

**BOARD OF EDUCATION
PARMA CITY SCHOOL DISTRICT
Parma, Ohio**

RESOLUTION 2019-11- 507

**ADOPTION OF UPDATED 2019-2020 BUDGET ESTIMATE
AND FISCAL PROJECTIONS FOR 2020-2021 THROUGH 2023-2024**

WHEREAS, The Parma City School District Board of Education has committed itself to long range fiscal planning; and

WHEREAS, the Fiscal Forecast has been updated to include actual data for fiscal year 2018-2019 and new data for fiscal year 2020, 2021, 2022, 2023 and 2024; and

BE IT FURTHER RESOLVED, that the Treasurer be authorized and directed to file this resolution, the Updated Budget Estimate and Fiscal Projections and the written assumptions with the Ohio Department of Education.

ADOPTED: November 21, 2019

Attest: _____
Sean Nuccio
Treasurer / Chief Financial Officer

John Schweitzer
School Board President

pmb

Parma City School District County: Cuyahoga										
Schedule of Revenues, Expenditures and Changes in Fund Balances ACTUAL AND FORECASTED OPERATING FUND										
		Actual				Forecasted				
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	3yr Avg Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenues										
1.010	General Property Tax (Real Estate)	87,896,923	85,965,102	89,421,305	-0.1%	91,923,402	91,766,685	85,283,794	78,279,449	78,312,311
1.020	Tangible Personal Property Tax	3,663,021	4,053,441	4,231,790	6.6%	4,434,164	4,663,746	4,542,066	4,409,275	4,568,579
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	31,394,001	32,118,418	32,576,602	3.1%	34,277,961	34,263,945	34,249,928	34,235,912	34,221,895
1.040	Restricted State Grants-in-Aid	2,265,434	2,548,740	2,820,455	9.6%	2,871,856	2,809,310	2,809,310	2,809,310	2,809,310
1.045	Restricted Federal Grants-in-Aid - SFSF	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	14,267,033	14,170,027	14,270,364	-0.5%	14,600,704	14,416,316	13,312,323	12,210,859	12,208,060
1.060	All Other Revenues	4,500,480	7,205,130	5,543,378	22.7%	5,016,950	4,345,280	4,373,538	4,311,443	4,320,221
1.070	Total Revenues	143,986,892	146,060,858	148,863,894	1.3%	153,125,037	152,265,282	144,570,959	136,256,248	136,440,376
Other Financing Sources										
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Emergency Loans and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	12,227	34,978	24,482	165.0%	0	0	0	0	0
2.050	Advances-In	596,954	528,201	431,446	10.9%	500,000	500,000	500,000	500,000	500,000
2.060	All Other Financing Sources	1,136,761	125,038	381,077	14.2%	100,000	100,000	100,000	100,000	100,000
2.070	Total Other Financing Sources	1,745,942	688,217	837,005	-33.6%	600,000	600,000	600,000	600,000	600,000
2.080	Total Revenues and Other Financing Sources	145,732,834	146,749,075	149,700,899	0.4%	153,725,037	152,865,282	145,170,959	136,856,248	137,040,376
Expenditures										
3.010	Personal Services	83,015,170	81,079,445	79,211,277	-1.8%	81,461,087	84,216,257	87,404,334	91,318,104	94,422,154
3.020	Employees' Retirement/Insurance Benefits	32,589,113	32,291,814	31,812,840	0.0%	32,931,703	34,379,751	36,142,842	38,483,364	40,389,659
3.030	Purchased Services	22,767,530	23,059,646	24,375,617	-3.8%	26,274,093	28,640,981	29,544,392	30,486,036	31,393,684
3.040	Supplies and Materials	2,701,527	2,785,161	2,395,718	-9.7%	3,924,574	3,558,854	3,593,547	3,628,658	3,663,824
3.050	Capital Outlay	520,894	215,910	186,506	-44.2%	397,926	325,336	335,294	345,451	355,812
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
Debt Service:										
4.010	Principal-All (Historical Only)	1,907,626	0	0	-48.7%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055	Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	238,135	0	0	-58.4%	0	0	0	0	0
4.300	Other Objects	1,685,477	1,846,807	1,726,059	0.5%	1,790,053	1,808,436	1,827,003	1,845,756	1,851,817
4.500	Total Expenditures	145,425,472	141,278,783	139,708,017	-2.7%	146,779,436	152,929,619	158,847,412	166,107,369	172,076,950
Other Financing Uses										
5.010	Operating Transfers-Out	0	23,828	740	-98.4%	0	0	0	0	0
5.020	Advances-Out	484,946	431,446	726,060	12.8%	500,000	500,000	500,000	500,000	500,000
5.030	All Other Financing Uses	1,500	439,709	4,025	999.0%	5,000	5,000	5,000	5,000	5,000
5.040	Total Other Financing Uses	486,446	894,983	730,825	15.3%	505,000	505,000	505,000	505,000	505,000
5.050	Total Expenditures and Other Financing Uses	145,911,918	142,173,766	140,438,842	-2.7%	147,284,436	153,434,615	159,352,412	166,612,369	172,581,950
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	<i>-179,084</i>	<i>4,575,309</i>	<i>9,262,057</i>	<i>-882.9%</i>	<i>6,440,601</i>	<i>-569,333</i>	<i>-14,181,453</i>	<i>-29,756,121</i>	<i>-35,541,574</i>
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	1,324,062	1,144,978	5,720,287	102.7%	14,982,344	21,422,945	20,853,612	6,672,159	-23,083,962
7.020	Cash Balance June 30	1,144,978	5,720,287	14,982,344	182.7%	21,422,945	20,853,612	6,672,159	-23,083,962	-58,625,536
8.010	Estimated Encumbrances June 30	446,839	457,988	550,000		550,000	550,000	550,000	550,000	550,000
Reservation of Fund Balance										
9.010	Textbooks and Instructional Materials	0	0	0	0	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0	0	0	0	0	0
9.030	Budget Reserve	0	0	0	0	500,000	1,000,000	1,500,000	2,000,000	2,500,000
9.040	DPIA	0	0	0	0	0	0	0	0	0
9.045	Fiscal Stabilization	0	0	0	0	0	0	0	0	0
9.050	Debt Service	0	0	0	0	0	0	0	0	0
9.060	Property Tax Advancements	0	0	0	0	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0	0	0	0	0	0
9.080	Subtotal	0	0	0	0	500,000	1,000,000	1,500,000	2,000,000	2,500,000
10.010	Fund Balance June 30 for Certification of Appropriations	698,139	5,262,299	14,432,344		20,372,945	19,303,612	4,622,159	-25,633,962	-61,675,536
Revenue from Replacement/Renewal Levies										
11.010	Income Tax - Renewal	0	0	0	0	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0	0	8,771,141	17,542,553	17,543,092	17,543,092
11.300	Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	0	8,771,141	26,313,694	43,856,786	43,856,786
12.010	Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	698,139	5,262,299	14,432,344		20,372,945	19,303,612	13,393,300	679,732	-17,818,750
Revenue from New Levies										
13.010	Income Tax - New	0	0	0	0	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0	0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0	0	0	0	0	0	0	0
14.010	Revenue from Future State Advancements	0	0	0	0	0	0	0	0	0
15.010	Unreserved Fund Balance June 30	698,139	5,262,299	14,432,344		20,372,945	19,303,612	13,393,300	679,732	-17,818,750
State Fiscal Stabilization Funds										
21.010	Personal Services SFSF									
21.020	Employees Retirement/Insurance Benefits SFSF									
21.030	Purchased Services SFSF									
21.040	Supplies and Materials SFSF									
21.050	Capital Outlay SFSF									
21.060	Total Expenditures - SFSF									
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										



