

For Consent Agenda Action Consideration:

June 14, 2023

Presiding:
William A. Scala

1

Financial Report for the Ten Months Ended
April 30, 2023

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Procurements for More Than \$500,000
a) Approvals
b) Preapprovals

Finance & Administration

FINANCE & ADMINISTRATION COMMITTEE

TAB 1

**FINANCIAL REPORT FOR THE
TEN MONTHS ENDED APRIL 30, 2023**



DATE: May 22, 2023

TO: Dallas A. Grundy, MBA
Senior Vice President and Chief Financial Officer

FROM: Misty M. Villers, CPA 
Director Budget, Planning & Strategy

SUBJECT: Consolidated Statement, General Funds, Auxiliary Funds, and Departmental Sales and Services Funds Budgets to Actual Results for the ten months ended April 30, 2023

As requested, the Office of Resource Analysis & Budget provides the accompanying Financial Report for the Consolidated Statement, General Funds, Auxiliary Funds, and Departmental Sales and Services Funds (Akron and Wayne combined) together with accompanying FY23 budget assumptions and narratives. This Financial Report should be presented for consideration and approval at the June 14, 2023 Board of Trustees meeting.

Resource Analysis & Budgeting
Akron, OH 44325-6202
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CARES Act Grant	Source	Award	Expended	Available Balance	Allowability	Actual Usage	Period of Availability
Higher Education Emergency Relief Fund Federal Agency: Department of Education	U.S. Department of Education	\$7,075,909	\$7,075,909	\$0	Emergency Aid for Students (Pass-through funding)	Emergency Aid for Students	Fully utilized in FY2020
Higher Education Emergency Relief Fund Federal Agency: Department of Education	U.S. Department of Education	\$7,075,908	\$7,075,908	\$0	Institutional Use-Student Refunds and Other Expenditures	Institutional Use-Student Refunds and Other Expenditures	Fully Utilized
Higher Education Emergency Relief Fund Federal Agency: Department of Education	U.S. Department of Education	\$7,075,909	\$7,075,909	\$0	Emergency Aid for Students (Pass-through funding)	Emergency Aid for Students	Fully Utilized
Higher Education Emergency Relief Fund Federal Agency: Department of Education	U.S. Department of Education	\$15,803,162	\$14,069,062.77	\$1,734,099.23	Institutional Use-Student Refunds and Other Expenditures	Institutional Use-Student Refunds and Other Expenditures	12/27/20-6/30/23
Higher Education Emergency Relief Fund Federal Agency: Department of Education	U.S. Department of Education	\$19,893,863	\$19,663,881.78	\$229,981.22	Institutional Use-Student Refunds and Other Expenditures	Institutional Use-Student Refunds and Other Expenditures	5/5/20-6/30/23
Higher Education Emergency Relief Fund Federal Agency: Department of Education	U.S. Department of Education	\$20,159,590	\$20,155,318.18	\$4,271.82	Emergency Aid for Students (Pass-through funding)	Emergency Aid for Students	5/5/20-6/30/23
Coronavirus Relief Fund Federal Agency: Department of Treasury	Governor/Ohio Dept. of Higher Education	\$9,533,149	\$9,533,149	\$0	Student Refunds and Other Expenditures	Student Refunds and Other Expenditures	Fully Utilized
Coronavirus Relief Fund Federal Agency: Department of Treasury	Governor/Ohio Dept. of Higher Education	\$4,767,086	\$4,767,086	\$0	Student Refunds and Other Expenditures	Student Refunds and Other Expenditures	Fully Utilized
Coronavirus Relief Fund Federal Agency: Department of Treasury	Governor/Ohio Dept. of Higher Education	\$217,974	\$217,974	\$0	Mental Health Counseling for Students	Mental Health Counseling for Students	Fully Utilized

Coronavirus Relief Fund Federal Agency: Department of Treasury	Summit County	\$2,000,000	\$2,000,000	\$0	Public Safety and Public Health	Public Safety and Public Health (payroll & fringes)	Fully Utilized
Coronavirus Relief Fund GEER Federal Agency: Department of Treasury	Governor of Ohio	\$370,556	\$370,556.00	\$0	Mental Health Counseling for Students	Mental Health Counseling for Students	3/13/20-6/30/22
Total		\$93,973,106	\$92,004,753.73	\$1,968,352.27			

Notes: The \$14,151,818 of grant funds received for emergency aid to students was awarded to students to help them pay for living expenses and additional expenses incurred due to the pandemic wherein some individuals were unable to work. The University acted as a fiduciary in administering all emergency aid to the students. The University must submit eligible expenditures to government officials in support of claiming any of the grant.

CONSOLIDATED STATEMENT

For the Ten Months Ended April 30, 2023

The University of Akron
Akron and Wayne General Fund, Auxiliary Funds and Departmental Sales and Services Funds Consolidated
FY 2023 Budget and Actual Results for the ten months ended April 30, 2023 with FY 2021 and 2022 Comparisons

Consolidated	FY21	FY22		FY23						
	YTD April 30	YTD June 30	YTD April 30	Original Budget	YTD April 30	Actual to Budget		Projected June 30	Projection to Budget	
						\$	%		\$	%
Tuition	\$141,447,331	\$136,235,173	\$130,834,165	\$134,426,000	\$122,647,150	(\$11,778,850)		\$127,710,000	(\$6,716,000)	
General Service Fees	11,260,754	10,437,000	10,067,459	10,136,000	9,265,034	(870,966)		9,605,000	(\$531,000)	
Other Fees	17,615,110	18,764,458	18,058,293	19,457,000	18,076,953	(1,380,047)		18,785,000	(\$672,000)	
Scholarships*	(59,201,141)	(59,661,280)	(59,053,790)	(57,116,000)	(51,591,443)	5,524,557		(51,923,586)	\$5,192,414	
Net Tuition & Fees	111,122,054	105,775,351	99,906,127	106,903,000	98,397,694	(8,505,306)	92.0%	104,176,414	(2,726,586)	97.4%
State Share of Instruction	78,141,597	95,504,251	79,586,877	87,349,000	72,925,789	(14,423,211)		87,515,250	\$166,250	
Indirect Cost Recovery	2,684,932	3,709,846	2,797,393	3,631,000	3,110,694	(520,306)		4,000,000	\$369,000	
Investment Income	6,431,002	7,258,697	6,655,178	7,000,000	3,406,315	(3,593,685)		3,750,000	(\$3,250,000)	
Miscellaneous Income	3,538,786	1,850,484	947,088	1,520,000	1,917,423	397,423		2,250,000	\$730,000	
COVID Revenue Recovery	-	-	-	-	-	-		1,964,981	\$1,964,981	
Auxiliary Revenue	18,407,921	30,343,542	24,036,502	32,919,000	24,469,050	(8,449,950)		30,049,279	(\$2,869,721)	
Sales and Services Revenue	4,052,332	5,889,505	4,837,765	5,078,000	4,622,696	(455,304)		5,420,000	\$342,000	
Total Other Revenues	113,256,570	144,556,325	118,860,803	137,497,000	110,451,967	(27,045,033)	80.3%	134,949,510	(2,547,490)	98.1%
Total Revenues	224,378,624	250,331,676	218,766,930	244,400,000	208,849,661	(35,550,339)	85.5%	239,125,924	(5,274,076)	97.8%
Payroll	101,983,568	121,893,910	103,526,743	126,100,000	106,742,303	(19,357,697)		121,606,312	4,493,688	
Fringes	33,902,169	35,263,443	30,057,106	46,869,000	40,599,521	(6,269,479)		47,612,150	(743,150)	
Total Compensation	135,885,737	157,157,353	133,583,849	172,969,000	147,341,824	(25,627,176)	85.2%	169,218,462	3,750,538	97.8%
Operating	33,328,104	48,980,794	42,567,256	58,156,000	51,687,062	(6,468,938)		58,897,860	(741,860)	
Utilities	7,412,771	12,243,057	9,622,858	12,554,000	7,611,831	(4,942,169)		10,533,659	2,020,341	
Plant Fund	1,170,633	4,331,208	3,314,406	1,610,000	1,793,367	183,367		1,822,758	(212,758)	
Student Extracurricular Activities	491,793	575,000	575,000	605,000	575,000	(30,000)		575,000	30,000	
Strategic Initiatives	-	3,519,902	1,538,338	4,223,000	6,016,340	1,793,340		6,397,000	(2,174,000)	
COVID Relief re-charge	(449,315)	(2,207,007)	-	-	-	-		-	-	
Total Non Personnel	41,953,986	67,442,954	57,617,858	77,148,000	67,683,600	(9,464,400)	87.7%	78,226,277	(1,078,277)	101.4%
Total Expenditures	177,839,723	224,600,307	191,201,707	250,117,000	215,025,424	(35,091,576)	86.0%	247,444,739	2,672,261	98.9%
Net Income / (Loss) before debt service and other	46,538,901	25,731,369	27,565,223	(5,717,000)	(6,175,763)	(458,763)		(8,318,815)	(2,601,815)	
Debt Service	(21,483,106)	(26,560,782)	(22,133,986)	(30,946,000)	(27,127,501)	3,818,499		(30,945,292)	708	
Net Transfers and encumbrances	2,701,168	(1,030,163)	3,542,053	181,000	4,619,503	4,438,503		1,234,353	1,053,353	
Fund Balance allotted	2,325,121	1,315,569	2,041,796	11,756,984	11,239,651	(517,333)		12,455,944	698,960	
Net Surplus / (Deficit)	\$30,082,084	(\$544,007)	\$11,015,086	(\$24,725,016)	(\$17,444,110)	\$7,280,906		(\$25,573,810)	(\$848,794)	

