

GENERAL FUND

For the Fiscal Year Ended June 30, 2022

The University of Akron
Akron and Wayne General Fund Combined
FY 2022 Budget and Preliminary Results for the year ended June 30, 2022 with FY 2021 Comparisons

| | FY21 | FY22 | | | | | | |
|---|------------------|--------------------|-------------------------|------------------|------|----------------------|----------------------|------|
| | Final June 30 | Original Budget | YTD (prelim) June 30 | Actual to Budget | | Projected June 30 | Projection to Budget | |
| | | | | \$ | % | | \$ | % |
| Tuition & General Service Fees | \$158,496,294 | \$152,383,000 | \$146,672,173 | (\$5,710,827) | | \$146,672,173 | (\$5,710,827) | |
| Other Fees | 18,240,062 | 17,745,000 | 18,764,458 | 1,019,458 | | 18,764,458 | 1,019,458 | |
| Scholarships | (55,336,403) | (64,577,000) | (54,470,348) | 10,106,652 | | (54,470,348) | 10,106,652 | |
| Net Tuition and Fees | 121,399,953 | 105,551,000 | 110,966,283 | 5,415,283 | 105% | 110,966,283 | 5,415,283 | 105% |
| State Share of Instruction | 95,016,451 | 95,504,000 | 95,504,251 | 251 | 100% | 95,504,251 | 251 | 100% |
| Indirect Cost Recovery | 3,979,498 | 3,631,000 | 3,709,846 | 78,846 | | 3,709,846 | 78,846 | |
| Investment Income | 16,590 | 29,000 | 7,258,697 | 7,229,697 | | 7,258,697 | 7,229,697 | |
| Miscellaneous Revenues | 4,517,585 | 1,800,000 | 1,850,401 | 50,401 | | 1,850,401 | 50,401 | |
| COVID Revenue Recovery | 27,100,000 | 5,833,000 | - | (5,833,000) | | - | (5,833,000) | |
| Total Revenues | 252,030,076 | 212,348,000 | 219,289,478 | 6,941,478 | 103% | 219,289,478 | 6,941,478 | 103% |
| Payroll | 118,341,560 | 116,947,000 | 111,978,993 | 4,968,007 | | 111,978,993 | 4,968,007 | |
| Fringes | 38,546,741 | 35,807,000 | 31,867,811 | 3,939,189 | | 31,867,811 | 3,939,189 | |
| Total Compensation | 156,888,301 | 152,754,000 | 143,846,804 | 8,907,196 | 94% | 143,846,804 | 8,907,196 | 94% |
| Utilities | 8,414,485 | 9,750,000 | 9,157,043 | 592,957 | | 9,157,043 | 592,957 | |
| Operating | 24,175,833 | 30,132,000 | 26,134,595 | 3,997,405 | | 26,134,595 | 3,997,405 | |
| Total Non Personnel | 32,590,318 | 39,882,000 | 35,291,639 | 4,590,361 | 88% | 35,291,639 | 4,590,361 | 88% |
| Re-charge of prior-year expenditures | (7,354,681) | 0 | 0 | 0 | | 0 | 0 | |
| Re-charge of current-year expenditures | (5,328,098) | (5,000,000) | (608,420) | (4,391,580) | | (608,420) | (4,391,580) | |
| Total Net Expenditures | 176,795,839 | 187,636,000 | 178,530,023 | 9,105,977 | 95% | 178,530,023 | 9,105,977 | 95% |
| Strategic Initiatives (net) | 0 | 4,157,000 | 2,097,016 | 2,059,984 | | 2,097,016 | 2,059,984 | |
| Safety Initiatives - One-time | 0 | 0 | 1,340,066 | (1,340,066) | | 1,340,066 | (1,340,066) | |
| Safety Initiatives - Recurring | 0 | 0 | 82,820 | (82,820) | | 82,820 | (82,820) | |
| Net Initiatives | 0 | 4,157,000 | 3,519,902 | 637,098 | | 3,519,902 | 637,098 | |
| Net Before Transfers | 75,234,237 | 20,555,000 | 37,239,553 | 16,684,553 | | 37,239,553 | 16,684,553 | |
| Transfers-In (Draw on Operating Reserves) | 0 | 18,338,000 | 0 | (18,338,000) | | 2,232,279 | (16,105,721) | |
| Transfers-In Plant Fund and Other | 18,007 | 0 | 74,800 | 74,800 | | 74,800 | 74,800 | |
| Advance-In | 0 | 0 | 80,000 | 80,000 | | 80,000 | 80,000 | |
| Transfers-In Encumbrance | 2,418,485 | 2,500,000 | 2,906,148 | 406,148 | | 2,906,148 | 406,148 | |
| Transfers-Out - Debt Service | 0 | (843,000) | (843,000) | 0 | | (843,000) | 0 | |
| Transfers-Out Plant Fund | (1,140,400) | (2,000,000) | (2,043,670) | (43,670) | | (2,043,670) | (43,670) | |
| Transfers-Out Facilities Fee | (4,170,000) | (4,315,000) | (4,315,000) | 0 | | (4,315,000) | 0 | |
| Transfers-Out General Service Fee | (10,777,000) | (10,313,000) | (10,313,000) | 0 | | (10,313,000) | 0 | |
| Transfers-Out Other-Debt Service | (8,906,784) | (7,299,000) | (7,299,000) | 0 | | (7,299,000) | 0 | |
| Transfers-Out Other | (10,030,805) | (13,313,000) | (12,775,049) | 537,951 | | (12,775,049) | 537,951 | |
| Transfers-Out - EAF | 0 | (605,000) | (575,000) | 30,000 | | (575,000) | 30,000 | |
| Transfers-Out - Departmental Sales | 0 | (205,000) | (302,711) | (97,711) | | (302,711) | (97,711) | |
| Advance-Out | 0 | 0 | 0 | 0 | | 0 | 0 | |
| Transfers-Out - Encumbrance | (2,906,148) | (2,500,000) | (4,066,349) | (1,566,349) | | (4,066,349) | (1,566,349) | |
| Net Transfers | (35,494,646) | (20,555,000) | (39,471,832) | (18,916,832) | | (37,239,552) | (16,684,552) | |
| Difference | \$39,739,591 | \$0 | (\$2,232,279) | (\$2,232,279) | | \$0 | \$0 | |