Five Year Forecast Financial Report

November, 2019

Sean Nuccio, CPA

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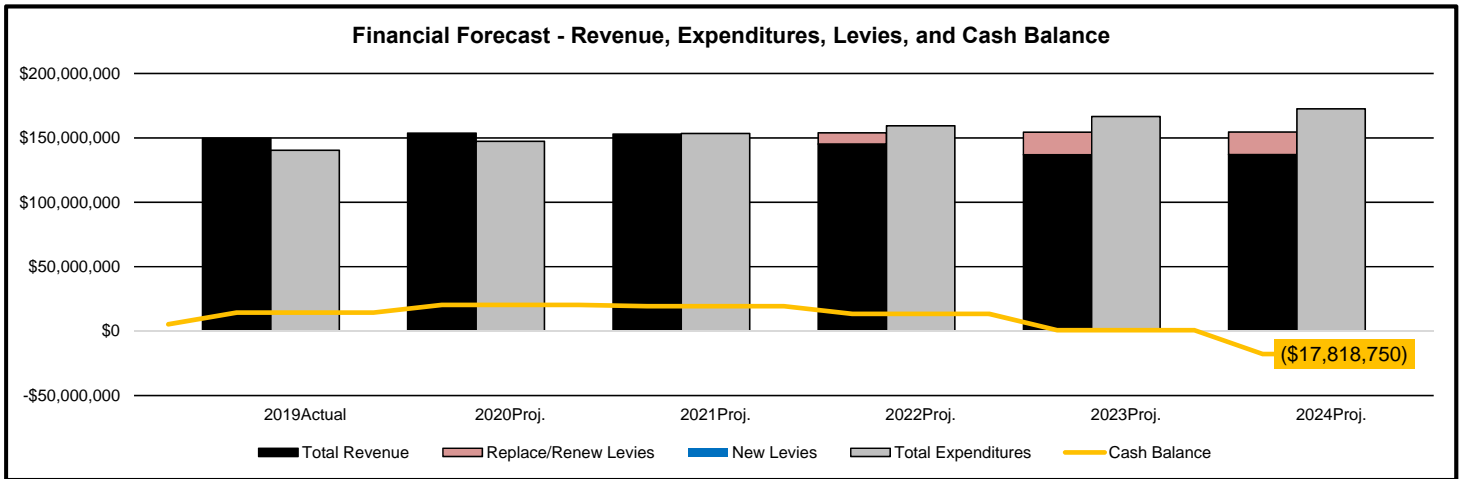
Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary



Parma City School District

Financial Forecast

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	14,982,346	21,422,945	20,853,612	15,443,300	3,229,732
+ Revenue	153,725,037	152,865,282	145,170,959	136,856,248	137,040,376
+ Proposed Renew/Replacement Levies	-	-	8,771,141	17,542,553	17,543,092
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(147,284,436)	(153,434,615)	(159,352,412)	(166,612,369)	(172,581,950)
= Revenue Surplus or Deficit	6,440,601	(569,333)	(5,410,312)	(12,213,568)	(17,998,482)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	21,422,945	20,853,612	15,443,300	3,229,732	(14,768,750)

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	6,440,601	(569,333)	(14,181,453)	(29,756,121)	(35,541,574)
Ending Balance w/o Levies	21,422,945	20,853,612	6,672,159	(23,083,962)	(58,625,536)

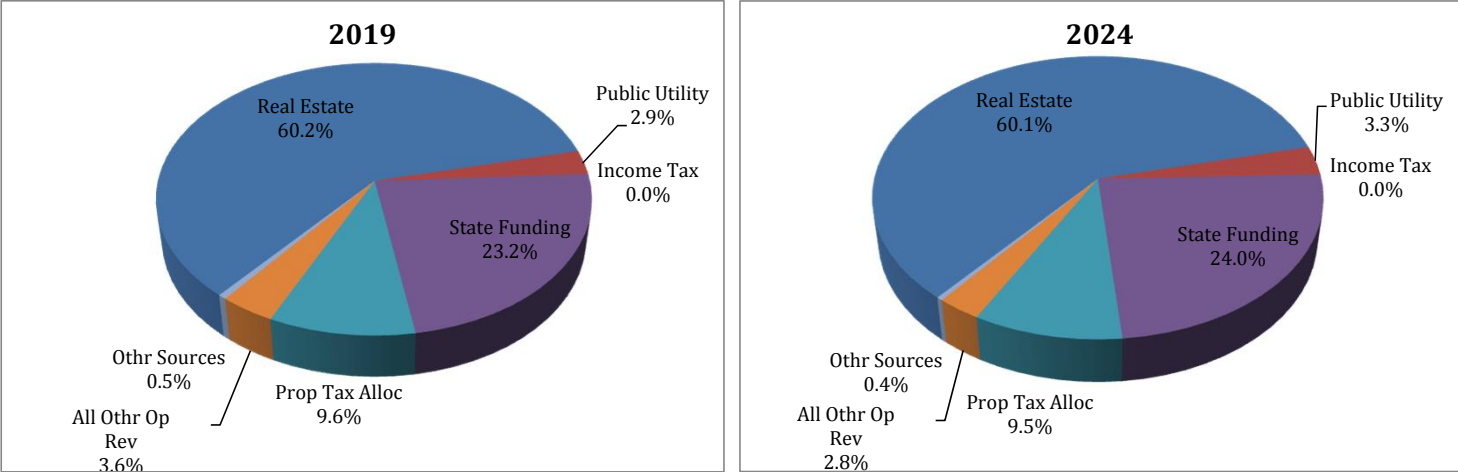
In recent years, the school district has experienced periods of revenue shortfalls that have led to a significant reduction in the cash balance and fiscal instability. This has resulted in the district having to take real estate tax advances from future fiscal years from the County Budget Commission to ensure adequate funds were available to meet operational needs, as well as, implement several different phases of budget reductions, with the latest occurring in May 2018 after a new money tax levy request was not successful.

The forecast projections included in this five year forecast reflect the staff and budget reductions that were outlined in the fiscal recovery plan approved by the Board of Education at the May 9, 2018 meeting. The implementation of these budget reductions in fiscal years 2019 and 2020, in addition to, the continuation of the budget reductions that have previously been implemented, will enable the school district to eliminate the need to request tax advances from the County Budget Commission.

The Ed. Choice deductions in the purchased services line item caused the November 2019 forecast to be significantly different from the May 2019 forecast. Ed. Choice deductions were not included in the May 2019 while \$3.5 million per year have been included in fiscal years 2020-2024 in the November 2019 forecast.

The following pages of this report outline the forecast assumptions that were used to produce the five year forecast.

Revenue Sources and Forecast Year-Over-Year Projected Overview



**Projected % trends include renewal levies*

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Revenue:							
1.010-Real Estate	0.46%	2.80%	-0.17%	0.90%	0.32%	0.02%	0.77%
1.020-Public Utility	4.12%	4.78%	5.18%	2.99%	2.87%	3.61%	3.89%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	1.38%	5.22%	-0.04%	-0.04%	-0.04%	-0.04%	1.01%
1.040-Restricted Aid	5.74%	1.82%	-2.18%	0.00%	0.00%	0.00%	-0.07%
1.045-Restr Federal SF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-0.93%	2.31%	-1.26%	0.69%	0.69%	-0.04%	0.48%
1.060-All Other Operating	11.72%	-9.50%	-13.39%	0.65%	-1.42%	0.20%	-4.69%
1.070-Total Revenue	0.78%	2.86%	-0.56%	0.71%	0.30%	0.12%	0.69%
2.070-Total Other Sources	-3.59%	-28.32%	0.00%	0.00%	0.00%	0.00%	-5.66%
2.080-Total w/Other Srcs	0.43%	2.69%	-0.56%	0.70%	0.30%	0.12%	0.65%

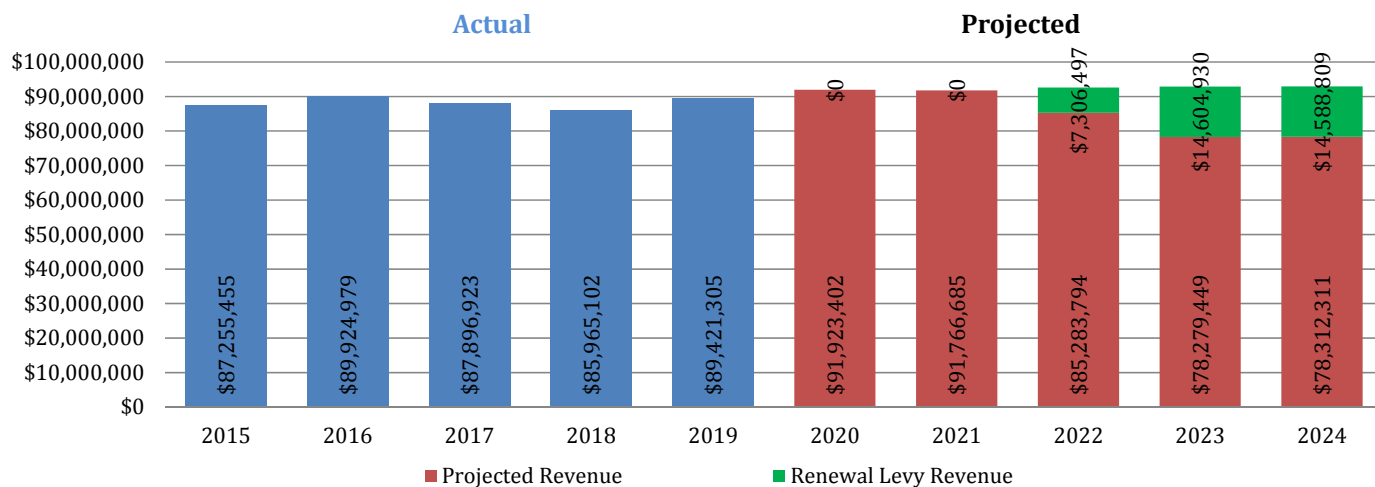
Over the past five years, the district experienced an average annual increase of 0.78% in operating revenue. Based on current revenue projections, the district is expected to incur an average annual increase of 0.69% over the next five years.