*Includes athletic scholarships

GENERAL FUNDS

For the Ten Months Ended April 30, 2023

The University of Akron
Akron and Wayne General Fund Combined
FY 2023 Budget and Actual Results for the ten months ended April 30, 2023 with FY 2021 and 2022 Comparisons

General Fund Combined	FY21	FY22		FY23							
	YTD April 30	YTD June 30	YTD April 30	Original Budget	YTD April 30	Actual to Budget		Projected June 30	Projection to Budget		
						\$	%		\$	%	
Tuition	\$141,447,331	\$136,235,173	\$130,834,165	\$134,426,000	\$122,647,150	(\$11,778,850)		\$127,710,000	(\$6,716,000)		
General Service Fees	11,260,754	10,437,000	10,067,459	10,136,000	9,265,034	(870,966)		9,605,000	(531,000)		
Other Fees	17,615,110	18,764,458	18,058,293	19,457,000	18,076,953	(1,380,047)		18,785,000	(672,000)		
Scholarships	(53,990,505)	(54,470,348)	(53,835,117)	(51,433,000)	(46,159,857)	5,273,143		(46,705,000)	4,728,000		
Net Tuition & Fees	116,332,690	110,966,283	105,124,800	112,586,000	103,829,280	(8,756,720)		109,395,000	(3,191,000)		97.2%
State Share of Instruction	78,141,597	95,504,251	79,586,877	87,349,000	72,925,789	(14,423,211)		87,515,250	166,250		
Indirect Cost Recovery	2,684,932	3,709,846	2,797,393	3,631,000	3,110,694	(520,306)		4,000,000	369,000		
Investment Income	6,431,002	7,258,697	6,655,178	7,000,000	3,406,315	(3,593,685)		3,750,000	(3,250,000)		
Miscellaneous Income	3,538,786	1,850,484	947,088	1,520,000	1,917,423	397,423		2,250,000	730,000		
COVID Revenue Recovery	0	0	0	0	0	0		1,964,981	1,964,981		
Total Other Revenues	90,796,317	108,323,278	89,986,536	99,500,000	81,360,221	(18,139,779)		99,480,231	(19,769)		100.0%
Total Revenues	207,129,007	219,289,561	195,111,336	212,086,000	185,189,501	(26,896,499)		208,875,231	(3,210,769)		98.5%
Payroll	92,645,159	110,512,723	93,921,206	114,135,000	97,190,571	(16,944,429)		110,000,000	4,135,000		
Fringes	31,000,330	31,808,111	27,185,161	42,938,000	37,469,245	(5,468,755)		43,841,000	(903,000)		
Total Compensation	123,645,489	142,320,834	121,106,367	157,073,000	134,659,816	(22,413,184)		153,841,000	3,232,000		97.9%
Operating	20,162,446	26,826,197	22,892,347	34,724,000	28,299,839	(6,424,161)		33,163,000	1,561,000		
Utilities	5,380,423	9,157,043	7,026,782	9,122,000	5,196,210	(3,925,790)		7,524,659	1,597,341		
Plant Fund	1,140,400	2,054,387	2,365,821	1,000,000	1,101,492	101,492		1,101,500	(101,500)		
Student Extracurricular Activities	491,793	575,000	575,000	605,000	575,000	(30,000)		575,000	30,000		
Strategic Initiatives	0	3,519,902	1,538,338	4,223,000	6,016,340	1,793,340		6,397,000	(2,174,000)		
COVID Relief re-charge	0	(608,420)	0	0	0	0		0	0		
Total Non Personnel	27,175,062	41,524,109	34,398,288	49,674,000	41,188,881	(8,485,119)		48,761,159	912,841		98.2%
Total Expenditures	150,820,551	183,844,943	155,504,655	206,747,000	175,848,697	(30,898,303)		202,602,159	4,144,841		98.0%
Net Income / (Loss) before debt service and other	56,308,456	35,444,618	39,606,681	5,339,000	9,340,804	4,001,804		6,273,072	934,072		
Debt Service	0	(843,000)	(702,500)	(8,039,000)	(8,039,000)	0		(8,039,000)	0		
Net Transfers and encumbrances	2,436,492	(915,155)	2,792,459	0	3,712,262	3,712,262		0	0		
General Service Fee to Athletics	0	0	0	(9,361,000)	(7,800,833)	1,560,167		(9,361,000)	0		
Net Auxiliary Support	(30,640,333)	(35,052,142)	(29,008,033)	(21,665,000)	(17,082,560)	4,582,440		(22,599,072)	(934,072)		
Fund Balance allotted	0	0	0	8,562,984	8,562,984	0		8,562,984	0		
Net Surplus / (Deficit)	\$28,104,615	(\$1,365,679)	\$12,688,607	(\$25,163,016)	(\$11,306,343)	\$13,856,673		(\$25,163,016)	\$0		

The FY 2023 Budget Assumptions and Narratives are integral to this statement.

The University of Akron
Akron and Wayne General Fund Combined
FY 2023 Budget Assumptions

Overall Assumptions

Revenues

Tuition & General Service Fees

- Undergraduate enrollment five percent decrease;
- Graduate enrollment slight increase;
- Law enrollment slight decrease;
- A 4.6 percent increase to the main and regional campus guarantee rates, reflecting the maximum increase allowed by the Ohio Department of Higher Education; and
- Tuition and fees to remain at FY22 rates for Graduate and Law.

Other Fees

- Designated fees such as course fees and technology fees, etc., are enrollment driven and are assumed to follow enrollment assumptions; and
- Various changes to miscellaneous fees.

Scholarships

- \$37.6 million undergraduate scholarships and \$10 million for College Credit Plus and Early College; and
- \$3.8 million Law School.

State Share of Instruction

- State Share of Instruction (SSI) decreased \$8.2 million from FY22.

Indirect Cost Recovery

- Aligns with FY22 projected revenues; and
- 10 percent distributions to Principal Investigator with remainder to the Center.

Investment Income

- Increase of \$7 million by returning to prior reporting format of including all relevant sources; and
- Market fluctuations, either way, will impact the actual amount.

Miscellaneous Income

- \$0.5 million from Installment Payment Plan and University Credit Card programs previously reported as Departmental Sales and Services revenues;
- \$0.5 million from Federal energy tax credit;
- \$0.2 million from phase out of Perkins Loan program;
- \$0.2 million from leases
- \$40,000 pouring rights; and
- various other sources.

The University of Akron
Akron and Wayne General Fund Combined
FY 2023 Budget Assumptions

Expenditures

Payroll and Vacancies

- Assumes raise pool of \$723,908 and Salary Study Gap of \$550,000;
- \$11.7 million of salary and vacancy savings related to the amount of time funded positions remain vacant; and
- \$625,000 in reallocation of General Fund compensation to grants.

Fringes

- Pooled fringe rates as follows (pending approval):
 - 32.9 percent – full time
 - 17 percent – part time
 - 2.3 percent – graduate assistants and student assistants
- Self-insurance costs for the university will revert to passing through the General Fund; previously reflected in Departmental Sales and Services; and
- Graduate assistant remissions of \$8 million moved from scholarship line.

Operating

- Designated fees such as course fees and technology fees, etc., are enrollment driven and are assumed to follow enrollment assumptions;
- Designated fees and start-ups assume that only current-year revenues and/or allocations are expended; however, a certain level of carryover exists within these fees and start-ups, which may, if expended, cause expenditures to exceed the initial allocations;
- \$1 million contingency reserve;
- The non-personnel allocations remain at FY22 revised budgets with a few exceptions:
 - \$1.2 million additional support for University Advertising;
 - \$1 million additional support for legal;
 - \$250,000 increase to liability insurance;
 - \$500,000 expenses transferred from Departmental Sales and Services (\$200,000) and Zip Card office software and maintenance (\$300,000);
 - \$275,000 allocation to South of Exchange weekend patrol,
 - \$255,825 Student Affairs initiatives for Career Center, student assistants, Colin's Law, Impact, and Kognitio.;
 - \$78,000 initiatives for Strategic Planning & Insights group and learning assistants;
 - \$35,000 increase in police training;
 - \$60,000 initiative for EJ Thomas management; and
 - Temporary pause distributing Technology Fees to Colleges, IDC research equipment allocation, and IT Projects allocation.

