

**DEPARTMENTAL SALES AND
SERVICES FUNDS**

For the Six Months Ended December 31, 2020

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY 2021 Budget and Actual Results for the six months ended December 31, 2020 with FY 2020 Comparisons

Departmental Sales and Services Combined	FY20		FY21						
	YTD	YTD	Approved Budget	YTD December 31	Actual to Budget		Projected June 30	Projection to Budget	
	June 30	December 31			\$	%		\$	%
Revenues	\$27,372,310	\$13,399,494	25,773,000	\$11,513,745	(\$14,259,255)	45%	\$22,741,000	(\$3,032,000)	88%
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Payroll	2,785,718	1,396,836	2,667,000	1,321,025	1,345,975		2,753,000	(86,000)	
Fringes	825,569	419,343	687,000	371,139	315,861		688,000	(1,000)	
Total Compensation	3,611,287	1,816,179	3,354,000	1,692,164	1,661,836	50%	3,441,000	(87,000)	103%
Operating	3,434,228	2,263,763	2,790,000	1,298,525	1,491,475		2,603,000	187,000	
Premiums and Claims	24,704,489	12,854,923	25,141,000	10,549,596	14,591,404		20,723,000	4,418,000	
Capital	25,526	16,960	0	43,469	(43,469)		44,000	(44,000)	
Total Non Personnel	28,164,243	15,135,646	27,931,000	11,891,590	16,039,410	43%	23,370,000	4,561,000	84%
Re-charge of prior-year expenditures	0	0	0	(8,308)	8,308		(8,308)	8,308	
Re-charge of current-year expenditures	0	0	0	0	0		0	0	
Total Expenditures	31,775,530	16,951,825	31,285,000	13,583,754	17,701,246	43%	26,802,692	4,482,308	86%
Net Before Transfers	(4,403,220)	(3,552,331)	(5,512,000)	(2,070,009)	3,441,991		(4,061,692)	1,450,308	
Transfers-In - Other	0	0	0	0	0		0	0	
Transfers-In - Encumbrances	293,453	293,453	0	176,323	176,323		0	0	
Transfers-In - Fund Balance	4,324,381	0	5,528,000	0	(5,528,000)		4,061,692	(1,466,308)	
Transfers-Out - Other	0	0	0	0	0		0	0	
Transfers-Out - Encumbrances	(176,323)	0	0	0	0		0	0	
Net Transfers	4,441,511	293,453	5,528,000	176,323	(5,351,677)		4,061,692	(1,466,308)	
Difference	\$38,291	(\$3,258,878)	\$16,000	(\$1,893,686)	(\$1,909,686)		\$0	(\$16,000)	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY 2021 Budget and Actual Results for the six months ended December 31, 2020 with FY 2020 Comparisons

Self-Insurance Health Care	FY20		FY21						
	YTD	YTD	Approved Budget	YTD December 31	Actual to Budget		Projected June 30	Projection to Budget	
	June 30	December 31			\$	%		\$	%
Revenues	\$21,299,743	\$9,993,016	\$20,126,000	\$9,238,594	(\$10,887,406)	46%	\$17,822,000	(\$2,304,000)	89%
Payroll	157,970	75,822	181,000	84,621	96,379		169,000	12,000	
Fringes	49,780	24,263	52,000	28,340	23,660		57,000	(5,000)	
Total Compensation	207,750	100,085	233,000	112,961	120,039	48%	226,000	7,000	97%
Operating	216,712	108,289	194,000	113,810	80,190		228,000	(34,000)	
Premiums and Claims	24,704,489	12,854,923	25,141,000	10,549,596	14,591,404		20,723,000	4,418,000	
Capital	0	0	0	0	0		0	0	
Total Non Personnel	24,921,201	12,963,212	25,335,000	10,663,406	14,671,594	42%	20,951,000	4,384,000	83%
Re-charge of prior-year expenditures	0	0	0	0	0		0	0	
Re-charge of current-year expenditures	0	0	0	0	0		0	0	
Total Expenditures	25,128,951	13,063,297	25,568,000	10,776,367	14,791,633	42%	21,177,000	4,391,000	83%
Net Before Transfers	(3,829,208)	(3,070,281)	(5,442,000)	(1,537,773)	3,904,227		(3,355,000)	2,087,000	
Transfers-In - Other	0	0	0	0	0		0	0	
Transfers-In - Encumbrances	0	0	0	0	0		0	0	
Transfers-In - Fund Balance	3,829,208	0	5,442,000	0	(5,442,000)		3,355,000	(2,087,000)	
Transfers-Out - Other	0	0	0	0	0		0	0	
Transfers-Out - Encumbrances	0	0	0	0	0		0	0	
Net Transfers	3,829,208	0	5,442,000	0	(5,442,000)		3,355,000	(2,087,000)	
Difference	\$0	(\$3,070,281)	\$0	(\$1,537,773)	(\$1,537,773)		\$0	\$0	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY 2021 Budget and Actual Results for the six months ended December 31, 2020 with FY 2020 Comparisons