The largest increase in revenue will be generated by growth in tuition payments from other districts, the receipt of federal Medicaid revenue, and property tax appeal settlements that are receipted into other operating revenue.

The district's two largest sources of revenue are real estate tax revenue and state aid revenue.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	89,421,305	91,923,402	91,766,685	92,590,291	92,884,379	92,901,120
YOY \$ Change	3,456,203	2,502,097	(156,717)	823,606	294,088	16,742
YOY % Change	4.0%	2.8%	-0.2%	0.9%	0.3%	0.0%

Percentage of Total Revenue	2019	2020	2021	2022	2023	2024
	59.7%	59.8%	60.0%	60.1%	60.2%	60.1%

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	2,137,472,990	204,171,540	49.71	(2.75)	54.03	(1.36)	100.0%
2019	2,136,022,990	(1,450,000)	49.71	0.01	54.20	0.17	99.5%
2020	2,134,572,990	(1,450,000)	49.72	0.01	54.37	0.17	99.5%
2021	2,269,591,226	135,018,236	46.82	(2.91)	53.30	(1.07)	99.5%
2022	2,268,141,226	(1,450,000)	46.82	0.01	53.48	0.17	99.5%
2023	2,266,691,226	(1,450,000)	46.83	0.01	53.65	0.18	99.5%

Over the past few years, real estate tax revenue levels have fluctuated due to the district taking advances of future year tax collections, in order to meet the operating needs. Beginning in fiscal year 2018, the district stopped requesting additional tax advances from the Cuyahoga County Budget Commission.

Since a June property tax advance was not taken in June 2018, the full property tax collection minus the Cuyahoga County May mandated-advance was recorded in the proper fiscal year. This caused fiscal year 2018 collections to be lower compared to the fiscal year 2019 collections.

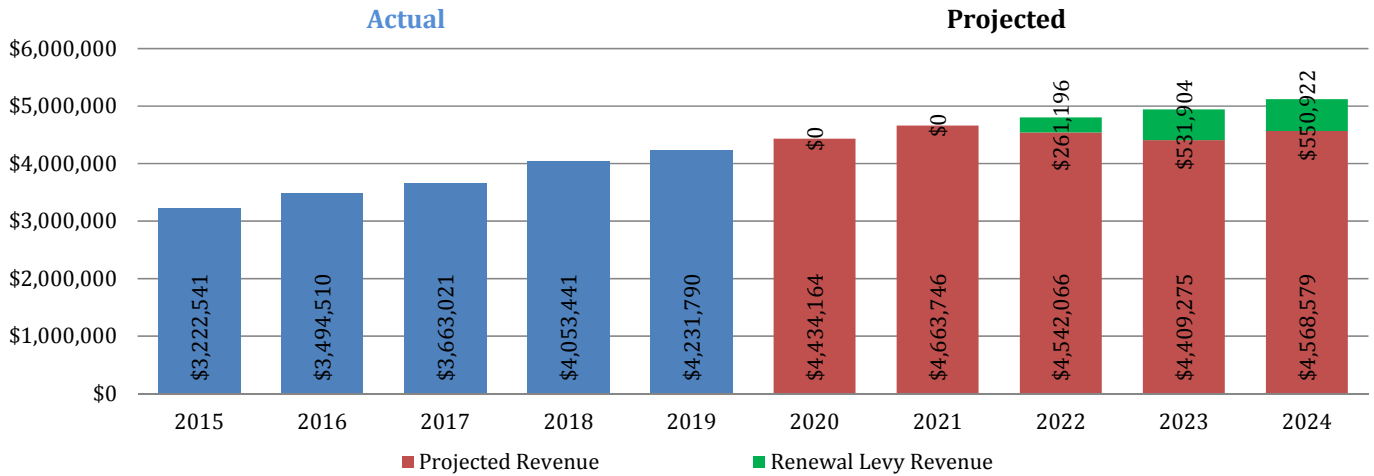
The Cuyahoga County Fiscal Office conducted a property revaluation in 2018 resulting in an average increase of 10% residential property values. The district is anticipating commercial and industrial property values to decrease over the next three years due to property tax appeals and property revaluation.

The gross collection rate for tax years 2020 - 2024 is projected to be just under 100%.

*Projected % trends include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	4,231,790	4,434,164	4,663,746	4,803,262	4,941,179	5,119,501
YOY \$ Change	178,350	202,374	229,582	139,516	137,918	178,322
YOY % Change	4.4%	4.8%	5.2%	3.0%	2.9%	3.6%

Percentage of Total Revenue	2.8%	2.9%	3.1%	3.1%	3.2%	3.3%
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Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	59,568,760	3,096,180	72.86	-	100.0%
2019	62,775,140	3,206,380	72.85	(0.01)	100.0%
2020	65,275,140	2,500,000	72.84	(0.01)	100.0%
2021	67,775,140	2,500,000	71.59	(1.25)	100.0%
2022	70,275,140	2,500,000	71.58	(0.01)	100.0%
2023	72,775,140	2,500,000	71.57	(0.01)	100.0%

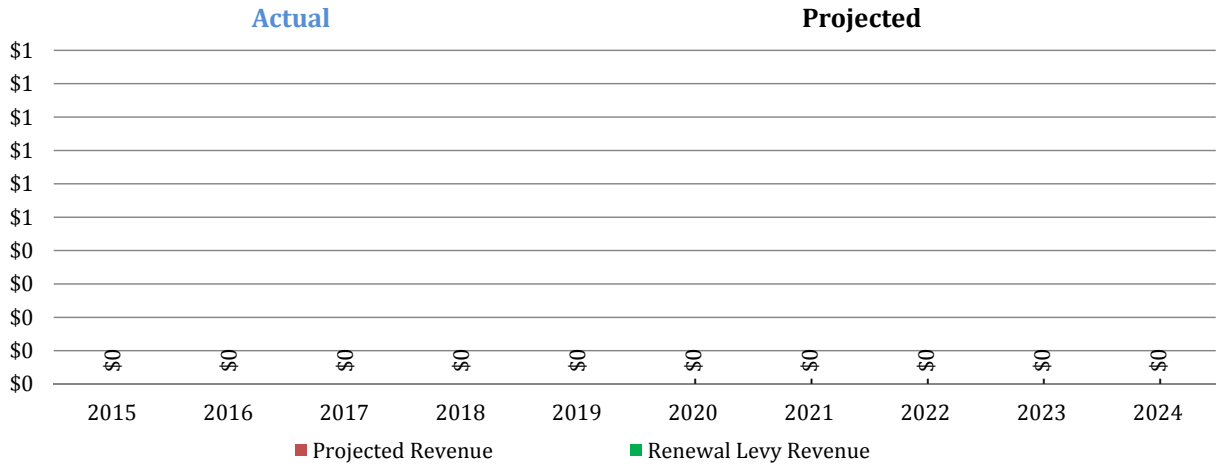
Public Utility - Personal Property tax revenue generates 2.9% of the district's overall revenue.

Public utility values are expected to continue to grow over the next four years.

