



Department of Finance

Fiscal Year 2018 Financial Status Report

As of August 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 August 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	\$ 78,869,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,858,471
State	\$ 36,834,906	\$ 38,525,041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	75,359,947
Federal	\$ 786,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	786,778
Other	\$ 8,840	\$ 2,286,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,294,977
Total Revenues	63,619,496	119,680,676	-	-	-	-	-	-	-	-	-	-	183,300,172
Expenditures													
Salaries	\$ 37,480,521	\$ 26,166,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,646,824
Benefits	\$ 9,968,256	\$ 11,109,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,077,600
Purchase Services	\$ 14,690,553	\$ 29,536,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,227,253
Materials & Supplies	\$ 715,595	\$ 1,957,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,672,884
Capital Outlay	\$ 70,520	\$ 642,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 713,031
Other Objects	\$ 40,674	\$ 3,622,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,662,974
Total Expenditures	62,966,118	73,034,449	-	-	-	-	-	-	-	-	-	-	136,000,567
Net Change in Cash	653,378	46,646,227	-	-	-	-	-	-	-	-	-	-	47,299,605

CLEVELAND METROPOLITAN SCHOOL DISTRICT

MONTHLY FINANCIAL STATUS REPORT

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 August 31, 2017 the District has received revenue in the amount of \$183,300,172. The District will need to collect another \$546,301,701 to reach its target.

Figure 1: Forecasted Revenues and Actual Revenues

	<u>FY ' 18 May</u> <u>Forecast</u>	<u>FY '18 Actual</u>	<u>Variance</u>
Revenues			
Real Property Tax	\$ 185,321,705	\$ 95,638,599 (a)	(89,683,105.78)
State Foundation	457,405,351	\$ 74,363,969 (b)	(383,041,382)
Property Tax Homestead & Rollbacks	28,911,471	\$ -	(28,911,471)
CAT Tax	115,990	\$ -	(115,990)
Interest	1,000,000	\$ 398,499	(601,501)
Medicaid	5,530,612	\$ 783,181	(4,747,431)
CEAP	9,468,700	\$ 3,612,320	(5,856,380)
Advances-In	4,557,000	\$ -	(4,557,000)
Casino Receipts	1,918,554	\$ 995,978	(922,576)
Other Revenues	35,372,490	\$ 7,507,626	(27,864,864)
Total Revenues	<u>729,601,873</u>	<u>183,300,172</u>	<u>(546,301,700.78)</u>

Notes

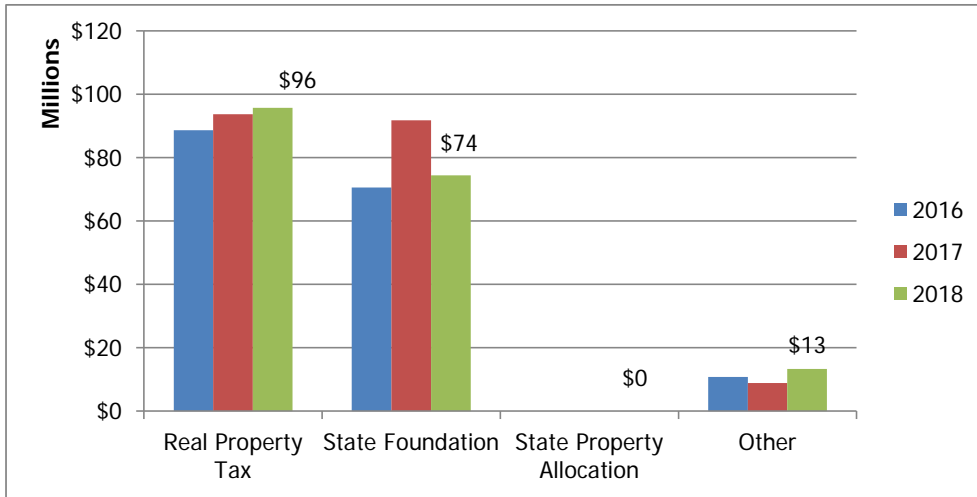
- (a) The District received \$212,991,820 in general property taxes in FY17 and is forecasting \$185,321,705 in FY18. Through August 31, 2017, the District has received \$95,638,599 in general property taxes.
- (b) The District will receive state funding in FY18 based on HB 49.