The University of Akron
Akron and Wayne General Fund Combined
FY 2023 Budget Assumptions

Utilities

- Increase of \$1.4 million for electric, natural gas, and water/sewer. FY22 budget should have been \$7.8 million (\$9.8 million utilities expense less \$2 million chargebacks to auxiliaries, etc.) The chargebacks were previously reported as a credit to operating expenses.

Plant Funds

- \$1 million allocation for plant funds.

Student Extracurricular Activities

- \$605,000 funded from the general service fees to support student groups.

Strategic Initiatives

- Net ERP expenditure of \$4.2 million.

Other

Debt Service

- General fund debt service of \$8 million.

Auxiliary Support

- \$21,665,000 auxiliary support from the General Fund.

Operating Reserves

- Draw on operating reserves of \$3.5 million.

The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2023 Budget and Actual Results for the ten months ended April 30, 2023

Revenues

Tuition & General Service Fees: Tuition & General Service Fees total \$131.9 million or approximately 91.2 percent of the annual budget of \$144.6 million. This amount reflects the revenues from the second half of Summer 2022, Fall 2022 and Spring 2023. Projections indicate a shortfall of \$.2 million, or about five percent.

Other Fees: Other Fees total \$18.1 million or approximately 92.9 percent of the annual budget of \$19.5 million. Other Fees include various student fees such as technology fees (22 percent), facilities fees (25 percent), unit and course/content, administrative, career advantage, and other fees (53 percent). The electronic content fee, \$2.3 million to date, is charged to student accounts and the University remits payment to Barnes & Noble. Projections indicate year-end Other Fees of \$18.8 million, which falls short of budget by \$0.7 million.

Scholarships: Scholarships total \$46.2 million or approximately 89.7 percent of the \$51.4 million budget. YTD scholarships include undergraduate \$42.1 million and law \$4.1 million. The undergraduate scholarships include \$3.6 million in Early College discounts and \$5.8 million in College Credit Plus discounts. Year-end scholarships are projected to be \$46.7 million, or 90.8 percent of budget.

State Share of Instruction (SSI): To date, \$72.9 million or 83.5 percent of budgeted SSI has been received. A small increase in the distribution combined with the inclusion of \$44,000 of Capital Component funds reflect a year end projection of \$87.5 million; \$166,000 greater than budgeted.

Indirect Cost Recovery (IDC): IDC revenues total \$3.1 million or approximately 85.7 percent of the \$3.6 million budget. IDC is related to externally funded research activities and is allocated 90 percent to the center and 10 percent to the principal investigators. Projections indicate year-end revenues could exceed the budget by \$400,000.

Investment Income: Investment Income totals approximately \$3.4 million, or 48.7 percent of the \$7 million budget. Projections indicate a potential year-end shortfall in excess of \$3 million.

Miscellaneous Revenues: Miscellaneous Revenues total \$1. million and consist of:

- \$793,000 in federal tax credits (including \$264,000 from FY22)
- \$444,000 from various sources
- \$264,000 in credit card rebate payments
- \$159,000 in lease revenue
- \$137,000 in Perkins Loan return
- \$120,000 in installment payment plan fees

The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2023 Budget and Actual Results for the ten months ended April 30, 2023

Compensation: Payroll expenditures total \$97.2 million or 85.2 percent of the annual budget of \$114.1 million. Projections indicate the year-end payroll will be around \$110 million, or \$4.1 million less than the annual budget.

Year-to-date fringe benefits total \$37.5 million or 87.3 percent of the annual budget of \$42.9 million. Beginning in FY 2023, graduate assistant remissions are reported as fringe benefits and total \$5.6 million to date. This compares to prior-year remissions of \$5.7 million at the same point in time.

Employee Type	Actual YTD
Faculty	\$53,645,000
Staff	16,455,000
Contract Professionals	23,680,000
Graduate Assistants	3,411,000
Net Payroll	97,191,000

Note 1: Includes all General Fund payroll-related activities (e.g. full time, part time, overload, etc.).

Note 2: Excludes fringe benefits.

Functional Category	Actual YTD
Instruction and Departmental Research	\$ 81,165,000
Separately Budgeted Research	2,201,000
Public Service	166,000
Academic Support	21,703,000
Student Services	9,611,000
Institutional Support	43,688,000
Operation and Maintenance of Plant	14,803,000
Scholarships and Fellowships	46,995,000
Expenditures	<u>\$ 220,332,000</u>

Note: The expenditures are summarized by functional classification.

Operating: Operating expenditures total \$28.3 million, including \$5 million of encumbered funds, or approximately 81.5 percent of the \$34.7 million annual budget. The expenditures are incurred within the operating units for software license, supplies and services, transcribing, advertising, travel, and occasionally smaller dollar capital items such as computers and equipment.

Utilities: Year-to-date utility expenses approximate \$5.2 million or 57 percent of the \$9.1 million annual budget.

Plant Fund: The budget reflects a \$1 million investment in plant fund projects. To date, the following projects have been funded:

- \$324,000 Fieldhouse equipment relocation/renovation;
- \$188,000 High temperature hot water repair;
- \$142,000 Asphalt paving projects;
- \$117,000 Folk Hall Gallery;
- \$111,000 Cooling tower and chiller;
- \$79,000 InfoCision stadium railing repairs;
- \$75,000 Odd Corner demolition;
- \$71,000 Two (2) Air handler unit replacements;
- \$53,000 Marketing and Communications relocation;
- \$50,000 Polsky parking deck elevator repair;
- \$30,000 Energy center repairs;
- \$21,000 RACT Testing;
- (\$34,000) Close-out of Engineering Career Center renovation; and
- (\$125,000) Heisman Lodge Demolition

The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2023 Budget and Actual Results for the ten months ended April 30, 2023

Student Extracurricular Activities: The budgeted \$575,000 for main campus was transferred to the student groups for disbursement. Wayne campus will transfer funds as needed.

Strategic Initiatives: The strategic initiative budget of \$4.2 million is to support the Workday project. To date, expenditures and encumbrances total approximately \$6 million. Unplanned costs are being incurred as the go-live date has been extended from January 1, 2023 to June 1, 2023. Additional consultant costs may be incurred and will be reported once finalized.

Debt Service: The General Fund debt service obligation will be funded with \$8 million in allotted fund balance reserves.

Net Transfers and encumbrances: At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$3,673,392 net transfers and encumbrances represent those types of commitments.

Draw on Operating Reserves: The budgeted and projected draw on operating reserves is \$25.2 million, of which \$22.6 million is for auxiliary support.

Loan:

During FY20, the University of Akron Foundation provided a loan to the University in the form of a line of credit of up to \$1 million to help fund the baseball field project until donations materialize. As of April 30, 2023, the outstanding balance is \$211,000 and the project is complete.

During FY22, the University of Akron Foundation provided a loan to the University in the form of a line of credit of up to \$3.1 million to fund the track renovation and practice gym in the Student Recreation and Wellness Center. The current outstanding balance is \$1,175,000.

AUXILIARY FUNDS

For the Ten Months Ended April 30, 2023

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY 2023 Budget and Actual Results for the ten months ended April 30, 2023 with FY 2021 and 2022 Comparisons