Workforce Training Solutions	FY20		FY21						
	YTD	YTD	Approved Budget	YTD December 31	Actual to Budget		Projected June 30	Projection to Budget	
	June 30	December 31			\$	%		\$	%
Revenues	\$597,807	\$344,893	\$730,000	\$146,506	(\$583,494)	20%	\$395,000	(\$335,000)	54%
Payroll	284,815	163,740	298,000	98,493	199,507		288,000	10,000	
Fringes	79,954	45,352	74,000	26,435	(26,435)		70,000	4,000	
Total Compensation	364,769	209,092	372,000	124,928	173,072	34%	358,000	14,000	96%
Operating	228,940	160,427	342,000	40,801	301,199		121,000	221,000	
Premiums and Claims	0	0	0	0	0		0	0	
Capital	0	0	0	0	0		0	0	
Total Non Personnel	228,940	160,427	342,000	40,801	301,199	12%	121,000	221,000	35%
Re-charge of prior-year expenditures	0	0	0	0	0		0	0	
Re-charge of current-year expenditures	0	0	0	0	0		0	0	
Total Expenditures	593,709	369,519	714,000	165,729	474,271	23%	479,000	235,000	67%
Net Before Transfers	4,098	(24,626)	16,000	(19,223)	(35,223)		(84,000)	(100,000)	
Transfers-In - Other	0	0	0	0	0		0	0	
Transfers-In - Encumbrances	34,193	34,193	0	0	0		0	0	
Transfers-In - Fund Balance	0	0	0	0	0		84,000	84,000	
Transfers-Out - Other	0	0	0	0	0		0	0	
Transfers-Out - Encumbrances	0	0	0	0	0		0	0	
Net Transfers	34,193	34,193	0	0	0		84,000	84,000	
Difference	\$38,291	\$9,567	\$16,000	(\$19,223)	(\$35,223)		\$0	(\$16,000)	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY 2021 Budget and Actual Results for the six months ended December 31, 2020 with FY 2020 Comparisons

	FY20		FY21						
	YTD	YTD	Approved Budget	YTD December 31	Actual to Budget		Projected June 30	Projection to Budget	
	June 30	December 31			\$	%		\$	%
Revenues	\$422,245	\$91,510	\$481,000	\$78,210	(\$402,790)	16%	\$395,000	(\$86,000)	82%
Payroll	153,335	70,234	145,000	63,229	81,771		145,000	0	
Fringes	50,414	24,955	51,000	19,524	31,476		51,000	0	
Total Compensation	203,749	95,189	196,000	82,753	113,247	42%	196,000	0	100%
Operating	219,626	132,171	371,000	70,300	300,700		371,000	0	
Premiums and Claims	0	0	0	0	0		0	0	
Capital	0	0	0	0	0		0	0	
Total Non Personnel	219,626	132,171	371,000	70,300	300,700	19%	371,000	0	100%
Re-charge of prior-year expenditures	0	0	0	0	0		0	0	
Re-charge of current-year expenditures	0	0	0	0	0		0	0	
Total Expenditures	423,375	227,360	567,000	153,053	413,947	27%	567,000	0	100%
Net Before Transfers	(1,130)	(135,850)	(86,000)	(74,843)	11,157		(172,000)	(86,000)	
Transfers-In - Other	0	0	0	0	0		0	0	
Transfers-In - Encumbrances	0	0	0	0	0		0	0	
Transfers-In - Fund Balance	1,130	0	86,000	0	(86,000)		172,000	86,000	
Transfers-Out - Other	0	0	0	0	0		0	0	
Transfers-Out - Encumbrances	0	0	0	0	0		0	0	
Net Transfers	1,130	0	86,000	0	(86,000)		172,000	86,000	
Difference	\$0	(\$135,850)	\$0	(\$74,843)	(\$74,843)		\$0	\$0	