**The University of Akron
Akron and Wayne General Fund Combined
FY 2022 Budget Assumptions**

Overall: The current COVID-19 pandemic has complicated the instructional process; however, all efforts will be made to provide quality instruction to our valued students while providing a level of protection to students and our campus community.

- The University will provide face to face instruction; and
- The University will practice the recommended safety measures in compliance with Governor DeWine's guidelines.

Revenues

Tuition & General Service Fees

- Enrollment reflects an overall reduction of four percent;
- A one percent change in blended enrollment equates to roughly \$1.6 million; and
- Tuition and fees will remain at FY 2020-21 rates.

Other Fees

- Enrollment reflects an overall reduction of four percent; and
- A one percent change in blended enrollment equates to \$.2 million.

Scholarships

- Undergraduate, \$54.6 million including \$9.8 million for College Credit Plus and Early College and \$3 million for the Zips Affordability Scholarship (ZAP);
- Graduate assistant fee remissions, \$6 million; and
- Law School, \$4 million.

State Share of Instruction

- State Share of Instruction (SSI) reflects ODHE draft distribution.

Indirect Cost Recovery

- Aligns with FY 2020-21 expected revenues plus HEERF funds of \$3 million; and
- Distributions limited to the Principal Investigator at 10 percent with remainder to the Center.

Investment Income

- Lower cash balances and low interest rates are expected to result in minimal investment income; and
- Market fluctuations, either way, will impact the actual amount.

Miscellaneous Revenues

- \$.7 million from the sale of IP addresses;
- \$.3 million from leases of University of Akron property;
- \$.3 million from Federal energy tax credit;

The University of Akron
Akron and Wayne General Fund Combined
FY 2022 Budget Assumptions

- \$.2 million from phase out of Perkins Loan program;
- \$30,000 pouring rights; and
- various other sources.