Auxiliary Funds Combined	FY21		FY22		FY23					
	YTD April 30	YTD June 30	YTD April 30	Original Budget	YTD April 30	Actual to Budget		Projected June 30	Projection to Budget	
						\$	%		\$	%
Revenue	\$18,407,921	\$30,343,542	\$24,036,502	\$32,919,000	\$24,469,050	(\$8,449,950)		\$30,049,279	(\$2,869,721)	
Total Revenues	18,407,921	30,343,542	24,036,502	32,919,000	24,469,050	(8,449,950)		30,049,279	(2,869,721) 91%	
Payroll	7,320,139	9,506,761	7,866,907	10,018,000	7,934,515	\$2,083,485		9,605,312	412,688	
Fringes	2,336,167	2,912,122	2,402,921	3,411,000	2,674,529	\$736,471		3,281,850	129,150	
Total Compensation	9,656,306	12,418,883	10,269,828	13,429,000	10,609,044	2,819,956		12,887,162	541,838 96%	
Operating	11,435,760	19,464,289	17,158,400	21,088,000	20,299,544	\$788,456		22,282,860	(1,194,860)	
Utilities	2,032,348	3,086,014	2,596,076	3,432,000	2,415,621	\$1,016,379		3,009,000	423,000	
Plant Fund	(18,819)	2,211,250	860,000	600,000	580,884	\$19,116		596,258	3,742	
Athletic Scholarships	5,210,636	5,190,932	5,218,673	5,683,000	5,431,586	\$251,414		5,218,586	464,414	
COVID Relief re-charge	(449,315)	(1,598,587)	0	0	0	0		0	0	
Total Non Personnel	18,210,610	28,353,898	25,833,149	30,803,000	28,727,635	2,075,365		31,106,704	(303,704) 101%	
Total Expenditures	27,866,916	40,772,781	36,102,977	44,232,000	39,336,679	4,895,321		43,993,866	238,134 99%	
Net Income / (Loss) before debt service and other	(9,458,995)	(10,429,239)	(12,066,475)	(11,313,000)	(14,867,629)	(3,554,629)		(13,944,587)	(2,631,587)	
Debt Service	(21,483,106)	(25,717,782)	(21,431,486)	(22,907,000)	(19,088,501)	3,818,499		(22,906,292)	708	
Net transfers and encumbrances	88,353	(158,852)	428,201	0	587,053	587,053		587,053	587,053	
Fund Balance allotted	2,325,121	1,315,569	2,041,796	3,194,000	2,676,667	(517,333)		3,892,960	698,960	
General Service Fees	7,773,333	10,313,000	8,594,167	9,361,000	7,800,833	(1,560,167)		9,361,000	0	
General Fund Support	22,866,999	24,739,141	20,413,867	21,665,000	17,082,559	(4,582,441)		22,599,072	934,072	
Net Surplus / (Deficit)	\$2,111,705	\$61,837	(\$2,019,930)	\$0	(\$5,809,018)	(\$5,809,018)		(\$410,794)	(\$410,794)	

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY 2023 Budget Assumptions**

Overall Assumptions

Revenues

- Assumes five percent enrollment decline; and

Payroll

- Assumes no raise pool.

Fringes

- Benefits such as 14 percent employer contribution to the respective retirement system, University contribution toward employee group insurance, employee and dependent fee remission, and University portion of employee parking permits; and
- Fringe Benefits rates as follows (pending approval):
 - 32.9 percent for full-time
 - 17.0 percent for part-time
 - 2.3 percent for graduate and student assistants.

Utilities

- Electric, natural gas, and water/sewer.

Debt Service

- \$22.9 million for auxiliary facilities.

Athletics

Revenues

- 94% of general service fee allocated to athletics;
- Externally generated revenues from various sources such as the MAC, game guarantees, naming rights, ticket sales, grants-in-aid, IMG, and Pepsi pouring rights;
- \$850,000 decrease in game guarantees; and
- \$115,000 decrease in Naming Rights revenue.

Payroll

- \$37,000 increase in graduate assistant salary to meet Title IX regulations; and
- \$50,000 volleyball coach assistant due to MAC regulations.

Operating

- Expenditures include athletic supplies, student assistants, game officials and guarantees, maintenance and team travel & recruiting.

Scholarships

- Approximately 220 Athletic financial aid awards.

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY 2023 Budget Assumptions

Residence Life & Housing

Revenues

- Assumes residence hall occupancy of 2,319 and 2,064 (89 percent) spring;
- Fall students include 1,311 freshmen and 1,008 non-freshmen;
- Assumes revenues from summer conferences of \$275,000 and summer school revenue of \$250,000.

Payroll

- Three UAPD Officers' salaries permanently transferred to the General Fund.

Operating

- Expenditures include maintenance, resident assistant meals, student employment, and resident student events;
- Increased cost for student laundry due to new contract;
- Purchase a new minivan for the department; and
- Fully staff service desks at an average hourly student pay rate of \$10.

E. J. Thomas Performing Arts Hall

Revenues

- Externally generated revenues from various sources include Broadway Series sales, Akron Civic Theater pass-through, Tuesday Musical, hall rental, and endowment gifts.

Operating

- Assumes nine percent increase in IATSE union labor rates;
- Expenditures include artist fees, advertising, maintenance, stage & wardrobe, and student employment; and
- Assumes \$50,000 in cost of goods sold at the concession stand that will transfer to the administration account to cover operating costs.

Fund Balance

- Use \$700,000 of fund balance.

Dining (Aramark)

Revenues

- \$244,000 Aramark's financial commitment to the University of Akron; and
- Commission payment of \$497,500 for \$13 million in sales.

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY 2023 Budget Assumptions

Payroll

- The CWA employees remain University employees, with the University responsible for the difference between FICA and SERS; and
- All other employees are the responsibility of Aramark.

Operating

- Maintenance repairs.

Plant Fund

- Refresh Student Union Chick-Fil-A and replace POS system.

Fund Balance

- Use \$1.1 million of fund balance.

Student Recreation & Wellness Services

Revenues

- Externally generated revenues from various sources such as memberships, pool, locker, and facility rentals;
- Assumes increase in membership sales across campus, alumni, and community groups with lifted COVID restrictions; and
- Includes an increase in facility rental revenue opportunities with lifted COVID restrictions.

Payroll

- \$38,000 in salary increases to supplement seven job audits; and
- Restored two positions (Coordinator of Programs & Membership Personnel).

Operating

- Facility operating costs reflect increased usage patterns with lifted COVID restrictions.

Fund Balance

- Use remaining \$468,443 fund balance.

Jean Hower Taber Student Union

Revenues

- Externally generated revenues from various sources such as bookstore commission, bank commission, and room rentals;

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY 2023 Budget Assumptions

- 10 percent increase in room and AV rental income based on campus needs for the use of space as pandemic guidelines lessen; and
- Bookstore revenue to remain flat.

Operating

- Supplies & services, custodial labor, maintenance, and travel and hospitality.

Fund Balance

- Use remaining \$920,000 fund balance.

Parking & Transportation Services

Revenues

- Parking permits and transportation fee revenue decline five percent;
- Elimination of \$11,000 monthly rent from The Chapel for use of the East Campus Parking Deck. The lease agreement will terminate end of September; and
- Increase parking revenue with COVID restrictions lifted.

Operating

- \$100,000 expected rate increase for ABM Parking Services (Roo Express operator) to support the recruitment of bus drivers, which continues to be problematic. The deployment of three new buses to replace the current aging fleet. New buses will require financing for a UA purchase or a new/amended agreement;
- The agreement and expenditures with Akron METRO RTA is to remain unchanged; and
- Assumes \$90,000 for the replacement of expansion joints and concrete repairs to the top level of the Exchange Street Parking Deck, \$20,000 for concrete and joint repairs in the EJ Thomas PAH Parking Deck, and \$15,000 to address waterproofing issues with the electrical room in the South Campus Parking Deck.

Wayne Student Union

Revenues

- Assumes externally generated commission revenue from bookstore online sales and bookstore space rent.

Operating

- Expenditures include property, elevator, and fire insurance.
- Meal scholarship program for students to meet their educational goals.

**The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY 2023 Budget and Actual Results for the ten months ended April 30, 2023**

Athletics

Revenues total \$4.9 million or approximately 53 percent of the \$9.2 million budget. The principal revenues include game guarantees (58 percent), ticket sales (12 percent), and Naming Rights (10 percent). Pre-sale ticket income is not earned until the event is held. Currently, \$70,000 of revenue is unearned. Overall, ticket revenue and donations to-date have increased in comparison to last fiscal year, however, budgeted revenues will likely fall short of expectations. The Learfield sponsorship shortfall is due to renegotiations surrounding the new Pepsi and Akron Children’s Hospital partnerships. Additionally, game guarantees are down in comparison to previous years solely due to game scheduling which is done multiple years in advance. Outstanding revenues still anticipated prior to the end of the fiscal year include facility rentals along with the Mid-American Conference and NCAA distributions.

Payroll and fringes total \$8.1 million or 79 percent of the annual budget of \$10.2 million.

Operating expenditures total \$10.4 million or 138 percent of the \$7.5 million budget. The principal operating expenditures include supplies & services (64 percent) and travel & hospitality (33 percent). Primary supplies & services expenses are athletic supplies (30 percent), memberships (13 percent), maintenance (12 percent), and game official & guarantees (11 percent). Travel and hospitality expenditures include team travel and recruiting (73 percent) and team meals non-travel (12 percent). Expenditures that were not included in the budget are equipment and apparel related to the Nike transition \$400,000; reinstating hotel stays the night before home football games and team flights \$330,000; team travel inflation \$400,000; the men’s basketball trip to the Cayman Islands \$150,000; and Crystal Clinic orthopedic services \$80,000. A portion of monies in athletics restricted accounts will be used to offset some of the overages related to team travel.

Description	Actual YTD
Supplies & Services	\$6,608,000
Travel & Hospitality	3,445,000
Student Assistants	<u>309,000</u>
Total Operating	<u>\$10,362,000</u>

Plant Fund expense of \$103,000 represents Athletics share for the new ONAT Video Board.