CLEVELAND METROPOLITAN SCHOOL DISTRICT

MONTHLY FINANCIAL STATUS REPORT

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

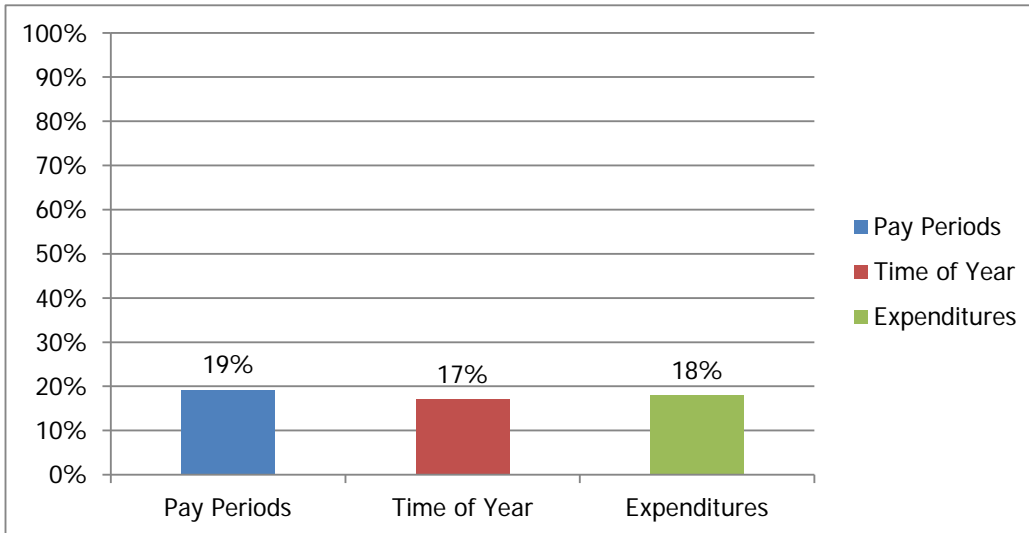
MONTHLY FINANCIAL STATUS REPORT

Expenditure Summary

The fiscal year 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 August 31, 2017.

Through August 31, 2017 the District has expended \$136,000,567 which reflects 18.00% of the District's total appropriation (see Exhibit A). The District also has outstanding encumbrances of \$42,987,589. A statistical spending range for the District is based on two analyses: first, time elapsed is two months, or 16.67%, of the fiscal year. Secondly, 5 of the 26, or 19.23%, of the total pay periods have passed. Figure 3 illustrates these points.

Figure 3: Expenditure Level Through August



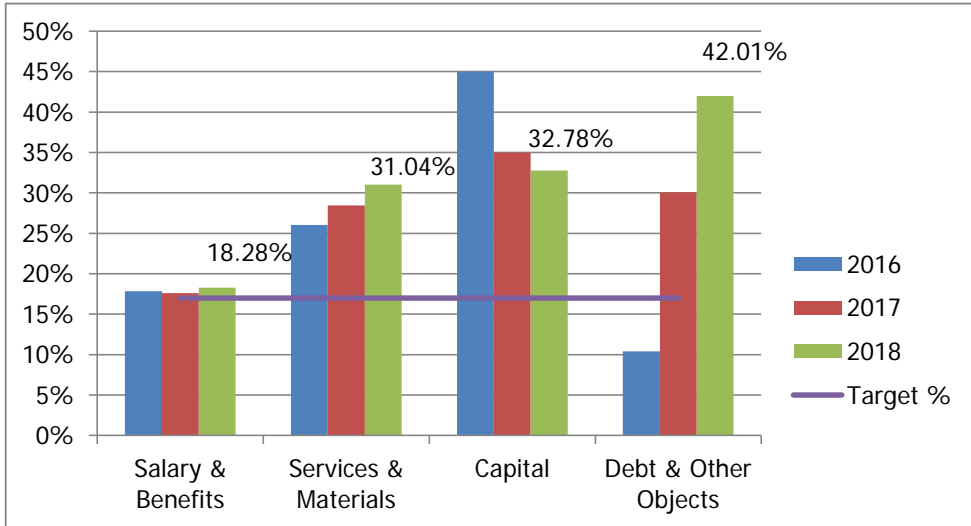
Overall, the District's expenditure level through August is trending slightly above target based on the above analysis. As an examination of the categories of expenditures is performed, cyclical variances are noted between categories which related specifically to school opening activities.

