



John R. Kasich, Governor  
Paolo DeMaria, Superintendent of Public Instruction

November 30, 2016

Ms. Karen Dendorfer  
Parma City School District  
5311 Longwood Ave.  
Cleveland, OH 44134

VIA ELECTRONIC MAIL TO: [dendorferk@parmacityschools.org](mailto:dendorferk@parmacityschools.org)

**RE: APPROVAL OF WRITTEN PROPOSAL TO ELIMINATE DEFICITS**

Dear Ms. Dendorfer:

On July 21, 2016, in accordance with Ohio Revised Code Section 3316.031(C), a written proposal was requested to address deficits forecasted on your district's May 2016 five-year forecast. In response to that request, a written proposal was submitted to the Ohio Department of Education by Parma City Schools on October 28, 2016. Thereafter, the citizens of Parma City Schools District passed a levy and the district updated its five-year forecast to reflect the written proposal and the additional revenue (see attached).

The detailed measures which you have included in your written proposal, when combined with the revenue from the renewal levy, satisfactorily address the deficits forecasted for FY2017, FY2018, and substantially reduce the deficit in FY2019, as reflected in the recently updated forecast.

Because a deficit is currently not forecasted until FY2019, the district has an opportunity to discuss future plans and determine which actions will best address those future deficits. With the submission of the May 2017 forecast we will again request a written proposal to address any remaining deficits. Please take advantage of this time in between forecasts to continue to pursue additional revenue enhancements or expenditure reductions necessary to bring line 6.010 to zero and thereby eliminate forecasted deficit spending trends.

The department commends you and your team for the hard work, dedication, and responsibility demonstrated in the development of the proposal, and for the commitment required to implement the difficult changes outlined in the proposal.

Should you have any questions, please contact me.



Bob Foss, Fiscal Consultant  
School Finance Office  
(330) 800-6894, ([robert.foss@education.ohio.gov](mailto:robert.foss@education.ohio.gov))

CC:

Carl Hilling, Superintendent, Parma CSD via email; [hillinc@parmacityschools.org](mailto:hillinc@parmacityschools.org)  
David Crowley, Treasurer, Parma CSD via email; [crowleyd@parmacityschools.org](mailto:crowleyd@parmacityschools.org)  
Unice S Smith, Chief of Local Government Services, Auditor of State Office, via email  
Brian Jones, Director, ODE, via email  
Kim Richard, Assistant Director, ODE, via email  
Ron Victor, Area Coordinator, Area 10, ODE, via email  
Jack Nairus, Area Coordinator, Area 10, ODE, via email  
Bob Foss, Fiscal Consultant, Area 10, ODE, via email

# Parma City Schools

Cuyahoga

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2014, 2015 and 2016 Actual;  
Forecasted Fiscal Years Ending June 30, 2017 Through 2021  
Updated November 21, 2016