Scholarships total \$5.4 million or 96 percent of the \$5.7 million budget. A portion of scholarship cost will be moved to the restricted accounts.

YTD debt service of \$4.1 million, or 83 percent of the \$5 million budget, has been set aside for the debt service payment. The debt service is related to InfoCision Stadium and the Athletic Fieldhouse.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the

The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY 2023 Budget and Actual Results for the ten months ended April 30, 2023

succeeding fiscal year and become a liability and expenditure in that following year. The \$8,000 net transfers and encumbrances represent those types of commitments.

Other sources of funding include General Services Fees and General Fund Support budgeted at \$9.4 million and \$10.5 million, respectively. YTD general services fees received total \$7.8 million and general fund support received totals \$8.6 million. General fund support budget will be increased by \$2M to cover FY 2023 overages.

Residence Life & Housing

Revenues to date total \$11.6 million or 87 percent of the \$13.4 million budget. The principal revenues include residence hall occupancy and are predominately earned during the academic year. Revenue is not recognized until it is earned. Currently, there is \$632,000 of unearned revenue. Housing contracts at spring census were 1,919, an 8 percent decrease from fall, but represents an improvement compared to last spring where the occupancy was 11 percent down.

Payroll and fringes total \$575,000 or 72 percent of the \$800,000 budget.

Operating expenditures total \$4.1 million or 66 percent of the annual \$6.2 million budget. The primary operating expenses include supplies & services (79 percent), student assistants (11 percent), and travel & hospitality (10 percent). Some notable excess costs this year are building repair of \$228,000, return to campus full operations of \$200,000, and property & fire insurance of \$27,000.

Plant Fund expense of \$10,000 represents a portion of the Spanton Hall piping replacement.

YTD debt service of \$7.2 million, or 83 percent of the \$8.6 million budget, has been set aside for the debt service payment. The debt service is related to renovation of four residence halls and construction of four new buildings.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been provided by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$234,000 net transfers and encumbrances represent those types of commitments.

General Fund Support is budgeted at \$3.4 million. To date, \$2.3 million of General fund support has been received. General fund support will be reduced by \$645,000 to account for the remaining fund balance from FY 2022.

EJ Thomas Performing Arts Hall

Revenues total \$1.6 million of the \$2.6 million budget. Ticket and rental sales are the primary revenue source. Pre-sale tickets income is not earned until the event is held. Revenue shortfall includes a \$300,000 loss due to two postponed shows as the production company wardrobe truck caught fire. An additional \$200,000 in revenue reduction is due to cancelled shows during the Akron City protests.

Payroll and fringes total \$304,000 or 72 percent of the annual budget of \$425,000.

Operating expenditures approximate \$1.6 million or 69 percent of the \$2.4 million budget. Primary operating expenditures are artist fees and stage & wardrobe. Cancelled shows due to the Akron City protests will reduce expenditure cost by \$200,000.

YTD debt service of \$251,000, or 83 percent of the \$302,000 budget, has been set aside for the debt service payment. The debt service is related to improvements and equipment. This debt service will be retired during the fiscal year ended June 30, 2029.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been provided by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$65,000 net transfers and encumbrances represent those types of commitments.

It is anticipated that \$700,000 of EJ Thomas fund balance will be used this fiscal year to balance the budget. The actual fund balance used may vary pending the fiscal year-end outcome.

Dining Services (Aramark)

Revenues total approximately \$722,000 or 58 percent of the \$1.2 million budget and is primarily Aramark facilities' support.

Payroll and fringes total \$245,000 or 95 percent of the annual \$257,000 budget. The \$200,000 budgeted fringe benefits cover the difference between SERS and FICA for CWA employees who remained with the University and certain Aramark employees performing work at the University. Payroll is higher than budget as Dining is paying legacy union members' salaries which will be reimbursed partially by Aramark. Additional unanticipated salary cost includes retirement payouts for two employees.

Operating expenditures total \$901,000 or 96 percent of the annual budget of \$935,000 and primarily are supplies & services (97 percent). The largest supplies & services expenditures are equipment (37 percent), maintenance (21 percent), and computer and peripherals (19 percent).

The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY 2023 Budget and Actual Results for the ten months ended April 30, 2023

Plant Fund expense of \$365,000 represents Chick-Fil-A Refresh \$150,000 and Starship buildout \$215,000.

YTD debt service of \$255,000, or 83 percent of the \$306,000 budget, has been set aside for the debt service payment. The debt service is related to various buildouts and renovations to dining hall and retail sites. The debt will be retired during the fiscal year ended June 30, 2033.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been provided by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$88,000 net transfers and encumbrances represent those types of commitments.

It is anticipated that \$820,000 of Dining Services (Aramark) fund balance will be used this fiscal year to balance the budget. The actual fund balance used may vary pending the fiscal year-end outcome.

Recreation & Wellness Services

Revenues total \$433,000 or 93 percent of the \$464,000 budget. Primary revenues include aquatic facility rentals (48 percent), memberships (24 percent), and on-campus facility rentals (14 percent).

Payroll and fringes total \$554,000 or 79 percent of \$703,000 budget.

Operating expenditures total \$1 million or 87 percent of the \$1.2 million budget. The primary operating expenditures include supplies & services/maintenance (80 percent) and student assistants (38 percent).

Plant Fund expense of \$103,000 represents the SRWC share for the new ONAT Video Board.

YTD debt service of \$1.4 million, or 83 percent of the \$1.6 million budget, has been set aside for the debt service payment. The debt service is related to the facility and its retail space.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been provided by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$19,000 net transfers and encumbrances represent those types of commitments.

The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY 2023 Budget and Actual Results for the ten months ended April 30, 2023

It is anticipated that \$448,000 of fund balance will be used this fiscal year to balance the budget. The actual fund balance used may vary pending the fiscal year-end outcome.

General Fund Support is budgeted at \$2.9 million. To date, \$2.4 million of General fund support has been received.

Jean Hower Taber Student Union

Revenues total \$635,000 or 75 percent of the \$841,000 budget. Revenues include commission income (83 percent) and rental income (16 percent).

Payroll and fringes total \$652,000 or 82 percent of the annual budget of \$800,000.

Operating expenditures total \$813,000 or 73 percent of the \$1.1 million budget. The principal operating expenditures include supplies & services (66 percent) and student assistants (30 percent). Primary supplies & services expenses are maintenance (80 percent).

YTD debt service of \$2.4 million, or 83 percent of the \$2.8 million budget, has been set aside for the debt service payment. The debt service is related to the facility and its retail space.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been provided by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$17,000 net transfers and encumbrances represent those types of commitments.

It is anticipated that \$1.2 million of fund balance will be used this fiscal year to balance the budget. The actual fund balance used may vary pending the fiscal year-end outcome.

General Fund Support is budgeted at \$3.5 million. To date, \$2.6 million of General fund support has been received. General fund support will be reduced by \$298,000 to account for the remaining fund balance from FY 2022.

Parking & Transportation Services

Revenues total \$4.5 million or 89 percent of the \$5.1 million budget. Student transportation fee and parking permits are the primary sources of revenue (98 percent). Unearned income generated from parking permits purchased before the semester begins is recognized when earned. Currently, \$199,000 of revenue is unearned.

The University of Akron
Akron and Wayne Auxiliary Funds Combined
Narrative of FY 2023 Budget and Actual Results for the ten months ended April 30, 2023

Payroll and fringes total \$197,000 or 75 percent of the annual budget of \$261,000.

Operating expenditures total \$1.5 million or 82 percent of the \$1.8 million budget. Primary expenses are transportation-related activities, including busing, parking lot, and deck maintenance (85 percent).

YTD debt service of \$3.6 million, or 83 percent of the \$4.3 million budget, has been set aside for the debt service payment. The debt service is related to the renovations and construction of new parking facilities.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$156,000 net transfers and encumbrances represent those types of commitments.

General Fund Support is budgeted at \$1.4 million. To date, \$1.1 million of General fund support has been received. General fund support will be reduced by \$62,000 to account for the remaining fund balance from FY 2022.

Wayne Student Union

Revenues total \$32,000 or 106 percent of the \$30,000 budget. Earned income includes bookstore commission (100 percent).

Operating expenditures total \$11,000 or 37 percent of the \$30,000 budget. Operating expenditures primarily consist of zip card awards (56 percent) and property and fire insurance (44 percent). The Zip Card Award is a meal scholarship program. Students that receive the meal scholarship plan have a high GPA and improved retention. Wayne College aims to retain students by addressing food insecurity and helping them meet their educational goals.