COVID Revenue Recovery

- \$5.8 million in recovery for estimated lost revenue associated with COVID-19

Expenditures

Payroll and Vacancies

- No raise pool is contemplated at this time;
- \$1.6 million in temporary salary reductions for bargaining unit faculty;
- \$3.5 million of salary and vacancy savings related to the amount of time funded positions remain vacant;
- \$625,000 in reallocation of General Fund compensation to grants, leaves without pay, and professional development leaves; and

Fringes

- Pooled fringe rates as follows (pending approval):
 - 30.2 percent – full time
 - 15 percent – part time
 - 2.55 percent – graduate assistants and student assistants
- Elimination of \$931,000 payments for Voluntary Retirement Incentive Program (VRIP); and
- Elimination of \$3.7 million payments for Voluntary Separation and Retirement Program;

Utilities

- Electric, natural gas, and water and sewer.

Operating

- The designated fees such as course fees and technology fees, etc., are enrollment driven and are assumed to follow enrollment assumptions;
- The designated fees and start-ups assume that only current-year revenues and/or allocations are expended; however, a certain level of carry over exists within these fees and start-ups, which may be expended by the units and therefore cause expenditures to exceed the initial allocations;
- \$1 million contingency reserve;
- 15 percent increase to liability insurance;
- The non-personnel allocations mirror the FY 2020-21 revised budgets with a few exceptions:
 - \$260,000 additional funds to Office of Academic Administration for Blackboard Call Center for Student Financial Aid department.

The University of Akron
Akron and Wayne General Fund Combined
FY 2022 Budget Assumptions

- \$150,000 additional funds to VP Development for Blackbaud software that was not funded in the current year.
- \$100,000 additional funds for University Advertising.
- \$88,000 additional funds to University Libraries to support student assistant wages required to return to pre-pandemic services and hours of operation.
- \$54,000 additional funds to VP Chief Diversity Officer to support Title IX compliance.
- \$10,000 additional funds to Office of Academic Administration in support of the Summit Education Initiative in Adult Focus.
- Reduction of \$7,374 in Admissions to cover increased salaries in vacant positions.
- In the absence of departmental and college level IDC distributions, the budget continues to assume certain research related costs in the amount of \$400,000; and
- State minimum wage adjustment.

Strategic Initiative Fund (net)

Expenditures

- Net ERP expenditures \$3.5 million; and
- B&P positions and fringes \$0.7 million.

Other

Transfers-In (Draw on Operating Reserves)

- Draw on reserves of \$18.3 million.

Transfers-Out - Plant Fund

- Capital projects will be funded at \$2 million.

Transfers-Out - Debt Service

- Transfers to plant fund to accumulate resources to make December and June aggregate payments to retire debt.
- The General Fund portion of debt service has been covered directly from debt reserve funds. Those balances have been depleted and the FY 2021-22 obligation of \$843,000 is relatively small compared to the obligations of \$7.1 million and \$12.2 million in FY 2022-23 and FY 2023-24, respectively.

The University of Akron
Akron and Wayne General Fund Combined
FY 2022 Budget Assumptions

Transfers-Out - Auxiliaries

- Transfers to Auxiliaries of General Services Fee, \$10.3 million; Facilities Fees, \$4.3 million; and Other, \$20.6 million. Assumes four percent enrollment decline and return to pre-pandemic operations.

| | General Service Fees | Facilities Fees | Other Debt Service | Other | Total |
|-----------------------------------|-------------------------|--------------------|-----------------------|----------------------|---------------------|
| Athletics | \$10,313,000 | \$2,258,000 | \$ 2,697,000 | \$ 4,544,000 | \$19,812,000 |
| Residence Life & Housing | - | - | 2,145,000 | 3,984,000 | 6,129,000 |
| E.J. Thomas PAH | - | - | - | 630,000 | 630,000 |
| Recreation & Wellness Services | - | 756,000 | 903,000 | 1,493,000 | 3,152,000 |
| Jean Hower Taber Student Union | - | 1,301,000 | 1,554,000 | 1,260,000 | 4,115,000 |
| Parking & Transportation Services | - | - | - | 1,402,000 | 1,402,000 |
| Total | \$10,313,000 | \$4,315,000 | \$ 7,299,000 | \$ 13,313,000 | \$35,240,000 |

Transfers-Out – EAF

- Student Extracurricular Activities Fund sourced with a portion of general service fees and transferred to student groups. Previously reflected in Operating expenditures, reclassified in compliance with GASB 84.