CLEVELAND METROPOLITAN SCHOOL DISTRICT

MONTHLY FINANCIAL STATUS REPORT

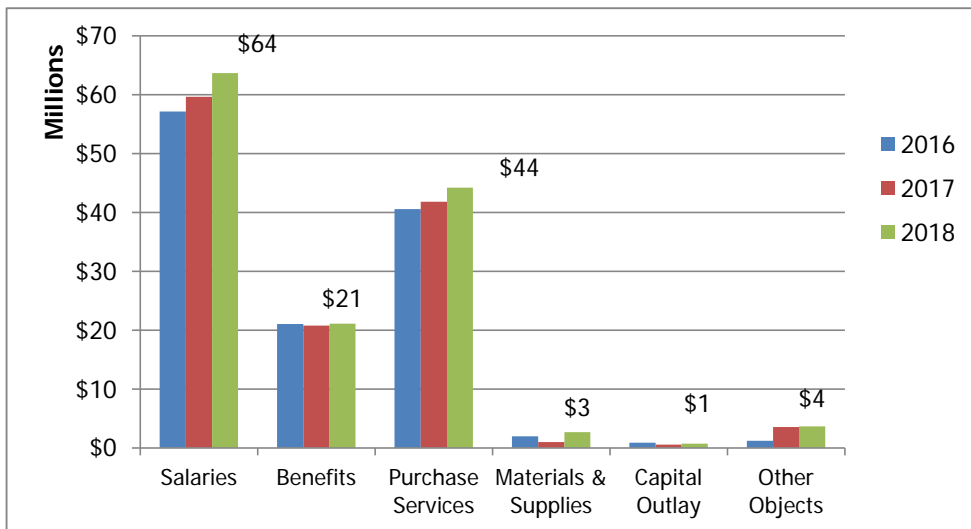
Figure 4 compares the various expenditure categories to the expected level and to the prior two years. Figure 5 provides the year to date expenditure level by category for the current year as well as the prior two. The three years of data will be beneficial for trend analysis performed throughout the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

Figure 4: % Spend to Budget for YTD Expenditures



Target percent of 16.67% 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. 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 \$13.1 million in August which is slightly lower than the \$13.9 million average in July. Fringe benefits are slightly higher than 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 31% 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 42% 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 August 31, 2017. Debt payments occur in July and April while the transfer of monies to other District funds will occur in June.

