

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Issued On or After: 07/01/2017
Issued On or Before: 07/31/2017

| Issued Date | PO Number | Supplier | Total PO Amount |
|-------------|-------------|---|-----------------|
| 07/05/2017 | PO-0526400 | Learning Without Tears | 35,214.08 |
| 07/13/2017 | PO-0514449 | Abilitations | 32,767.50 |
| 07/13/2017 | PO-0520899 | Pearson Assessments | 42,388.60 |
| 07/13/2017 | PO-0522229 | Fun And Function LLC | 41,135.00 |
| 07/13/2017 | PO-0522269 | Fun And Function LLC | 39,470.00 |
| 07/13/2017 | PO-0522402 | Attainment Company Inc. DBA lep Resources | 36,742.68 |
| 07/13/2017 | PO-0522682 | Abilitations | 30,075.50 |
| 07/13/2017 | PO-0523559 | Rifton Equipment (Community Playthings) | 49,038.50 |
| 07/13/2017 | PO-0526196 | Pearson Assessments | 39,161.23 |
| 07/13/2017 | PO-0526297 | Humanware | 41,714.00 |
| 07/13/2017 | PO-0527808 | Lakeshore Learning Materials (Hold) | 27,404.40 |
| 07/13/2017 | PO-0528001 | Pomeroy IT Solutions | 44,754.80 |
| 07/13/2017 | WPO-0006108 | Miller's Rental & Sales Co Inc | 42,776.25 |
| 07/14/2017 | PO-10000221 | Houghton Mifflin Harcourt | 49,402.65 |
| 07/14/2017 | PO-10000222 | Houghton Mifflin Harcourt | 35,866.85 |
| 07/17/2017 | PO-10000219 | Teacher's Curriculum Institute (Tci) | 47,880.00 |
| 07/31/2017 | WPO-0006054 | Apple Education Mailstop #198-Ed | 49,195.40 |
| 07/31/2017 | WPO-0006136 | Apple Education Mailstop #198-Ed | 49,769.85 |