	Actual			Average Change	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016						
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	89,110,418	87,255,455	89,924,979	0.5%	86,677,956	84,680,934	85,427,956	86,677,956	82,852,255
1.020 Tangible Personal Property Tax	9,732	3,222,541	3,494,510	16510.6%	3,494,510	3,494,510	3,494,510	3,494,510	3,377,238
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	26,267,017	28,455,213	29,713,825	6.4%	31,241,519	31,241,519	31,241,519	31,241,519	31,241,519
1.040 Restricted State Grants-in-Aid	1,384,738	2,089,503	2,141,639	26.7%	2,247,796	2,247,796	2,247,796	2,247,796	2,247,796
1.045 Restricted Federal Grants-in-Aid - SFSF & Fed Eds Job									
1.050 Property Tax Allocation	14,589,259	14,679,357	14,475,645	-0.4%	14,475,645	14,475,645	14,475,645	14,475,645	13,819,888
1.060 All Other Revenues	4,741,035	6,042,763	3,433,462	-7.9%	3,474,000	3,400,000	3,400,000	3,400,000	3,400,000
1.070 Total Revenues	136,102,199	141,744,832	143,184,060	2.6%	141,611,425	139,540,402	140,287,425	141,537,425	136,938,495
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Approved)									
2.040 Operating Transfers-In	11,973	1,356	2,786	8.4%					
2.050 Advances-In	988,251	732,756	367,000	-37.9%	596,954	590,000	500,000	500,000	500,000
2.060 All Other Financing Sources	1,132,404	1,326,019	4,220,668	117.7%	780,000	780,000	780,000	780,000	780,000
2.070 Total Other Financing Sources	2,132,628	2,069,132	4,590,454	59.7%	1,376,954	1,370,000	1,280,000	1,280,000	1,280,000
2.080 Total Revenues and Other Financing Sources	138,234,826	143,804,964	147,774,514	3.4%	142,988,379	140,910,402	141,567,425	142,817,425	138,218,495
<b>Expenditures</b>									
3.010 Personnel Services	76,744,433	82,296,197	83,717,691	4.5%	80,387,631	80,562,183	82,378,795	84,039,444	85,731,713
3.020 Employees' Retirement/Insurance Benefits	29,089,670	28,862,496	31,810,614	4.7%	30,515,854	29,474,679	30,210,061	30,827,988	31,457,682
3.030 Purchased Services	24,216,858	28,729,883	27,857,125	7.8%	23,565,201	24,184,369	24,579,130	24,964,773	25,305,982
3.040 Supplies and Materials	4,486,172	3,849,131	3,308,737	-14.1%	3,378,004	3,288,546	3,258,546	3,228,546	3,198,546
3.050 Capital Outlay	2,212,126	2,075,997	1,314,709	-21.4%	856,033	850,000	850,000	850,000	850,000
3.060 Intergovernmental									
<b>Debt Service:</b>									
4.010 Principal-All (Historical Only)									
4.020 Principal-Notes									
4.030 Principal-State Loans									
4.040 Principal-State Advancements									
4.050 Principal-HB 264 Loans	1,725,946	1,746,383	1,859,454	3.8%	1,907,625				
4.055 Principal-Other									
4.060 Interest and Fiscal Charges	421,981	400,120	286,193	-16.8%	237,335				
4.300 Other Objects	1,850,570	1,866,822	1,710,837	-3.7%	1,944,629	1,945,000	1,945,000	1,945,000	1,945,000
4.500 Total Expenditures	140,747,755	149,827,007	151,865,360	3.9%	142,792,313	140,304,777	143,221,532	145,855,750	148,488,922
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	78,834.00	816	1,958	20.5%					
5.020 Advances-Out	732,756	367,000	596,954	6.4%	590,000	500,000	500,000	500,000	500,000
5.030 All Other Financing Uses			7,415		1,500				
5.040 Total Other Financing Uses	811,590	367,816	606,327	5.1%	591,500	500,000	500,000	500,000	500,000
5.050 Total Expenditures and Other Financing Uses	141,559,345	150,194,823	152,471,687	3.8%	143,383,813	140,804,777	143,721,532	146,355,750	148,988,922
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(3,324,519)	(8,380,959)	(4,197,173)	32.9%	(395,404)	105,626	(2,154,107)	(3,538,325)	(10,776,429)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	15,735,612	12,411,093	6,021,234	-36.3%	1,324,061	928,627	1,034,252	(1,119,855)	(4,658,179)
7.020 Cash Balance June 30	12,411,093	6,021,234	1,324,061	-64.7%	928,627	1,034,252	(1,119,855)	(4,658,179)	(16,428,607)
8.010 Estimated Encumbrances June 30	2,149,183	1,197,418	472,542	-52.4%	750,000	750,000	750,000	750,000	750,000
<b>Reservation of Fund Balance</b>									
9.010 Textbooks and Instructional Materials									
9.020 Capital Improvements									
9.030 Budget Reserve									
9.040 DPIA									
9.045 Fiscal Stabilization									
9.050 Debt Service									
9.060 Property Tax Advancements									
9.070 Bus Purchases									
9.080 Subtotal									
10.010 Fund Balance June 30 to Certify Appropriations	10,261,910	4,823,816	851,519	-67.7%	178,627	284,252	(1,669,855)	(5,408,179)	(16,176,607)
<b>Revenue from Replacement/Renewal Levies</b>									
11.010 Income Tax - Renewal									4,598,930
11.020 Property Tax - Renewal or Replacement									4,598,930
11.300 Cumulative Balance of Replacement/Renewal Levies									4,598,930
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	10,261,910	4,823,816	851,519	-67.7%	178,627	284,252	(1,669,855)	(5,408,179)	(11,579,677)
<b>Revenue from New Levies</b>									
13.010 Income Tax - New									
13.020 Property Tax - New									
13.030 Cumulative Balance of New Levies									
14.010 Revenue from Future State Advancements									
15.010 Unreserved Fund Balance June 30	10,261,910	4,823,816	851,519	-67.7%	178,627	284,252	(1,669,855)	(5,408,179)	(11,579,677)
<b>ADM Forecasts</b>									
20.010 Kindergarten	701	741	686	-0.9%	701	696	687	675	
20.015 Grades 1-12	10,203	9,998	9,939	-1.3%	9,921	9,934	9,902	9,914	
<b>State Fiscal Stabilization Funds &amp; Fed Eds Job</b>									
21.010 Personal Services SFSF	151,686								
21.020 Employees Retirement/Insurance Benefits SFSF	46,449								
21.030 Purchased Services SFSF									
21.040 Supplies and Materials SFSF									
21.050 Capital Outlay SFSF									
21.060 Total Expenditures - SFSF	198,135								
ADM Count Community Charter Schools									

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt