



Department of Finance

Fiscal Year 2018 Financial Status Report

As of September 30, 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 September 30, 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	\$ 1,864,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,723,034
State	\$ 36,834,906	\$ 38,525,041	\$ 36,942,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,302,333
Federal	\$ 786,778	\$ -	\$ 23,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 809,841
Other	\$ 8,840	\$ 2,286,137	\$ 5,115,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,410,057
Total Revenues	63,619,496	119,680,676	43,945,094	-	-	-	-	-	-	-	-	-	227,245,266
Expenditures													
Salaries	\$ 37,480,521	\$ 26,166,303	\$ 27,881,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,528,700
Benefits	\$ 9,968,256	\$ 11,109,345	\$ 11,287,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,365,439
Purchase Services	\$ 14,690,553	\$ 29,536,701	\$ 20,781,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,009,175
Materials & Supplies	\$ 715,595	\$ 1,957,289	\$ 3,323,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,996,403
Capital Outlay	\$ 70,520	\$ 642,511	\$ 539,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,252,802
Other Objects	\$ 40,674	\$ 3,622,300	\$ 51,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,714,955
Total Expenditures	62,966,118	73,034,449	63,866,908	-	-	-	-	-	-	-	-	-	199,867,476
Net Change in Cash	653,378	46,646,227	(19,921,815)	-	-	-	-	-	-	-	-	-	27,377,790

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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 September 30, 2017 the District has received revenue in the amount of \$227,245,266. The District will need to collect another \$502,356,607 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	\$ 95,638,599 (a)	(89,683,105.78)
State Foundation	457,405,351	\$ 111,306,355 (b)	(346,098,996)
Property Tax Homestead & Rollbacks	28,911,471	\$ -	(28,911,471)
CAT Tax	115,990	\$ -	(115,990)
Interest	1,000,000	\$ 614,584	(385,416)
Medicaid	5,530,612	\$ 783,181	(4,747,431)
CEAP	9,468,700	\$ 3,715,549	(5,753,151)
Advances-In	4,557,000	\$ 5,111,000	554,000
Casino Receipts	1,918,554	\$ 995,978	(922,576)
Other Revenues	35,372,490	\$ 9,080,019	(26,292,471)
Total Revenues	<u>729,601,873</u>	<u>227,245,266</u>	<u>(502,356,607.14)</u>

Notes

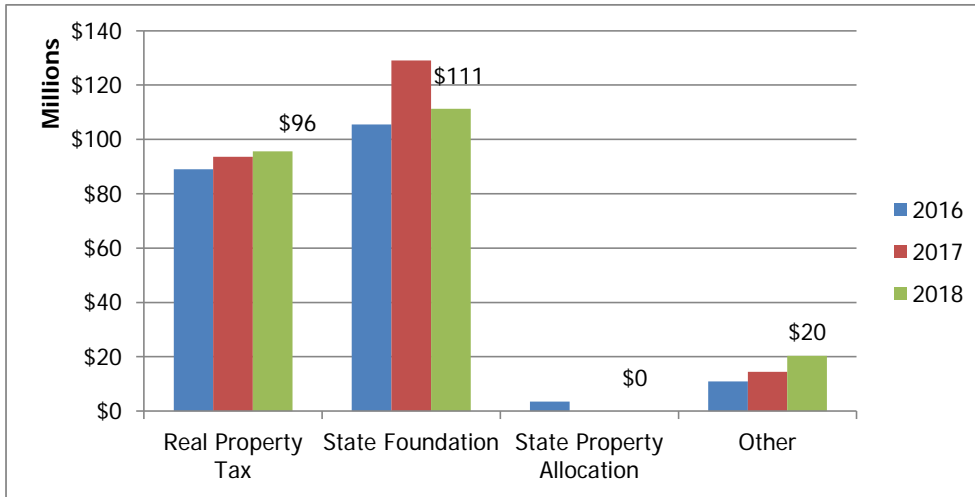
- (a) The District received \$212,991,820 in general property taxes in FY17 and is forecasting \$185,321,705 in FY18. Through September 30, 2017, the District has received \$95,638,599 in general property taxes.
- (b) The District will receive state funding in FY18 based on HB 49.