CLEVELAND METROPOLITAN SCHOOL DISTRICT

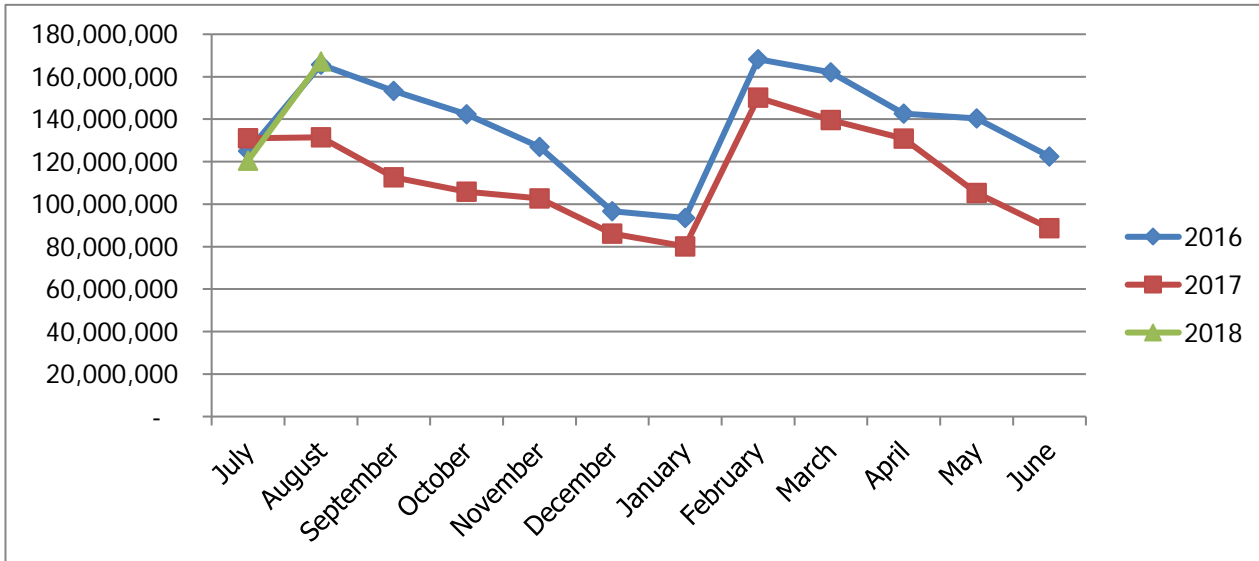
MONTHLY FINANCIAL STATUS REPORT

Cash Balances

The cash balance as of August 31, 2017 is \$167,211,835. The unencumbered balance as of August 31, 2017 is \$124,224,245. See below for details.

	FY '18
Beginning Cash Balance	\$ 119,752,599
Total Revenues	183,300,172
Total Expenses	136,000,567
Revenue over Expenses	47,299,605
Total Payables	159,631
Ending Cash Balance	167,211,835
Encumbrances/Reserves	42,987,589
Unencumbered Balance	\$ 124,224,245