The University of Akron
Akron and Wayne Departmental Sales and Services Funds Combined
FY 2021 Budget and Actual Results for the six months ended December 31, 2020 with FY 2020 Comparisons

Other	FY20		FY21						
	YTD	YTD	Approved Budget	YTD December 31	Actual to Budget		Projected June 30	Projection to Budget	
	June 30	December 31			\$	%		\$	%
Revenues	\$5,052,515	\$2,970,075	\$4,436,000	\$2,050,435	(\$2,385,565)	46%	\$4,129,000	(\$307,000)	93%
Payroll	2,189,598	1,087,040	2,043,000	1,074,682	968,318		2,151,000	(108,000)	
Fringes	645,421	324,773	510,000	296,840	213,160		510,000	0	
Total Compensation	2,835,019	1,411,813	2,553,000	1,371,522	1,181,478	54%	2,661,000	(108,000)	104%
Operating	2,768,950	1,862,876	1,883,000	1,073,614	809,386		1,883,000	0	
Premiums and Claims	0	0	0	0	0		0	0	
Capital	25,526	16,960	0	43,469	(43,469)		44,000	(44,000)	
Total Non Personnel	2,794,476	1,879,836	1,883,000	1,117,083	765,917	59%	1,927,000	(44,000)	102%
Re-charge of prior-year expenditures	0	0	0	(8,308)	8,308		(8,308)	8,308	
Re-charge of current-year expenditures	0	0	0	0	0		0	0	
Total Expenditures	5,629,495	3,291,649	4,436,000	2,480,297	1,947,395	56%	4,579,692	(143,692)	103%
Net Before Transfers	(576,980)	(321,574)	-	(429,862)	(429,862)		(450,692)	(450,692)	
Transfers-In - Other	0	0	0	0	0		0	0	
Transfers-In - Encumbrances	259,260	259,260	0	176,323	176,323		0	0	
Transfers-In - Fund Balance	494,043	0	0	0	0		450,692	450,692	
Transfers-Out - Other	0	0	0	0	0		0	0	
Transfers-Out - Encumbrances	(176,323)	0	0	0	0		0	0	
Net Transfers	576,980	259,260	0	176,323	176,323		450,692	450,692	
Difference	\$0	(\$62,314)	\$0	(\$253,539)	(\$253,539)		\$0	\$0	

Overall Assumptions

The 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.

Payroll and Fringes

- No increase for bargaining unit employees;
- No raise pool equivalent for qualifying non-represented employees;
- Temporary tiered salary reductions as approved by the Board of Trustees;
- Application of the pooled rate for 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 permits; and
- Fringe rate reduction.

Fund Assumptions

Self-Insurance Health Care

Revenues

- University contributions to employee-provided benefits such as medical, prescription drug, dental, long-term disability, and life insurance with fringe rate reduction. Effective January 1, 2021, University contributions for non-bargaining unit employees who earn between \$50,000 and \$66,999 will decrease from 81% to 70%; for employees who earn between \$67,000 and \$91,999, University contributions will decrease from 80% to 69%; for employees who earn between \$92,000 and \$124,999, University contributions will decrease from 79% to 68%; and for employees who earn \$125,000 and above, University contributions will decrease from 77% to 66%; and
- Employee and retiree contributions for coverage that requires an employee cost share or is voluntary (100 percent employee paid) such as medical, prescription drug, short-term and long-term disability, life insurance, vision, and flexible spending accounts.