**DEPARTMENTAL SALES AND
SERVICES FUNDS**

For the Ten Months Ended April 30, 2023

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY 2023 Budget and Actual Results for the ten months ended April 30, 2023 with FY 2021 and 2022 Comparisons

Department Sales & Services Combined	FY21	FY22		FY23						
	YTD April 30	YTD June 30	YTD April 30	Original Budget	YTD April 30	Actual to Budget		Projected June 30	Projection to Budget	
						\$	%		\$	%
Revenue	\$4,052,332	\$5,889,505	\$4,837,765	\$5,078,000	\$4,622,696	(\$455,304)		\$5,420,000	\$342,000	
Total Revenues	4,052,332	5,889,505	4,837,765	5,078,000	4,622,696	(455,304)		5,420,000	342,000	107%
Payroll	2,018,270	1,874,426	1,738,630	1,947,000	1,617,217	329,783		2,001,000	(54,000)	
Fringes	565,672	543,210	469,024	520,000	455,747	64,253		489,300	30,700	
Total Compensation	2,583,942	2,417,636	2,207,654	2,467,000	2,072,964	394,036		2,490,300	(23,300) 101%	
Operating Plant Fund	1,729,898	2,690,308	2,516,509	2,344,000	3,087,679	(743,679)		3,452,000	(1,108,000)	
	49,052	65,571	88,585	10,000	110,991	(100,991)		125,000	(115,000)	
Total Non Personnel	1,778,950	2,755,879	2,605,094	2,354,000	3,198,670	(844,670)		3,577,000	(1,223,000) 152%	
Total Expenditures	4,362,892	5,173,515	4,812,748	4,821,000	5,271,634	(450,634)		6,067,300	(1,246,300) 126%	
Net Income / (Loss) before debt service and other	(310,560)	715,990	25,017	257,000	(648,938)	(905,938)		(647,300)	(904,300)	
Net transfers and encumbrances	176,323	43,844	321,393	181,000	320,188	139,188		647,300	466,300	
Fund Balance allotted	0	0	0	0	0	0		0	0	
Net Surplus / (Deficit)	(\$134,237)	\$759,834	\$346,410	\$438,000	(\$328,750)	(\$766,750)		\$0	(\$438,000)	

The University of Akron
Department Sales & Services Combined
FY 2023 Budget Assumptions

Overall Assumptions

- Assumes five percent enrollment decline; and

Payroll and Fringes

- Assumes no raise pool;
- Benefits such as 14 percent employer contribution to the respective retirement system, University contribution toward employee group insurance, employee and dependent fee remission, and University portion of employee parking permits; and
- Fringe Benefits rates as follows (pending approval):
 - 32.9 percent for full-time
 - 17.0 percent for part-time
 - 2.3 percent for graduate and student assistants.

Fund Assumptions

Continuing and Professional Education

Revenues

- Open enrollment and contract training fee revenues to support the coordination of noncredit professional development classes open to the public and to provide customized training for local businesses.

Operating

- Student assistants, supplies and services, and travel and hospitality; and
- Continuing and Professional Education will monitor expenditures; however, the budgeted deficit will be offset by the Continuing and Professional Education carryover from fiscal year ended June 30, 2022.

New Student Orientation Program

Revenues

- Fee revenues to support the activities related to orientation and first-year experience programs.

Operating

- New Roo Weekend, Akron Forefront, NSO programs, student assistants, supplies and services, and travel and hospitality; and
- New Student Orientation will monitor expenditures; however, the budgeted deficit will be offset by the New Student Orientation carryover from fiscal year ended June 30, 2022.

The University of Akron
Department Sales & Services Combined
FY 2023 Budget Assumptions

Other

Revenues

- Includes about 69 smaller, revenue-generating activities such as internal Printing Services, Hearing Aid Dispensary, and Akron Polymer Technology Services.

Operating

- Student assistants, cost of goods sold (Hearing Aid Dispensary), supplies and services, and travel and hospitality;
- Individual management and the units will manage to ensure expenditures are limited to revenues; and
- In general, the units are anticipated to “break-even” or generate surpluses.

Plant Fund

- Equipment purchases related to engineering testing services.

The University of Akron
Departmental Sales and Services
Narrative of FY 2023 Budget and Actual Results for the ten months ended April 30, 2023

Continuing and Professional Education

Continuing and Professional Education revenues total \$497,000 or 84 percent of the \$595,000 annual budget.

Payroll and fringes total \$362,000 or 104 percent of the \$348,000 annual budget. Generally, payroll costs related to contract training are incurred prior to the associated revenue being collected. Projections suggest compensation will total \$427,000, or \$79,000 greater than budget.

Operating expenditures total \$280,000 or 111 percent of the \$253,000 annual budget. The principal operating expenditures include supplies & services related to training and instructional support. Projections suggest operating expenditures will total \$298,000, or \$45,000 greater than budget.

The projected deficit of \$124,000 will be fully offset by Continuing and Professional Education's fund balance.

New Student Orientation

New Student Orientation revenues total \$318,000 or 80 percent of the \$395,000 annual budget. Projections anticipate revenues will total \$375,000, or \$20,000 less than budget.

Payroll and fringes total \$158,000 or 79 percent of the \$200,000 annual budget.

Operating expenditures total \$245,000 or 66 percent of the \$370,000 annual budget. Expenditures increase late spring and summer for onboarding new students. The principal operating expenditures include supplies & services (38 percent), student assistants (30 percent), and New Roo Weekend (20 percent).

The projected deficit of \$20,000 will be fully offset by New Student Orientation Program's fund balance.

The University of Akron
Departmental Sales and Services
Narrative of FY 2023 Budget and Actual Results for the ten months ended April 30, 2023

Other

The Other departmental sales and services revenues total \$3.8 million or 93 percent of the \$4.1 million annual budget. Revenues are generated from roughly 75 activities including Printing Services (14 percent), ITS Shared Services (nine percent) and Continuing & Professional Education (eight percent). Projections suggest budgeted revenues will total \$4.5 million, or \$362,000 greater than budget.

Payroll and fringes total \$1.6 million or 81 percent of the \$1.9 million annual budget.

Operating expenditures total \$2.6 million or 149 percent of the \$1.7 million annual budget. Operating expenditures are projected to approximate \$2.8 million or \$1.1 million greater than budget.

Supplies & services are the primary operating expense (72 percent). Capital expenditures total \$111,000. The capital expenditures are associated with a static load cell, source meter, lathe, lube and sensor systems for Engineering, plus a trailer for the Training Center for Fire & Hazardous Materials.

At the end of each fiscal year, commitments often remain for goods and services that have not yet arrived or been received by June 30. Those outstanding commitments are carried over to the succeeding fiscal year and become a liability and expenditure in that following year. The \$298,190 Transfers-In – Encumbrances represents those types of commitments. The \$146,000 Transfers-Out-Encumbrances represents the projected liability and expenditures that will carry over into fiscal year 2024. Projections indicate that \$241,810 will be needed from the fund balances.

THE UNIVERSITY OF AKRON

RESOLUTION 6- -23

Acceptance of the Financial Report for the Ten Months Ended April 30, 2023

BE IT RESOLVED, That the recommendation presented by the Finance & Administration Committee on June 14, 2023 accepting the Combined Statement, General Funds, Auxiliary Funds, and Departmental Sales and Services Funds Budgets to Actual Results Financial Report for the Ten Months Ended April 30, 2023 be approved.

M. Celeste Cook, Secretary
Board of Trustees

June 14, 2023

FINANCE & ADMINISTRATION COMMITTEE

TAB 2

PROCUREMENTS FOR MORE THAN \$500,000



DATE: May 22, 2023

TO: Dallas A. Grundy
Senior Vice President and Chief Financial Officer

FROM: Shandra Irish, *Shandra Irish* Director of Purchasing

SUBJECT: Award Exceeding \$500,000 for Board of Trustees Approval

As requested of me, I provide to you the following procurement, which exceeds \$500,000 for Board of Trustees consideration and approval at its meeting on June 14, 2023.

1. PFOC Cooling Tower #3 (State Funds)

The Office of Capital Planning and Facilities Management is proposing an award to Standard Plumbing and Heating in the amount of \$877,254 for the replacement of PFOC Cooling Tower #3.

A project request was issued during April 2023, and eight bids were received as follows:

Vendor	Bid
Standard Plumbing and Heating	\$877,254
North Bay Construction, Inc.	\$907,155
The CD Whitfield Co, LLC	\$926,786
Synergy, LLC	\$930,300
Prout Boiler, Heating & Welding	\$974,000
ABC Piping, Co.	\$995,000
Cline Mechanical, Inc.	\$1,068,950
TH Martin, Inc.	\$1,071,840

An award to Standard Plumbing and Heating is recommended by the Office of Capital Planning and Facilities Management and the Department of Purchasing as its bid is deemed the lowest responsible bid. Should the Board approve the transaction, the vendor award will occur once General Counsel completes its review for legal form and sufficiency.

I recommend that an award be made to Standard Plumbing and Heating in the amount of \$877,254 and request approval of the Board of Trustees at its meeting on June 14, 2023.