Figure 6: Cash Balances Last 3 Years





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

08:22 AM
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Page 1 of 2

First Day of Month: 08/01/2017

Last Day of Month: 08/31/2017

Company: Cleveland Metropolitan School District

Accounting Date for Operational Transaction	Supplier	Supplier Contract	Total Contract Amount
08/01/2017	Plevin & Gallucci Co., L.P.A.	CON-10003489: Settlement Agreement	32,000.00
08/01/2017	Cleveland Sight Center	CON-10003499: Invoice 118647	37,800.00
08/01/2017	Kevin Khayat DBA Broadeye Consulting, Ltd	CON-10005010: Consulting Services BroadEye Consulting	40,500.00
08/01/2017	Mckeon Education Group, Inc.	CON-10006694: Psychological Services--Various Nonpublic Schools - First Quarter Allocation	34,220.00
08/01/2017	Psi Affiliates, Inc.	CON-10007234: Psychological Services-Variou Public Schools	32,172.24
08/03/2017	Edfocus Initiative	CON-10003538: 4-8 ELA Unit Writing Ed Focus	41,616.00
08/03/2017	Loudonville-Perrysville Exempted Village Sd	CON-10003549: Invoices MYA16646 & 16585	27,777.00
08/03/2017	Joshen Paper & Packaging	CON-10003553: Custodial Supplies	25,037.42
08/08/2017	Open Tone Music LLC	CON-10003645: All-City 17-18: Open Tone Music, LLC (a)	32,025.00
08/08/2017	Jheri M. Germany	CON-10003650: All-City 17-18: Germany, Jheri	35,000.00
08/08/2017	Grants Plus	CON-10003651: All-City 17-18: Grants Plus	33,050.00
08/08/2017	Open Tone Music LLC	CON-10003654: All-City 17-18: Open Tone Music, LLC (s)	40,000.00
08/09/2017	India Burton	CON-10004094: Artists In Residence Agreement	25,807.20
08/09/2017	Willie C McMillion III	CON-10004096: Artisit in Residence Agreement	25,807.20
08/09/2017	Jessica L Spurlock	CON-10004101: Jessica Spurlock	33,250.00
08/10/2017	Martin Public Seating, LLC	CON-10003716: Furniture for Davis Aerospace and Maritime Basement	46,134.29
08/10/2017	Nyc Leadership Academy	CON-10003726: Wallace Grant Supports 2017	34,500.00
08/10/2017	Area Temps Inc.	CON-10005472: Services	28,000.00
08/14/2017	Twin Towers Training	CON-10003770: Marion Sterling School PD	49,500.00
08/14/2017	Package Boiler Systems & Hvac	CON-10003771: Install main office AC unit	29,877.72
08/16/2017	Zenith Systems, LLC	CON-10003832: AMAG Renewal	34,000.00
08/16/2017	Windows On The River	CON-10003851: Windows On The River- Student Advisory Committees Meetings	48,000.00
08/16/2017	Paths Education Worldwide	CON-10003852: PATHS Education Worldwide	49,000.00
08/16/2017	Uniglobe Travel Designers	CON-10003853: Wallace Grant Travel Megan Traum	25,000.00
08/19/2017	Smith & Oby	CON-10003945: Daniel E Morgan - Chiller: repair circuits 1 & 2	33,616.00
08/22/2017	Near West Intergenerational Sc	CON-10003987: Near West Integenerational School property tax	47,536.06
08/22/2017	Citizens Academy Southeast	CON-10004004: Citizens Academy Southeast property taxes	49,172.94
08/25/2017	Willie C McMillion III	CON-10004099: Willie McMillon II	25,807.20
08/25/2017	The Intergenerational School	CON-10004118: The intergenerational school property tax distribution	46,961.92
08/25/2017	Lakeshore Intergenerational School	CON-10004129: lakeshore intergenerational property tax distribution	25,827.70



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

Accounting Date for Operational Transaction	Supplier	Supplier Contract	Total Contract Amount
08/30/2017	Works International, Inc.	CON-10004185: Staff Training	48,000.00
08/30/2017	Psi Affiliates, Inc.	CON-10004191: Title I Interdistrict Service Contract	26,930.11
08/30/2017	The Cleveland Music School Settlement	CON-10004195: Program Title: Music Instruction Services	26,400.00
08/30/2017	Psi Affiliates, Inc.	CON-10004204: Title I Interdistrict Service Contract - Holy Name High School	48,673.05
08/30/2017	Max Teaching, Inc.	CON-10004555: Anton Grdina	28,000.00
08/31/2017	Center For Arts Inspired Learning	CON-10004216: CAL	48,775.00
08/31/2017	Inlet Dance Theatre	CON-10004234: Dance Residency Program	25,000.00



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

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Page 1 of 1

Issued On or After: 09/01/2017

Issued On or Before: 09/30/2017

Issued Date	PO Number	Supplier	Total PO Amount
09/06/2017	WPO-0006133	Tierney Brothers, Inc.	27,290.00
09/07/2017	PO-10002540	Pomeroy IT Solutions	42,726.86
09/15/2017	PO-10002609	Dell Computer Corp.	49,655.32
09/19/2017	PO-10003247	Dell Computer Corp.	40,500.00
09/25/2017	PO-10003439	Trotec Laser Incorporated	34,550.00
09/26/2017	PO-10003555	United Towing Services, Inc.	30,000.00
09/26/2017	PO-10003574	D&W Diesel, Inc.	25,000.00
09/26/2017	PO-10003576	Allphase Service Station Equipment Inc.	25,000.00
09/26/2017	PO-10003588	Northeast Lubricants, Ltd.	35,000.00
09/26/2017	PO-10003611	Wingfoot Commercial Tire Systems, LLC	50,000.00
09/26/2017	PO-10003634	Auto Parts Center - #13 DBA #9	25,000.00
09/28/2017	WPO-0005923	Schoolhouse Electronics LLC	30,406.00