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Figure 2 below compares revenue sources to the prior two years as of September. 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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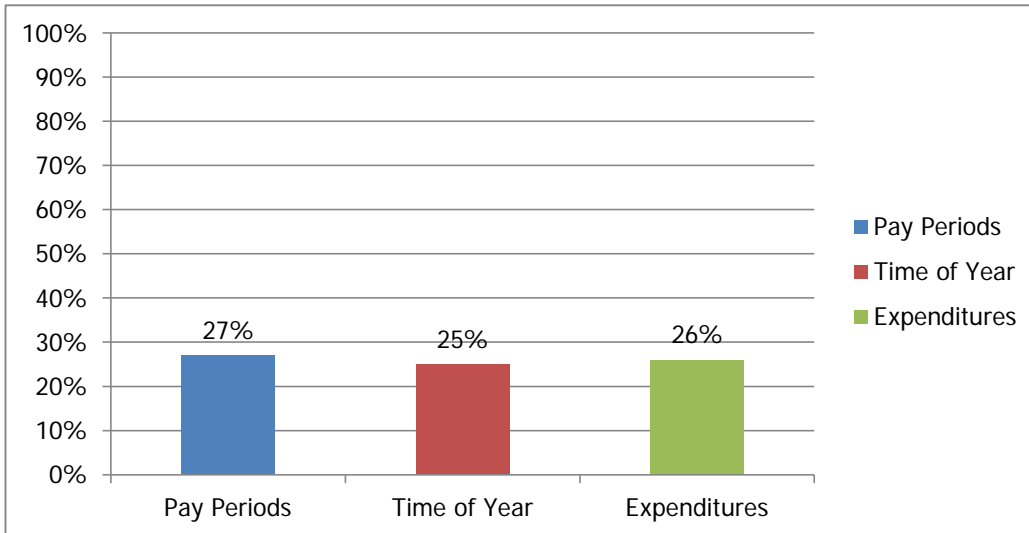
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Expenditure Summary

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 September 30, 2017.

Through September 30, 2017 the District has expended \$199,867,476 which reflects 26.00% of the District's total appropriation (see Exhibit A). The District also has outstanding encumbrances of \$43,318,035. A statistical spending range for the District is based on two analyses: first, time elapsed is three months, or 25.00%, of the fiscal year. Secondly, 7 of the 26, or 26.92%, of the total pay periods have passed. Figure 3 illustrates these points.

Figure 3: Expenditure Level Through September



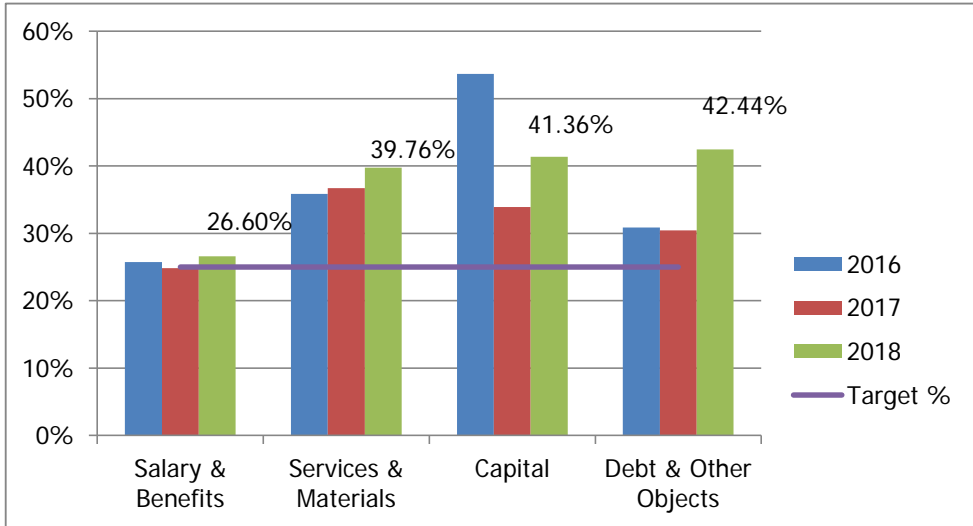
Overall, the District's expenditure level through September is trending slightly above target based on the above analysis. As an examination of the categories of expenditures is performed, cyclical variances are noted between categories which related specifically to school opening activities.

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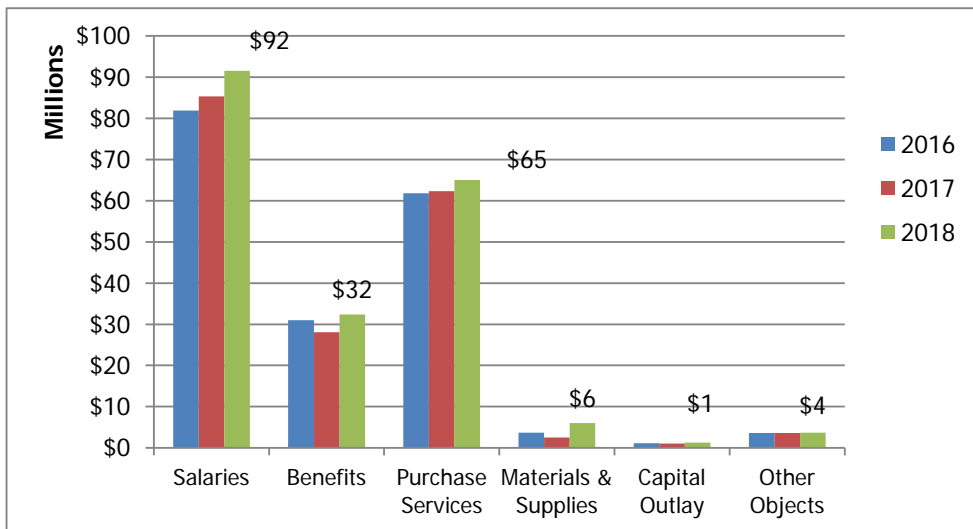
Figure 4 compares the various expenditure categories to the expected level and to the prior two years. Figure 5 provides the year to date expenditure level by category for the current year as well as the prior two. The three years of data will be beneficial for trend analysis performed throughout the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