Operating

- Amounts expected to be paid for administrative and consulting fees; and
- Effective January 1, 2021, the Retiree Dependent Health Insurance Program (RDHIP) for the eligible dependents of non-bargaining retirees and active employees will cease. The RDHIP continues for eligible dependents of active bargaining unit faculty. The budgeted \$25.1 million expenditure budgeted for FY21 is funded by the Self Insurance Health Care reserve and projections indicate that amount will be closer to \$20.7 million.

Premiums and Claims

- Estimated cost for insurance premiums and self-insured claim payments related to employee benefit program; and
- Medical, prescription drug, dental, stop loss insurance, and other ancillary benefits.

**The University of Akron
Departmental Sales and Services
FY 2021 Budget Assumptions**

Workforce Training Solutions

Revenues

- Open enrollment and contract training fees 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;
- Workforce Training Solutions will manage to ensure expenditures are limited to revenues; and
- The COVID-19 pandemic has complicated the instructional process. Many customers/companies either do not want virtual classes, or do not feel comfortable with in-person classes (either on campus or onsite) and therefore are postponing classes.

New Student Orientation

Revenues

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

Operating

- Peer mentoring, New Roo Weekend, supplies and services, and travel and hospitality;
- New Student Orientation will monitor expenditures; however, the budgeted \$86,000 deficit will be offset by the New Student Orientation carryover from fiscal year ended June 30, 2020. Fund balance will approximate \$293,000 at June 30, 2021; and
- The COVID-19 pandemic has altered operations. Student assistants working at any given time are limited to one staff member and the orientation programs for spring 2021 are online.

Other

Revenues

- Includes about 115 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.

Capital

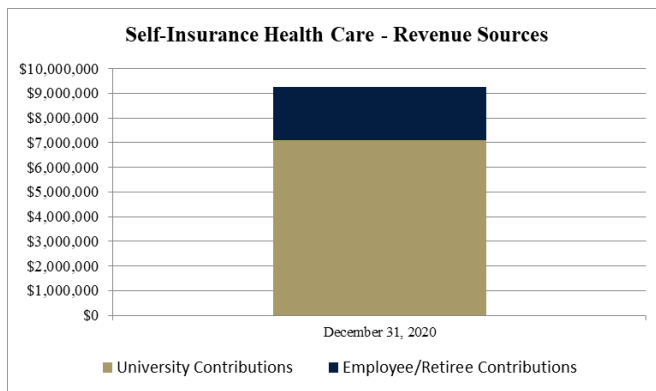
- Equipment replacements not anticipated barring unforeseen equipment failures.

**The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2021 Budget and Actual Results for the six months ended December 31, 2020**

Self-Insurance Health Care

Self-Insurance Health Care actual revenues total \$9.2 million or 46 percent as compared to annual budgeted revenues of \$20.1 million and are projected to be short by approximately \$2.3 million by year end.

The revenues are derived from the University (77 percent) and employee/retiree contributions (23 percent). Some benefits are funded solely by the University and some by the University and employee while some benefits are funded by the University, employee, and retiree as follows: medical (University, employee, and retiree), prescription drug (University, employee, and retiree), dental (University and employee), short-term disability (employee), long-term disability (University and employee), life insurance (University and employee), vision (employee), and flexible spending accounts (University and employee).



Payroll and fringes total \$113,000 or 48 percent as compared to the annual budget of \$233,000.

Operating expenditures total \$114,000 or 59 percent for consulting and administrative services as compared to the annual budget of \$194,000.

Premiums and Claims expenditures total \$10.5 million or 42 percent as compared to the annual budget of \$25.1 million and are projected to be short by approximately \$4.4 million due to declining plan utilization.

The Self-Insurance fund has a planned fiscal year shortfall in the amount of \$5.4 million to help achieve a reserve that is more appropriate. Current projections are that the shortfall will total \$3.4 million.