Department of Purchasing
Akron, OH 44325-9001
330-972-5965 Office · 330-972-5564 Fax

2. Infrastructure Improvements - Mechanical (State Funds)

The Office of Capital Planning and Facilities Management is proposing an award to T.H. Martin, Inc. in the amount of \$959,800 for the improvement and replacement of the campus mechanical infrastructure.

A project request was issued during April 2023, and one bid was received as follows:

Vendor	Bid
TH Martin, Inc.	\$959,800

An award to T.H. Martin, Inc. is recommended by the Office of Capital Planning and Facilities Management and the Department of Purchasing as its bid is deemed the lowest responsible bid. Should the Board approve the transaction, the vendor award will occur once General Counsel completes its review for legal form and sufficiency.

I recommend that an award be made to T.H. Martin, Inc. in the amount of \$959,800 and request approval of the Board of Trustees at its meeting on June 14, 2023.

3. Knight Center for Creative Engagement – Polsky Departmental Realignment (State/ Local Funds)

The Office of Capital Planning and Facilities Management is proposing an award to Feghali Brothers, LLC in the amount of \$591,700 for the Knight Center for Creative Engagement – Polsky Departmental Realignment.

A project request was issued during April 2023, and one bid was received as follows:

Vendor	Bid
Feghali Brothers, LLC	\$591,700

An award to Feghali Brothers, LLC is recommended by the Office of Capital Planning and Facilities Management and the Department of Purchasing as its bid is deemed the lowest responsible bid. Should the Board approve the transaction, the vendor award will occur once General Counsel completes its review for legal form and sufficiency.

I recommend that an award be made to Feghali Brothers, LLC in the amount of \$591,700 and request approval of the Board of Trustees at its meeting on June 14, 2023.

4. One Year Agreement for Maintenance and Support for PeopleSoft (Locally Funded)

The Department of Purchasing is proposing an award to Mythics, Inc., a certified reseller for Oracle Inc., for support and license fees for PeopleSoft, the enterprise resource software, in the amount not to exceed \$1,192,829 for a period of one year.

PeopleSoft is used by the University to enable administrative functions for items such as student registration, student financial aid, and other student recordkeeping functions. The

University's current one-year licensure and support agreement expires on August 4, 2023, and it is necessary to enter into a new one-year agreement prior to the next regularly scheduled meeting of the Board of Trustees. The total period of the maintenance support is August 5, 2023 through August 4, 2024. This award is being established under the Midwestern Higher Education Compact (MHEC) agreement for Oracle.

The business terms of the proposed support and license fees arrangement is acceptable to the Department of Information Technology Services and the Department of Purchasing, and the final agreement will be reviewed by the Office of General Counsel for legal form and sufficiency.

I recommend that an award be made to Mythics, Inc. in the amount not to exceed of \$1,192,829 for the one-year term of maintenance and support of the ERP software and request your approval and that of the Board of Trustees at its meeting on June 14, 2023 to negotiate and finalize the agreements necessary to complete the purchase, and I will report back to you the final terms of the procurement in advance of the next regularly scheduled meeting of the Board of Trustees.

THE UNIVERSITY OF AKRON

RESOLUTION 6- -23

Acceptance of Procurements for More Than \$500,000

BE IT RESOLVED, That the following recommendations presented by the Finance & Administration Committee on June 14, 2023 be approved:

Award to Standard Plumbing and Housing a contract for the replacement of PFOC Cooling Tower #3 in the amount of \$877,254.

Award to T.H. Martin, Inc. a contract for the improvement and replacement of the campus mechanical infrastructure in the amount of \$959,800.

Award to Feghali Brothers, LLC a contract for the Knight Center for Creative Engagement – Polsky Departmental Realignments in the amount of \$591,700.

Award to Mythics, Inc., in the amount not to exceed of \$1,192,829 for the one-year term of maintenance and support of the ERP software for student records services.

M. Celeste Cook, Secretary
Board of Trustees

June 14, 2023

THE UNIVERSITY OF AKRON

RESOLUTION 6- -23

Pertaining to the Pre-Authorization for Procurements

WHEREAS, University Rule 3359-3-07(B)(3) authorizes The University of Akron's (the "University") Director of Purchasing to conduct purchasing activities in accordance with good business practices; and

WHEREAS, University Rule 3359-3-07(G) requires that the purchase of goods or services in excess of \$500,000 shall be submitted to the Board of Trustees (the "Board") for prior approval; and

WHEREAS, The University currently is in the process of procuring certain services (detailed more fully in the attached Exhibit A), each of which will exceed the \$500,000 threshold and for which contracts, if awarded, will need to be completed prior to the next regularly scheduled Board meeting in order to meet established contracting deadlines; Now, Therefore,

BE IT RESOLVED, That the Senior Vice President and Chief Financial Officer is authorized to act as necessary to procure contracts for the services detailed in Exhibit A, consistent with the financial limitations specified for each service and subject to review and approval as to legal form and sufficiency by the Office of General Counsel; and

BE IT FURTHER RESOLVED, That the Senior Vice President and Chief Financial Officer will report back to the Board at its next regularly scheduled meeting the final University action with respect to these contracts and the terms thereof.

M. Celeste Cook, Secretary
Board of Trustees

June 14, 2023



DATE: May 22, 2023

TO: Dallas A. Grundy
Senior Vice President and Chief Financial Officer

FROM: Shandra Irish; *Shandra Irish* Interim Director of Purchasing

SUBJECT: Award Exceeding \$500,000 for Board of Trustees Preapproval

As requested of me, I provide to you the accompanying proposed resolutions for Board of Trustees consideration at its June 14, 2023 meeting that would preapprove the negotiation and execution of a contract related to the specific goods identified below.

- A.E Agreement – Knight Center for Creative Engagement, which will not exceed **\$3,400,000**.
 - This project is the first phase of the renovation and transformation of the Polsky Building into the Knight Center for Creative Engagement. A Request for Qualifications for professional design services was issued in April 2023.
 - Six firms responded to the Request for Qualifications. The following four firms were short-listed and interviewed based on their responses to the RFQ:
 - Hasenstab Architects
 - CBLH Design, Inc.
 - Perfido Weiskopf Wagstaff + Goettel
 - Domokur Architects
 - Hasenstab Architects was selected by the committee and contract negotiations are ongoing.
- LaaS (Lighting as a Service), which will not exceed **\$1,750,000**.
 - This project is to improve energy efficiency on campus and upgrade the lighting in several campus facilities to LED.
 - It is anticipated that any LaaS project will be financed with the reduction in energy usage and will result in an overall reduction in operating and utility costs.

As you know, the authority to execute the contracts does not release the University from adhering to its normal competitive bidding protocols and processes. Instead, the resolution recognizes that timing is such that it may necessitate the execution of a contract between regularly scheduled meetings of the Board of Trustees. The resolution stipulates that the Board of Trustees be updated on the results at a future meeting.

Department of Purchasing
Akron, OH 44325-9001
330-972-5965 Office · 330-972-5564 Fax

Presiding:
Chair
Joseph M. Gingo

June 14, 2023

1	Move of the Department of Mathematics to the College of Engineering and Polymer Science
2	Temporary Spending Authority for the General Fund, Combined Auxiliary Funds, and Combined Sales Funds Budgets From July 1, 2023 – September 13, 2023 and the Authorization to Set and Implement Tuition, Room and Board Rates, Charges and Fees
3	Authorization for a Long-term Lease and Concession With Respect to the University’s Parking Services
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THE UNIVERSITY OF AKRON

RESOLUTION 6- -23

Proposed Move of the Department of Mathematics
to the College of Engineering and Polymer Science

WHEREAS, Over sixty percent of University of Akron undergraduate mathematics credit hours are attributable to students enrolled in programs within the College of Engineering and Polymer Science; and

WHEREAS, The faculty of the Department of Mathematics have voted unanimously to move as an independent unit from the Buchtel College of Arts and Sciences to the College of Engineering and Polymer Science to better support and retain students; and

WHEREAS, The Faculty Senate has approved the move to be effective July 1, 2023; and

WHEREAS, The President and the Executive Vice President and Provost concur; Now, Therefore,

BE IT RESOLVED, That the proposed move of the Department of Mathematics from the Buchtel College of Arts and Sciences to the College of Engineering and Polymer Science effective July 1, 2023 is approved.

M. Celeste Cook, Secretary
Board of Trustees

THE UNIVERSITY OF AKRON

RESOLUTION 6- -23

Temporary Spending Authority for the General Fund, Combined Auxiliary Funds, and Combined Sales Funds Budgets From July 1, 2023 – September 13, 2023 and the Authorization to Set and Implement Tuition, Room and Board Rates, Charges and Fees

WHEREAS, Consistent with Ohio Revised Code Section 3345.48, The University of Akron (the “University”) has implemented an undergraduate Tuition Guarantee Program for tuition, room and board plan rates, and select University fees (the “Tuition Guarantee”); and

WHEREAS, The Board desires to establish the fall 2023 cohort Tuition Guarantee and the fall 2023 cohort Regional Tuition Guarantee and to set other charges and fees that are not part of the Tuition Guarantee; and

WHEREAS, Uncertainty regarding the level and timing of state funding complicates the University’s ability to forecast fiscal year 2023-2024 revenues and expenditures, but the University believes the level of fiscal predictability will increase as the fall 2023 semester approaches and the amount of funding to be received from the state of Ohio is known; and

WHEREAS, The University desires to adopt spending authority from July 1, 2023 through September 13, 2023, the date of the next regularly scheduled meeting of the Board of Trustees (the “Board,”) since student recruitment and other fiscal year revenue and expenditure initiatives remain underway; and

WHEREAS, The administration will develop the full fiscal year 2023-2024 General Fund, Auxiliary Funds, and Sales Funds Budgets and set the fall 2023 Tuition Guarantee, as well as the charges and fees that are not part of the Tuition Guarantee, which are reflective of state budget allocations; Now, Therefore,

BE IT RESOLVED, That spending authority for July 1 through September 13, 2023 for the General Fund, Combined Auxiliary Funds, and Combined Sales Funds Budgets, as reflected in the attached Exhibit A, be approved; and

BE IT FURTHER RESOLVED, That the Board authorizes the Board Chair and the Chair of the Finance and Administration Committee to approve, upon recommendation by the University administration, the fall 2023 cohort Tuition Guarantee, the fall 2023 cohort Regional Tuition Guarantee, and those other charges and fees that are not part of the Tuition Guarantee, consistent with Ohio Revised Code Section 3345.48 and the direction of the Ohio legislature and the Ohio Department of Higher Education; and

BE IT FURTHER RESOLVED That the University administration will report back to the Board at its next regularly scheduled meeting the established Tuition Guarantee, charges, and fees for the Board to ratify in conjunction with the Board’s consideration and approval of the University’s 2023-2024 budget.

M. Celeste Cook, Secretary
Board of Trustees

EXHIBIT A

The University of Akron
General Funds, Auxiliary Funds, and Departmental Sales and Services Funds Combined
FY 2024 Temporary Budget July 1, 2023 - September 13, 2023

	FY24	FY24	FY24	
	General Fund	Auxiliary Funds	Departmental Sales & Service Funds	FY24 Combined
Payroll	18,170,000	2,024,000	402,000	20,596,000
Fringes	8,632,000	684,000	137,000	9,453,000
Total Compensation	26,802,000	2,708,000	539,000	30,049,000
Operating	12,062,000	5,934,000	1,350,000	19,346,000
Utilities	642,000	375,000	0	1,017,000
Plant Fund	488,000	381,000	40,000	909,000
Student Extracurricular Activities	575,000	0	0	575,000
Student Scholarships	0	2,450,000	0	2,450,000
Strategic Initiatives	1,036,000	0	0	1,036,000
Debt Service	1,882,000	5,674,000	0	7,556,000
Transfer Facility Fee	1,112,000	(1,112,000)	0	0
Transfer General Service Fee	2,211,000	(2,211,000)	0	0
Transfer Auxiliary Support	5,393,000	(5,393,000)	0	0
Transfer in Encumbrances	(2,500,000)	-	0	(2,500,000)
Total Other Expenditures	22,901,000	6,098,000	1,390,000	30,389,000
Total Expenditures and Transfers	49,703,000	8,806,000	1,929,000	60,438,000

THE UNIVERSITY OF AKRON

RESOLUTION 6- -23

Authorization for a Long-Term Lease and Concession
with respect to The University of Akron Parking Service

WHEREAS, The Board of Trustees (the “Board”) of The University of Akron (the “University”) is presented with the opportunity to enter into a lease and concession of the University’s parking services; and

WHEREAS, The Senior Vice President and Chief Financial Officer has reviewed the proposal for the lease and concession of the University’s parking services, and believes that the opportunity is important in meeting the objectives and requirements previously set forth by the Board and the President and will support the long-term financial stability of the University; and

WHEREAS, In consideration for the lease and concession of all or a portion of the University’s parking services, the University will receive an upfront payment from the concessionaire and may potentially receive ongoing yearly payments, depending on the future performance of the operation of the parking services; and

WHEREAS, The source of such upfront payment to the University is currently contemplated to be from a portion of the proceeds of the issuance of tax-exempt bonds or other securities (the “Bonds”) by the Development Finance Authority of Summit County (the “DFA”), which will be provided to a nonprofit entity formed by the DFA (the “Concessionaire”) to make such upfront payment; and

WHEREAS, A portion of the University’s parking assets was financed with the proceeds of one or more series of outstanding tax-exempt general receipts bonds issued by the University (the “University General Receipts Bonds”); Now, Therefore,

BE IT RESOLVED, The Board has determined that it is in the best interests of the University to proceed with (a) the lease and concession of some or all of the parking assets owned or controlled by the University (the “Parking Assets”) through a Long-Term Lease and Concession Agreement (the “Agreement”), (b) the selection of preferred partners with respect to the Agreement, (c) the transactions contemplated in the Agreement and other documents related thereto, and (d) the negotiation, execution and delivery of the Agreement and other documents relating thereto or contemplated thereby (collectively, the “Transaction”); and

BE IT FURTHER RESOLVED, That the Board hereby authorizes the Transaction;

BE IT FURTHER RESOLVED, That the Board hereby authorizes the University to enter into the Agreement to effectuate the Transaction (i) with the payment of an upfront amount to the University upon the closing of the Bonds (the “Proceeds”) and (ii) for a term not to exceed 36 years; and

BE IT FURTHER RESOLVED, That the Board on behalf of the University selects the following entities as preferred partners in connection with the Transaction: (i) Diogenes Capital, as initial asset manager, (ii) SP Plus Corporation, as initial operator, and (iii) a qualified non-profit entity formed by the DFA as the Concessionaire; and

BE IT FURTHER RESOLVED, That the Board hereby authorizes and directs the President and/or the Chief Financial Officer (the "Authorized Officers"), or either of them, upon consultation with the Chair of the Finance Committee of this Board, the Vice President and General Counsel, any outside counsel or advisors retained for this purpose and such other members of the senior leadership of the University that the Authorized Officers deem necessary, advisable or appropriate, subject to the terms, conditions and limitations prescribed in these resolutions, to negotiate, execute, acknowledge and deliver the Agreement in substantially the form on file with the Secretary of this Board, and any additional agreements, instruments, certificates (including, without limitation, a memorandum of lease, one or more consent agreements and estoppel certificates as contemplated in the Agreement, a continuing disclosure agreement in connection with the issuance of the Bonds), containing such additional terms or changes therein as the Authorized Officer(s) shall approve and deem necessary, advisable or appropriate, such Authorized Officer's execution thereof to be conclusive evidence of such approval and determination of the necessity, advisability or appropriateness thereof; and

BE IT FURTHER RESOLVED, That the Authorized Officers, or either of them, if such Authorized Officer deems it necessary, advisable or appropriate to either (a) maintain the tax-exempt status of any series of outstanding University General Receipts Bonds, with the advice of counsel to the University, or (b) redeem or defease all or a portion of any one or more series of outstanding University General Receipts Bonds, is authorized to deposit the Proceeds or a portion thereof in one or more University accounts or subaccounts, or in an escrow account under an escrow agreement or other agreement with the bond trustee of the University's General Receipts Bonds to redeem or defease all or a portion of any one or more series of University General Receipts Bonds, and execute and deliver any agreements, instruments, certificates as such Authorized Officer shall approve and deem necessary, advisable or appropriate, such Authorized Officer's execution thereof to be conclusive evidence of such approval and determination of the necessity, advisability or appropriateness thereof; and

BE IT FURTHER RESOLVED, That the Chief Financial Officer shall report to the Board's Finance and Administration Committee any material actions taken by the University pursuant to this resolution; and

BE IT FURTHER RESOLVED, That any previous actions taken by any Authorized Officer, by or on behalf of the University in connection with the Transaction be, and each of the same hereby is, adopted, ratified, confirmed and approved in all respects; and

BE IT FURTHER RESOLVED, That if any time prior to the finalization of the Transaction the University Administration determines that it is not possible or in the best interests of the University to proceed with the Transaction for any reason, it may terminate the Transaction and pay any applicable termination fees and expenses; and

BE IT FURTHER RESOLVED, That it is found and determined that all formal actions of this Board relating to the adoption of this resolution were taken in an open meeting of this Board. All deliberations of this Board and any of its committees that resulted in those formal actions were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code; and

BE IT FURTHER RESOLVED, That this resolution shall take effect and be in force immediately upon its adoption.

M. Celeste Cook, Secretary
Board of Trustees