**Projected % trends include renewal levies*

1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



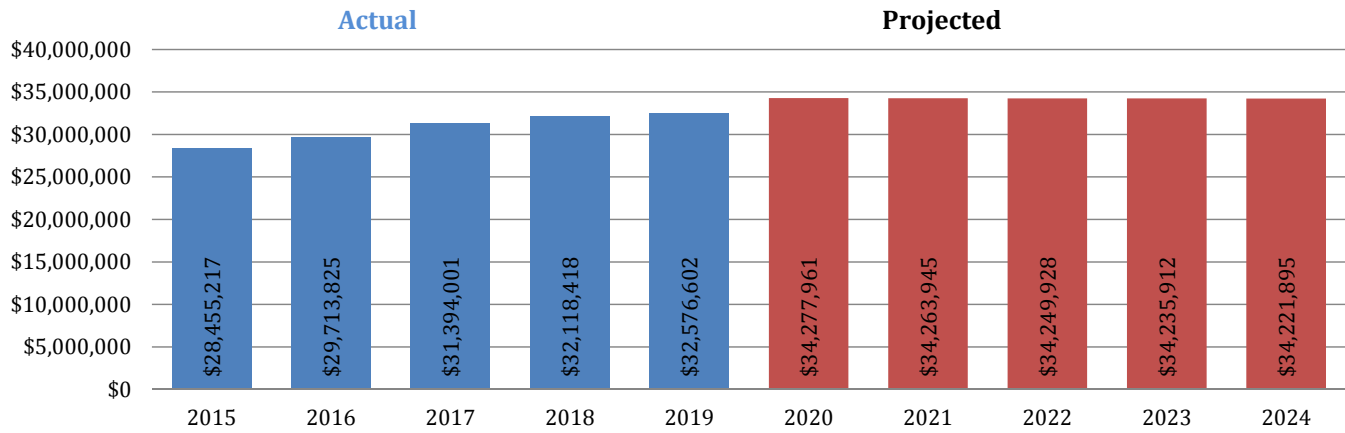
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Parma City School District does not have a school district income tax.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	32,576,602	34,277,961	34,263,945	34,249,928	34,235,912	34,221,895
YOY \$ Change	458,183	1,701,359	(14,016)	(14,017)	(14,017)	(14,017)
YOY % Change	1.4%	5.2%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	21.8%	22.3%	22.4%	22.2%	22.2%	22.1%
Base Aid	35,108,481	35,108,481	35,108,481	35,108,481	35,108,481	35,108,481
Student Wellness Aid		1,330,829	1,847,697	-	-	-
Supplemental Aid - Wellness & Growing		-	-	-	-	-
Enrollment	9,554	9,400	9,130	8,861	8,591	8,322

The state's per pupil funding formula is the second largest form of revenue the district receives and generates 22.3% of the district's revenue. During the past five years, the district has seen this revenue source grow in four of the past five years.

Republican state representative Bob Cupp and Democratic state representative John Patterson worked on a funding formula that would fairly fund school districts. Governor Dewine's educational funding bill did not include Representatives Cupp and Patterson's funding formula.

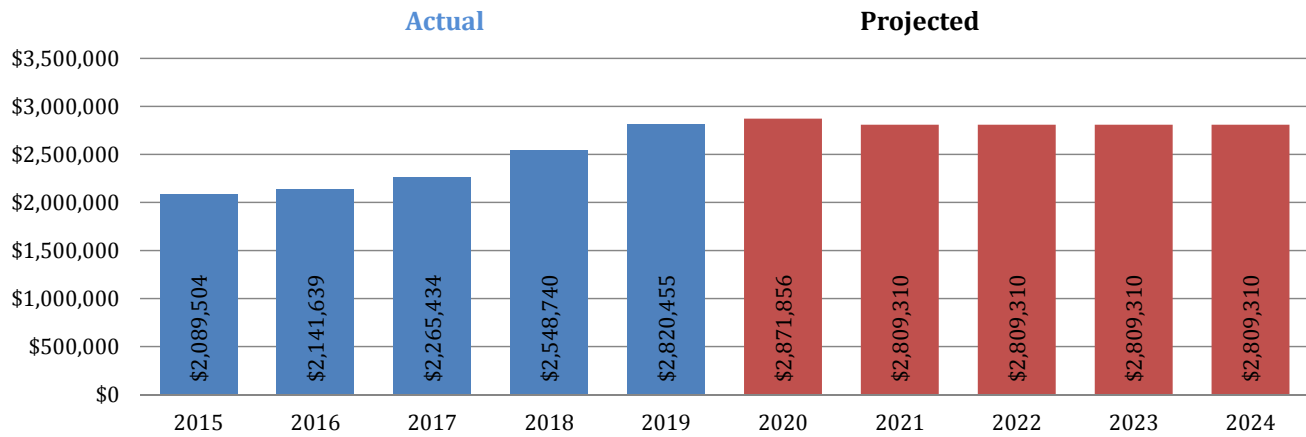
Our state funding is dependent on our funding status. Currently, we are on the cap; meaning that we are not fully funded based on the number of students enrolled.

This line item also includes revenue generated from casino funding, capacity aid, the graduation bonus, the third grade proficient bonus, and other unrestricted state funding.

In 2009, the voters approved operating four casino facilities in Ohio. A thirty three percent tax will be levied and collected by the State of Ohio on all gross casino revenue received by each casino operator. Thirty four percent of the taxes collected is distributed among all public school districts, to be used to support primary and secondary education. PCSD's share was \$522,138 in fiscal year 2019.

1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.

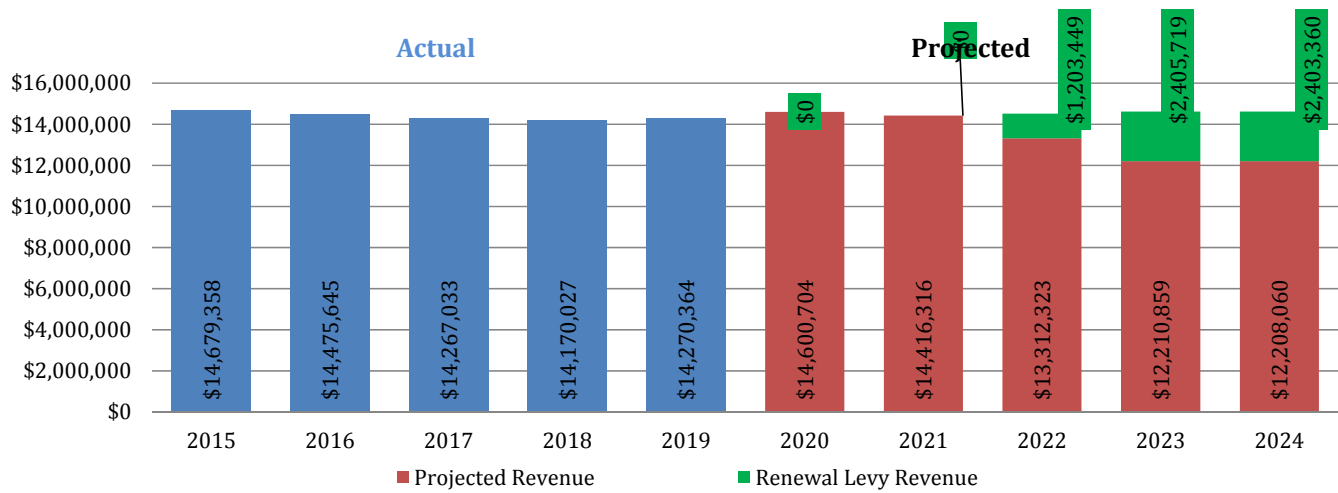


	2019	FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	2,820,455	2,871,856	2,809,310	2,809,310	2,809,310	2,809,310
YOY \$ Change	271,715	51,401	(62,546)	-	-	-
YOY % Change	10.7%	1.8%	-2.2%	0.0%	0.0%	0.0%
Percentage of Total Revenue	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%

The Ohio Department of Education requires that the district classify a portion of the per pupil formula funding as restricted. This is funding for economic disadvantaged, career technical programs and catastrophic special education reimbursements. The restricted state funding category is 1.9% of the district's total revenue in FY20.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	14,270,364	14,600,704	14,416,316	14,515,772	14,616,578	14,611,420
YOY \$ Change	100,337	330,340	(184,388)	99,456	100,806	(5,158)
YOY % Change	0.7%	2.3%	-1.3%	0.7%	0.7%	0.0%
Percentage of Total Revenue	9.5%	9.5%	9.4%	9.4%	9.5%	9.5%
% of Residential Real Estate 10% Rollback	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
% of Residential Real Estate 2.5% Rollback	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
% of Residential Real Estate Homestead	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%

Property tax allocation (PTA) represents 9.5% of the district's overall general fund revenue in FY20 and is comprised of two types of revenue - homestead and rollback reimbursements from the state.

