

**Parma City School District**  
**County: Cuvahooa**  
 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	
<b>Revenues</b>										
1.010	General Property Tax (Real Estate)	87,896,923	85,965,102	89,421,305	-0.1%	92,254,241	92,577,751	92,788,770	93,392,737	93,523,239
1.020	Tangible Personal Property Tax	3,663,021	4,053,441	4,231,790	6.6%	4,439,263	4,664,409	4,804,220	4,942,114	5,120,469
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%	32,192,126	30,965,731	31,585,046	33,254,845	33,240,828
1.040	Restricted State Grants-in-Aid	2,265,434	2,548,740	2,820,455	9.6%	2,806,342	2,803,161	2,803,161	2,803,161	2,803,161
1.050	Property Tax Allocation	14,267,033	14,170,027	14,270,364	-0.5%	14,600,993	14,437,449	14,536,521	14,636,944	14,631,774
1.060	All Other Revenues	4,500,480	7,205,130	5,543,378	22.7%	7,415,466	5,291,667	5,753,992	5,766,441	5,771,917
1.070	<i>Total Revenues</i>	143,986,892	146,060,858	148,863,894	1.3%	153,708,431	150,740,168	152,271,710	154,796,242	155,091,388
<b>Other Financing Sources</b>										
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%	726,060	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	<i>Total Other Financing Sources</i>	1,745,942	688,217	837,005	-33.6%	826,060	600,000	600,000	600,000	600,000
2.080	<i>Total Revenues and Other Financing Sources</i>	145,732,834	146,749,075	149,700,899	0.4%	154,534,491	151,340,168	152,871,710	155,396,242	155,691,388
<b>Expenditures</b>										
3.010	Personal Services	83,015,170	81,079,445	79,211,277	-1.8%	79,007,153	81,806,227	87,575,202	90,609,516	93,696,495
3.020	Employees' Retirement/Insurance Benefits	32,589,113	32,291,814	31,812,840	0.0%	31,732,279	34,322,805	36,615,380	38,870,838	40,850,573
3.030	Purchased Services	22,767,530	23,059,646	24,375,617	-3.8%	27,978,671	29,542,748	31,424,292	32,390,680	33,344,948
3.040	Supplies and Materials	2,701,527	2,785,161	2,395,718	-9.7%	3,430,690	4,127,284	3,362,783	3,398,709	3,434,697
3.050	Capital Outlay	520,894	215,910	186,506	-44.2%	385,343	401,913	409,413	417,063	424,866
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
<b>Debt Service:</b>										
4.010	Principal-All (Historical Only)	1,907,626	0	0	-48.7%	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%	942,973	1,924,661	1,926,934	1,929,230	1,930,495
4.500	<i>Total Expenditures</i>	145,425,472	141,278,783	139,708,017	-2.7%	143,477,109	152,125,638	161,314,004	167,616,036	173,682,074
<b>Other Financing Uses</b>										
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	<i>Total Other Financing Uses</i>	486,446	894,983	730,825	15.3%	505,000	505,000	505,000	505,000	505,000
5.050	<i>Total Expenditures and Other Financing Uses</i>	145,911,918	142,173,766	140,438,842	-2.7%	143,982,109	152,630,638	161,819,004	168,121,036	174,187,074
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	-179,084	4,575,309	9,262,057	-882.9%	10,552,382	-1,290,470	-8,947,294	-12,724,794	-18,495,686
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	25,534,726	24,244,256	15,296,962	2,572,168
7.020	<i>Cash Balance June 30</i>	1,144,978	5,720,287	14,982,344	182.7%	25,534,726	24,244,256	15,296,962	2,572,168	-15,923,518
8.010	<i>Estimated Encumbrances June 30</i>	446,839	457,988	550,000		550,000	550,000	550,000	550,000	550,000
<b>Reservation of Fund Balance</b>										
9.030	Budget Reserve	0	0	0		500,000	1,000,000	1,500,000	2,000,000	2,500,000
9.080	<i>Subtotal</i>	0	0	0		500,000	1,000,000	1,500,000	2,000,000	2,500,000
10.010	<i>Fund Balance June 30 for Certification of Appropriations</i>	698,139	5,262,299	14,432,344		24,484,726	22,694,256	13,246,962	22,168	-18,973,518
12.010	<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	698,139	5,262,299	14,432,344		24,484,726	22,694,256	13,246,962	22,168	-18,973,518
15.010	<i>Unreserved Fund Balance June 30</i>	698,139	5,262,299	14,432,344		24,484,726	22,694,256	13,246,962	22,168	-18,973,518



# Five Year Forecast Financial Report

May, 2020

*Sean Nuccio, CPA*

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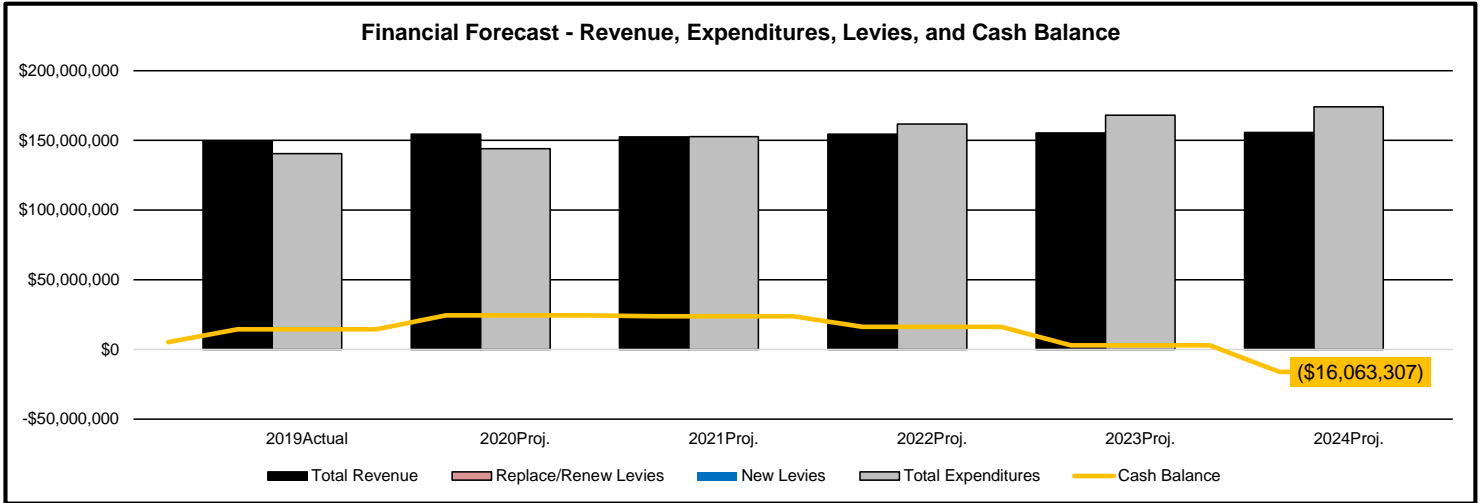
**Forecast Purpose/Objectives**

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	25,534,726	24,244,256	15,296,962	2,572,169
+ Revenue	154,534,491	151,340,168	152,871,710	155,396,242	155,691,388
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(143,982,109)	(152,630,638)	(161,819,004)	(168,121,036)	(174,187,074)
= Revenue Surplus or Deficit	10,552,382	(1,290,470)	(8,947,295)	(12,724,793)	(18,495,686)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	25,534,726	24,244,256	15,296,962	2,572,169	(15,923,517)

### Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	10,552,382	(1,290,470)	(8,947,294)	(12,724,794)	(18,495,686)
Ending Balance w/o Levies	25,534,726	24,244,256	15,296,962	2,572,169	(15,923,517)

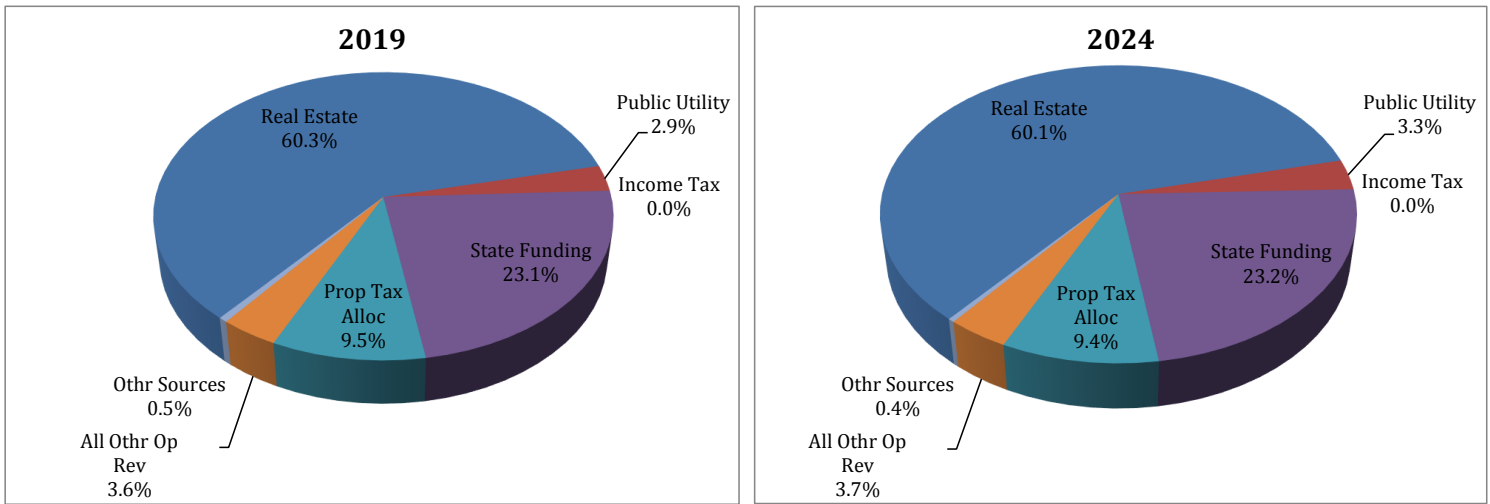
In recent years, the school district has experienced periods of revenue shortfalls that have led to a significant reduction in the cash balance and fiscal instability. This has resulted in the district having to take real estate tax advances from future fiscal years from the County Budget Commission 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 are \$2.1 million for fiscal year 2020. The Ed. Choice deduction was increased to \$2.6 million for fiscal year 2021.

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	
<b>Revenue:</b>							
1.010-Real Estate	0.46%	3.17%	0.35%	0.23%	0.65%	0.14%	0.91%
1.020-Public Utility	4.12%	4.90%	5.07%	3.00%	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%	-1.18%	0.00%	3.34%	-0.04%	-0.04%	0.42%
1.040-Restricted Aid	5.74%	-0.50%	-0.11%	0.00%	0.00%	0.00%	-0.12%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-0.93%	2.32%	-1.12%	0.69%	0.69%	-0.04%	0.51%
1.060-All Other Operating	11.72%	33.77%	-28.64%	8.74%	0.22%	0.09%	2.84%
<b>1.070-Total Revenue</b>	<b>0.78%</b>	<b>3.25%</b>	<b>-1.13%</b>	<b>1.31%</b>	<b>0.55%</b>	<b>0.19%</b>	<b>0.83%</b>
2.070-Total Other Sources	-3.59%	-1.31%	-27.37%	0.00%	0.00%	0.00%	-5.73%
2.080-Total w/Other Srcs	0.43%	3.23%	-1.27%	1.30%	0.54%	0.19%	0.80%

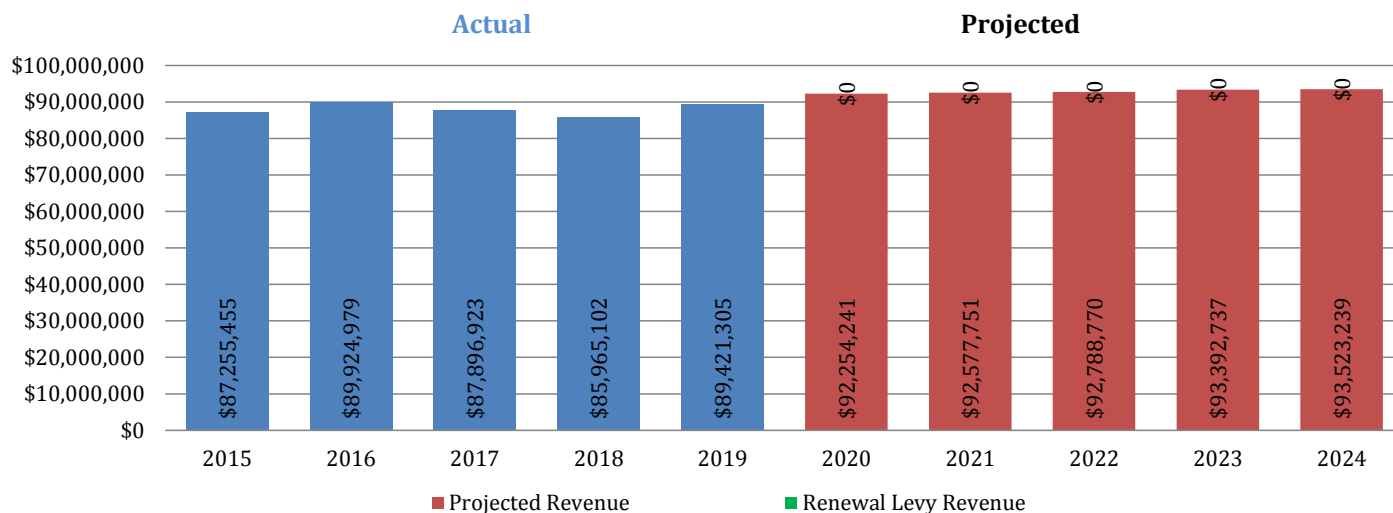
Over the past five years, the district experienced an average annual increase of 0.78% in operating revenue. Based on current revenue projections, the district is expected to incur an average annual increase of 0.83% over the next five years.

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	92,254,241	92,577,751	92,788,770	93,392,737	93,523,239
YOY \$ Change	3,456,203	2,832,936	323,510	211,019	603,967	130,502
YOY % Change	4.0%	3.2%	0.4%	0.2%	0.7%	0.1%

Percentage of Total Revenue	59.7%	59.7%	60.7%	60.0%	60.1%	60.1%
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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)	99.1%
2019	2,134,439,830	(3,033,160)	49.71	0.00	54.03	(0.00)	99.0%
2020	2,132,989,830	(1,450,000)	49.72	0.01	54.21	0.17	98.9%
2021	2,268,008,066	135,018,236	46.81	(2.91)	53.14	(1.07)	99.2%
2022	2,266,558,066	(1,450,000)	46.82	0.01	53.31	0.17	99.5%
2023	2,265,108,066	(1,450,000)	46.83	0.01	53.49	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.

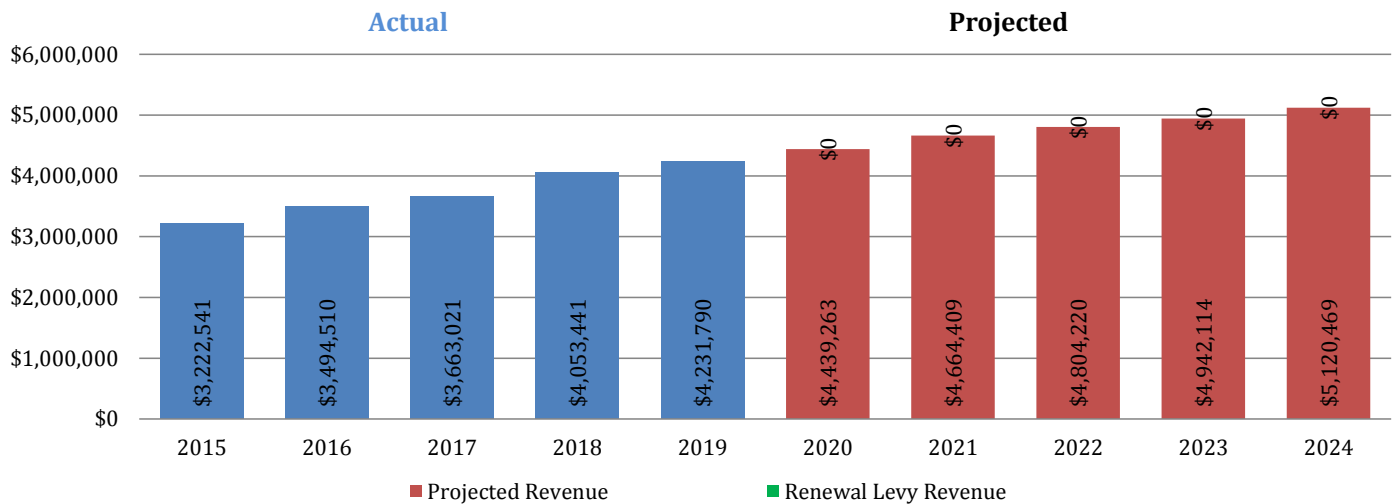
Since a June property tax advance was not taken in June 2018, the full property tax collection minus the Cuyahoga County May mandated-advance was recorded in the proper fiscal year. This caused fiscal year 2018 collections to be lower compared to the fiscal year 2019 collections. Beginning in fiscal year 2020, Cuyahoga County ended the practice of giving school districts a May property tax advance from the following fiscal year.

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.

\*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	4,439,263	4,664,409	4,804,220	4,942,114	5,120,469
YOY \$ Change	178,350	207,473	225,146	139,811	137,894	178,355
YOY % Change	4.4%	4.9%	5.1%	3.0%	2.9%	3.6%
Percentage of Total Revenue	2.8%	2.9%	3.1%	3.1%	3.2%	3.3%

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	72.86	0.00	100.0%
2020	65,275,140	2,500,000	72.85	(0.01)	100.0%
2021	67,775,140	2,500,000	71.60	(1.25)	100.0%
2022	70,275,140	2,500,000	71.59	(0.01)	100.0%
2023	72,775,140	2,500,000	71.59	(0.01)	100.0%

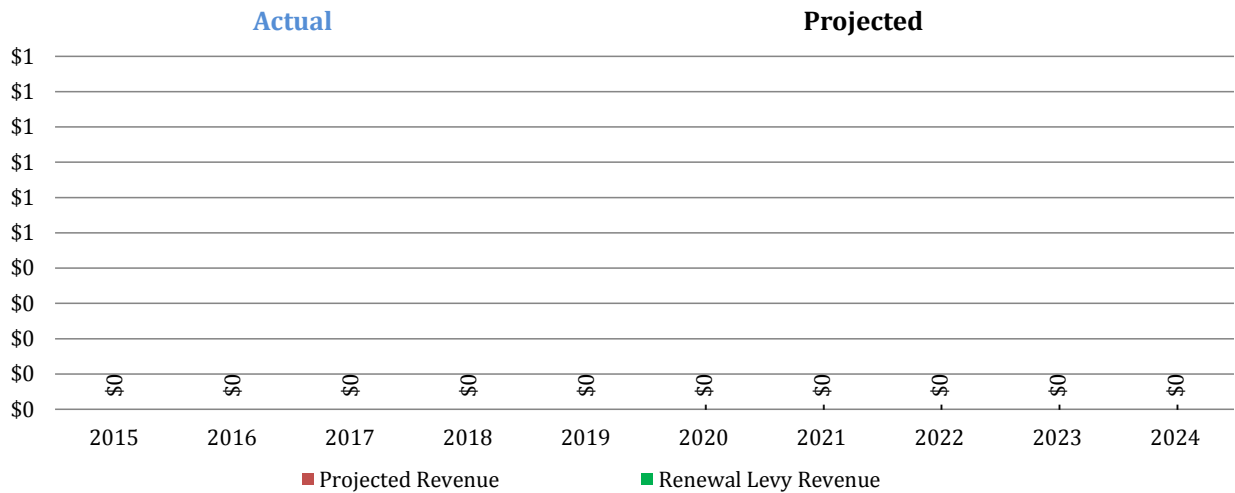
Public Utility - Personal Property tax revenue generates 2.9% of the district's overall revenue.

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%

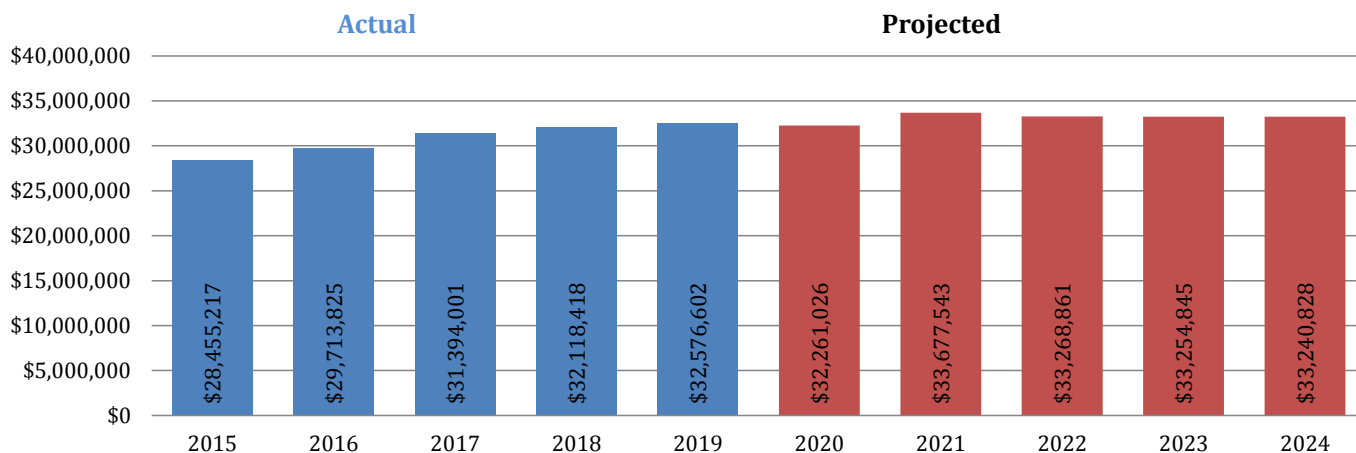
Parma City School District does not have a school district income tax.

*\*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	32,192,126	30,965,731	31,585,046	33,254,845	33,240,828
YOY \$ Change	458,183	(384,476)	(1,226,395)	619,315	1,669,799	(14,017)
YOY % Change	1.4%	-1.2%	-3.8%	2.0%	5.3%	0.0%

Percentage of Total Revenue	21.8%	20.8%	20.3%	20.4%	21.4%	21.4%
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Base Aid	35,108,481	35,108,481	35,108,481	35,108,481	35,108,481	35,108,481
Student Wellness Aid		1,341,780	1,863,350	1,808,796	1,754,247	1,699,699
Supplemental Aid - Wellness & Growing		-	-	-	-	-

Enrollment	9,554	9,477	9,208	8,938	8,669	8,399
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The state's per pupil funding formula is the second largest form of revenue the district receives and generates 20.8% of the district's revenue in FY20. 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.

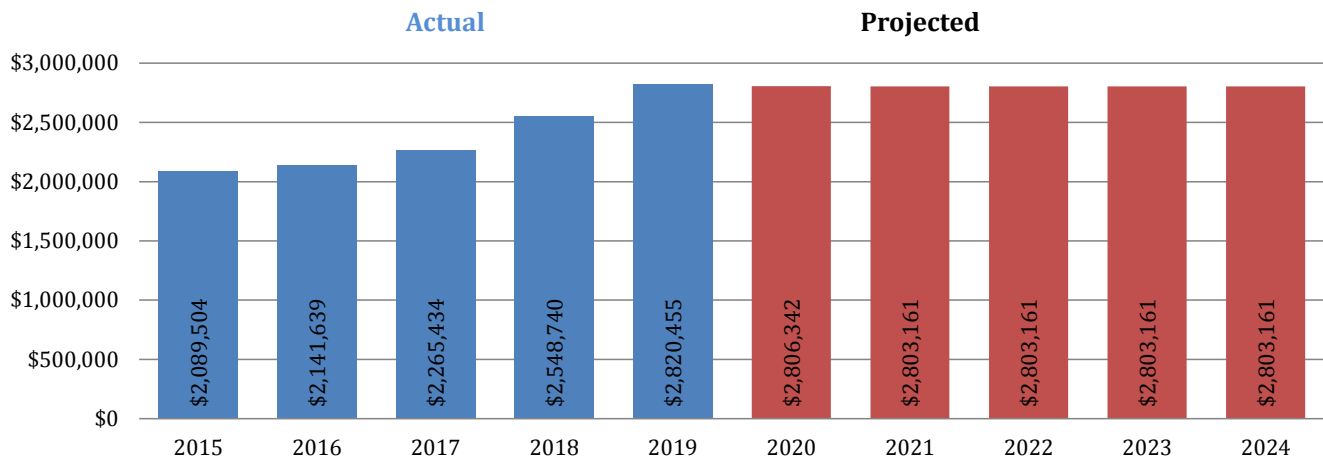
Our state funding is dependent on our funding status. Currently, we are on the cap; meaning that we are not fully funded based on the number of students enrolled. In May 2020, the state reduced our funding by \$2,824,882.

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. With the health pandemic, expect FY 2021 casino revenue to decrease.

### 1.040 & 1.045 - Restricted Grants-in-Aid

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

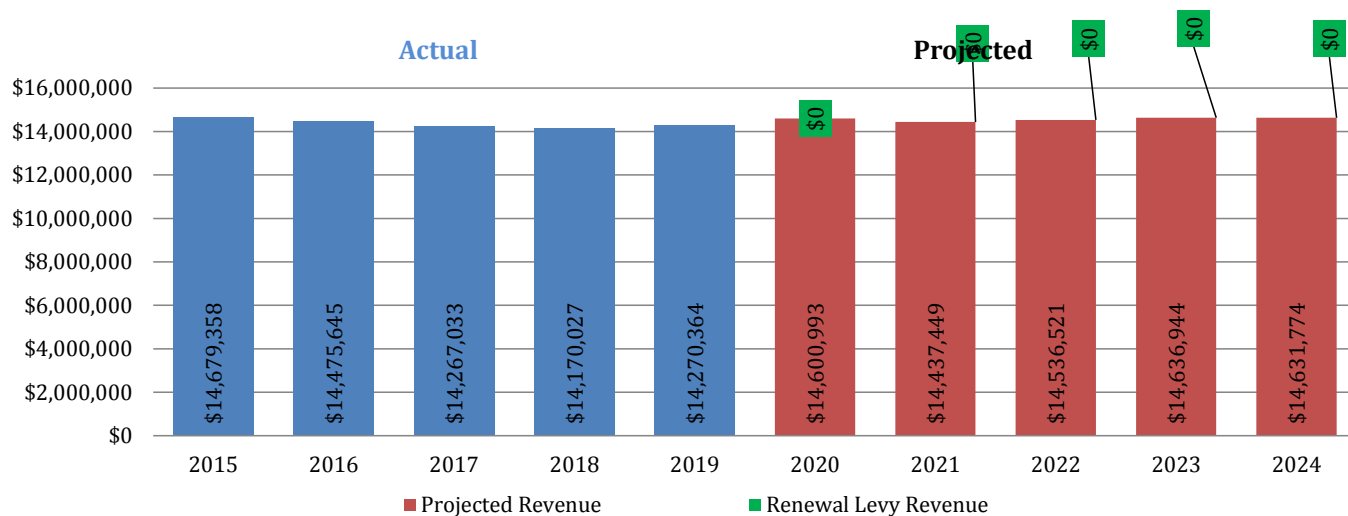


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,820,455	2,806,342	2,803,161	2,803,161	2,803,161	2,803,161
YOY \$ Change	271,715	(14,113)	(3,181)	-	-	-
YOY % Change	10.7%	-0.5%	-0.1%	0.0%	0.0%	0.0%
Percentage of Total Revenue	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%

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 1.8% 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	14,600,993	14,437,449	14,536,521	14,636,944	14,631,774
YOY \$ Change	100,337	330,629	(163,544)	99,072	100,423	(5,170)
YOY % Change	0.7%	2.3%	-1.1%	0.7%	0.7%	0.0%
Percentage of Total Revenue	9.5%	9.4%	9.5%	9.4%	9.4%	9.4%
% 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 9.4% 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.

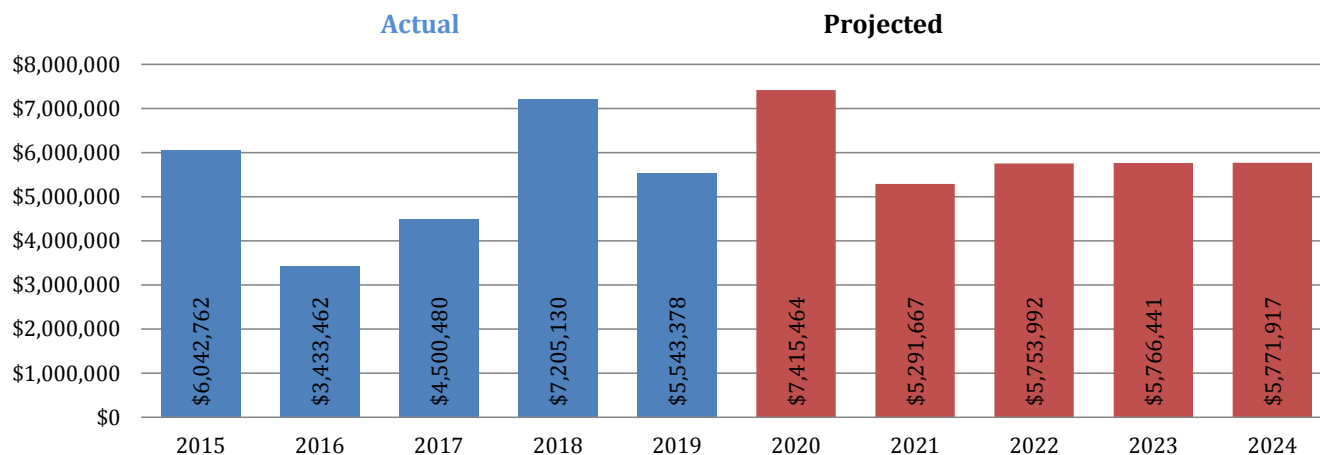
Homestead and rollback reimbursements are state reimbursements for local real estate tax credits (deductions). Local residential real estate taxes are reduced by rollback (12.5% for owner occupied houses) and also for homestead (disabled, senior citizens, etc.).

Rollback reimbursements totaled \$10,538,966 in FY20 and homestead reimbursements totaled \$3,889,229.

*\*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.



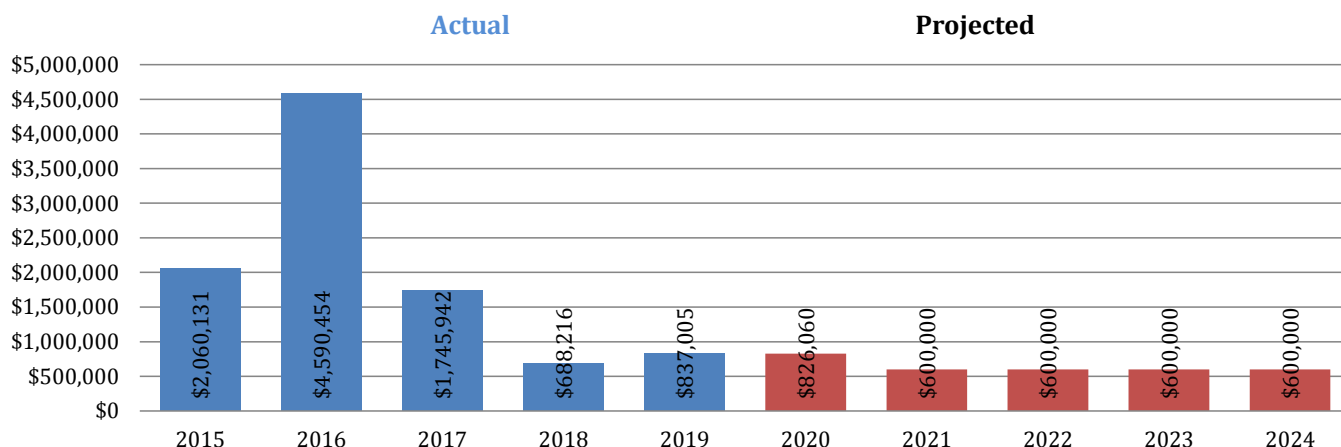
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	5,543,378	7,415,464	5,291,667	5,753,992	5,766,441	5,771,917
YOY \$ Change	(1,661,752)	1,872,086	(2,123,797)	462,325	12,449	5,476
YOY % Change	-23.1%	33.8%	-28.6%	8.7%	0.2%	0.1%
Percentage of Total Revenue	3.7%	4.8%	3.5%	3.7%	3.7%	3.7%

All other revenue represented 4.8% 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 for 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.

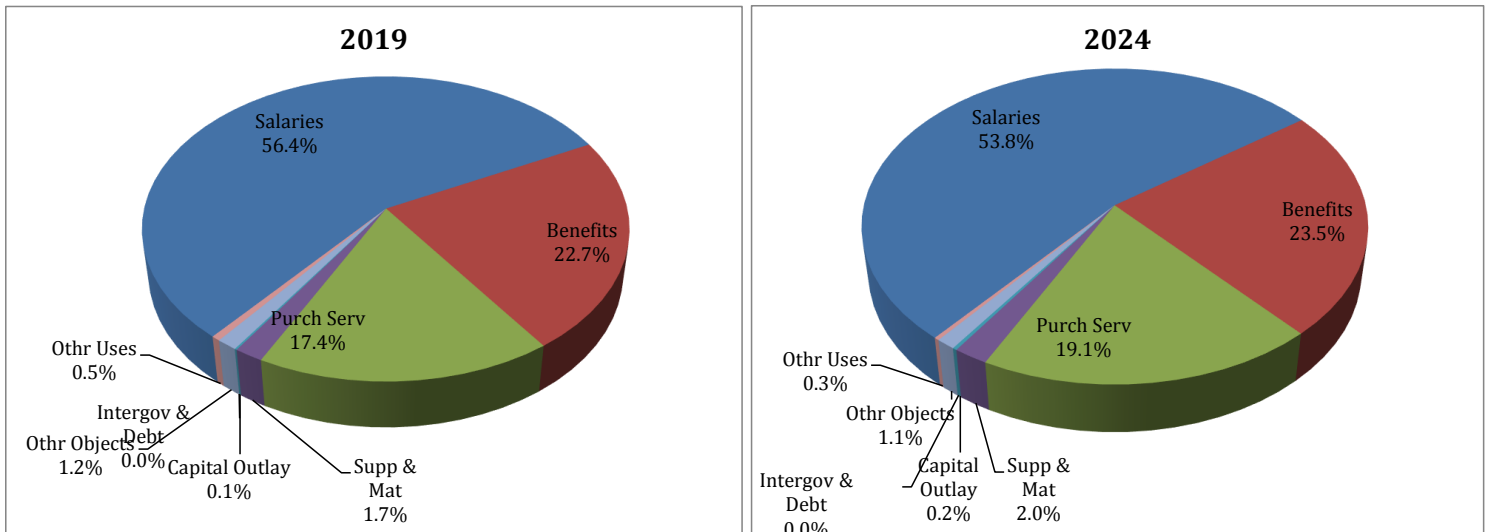


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	837,005	826,060	600,000	600,000	600,000	600,000
YOY \$ Change	148,789	(10,945)	(226,060)	-	-	-
YOY % Change	21.6%	-1.3%	-27.4%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.6%	0.5%	0.4%	0.4%	0.4%	0.4%
Transfers In	24,482	-	-	-	-	-
Advances In	431,446	726,060	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 2020, advances to the General Fund totaled \$726,060. 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



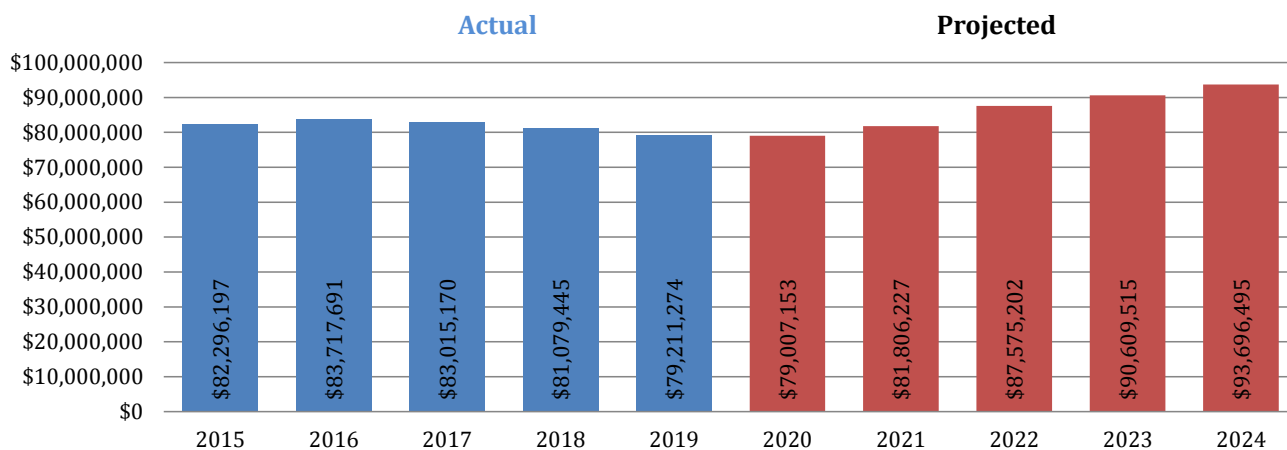
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
<b>Expenditures:</b>							
3.010-Salaries	-0.98%	-0.26%	3.54%	7.05%	3.46%	3.41%	3.44%
3.020-Benefits	2.23%	-0.25%	8.16%	6.68%	6.16%	5.09%	5.17%
3.030-Purchased Services	-2.96%	14.78%	5.59%	6.37%	3.08%	2.95%	6.55%
3.040-Supplies & Materials	-6.53%	43.20%	20.30%	-18.52%	1.07%	1.06%	9.42%
3.050-Capital Outlay	84.56%	106.61%	4.30%	1.87%	1.87%	1.87%	23.30%
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%	-45.37%	104.11%	0.12%	0.12%	0.07%	11.81%
4.500-Total Expenditures	-1.20%	2.70%	6.03%	6.04%	3.91%	3.62%	4.46%
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%	2.52%	6.01%	6.02%	3.89%	3.61%	4.41%

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 4.46% 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	79,007,153	81,806,227	87,575,202	90,609,515	93,696,495
YOY \$ Change	(1,868,170)	(204,121)	2,799,074	5,768,975	3,034,313	3,086,980
YOY % Change	-2.3%	-0.3%	3.5%	7.1%	3.5%	3.4%
Percentage of Total Budget	56.4%	54.9%	53.6%	54.1%	53.9%	53.8%

The salaries expense category represents the largest portion of the district’s budget at 54.9% of total general fund operating expenses in FY20. Funding from the CARES Act and state funding from the Governor’s student wellness initiative, reduced General Fund payroll expenses. The General Fund payroll is expected to increase in fiscal year 2022 after these revenue sources have been completely spent.

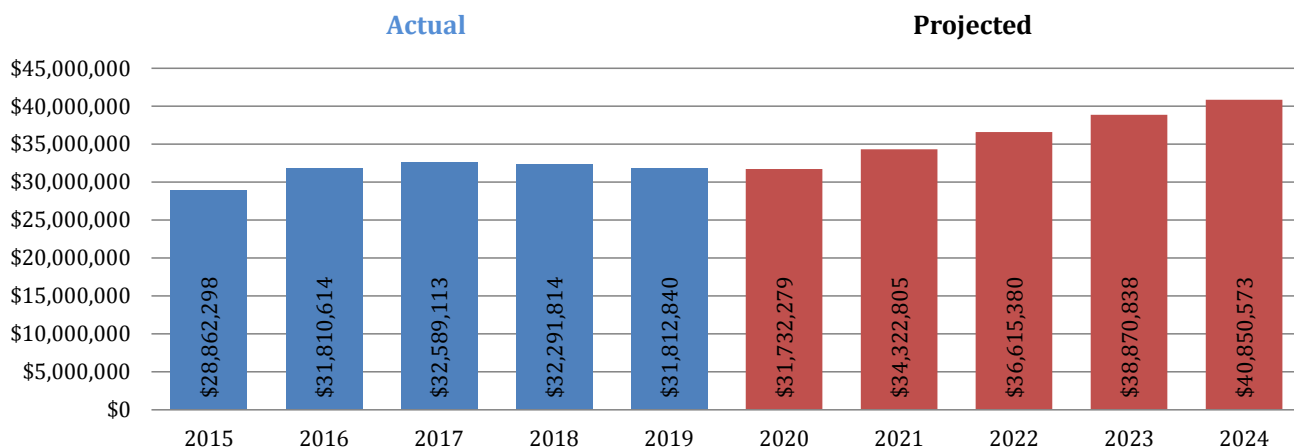
During the previous fiscal year, the district was forced to reduce staffing levels due to revenue shortfalls. Due to educational needs, the district recalled employees to meet the educational levels of our students.

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	31,732,279	34,322,805	36,615,380	38,870,838	40,850,573
YOY \$ Change	(478,974)	(80,561)	2,590,526	2,292,575	2,255,458	1,979,735
YOY % Change	-1.5%	-0.3%	8.2%	6.7%	6.2%	5.1%
Percentage of Total Budget	22.7%	22.0%	22.5%	22.6%	23.1%	23.5%

Health Insurance benefits and retirement related expenses are the district's second largest expense, representing 22% of the overall General Fund budget in FY20.

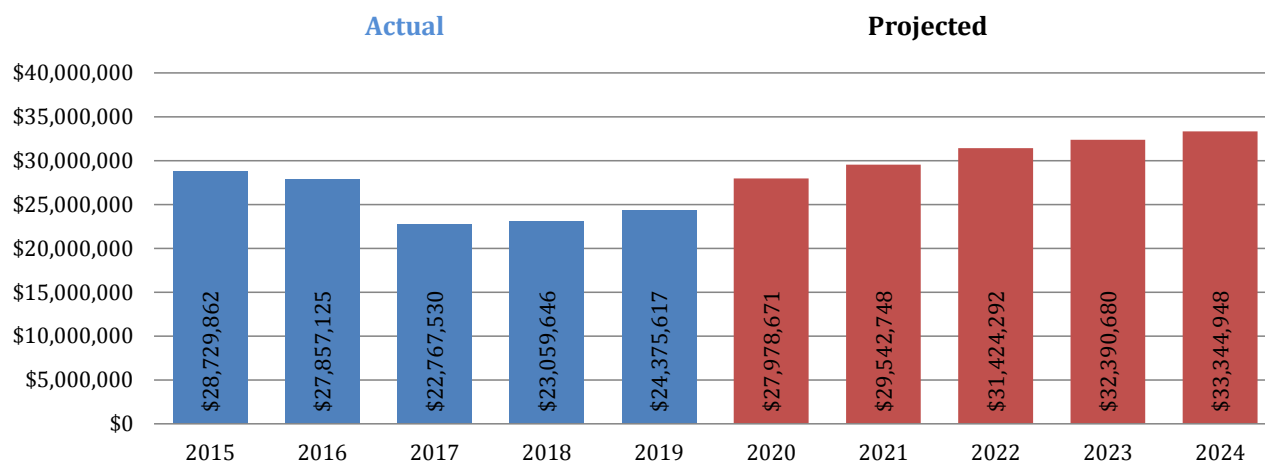
The reductions in staffing that occurred during the current fiscal year offset the annual increases in medical premiums that the district incurred. Based on the guidance provided from the district's health insurance broker, the annual health insurance premiums were increased by 3%. Our health insurance claims increased significantly in FY 20. Our health care consultants are recommending a premium increase of 12% for FY 20. The remaining years have an additional 6% annual increase.

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	27,978,671	29,542,748	31,424,292	32,390,680	33,344,948
YOY \$ Change	1,315,970	3,603,054	1,564,077	1,881,544	966,388	954,268
YOY % Change	5.7%	14.8%	5.6%	6.4%	3.1%	2.9%
Percentage of Total Budget	17.4%	19.4%	19.4%	19.4%	19.3%	19.1%

Purchased services represent 19.4% 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.

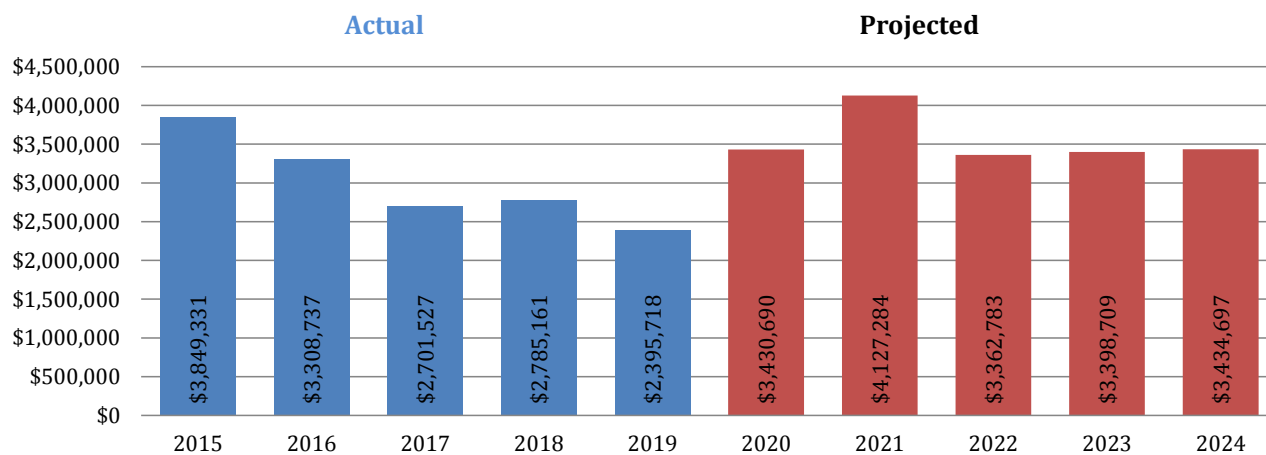
For the current fiscal year, charter school deductions are estimated at \$12.8 million up from the \$11.57 million in fiscal year 2019. Also, fiscal year 2020 special education tuition is estimated at \$2.9 million up from \$2 million in fiscal year 2019.

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. 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	3,430,690	4,127,284	3,362,783	3,398,709	3,434,697
YOY \$ Change	(389,443)	1,034,972	696,594	(764,501)	35,926	35,988
YOY % Change	-14.0%	43.2%	20.3%	-18.5%	1.1%	1.1%
Percentage of Total Budget	1.7%	2.4%	2.7%	2.1%	2.0%	2.0%

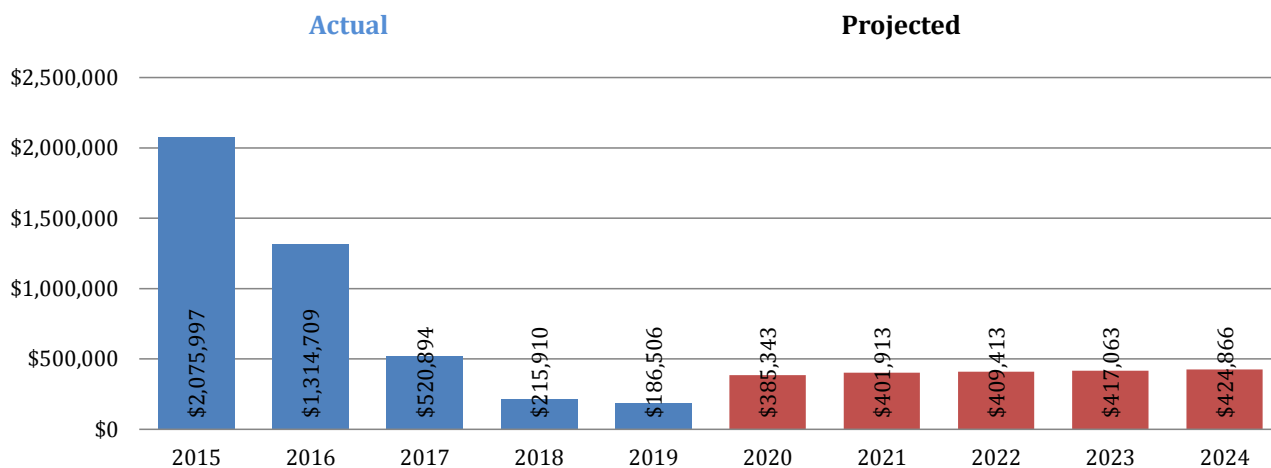
Supplies and materials represent 2.4% of the total General Fund budget in FY20.

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 textbooks at a General Fund cost of \$651,401.

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 2021. However, bus repairs are expected to decrease with the purchase of 34 new busses in fiscal year 2019 and 10 new busses in fiscal year 2020, 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.

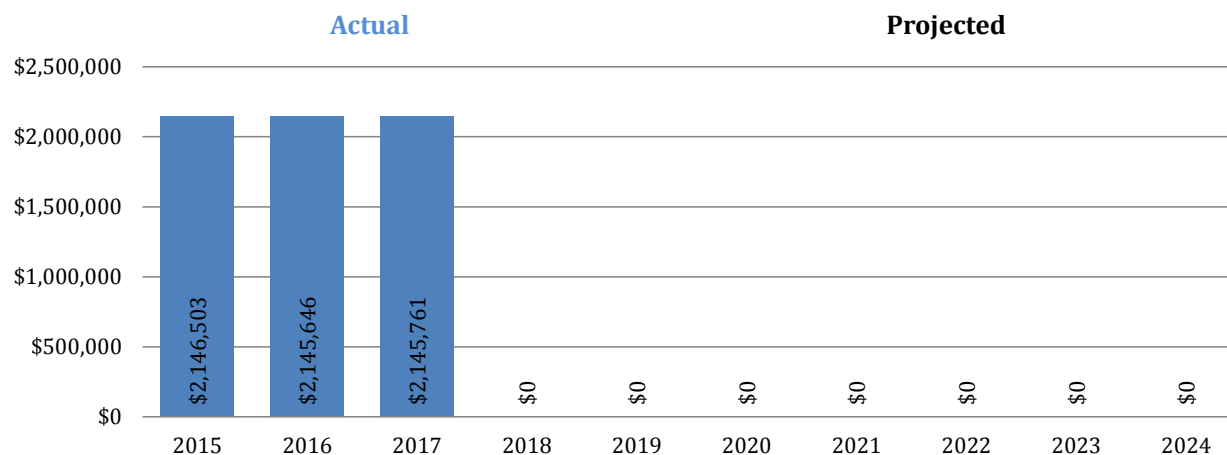


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	186,506	385,343	401,913	409,413	417,063	424,866
YOY \$ Change	(29,404)	198,837	16,570	7,500	7,650	7,803
YOY % Change	-13.6%	106.6%	4.3%	1.9%	1.9%	1.9%
Percentage of Total Budget	0.1%	0.3%	0.3%	0.3%	0.2%	0.2%

Over the past three years, the district has shifted the majority of these expenditures to the Permanent Improvement Fund and FY20 capital outlay total was \$385.343 with the largest portion being Career Tech equipment.

### 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.

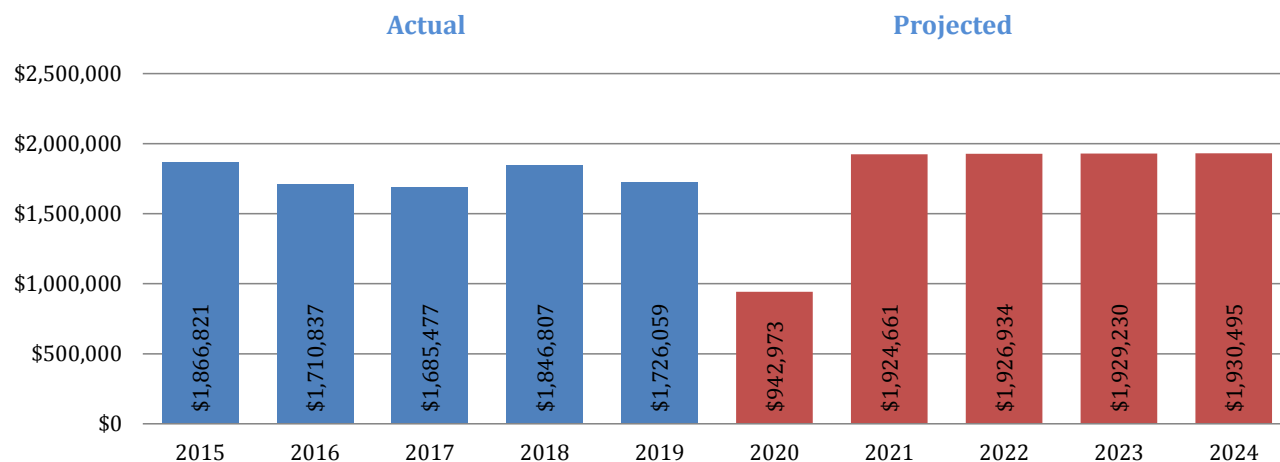


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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.



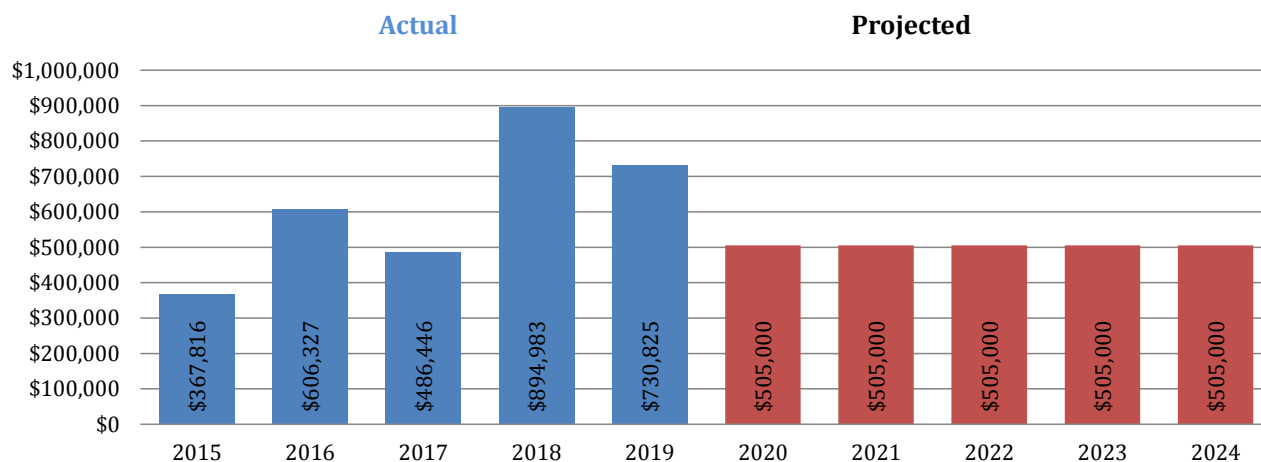
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,726,059	942,973	1,924,661	1,926,934	1,929,230	1,930,495
YOY \$ Change	(120,748)	(783,086)	981,688	2,273	2,296	1,265
YOY % Change	-6.5%	-45.4%	104.1%	0.1%	0.1%	0.1%
Percentage of Total Budget	1.2%	0.7%	1.3%	1.2%	1.1%	1.1%

Most of the district's Other Object expenses are related to County Auditor and Treasurer Fees.

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%
<b>Percentage of Total Budget</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>
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 \$500,000 annually.

## Parma City School District

### Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	89,421,305	92,254,241	92,577,751	92,788,770	93,392,737	93,523,239
1.020 - Public Utility Personal Property	4,231,790	4,439,263	4,664,409	4,804,220	4,942,114	5,120,469
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	32,576,602	32,192,126	30,965,731	31,585,046	33,254,845	33,240,828
1.040 - Restricted Grants-in-Aid	2,820,455	2,806,342	2,803,161	2,803,161	2,803,161	2,803,161
1.050 - Property Tax Allocation	14,270,364	14,600,993	14,437,449	14,536,521	14,636,944	14,631,774
1.060 - All Other Operating Revenues	5,543,378	7,415,464	5,291,667	5,753,992	5,766,441	5,771,917
<b>1.070 - Total Revenue</b>	<b>148,863,894</b>	<b>153,708,429</b>	<b>150,740,168</b>	<b>152,271,710</b>	<b>154,796,242</b>	<b>155,091,388</b>
<b>Other Financing Sources:</b>						
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	726,060	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	826,060	600,000	600,000	600,000	600,000
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>149,700,899</b>	<b>154,534,489</b>	<b>151,340,168</b>	<b>152,871,710</b>	<b>155,396,242</b>	<b>155,691,388</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	79,211,274	79,007,153	81,806,227	87,575,202	90,609,515	93,696,495
3.020 - Employee Benefits	31,812,840	31,732,279	34,322,805	36,615,380	38,870,838	40,850,573
3.030 - Purchased Services	24,375,617	27,978,671	29,542,748	31,424,292	32,390,680	33,344,948
3.040 - Supplies and Materials	2,395,718	3,430,690	4,127,284	3,362,783	3,398,709	3,434,697
3.050 - Capital Outlay	186,506	385,343	401,913	409,413	417,063	424,866
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	1,726,059	942,973	1,924,661	1,926,934	1,929,230	1,930,495
<b>4.500 - Total Expenditures</b>	<b>139,708,014</b>	<b>143,477,109</b>	<b>152,125,638</b>	<b>161,314,004</b>	<b>167,616,035</b>	<b>173,682,074</b>
<b>Other Financing Uses</b>						
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
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>140,438,839</b>	<b>143,982,109</b>	<b>152,630,638</b>	<b>161,819,004</b>	<b>168,121,035</b>	<b>174,187,074</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>9,262,060</b>	<b>10,552,380</b>	<b>(1,290,470)</b>	<b>(8,947,294)</b>	<b>(12,724,793)</b>	<b>(18,495,686)</b>
7.010 - Cash Balance July 1 (No Levies)	5,720,286	14,982,346	25,534,726	24,244,256	15,296,962	2,572,169
7.020 - Cash Balance June 30 (No Levies)	14,982,346	25,534,726	24,244,256	15,296,962	2,572,169	(15,923,517)
		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
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>14,432,346</b>	<b>24,484,726</b>	<b>22,694,256</b>	<b>13,246,962</b>	<b>22,169</b>	<b>(18,973,517)</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>14,432,346</b>	<b>24,484,726</b>	<b>22,694,256</b>	<b>13,246,962</b>	<b>22,169</b>	<b>(18,973,517)</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>14,432,346</b>	<b>24,484,726</b>	<b>22,694,256</b>	<b>13,246,962</b>	<b>22,169</b>	<b>(18,973,517)</b>