Figure 4: % Spend to Budget for YTD Expenditures



Target percent of 25.00% 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 September which is slightly higher than the \$13.1 million average in August. 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 40% 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 41% 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 September 30, 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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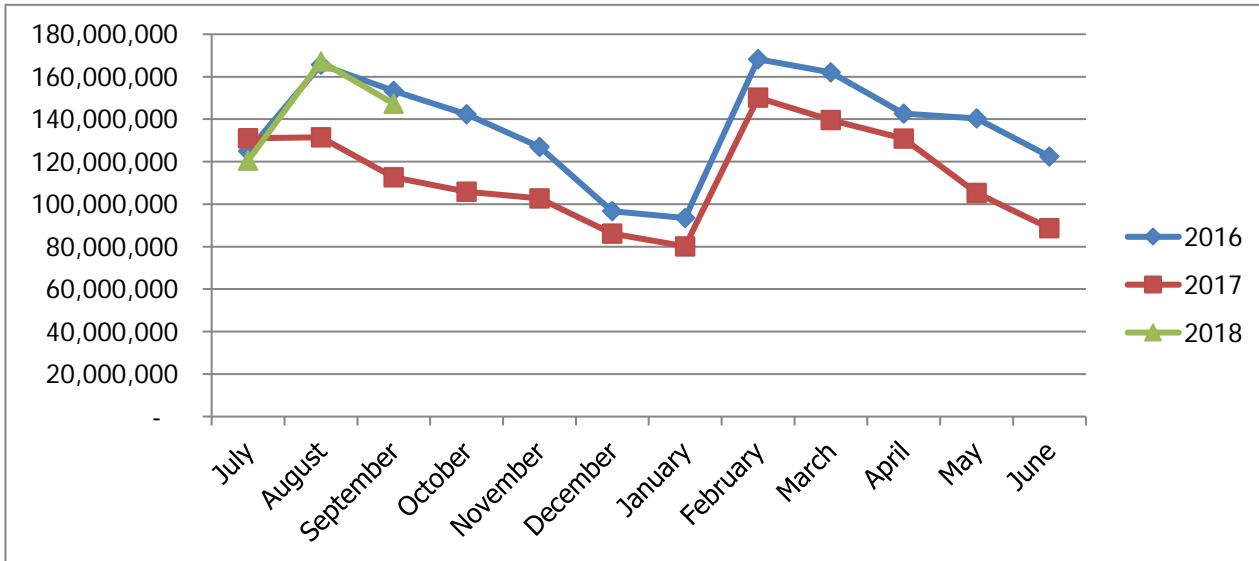
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Cash Balances

The cash balance as of September 30, 2017 is \$147,326,522. The unencumbered balance as of September 30, 2017 is \$104,008,487. See below for details.

	FY '18
Beginning Cash Balance	\$ 119,752,599
Total Revenues	227,245,266
Total Expenses	199,867,476
Revenue over Expenses	27,377,790
Total Payables	196,133
Ending Cash Balance	147,326,522
Encumbrances/Reserves	43,318,035
Unencumbered Balance	\$ 104,008,487

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: 09/01/2017

Last Day of Month: 09/30/2017

Company: Cleveland Metropolitan School District

Accounting Date for Operational Transaction	Supplier	Supplier Contract	Total Contract Amount
09/01/2017	Transformative Solutions In Education	CON-10004319: Transformative Solutions in Education	30,000.00
09/01/2017	Enzo Property Management Llc	CON-10006855: Snowplowing Sevices	47,920.00
09/08/2017	Adrian Eisenhower	CON-10004408: Artist-In Residence	32,900.00
09/14/2017	Education Alternatives	CON-10004599: Invoice 2017081600001	30,368.00
09/14/2017	Steps Behavioral Consulting Services LLC	CON-10004601: Invoice 1837	35,000.00
09/14/2017	Disability Exam Consultants	CON-10004612: Fitness for Duty Exams	36,000.00
09/14/2017	Consolo Law Firm Ltd	CON-10004622: Legal Fees	35,000.00
09/15/2017	Clev. Entrepreneurship Prep Sc	CON-10004644: CLEVELAND ENTREPRENUERSHIP PREP - CLIFF SUPERIOR PROPERTY TAX DISTRIBUTION	26,868.80
09/19/2017	Package Boiler Systems & Hvac	CON-10004694: HVAC repair	30,000.00
09/21/2017	Curriculum Associates	CON-10004349: I-Ready	27,115.00
09/25/2017	CRA International, Inc.	CON-10004865: Computer Breach Services	37,813.75
09/27/2017	Multi-County Juvenile Attention System	CON-10004933: Invoices from Aug 2016 - May 2017	44,312.70
09/29/2017	Borchert Fence Co Inc	CON-10005019: John Marshall - Fencing to enclose field	28,320.00
09/30/2017	Reliance Mechanical Corp	CON-10005073: Cooling tower piping	34,000.00



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

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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