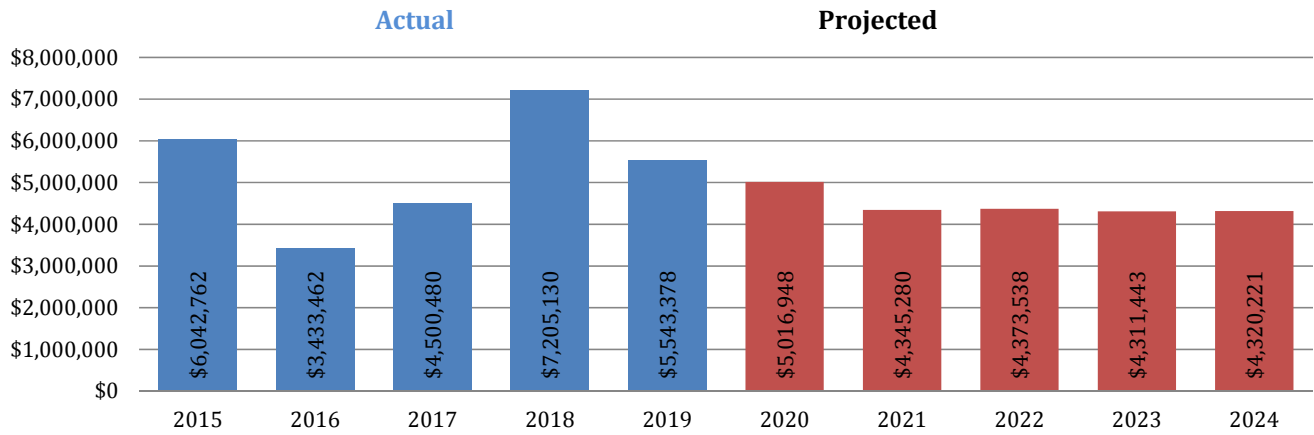
Homestead and rollback reimbursements are state reimbursements for local real estate tax credits (deductions). Local residential real estate taxes are reduced by rollback (12.5% for owner occupied houses) and also for homestead (disabled, senior citizens, etc.).

Rollback reimbursements totaled \$10,225,135 in FY19 and homestead reimbursements totaled \$4,039,495.

**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



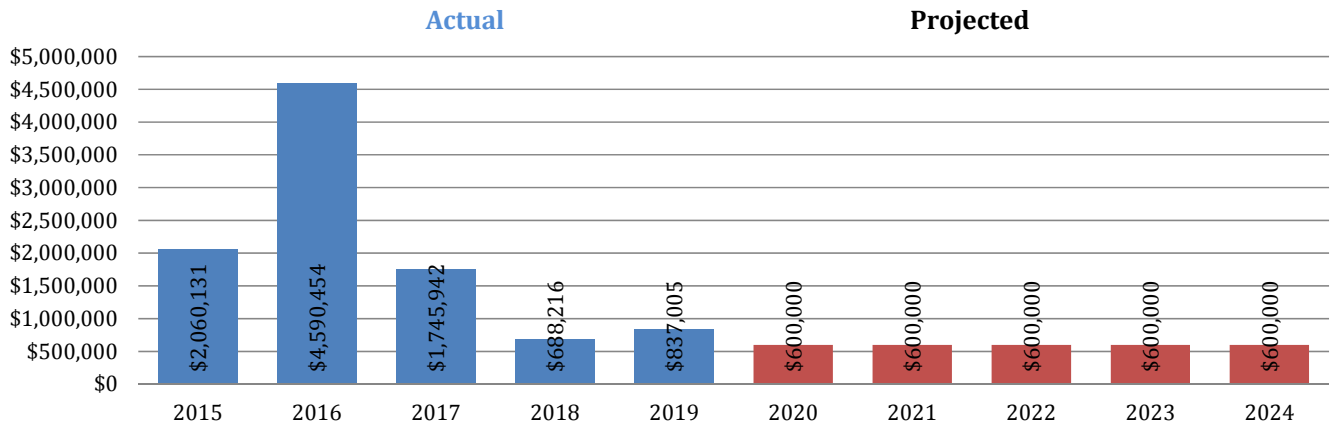
	2019	FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	5,543,378	5,016,948	4,345,280	4,373,538	4,311,443	4,320,221
YOY \$ Change	(1,661,752)	(526,430)	(671,668)	28,258	(62,095)	8,778
YOY % Change	-23.1%	-9.5%	-13.4%	0.7%	-1.4%	0.2%
Percentage of Total Revenue	3.7%	3.3%	2.8%	2.8%	2.8%	2.8%

All other revenue represented 3.3% of the district's total revenue in FY20. This section includes property tax settlements, Medicaid reimbursements and tuition revenues.

The pay to participate revenue was reduced from \$286,498 to \$6,000 since pay to participate was eliminated the following activities: high school marching band, high school academic team, high school drama, middle school jazz band, middle school pop ensemble and elementary choir. The following high school sports had the fee eliminated: football, baseball, basketball, cheer, cross country, golf, hockey, soccer, softball, swimming, tennis, track, volleyball and wrestling. Middle school sports exempted from paying the fee are basketball, cheer, cross country, football, track, volleyball and wrestling. Some activities are not exempted from paying the fee.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

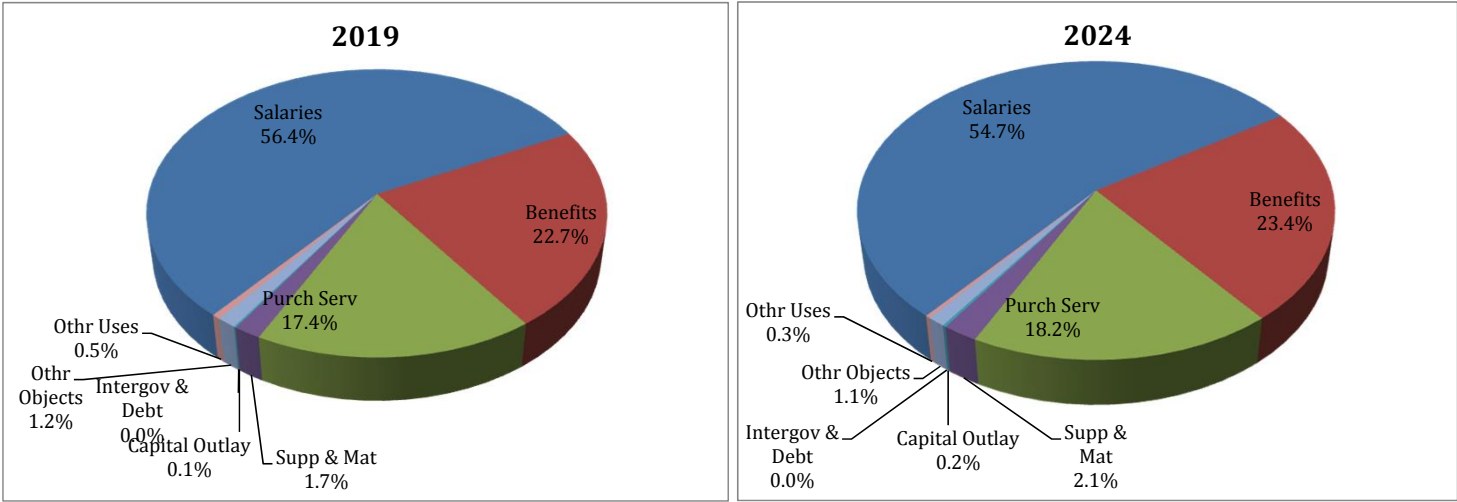


	2019	FORECASTED				
	2019	2020	2021	2022	2023	2024
Total	837,005	600,000	600,000	600,000	600,000	600,000
YOY \$ Change	148,789	(237,005)	-	-	-	-
YOY % Change	21.6%	-28.3%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.6%	0.4%	0.4%	0.4%	0.4%	0.4%
Transfers In	24,482	-	-	-	-	-
Advances In	431,446	500,000	500,000	500,000	500,000	500,000

The district has had significant fluctuations in Other Financing Sources over the past few years. These fluctuations were caused by variances in year-over-year revenue generated from federal Medicaid reimbursements, workers' compensation refunds, utility expense refunds and vision premium payment refunds. Medicaid reimbursement was reclassified in FY18.

For the fiscal year 2019, advances to the General Fund totaled \$431,446. For subsequent fiscal years, return of advances are projected at \$500,000. Ohio Revised Code Section 5705.10 prohibits funds from having a negative fund balance. Federal and state grant funds require that PCSD spend the funds first and then request reimbursement from the Ohio Department of Education. In order to avoid negative fund balance at fiscal year-end due to the timing of the reimbursement, the General Fund advances funds to the negative grant funds. After the beginning of the new fiscal year, the grant funds return the advances to the General Fund.