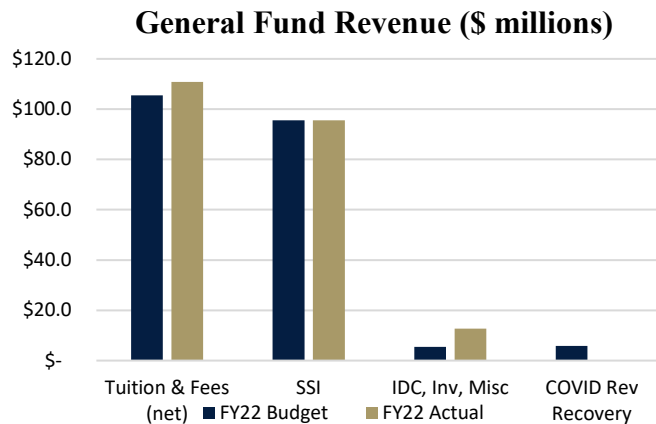
Transfers-Out – Departmental Sales

- Transfer to Self-Insurance fund in support of expenditures not included in the pooled fringe rate, including retirement TPA fees, EAP, and consulting.

**The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2022 Budget and Preliminary Actual Results for the Fiscal Year Ended
June 30, 2022**

Revenues

Tuition & General Service Fees: Tuition & General Service Fees revenues total \$146.7 million to date or approximately 96 percent of the \$152.4 million annual budget. These revenues reflect Fall 2021, Spring 2022 as well as the latter portion of Summer 2021 and the first part of Summer 2022. There may be minimal year end adjustments as the fiscal year is not yet closed.



The year-to-date credit hours reflect a decline from prior year of 11.5 percent in undergraduate and graduate, and a one percent increase in law. This overall decline of 11.1 percent in credit hours is significantly greater than the budgeted four percent decline. Tuition and general service fee revenues fall short of the budget by about \$5.7 million.

Other Fees: Other Fees revenues total \$18.8 million to date or approximately 106 percent of the \$17.7 million annual budget. The annual Other Fees are \$1.0 million greater than budget. A portion of this increase is due to facility fee receipts as students are now on campus and being assessed the fee.

Other Fees include various student fees such as technology fees (26 percent), facilities fees (26 percent), and unit and course/ content, administrative, career advantage and other fees (48 percent). The electronic content fees are charged to a student’s account and the proceeds are paid directly to Barnes & Noble.

Many of the fees remain within the General Fund and are used for operations while the Facilities Fee passes through to Auxiliary units and contributes toward the debt service requirements of the Student Recreation and Wellness Center, Student Union, InfoCision Stadium, and the Fieldhouse.

Scholarships: Scholarships total \$54.6 million to date or approximately 84 percent of the \$64.6 million annual budget. The year-end scholarships include undergraduate (\$44.7 million), graduate tuition remissions (\$5.7 million), and law (\$4.1 million). The undergraduate scholarships include \$8.2 million in discounts associated with College Credit Plus and Early College. Preliminary year-end scholarship expenditures are \$10.0 million less than budgeted and more than offset the expected tuition shortfall.

State Share of Instruction: State Share of Instruction (SSI) revenues total \$95.5 million or 100 percent of the annual budget.

**The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2022 Budget and Preliminary Actual Results for the Fiscal Year Ended
June 30, 2022**

Indirect Cost Recovery: IDC revenues total \$3.6 million, or approximately 100 percent of the annual budget. IDC is proportionately related to externally funded research activities and is allocated 90 percent to the General Fund to pay general expenditures of the University and 10 percent to the principal investigators. Projections suggest the budgeted amount will be realized.

Investment Income: Investment Income revenues total approximately \$7.2 million. In recent years, only income associated with the short-term investments was reported. As of February 28, 2022, a reporting change recognizes all investment income.

Miscellaneous Revenues: Miscellaneous Revenues are \$1.8 million, or 100 percent of the annual budget; consisting of \$721,000 from the second sale of IP addresses, \$264,000 in federal tax credits, \$224,000 from the University Endowment, \$202,000 in lease revenue, and \$439,000 from various sources.

COVID Revenue Recovery: Revenue Recovery from HEERF funds of \$5.8 million is budgeted; however, those funds were received in FY21 and are not expected in the current fiscal year.

Expenditures – In anticipation of lower than planned revenues, units have been asked to identify reductions of \$4 million.

| Employee Type | Actual YTD |
|---|-------------------|
| Faculty | \$60,219,000 |
| Staff | 22,600,000 |
| Contract Professionals | 24,657,000 |
| Graduate Assistants | 4,185,000 |
| Year-to-date Payroll | 111,661,000 |
| less: Strategic and Safety Initiative Adjustments | (449,000) |
| Total adjusted payroll | \$ 111,212,000 |

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

Note 2: Excludes fringe benefits.

Compensation: Adjusted Payroll expenditures total \$112 million to date or 96 percent of the \$116.9 million annual budget. A portion of the final staff and student pay remains, and projections suggest payroll expenses will be \$5.0 million under budget.

Adjusted Fringe Benefits total \$31.9 million to date or 89 percent of the \$35.8 million annual budget. Projections suggest fringe expenses will be \$4.0 million under budget.

Utilities: The year-to-date Utilities expenses approximate \$9.2 million or 94 percent of the \$9.8 million annual budget. Gas rates increased in October with the contract refresh. Projections suggest expenses will remain within budget.

Operating: Adjusted Operating expenditures total \$26.1 million to date, including \$4.1 million of encumbered funds, and \$3.5 million in Strategic and Safety Initiatives.

Re-charge of current-year expenditures: Personnel and fringe expenses were recharged to HEERF funds for time spent performing COVID related functions during FY 2022.

**The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2022 Budget and Preliminary Actual Results for the Fiscal Year Ended
June 30, 2022**

| Functional Category | Actual YTD |
|--|-----------------------|
| Instruction and Departmental Research | \$ 83,114,000 |
| Separately Budgeted Research | 2,468,000 |
| Public Service | 170,000 |
| Academic Support | 25,412,000 |
| Student Services | 9,899,000 |
| Institutional Support | 44,330,000 |
| Operation and Maintenance of Plant | 17,344,000 |
| Scholarships and Fellowships | 55,444,000 |
| Gross Expenditures | 238,181,000 |
| Less: Strategic and Safety Initiatives | (2,720,000) |
| Net Current Year Expenditures | \$ 235,461,000 |

Note: The expenditures are summarized by functional classification.

The expenditures are incurred within the operating units primarily for software license, supplies and services, transcribing, advertising, travel, and occasionally smaller dollar capital items such as computers and equipment.

Transfers, Advances, and Loan

Transfers-In (Draw on Operating Reserves):
The original budget assumed the draw on operating reserves of \$18.3 million; however, spending and hiring have slowed, and the revised expected draw on reserves is \$2.3 million.

Transfers-In Plant Funds and Other: The \$74,800 transfer-in from plant funds is to support paving and canopy repairs at the Medina regional location and maintenance of campus greenspace and the Korean War Memorial on main campus. The projects are too small to capitalize and are not expensed to plant funds.

Transfers-Out – Debt Service: The \$843,000 year-to-date transfer reflects 100 percent of the annual budget.

Transfers-Out Plant Fund: To date, the following transfers have been made for capital projects:

- \$800,000 Cameras South of Exchange (reflected in Safety Initiatives)
- \$346,000 PFOC Energy Repairs
- \$235,000 Classroom furniture, fixtures and equipment;
- \$200,000 High Temp Hot Water repair (KW OL);
- \$175,000 Campus hardscape;
- \$175,000 Fuel oil replacement;
- \$154,000 Polymer Training Center relocation;
- \$154,000 Second High-Temperature Water Tank;
- \$150,000 Tunnel lighting and miscellaneous repairs;
- \$125,000 Heisman lodge demolition;
- \$76,000 Backhoe purchase;
- \$60,000 Engineering career center office;
- \$60,000 Physical Plant Chiller Repair;
- \$49,000 Exterior pressure washing;
- \$44,000 Truesite workstation for campus fire alarm systems;
- \$33,000 ONAT Air Handler Unit;

The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2022 Budget and Preliminary Actual Results for the Fiscal Year Ended
June 30, 2022

- \$30,000 Knight Chemical generator;
- \$30,000 Auburn Science and Engineering Center (ASEC) elevator;
- \$27,000 Energy Center Pump;
- \$26,000 Energy Center Boiler repairs;
- \$25,000 Central Hower MCC;
- \$25,000 Spanton and Bulger piping design;
- \$24,000 KNCL Chemical Storage room assessment;
- \$15,000 Auburn Science and Engineering Center (ASEC) generator;
- \$10,000 Goodyear Underground Storage Tank;
- \$7,734 Campus Hardscape;
- (\$45,000) Close-out of EDA and JAR projects; and
- (\$165,000) Return of funds from Fuel Oil Replacement

Transfers-Out Facilities Fee: The anticipated annual Facilities Fee revenues are transferred ratably throughout the fiscal year to support the debt service of the Stadium, Fieldhouse, Student Union, and Student Recreation and Wellness Center. Transfers-Out Facilities Fee of \$4.3 million to date is 100 percent of the annual budget. This amount will be adjusted at year-end to reflect the actual fees collected.

Transfers-Out General Service Fee: The majority of the General Service Fee revenues, 94 percent, is transferred to Intercollegiate Athletics in support of operations. The year-to-date transfer of \$10.3 million is 100 percent of the annual budget. This amount will be adjusted at year-end to reflect the actual fees collected.

Transfers-Out Other – Debt Service: The Facilities Fees support the debt service of the Stadium, Fieldhouse, Student Union, and Student Recreation and Wellness Center. The Facilities Fees have declined over the years and no longer fully services the debt service of these buildings, requiring additional transfers from the General Fund to fund the remaining debt service. The debt service for certain auxiliaries is covered completely with the Facilities Fee and this transfer. To date, 100 percent of the \$7.3 million budget has been transferred. To the extent the year-end Facilities Fees revenues vary from budget, this transfer will reflect offsetting adjustments.

Transfers-Out – Other: The budget of \$13.3 million provides supplemental General Fund support to various auxiliaries. The year-to-date transfers of \$12.8 million reflect 96 percent of the \$13.3 million annual budget and reflects a one-time budget reduction of \$538,000.

Advances: As of the end of June, there are no outstanding Advances.

Transfers-Out – EAF: An accounting change dictates that the funding of the Extracurricular Activities Fund (EAF) should be treated as a transfer out, rather than an expense against the General Fund. To date, \$575,000 of the \$605,000 budget has been transferred. This reflects the Akron portion, and is transferred at the beginning of the year to support student group activities.

**The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2022 Budget and Preliminary Actual Results for the Fiscal Year Ended
June 30, 2022**

The remaining portion reflects the Wayne Campus allocation. These activities are funded with a portion of the General Services Fee.

Transfers-Out – Departmental Sales: To date, the budgeted amount of \$205,000 has been transferred to Support items in the Self-Insurance Fund not included in the fringe benefit rate. An additional transfer of \$97,000 was made to reimburse Printing Services for prior-year COVID related expenditures.

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 June 30, 2022, the outstanding balance is \$221,000 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. As of June 30, 2022, the outstanding balance is \$0.