Workforce Training Solutions

Workforce Training Solutions actual revenues from open enrollment and contract training fees total \$147,000 or 20 percent as compared to the annual budgeted revenues of \$730,000. Current projections are revenues will total \$395,000, or \$335,000 less than budget due to cancellation or postponement of classes.

Payroll and fringes total \$125,000 or 34 percent as compared to the annual budget of \$372,000. Generally, payroll costs related to contract training are incurred prior to the associated revenue being collected.

The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2021 Budget and Actual Results for the six months ended December 31, 2020

Operating expenditures total \$41,000 or 12 percent as compared to the annual budget of \$342,000. The principal operating expenditures include supplies and services related to training and instructional support. Current projections are that expenditures will approximate \$121,000 or \$221,000 less than budget.

**The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2021 Budget and Actual Results for the six months ended December 31, 2020**

New Student Orientation

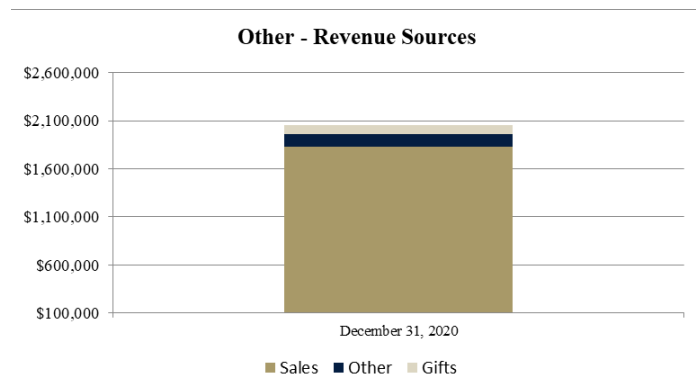
New Student Orientation actual revenues total \$78,000 or 16 percent as compared to the annual budgeted revenues of \$481,000. Current projections are revenues will total \$395,000, or \$86,000 less than budget. Since its launch on March 31st, the We Rise Together form helps those students who identify recent financial hardships paying the confirmation fee as students are confirming their enrollment to the University. New Student Orientation is waiving the confirmation fee to assist students and advance them in their enrollment process currently for students starting spring 2021, summer 2021, and fall 2021. The projection assumes that \$172,000 will be needed from the fund balance to balance the budget. We will continue to monitor the impact and adjust projections accordingly.

Payroll and fringes total \$83,000 or 42 percent as compared to the annual budget of \$196,000.

Operating expenditures total \$70,000 or 19 percent as compared to the annual budget of \$371,000. The principal operating expenditures include New Roo Weekend (57 percent) and student assistants (27 percent). Current expectations are that expenditures will remain at or below budget. Expenditures will continue to be closely monitored and managed throughout the course of the year.

Other

The Other departmental sales and services actual revenues total \$2.1 million or 46 percent as compared to the annual budgeted revenues of \$4.4 million. The principal revenues are generated from roughly 66 activities including University Credit Card Program (14 percent), Law Enforcement Training Center (11 percent), and Installment Payment Plan (eight percent). Current projections are that budgeted revenues will not be achieved as revenues are projected to approximate \$4.1 million or \$307,000 less than budget. The projection will be updated should activities merit.



Payroll and fringes total \$1.4 million or 54 percent as compared to the annual budget of \$2.6 million. Compensation is projected to approximate \$2.7 million or \$108,000 greater than budget. The projection will be updated should activities merit.

The University of Akron
Akron and Wayne General Fund Combined
Narrative of FY 2021 Budget and Actual Results for the six months ended December 31, 2020

Operating expenditures total \$1.1 million or 57 percent as compared to the annual budget of \$1.9 million. The primary operating expenditures are supplies and services (86 percent).

Capital expenditures total \$43,000. The capital expenditures are associated with the purchase of Polymer and Chemistry testing equipment initiated last fiscal year and the purchase of tribometer kits for corrosion engineering and a trailer for the 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 \$176,000 Transfers-In – Encumbrances represents those types of commitments.