Expenditure Categories and Forecast Year-Over-Year Projected Overview



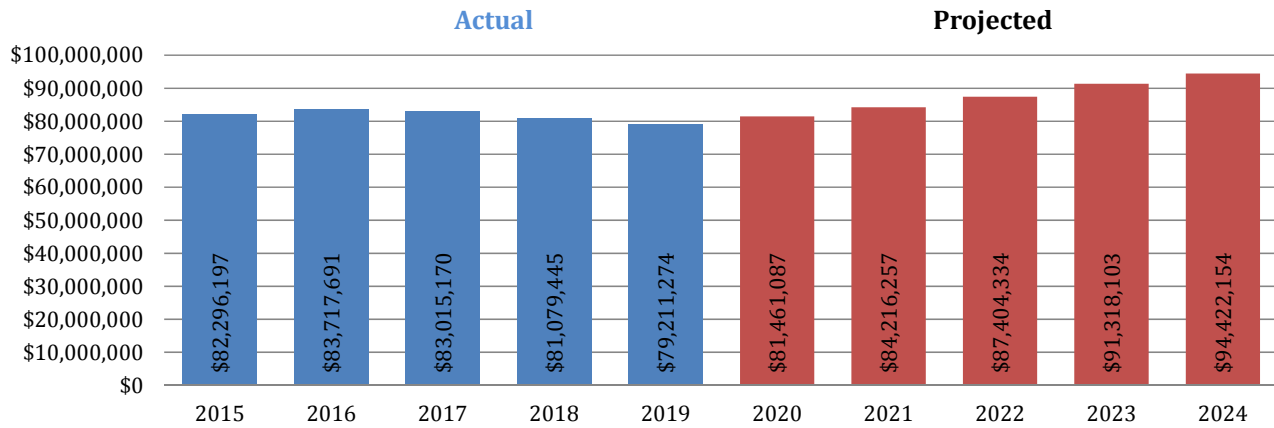
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Expenditures:							
3.010-Salaries	-0.98%	2.84%	3.38%	3.79%	4.48%	3.40%	3.58%
3.020-Benefits	2.23%	3.52%	4.40%	5.13%	6.48%	4.95%	4.89%
3.030-Purchased Services	-2.96%	7.79%	9.01%	3.15%	3.19%	2.98%	5.22%
3.040-Supplies & Materials	-6.53%	63.82%	-9.32%	0.97%	0.98%	0.97%	11.48%
3.050-Capital Outlay	84.56%	113.36%	-18.24%	3.06%	3.03%	3.00%	20.84%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	-20.00%	n/a	n/a	n/a	n/a	n/a	n/a
4.300-Other Objects	-1.17%	3.71%	1.03%	1.03%	1.03%	0.33%	1.42%
4.500-Total Expenditures	-1.20%	5.06%	4.19%	3.87%	4.57%	3.59%	4.26%
5.040-Total Other Uses	44.18%	-30.90%	0.00%	0.00%	0.00%	0.00%	-6.18%
5.050-Total w/Other Uses	-1.11%	4.87%	4.18%	3.86%	4.56%	3.58%	4.21%

Over the past five years, the district's operating expenditures decreased by an average of 1.20% annually. This decrease was attributed to reduction in force.

For the next five years, the district is projecting that operating expenses will increase by 4.26% annually. There are several factors that are expected to influence the average annual increase, including continued increases in salaries, health insurance premiums, tuition, and contracted services.

3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	79,211,274	81,461,087	84,216,257	87,404,334	91,318,103	94,422,154
YOY \$ Change	(1,868,170)	2,249,813	2,755,170	3,188,077	3,913,769	3,104,051
YOY % Change	-2.3%	2.8%	3.4%	3.8%	4.5%	3.4%
Percentage of Total Budget	56.4%	55.3%	54.9%	54.8%	54.8%	54.7%

The salaries expense category represents the largest portion of the district’s budget at 55.3% of total general fund operating expenses in FY20.

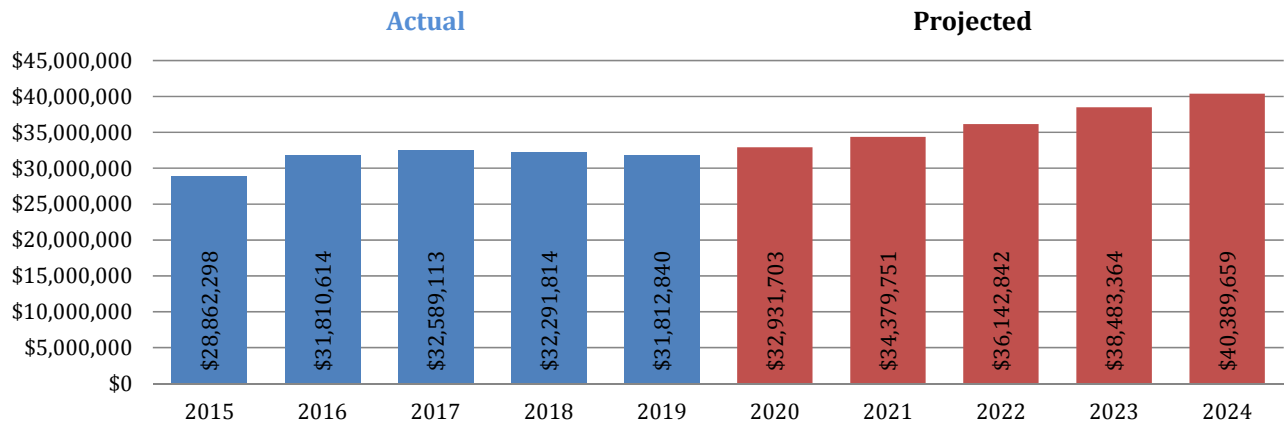
During the previous fiscal year, the district was forced to reduce staffing levels due to revenue shortfalls. Due to educational needs, the district recalled employees to meet the educational levels of our students.

Certified substitute services were moved from personnel services to purchased services since the district contracted North Coast Shared Services Alliance. In fiscal year 2018, the district obtained subs using in-house services. The fill rate using in-house services was not an acceptable level.

For fiscal years 2020 to 2024, changes in the salary line item have been projected using estimated increases resulting from staff progression on the salary schedule, degree changes and increases due to inflationary pressures.

3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	31,812,840	32,931,703	34,379,751	36,142,842	38,483,364	40,389,659
YOY \$ Change	(478,974)	1,118,863	1,448,048	1,763,091	2,340,522	1,906,295
YOY % Change	-1.5%	3.5%	4.4%	5.1%	6.5%	5.0%
Percentage of Total Budget	22.7%	22.4%	22.4%	22.7%	23.1%	23.4%

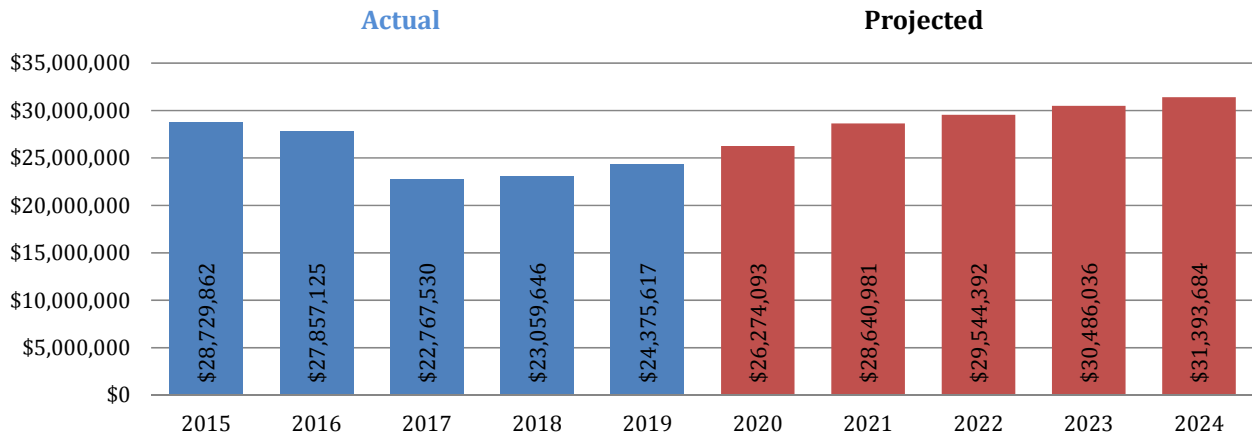
Health Insurance benefits and retirement related expenses are the district's second largest expense, representing 22.4% of the overall General Fund budget in FY20.

The reductions in staffing that occurred during the current fiscal year offset the annual increases in medical premiums that the district incurred. Based on the guidance provided from the district's health insurance broker, the annual health insurance premium were increased by 3% with an additional 6% annual increase in fiscal years 2021-2024.

Salary driven fringe benefits total about 17.88% of the annual salary expenses and include retirement costs, the SERS surcharge, Medicare and workers' compensation. Further reductions in benefit expenses have been included in these projections to account for the reduced salary driven benefit expenses that will be experienced, due to the reductions in staffing.

3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	24,375,617	26,274,093	28,640,981	29,544,392	30,486,036	31,393,684
YOY \$ Change	1,315,970	1,898,476	2,366,888	903,411	941,644	907,648
YOY % Change	5.7%	7.8%	9.0%	3.2%	3.2%	3.0%
Percentage of Total Budget	17.4%	17.8%	18.7%	18.5%	18.3%	18.2%

Purchased services represent 17.8% of the FY20 total General Fund expenditures and include contracted services, tuition related expenses and property services, such as, utilities and repairs/maintenance related costs.

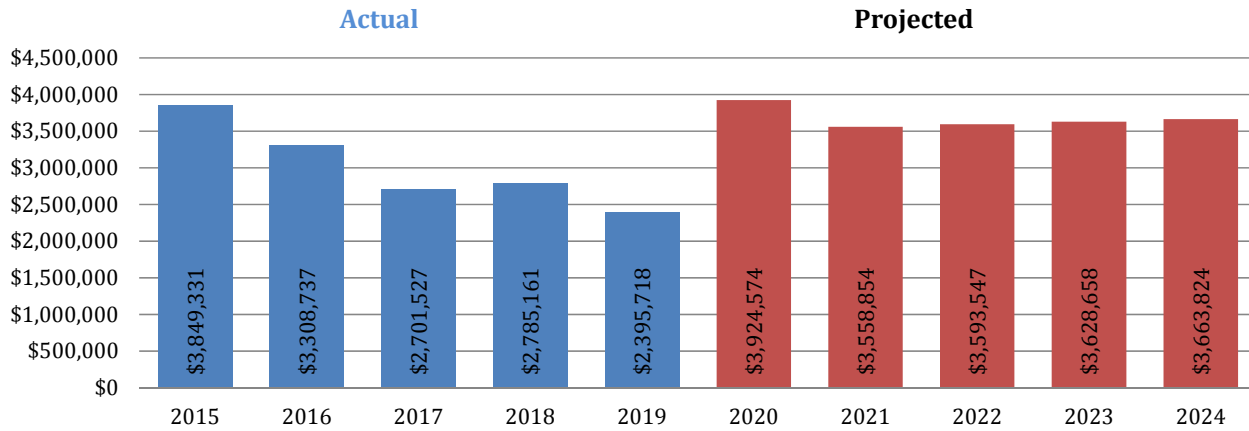
For the current fiscal year, charter school deductions are estimated at \$12.49 million up from the \$11.57 million in fiscal year 2019. Also, fiscal year 2020 special education tuition is estimated at \$2.6 million up from \$2 million in fiscal year 2019.

Certified substitute services were moved from personnel services to purchased services since the district contracted North Coast Shared Services Alliance. In fiscal year 2018, the district obtained subs using in-house services. The fill rate using in-house services was not an acceptable level.

In fiscal year 2020, the district had two high schools in the Ed. Scholarship program costing \$2.1 million. The Ohio Department of Education has increased the program to eight schools for fiscal year 2021 with an estimated loss of \$3.5 million per year. We do not expect the scholarship program costs to decrease.

3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,395,718	3,924,574	3,558,854	3,593,547	3,628,658	3,663,824
YOY \$ Change	(389,443)	1,528,856	(365,720)	34,693	35,111	35,166
YOY % Change	-14.0%	63.8%	-9.3%	1.0%	1.0%	1.0%
Percentage of Total Budget	1.7%	2.7%	2.3%	2.3%	2.2%	2.1%

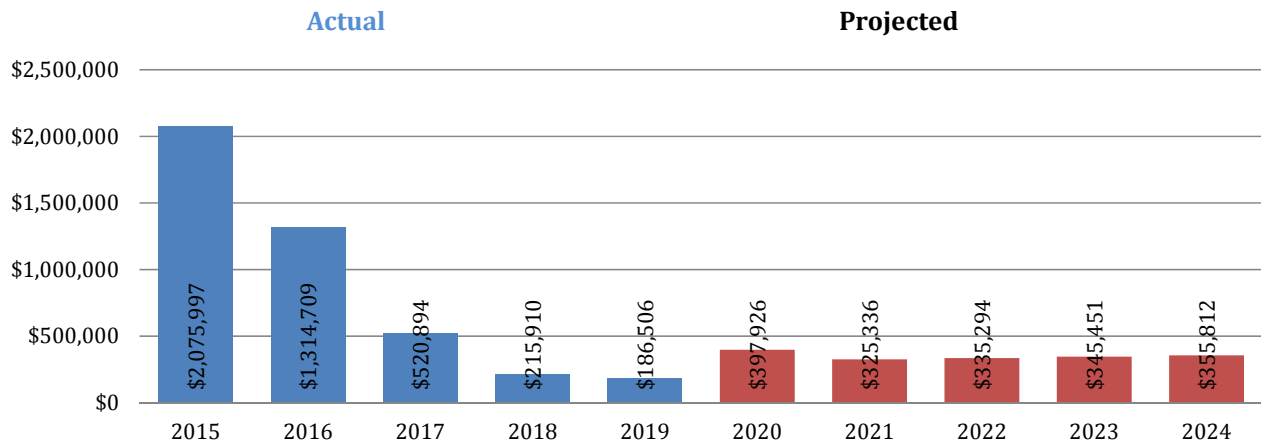
Supplies and materials represents 2.7% of the total General Fund budget in FY20.

Instructional and general supply costs represent the largest portion of all supplies and material expenses. During the current fiscal year, the district renewed up-front licenses for educational programs that have expired. Also, the district purchased ELA textbooks for Kindergarten through fifth grade at a General Fund cost of \$525,644.75.

Transportation related supply expenses represent the second largest portion of all supplies and materials. Over the past two fiscal years, the district has been able to reduce costs mainly due to lower fuel costs. Fuel costs are expected to increase in 2020. However, bus repairs are expected to decrease with the purchase of 34 new buses in fiscal year 2019 which replaced older buses.

3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.

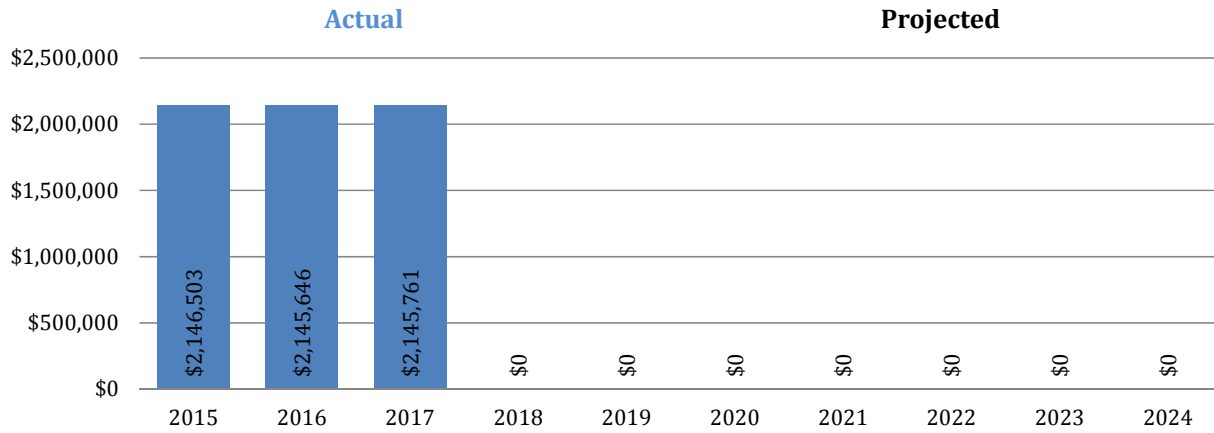


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	186,506	397,926	325,336	335,294	345,451	355,812
YOY \$ Change	(29,404)	211,420	(72,590)	9,958	10,157	10,361
YOY % Change	-13.6%	113.4%	-18.2%	3.1%	3.0%	3.0%
Percentage of Total Budget	0.1%	0.3%	0.2%	0.2%	0.2%	0.2%

Over the past three years, the district has shifted the majority of these expenses to the Permanent Improvement Fund and FY19 capital outlay was to total \$186,506.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

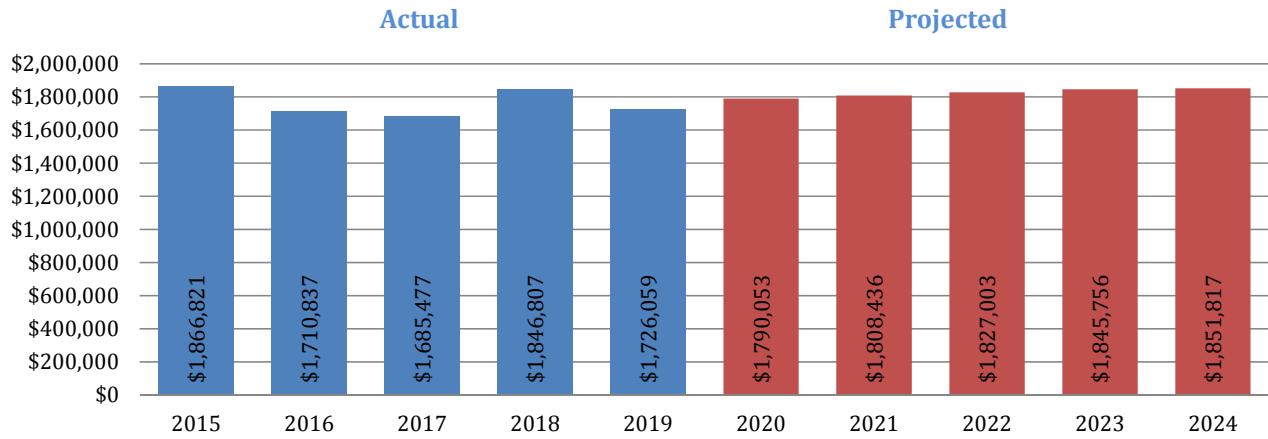


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Per the District's Fiscal Recovery Plan submitted to the Ohio Department of Education, the District began paying these expenses from the Permanent Improvement Fund beginning in FY 2018.

4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



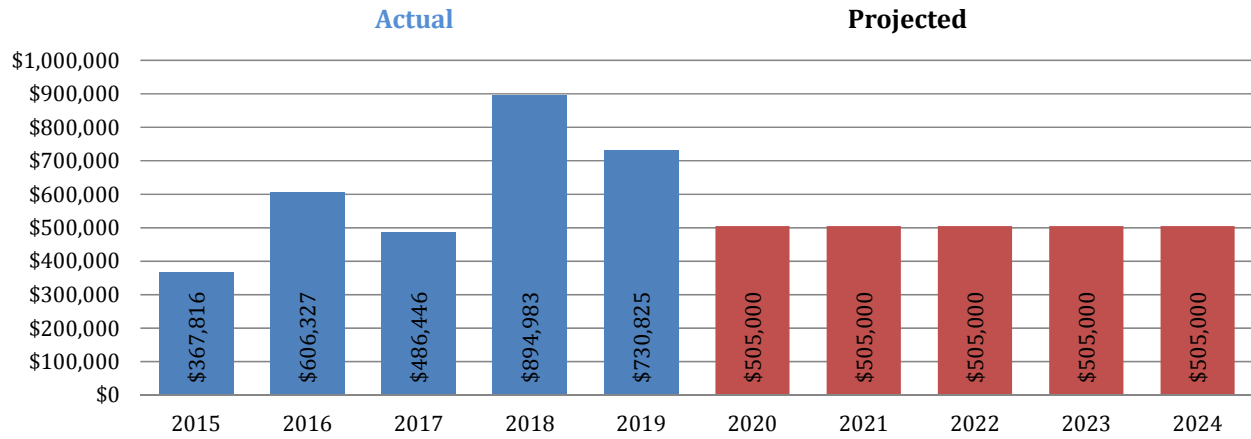
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,726,059	1,790,053	1,808,436	1,827,003	1,845,756	1,851,817
YOY \$ Change	(120,748)	63,994	18,383	18,567	18,753	6,061
YOY % Change	-6.5%	3.7%	1.0%	1.0%	1.0%	0.3%
Percentage of Total Budget	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%

Most of the district's Other Object expenses are related to County Auditor and Treasurer Fees. These fees will stay relatively flat with three renewal levies coming up.

The remainder of this expense is related to bank charges, County ESC expenses and other dues and fees.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	730,825	505,000	505,000	505,000	505,000	505,000
YOY \$ Change	(164,158)	(225,825)	-	-	-	-
YOY % Change	-18.3%	-30.9%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.5%	0.3%	0.3%	0.3%	0.3%	0.3%
Transfers Out	740	-	-	-	-	-
Advances Out	726,060	500,000	500,000	500,000	500,000	500,000

Advances for the current and subsequent fiscal years are expected to total \$505,000 annually.

Parma City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
Revenue:						
1.010 - General Property Tax (Real Estate)	89,421,305	91,923,402	91,766,685	85,283,794	78,279,449	78,312,311
1.020 - Public Utility Personal Property	4,231,790	4,434,164	4,663,746	4,542,066	4,409,275	4,568,579
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	32,576,602	34,277,961	34,263,945	34,249,928	34,235,912	34,221,895
1.040 - Restricted Grants-in-Aid	2,820,455	2,871,856	2,809,310	2,809,310	2,809,310	2,809,310
1.050 - Property Tax Allocation	14,270,364	14,600,704	14,416,316	13,312,323	12,210,859	12,208,060
1.060 - All Other Operating Revenues	5,543,378	5,016,948	4,345,280	4,373,538	4,311,443	4,320,221
1.070 - Total Revenue	148,863,894	153,125,035	152,265,282	144,570,959	136,256,248	136,440,376
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	24,482	-	-	-	-	-
2.050 - Advances-In	431,446	500,000	500,000	500,000	500,000	500,000
2.060 - All Other Financing Sources	381,077	100,000	100,000	100,000	100,000	100,000
2.070 - Total Other Financing Sources	837,005	600,000	600,000	600,000	600,000	600,000
2.080 - Total Rev & Other Sources	149,700,899	153,725,035	152,865,282	145,170,959	136,856,248	137,040,376
Expenditures:						
3.010 - Personnel Services	79,211,274	81,461,087	84,216,257	87,404,334	91,318,103	94,422,154
3.020 - Employee Benefits	31,812,840	32,931,703	34,379,751	36,142,842	38,483,364	40,389,659
3.030 - Purchased Services	24,375,617	26,274,093	28,640,981	29,544,392	30,486,036	31,393,684
3.040 - Supplies and Materials	2,395,718	3,924,574	3,558,854	3,593,547	3,628,658	3,663,824
3.050 - Capital Outlay	186,506	397,926	325,336	335,294	345,451	355,812
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	1,726,059	1,790,053	1,808,436	1,827,003	1,845,756	1,851,817
4.500 - Total Expenditures	139,708,014	146,779,436	152,929,615	158,847,412	166,107,368	172,076,950
Other Financing Uses						
5.010 - Operating Transfers-Out	740	-	-	-	-	-
5.020 - Advances-Out	726,060	500,000	500,000	500,000	500,000	500,000
5.030 - All Other Financing Uses	4,025	5,000	5,000	5,000	5,000	5,000
5.040 - Total Other Financing Uses	730,825	505,000	505,000	505,000	505,000	505,000
5.050 - Total Exp and Other Financing Uses	140,438,839	147,284,436	153,434,615	159,352,412	166,612,368	172,581,950
6.010 - Excess of Rev Over/(Under) Exp	9,262,060	6,440,599	(569,333)	(14,181,453)	(29,756,120)	(35,541,574)
7.010 - Cash Balance July 1 (No Levies)	5,720,286	14,982,346	21,422,945	20,853,612	6,672,159	(23,083,962)
7.020 - Cash Balance June 30 (No Levies)	14,982,346	21,422,945	20,853,612	6,672,159	(23,083,962)	(58,625,536)
		Reservations				
8.010 - Estimated Encumbrances June 30	550,000	550,000	550,000	550,000	550,000	550,000
9.080 - Reservations Subtotal	-	500,000	1,000,000	1,500,000	2,000,000	2,500,000
10.010 - Fund Bal June 30 for Cert of App	14,432,346	20,372,945	19,303,612	4,622,159	(25,633,962)	(61,675,536)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	8,771,141	17,542,553	17,543,092
11.030 - Cumulative Balance of Levies	-	-	-	8,771,141	26,313,694	43,856,786
12.010 - Fund Bal June 30 for Cert of Obligations	14,432,346	20,372,945	19,303,612	13,393,300	679,732	(17,818,750)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	14,432,346	20,372,945	19,303,612	13,393,300	679,732	(17,818,750)