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ISSUE 31 FACTS

- Not a new tax
- Funds day-to-day operations including high-quality classroom instruction and important support services
- Represents 10.6% of general fund budget, or \$15.6 million per year
- Renewal of levy first passed in May 2011

**Open Now
for PCSD Financial
Report**

WINTER 2020

Parma City School District Monitor

Issue 31 - Not a New Tax, Maintains Current Funding



Charles Smialek, Ph.D.
PCSD Superintendent

The 2020 portion of this school year has begun on an extremely positive note as the Ohio Department of Education (ODE) recently informed us that we no longer require their oversight and are now released from

Fiscal Caution status. We must continue to be very diligent in reinforcing the importance of fiscal responsibility throughout our district, but we are also excited that ODE has a renewed sense of confidence in our ability to manage our finances.

We owe gratitude to many parties for this accomplishment. First, our Board of Education set a clear tone that lingering in Fiscal Caution was not acceptable; their strong leadership set a better direction for us all.

Second, PCSD Treasurer Sean Nuccio and his department have implemented stringent policies and procedures to ensure accurate reporting of revenue and expenses and better guidelines to regulate spending.

Finally, our union leaders have collaborated with us to reach collective bargaining agreements which recognize the financial parameters within which we must continue to operate. Our employees are largely paid lower than their similarly-qualified and experienced peers in neighboring districts. However, our

labor leaders consistently operate with a "best for the district" mentality, even when this perspective means personal and professional sacrifices on behalf of our dedicated staff members.

While we are excited to emerge from "Fiscal Caution" status, we must maintain our revenue levels at their current state. To this end, we will ask our community to consider Issue 31 on March 17, the last "new money" operating levy that we passed.

**ISSUE 31 is
not a new tax;
it simply maintains
collection rates as
they currently stand.**

This renewal is not a new tax; it simply maintains collection rates as they currently stand. This 7.2 mill operating levy costs the owner of a \$100,000 home about \$21 per month. The revenue we collect from this specific levy comprises approximately 10% of our general fund. Failure to pass the renewal will lead us to reduce programming and opportunities for our students.

Importantly, the operating levy renewal on March 17's ballot is separate from the facilities Master Plan that our Board of Education recently adopted. Your vote on the operating renewal will not lead to closing current schools or building new ones. Later this spring,

we will provide more information about our efforts to consolidate our district's current 15 schools into 10 new facilities, taking advantage of a 34% contribution from the Ohio Facilities Construction Commission.

Thank you for your interest in our school district! Please feel free to contact me at smialekc@parmacityschools.org if you have any questions or comments

The best is yet to come!

Thanks,
Charlie

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Message from the Treasurer/CFO



Sean Nuccio
Treasurer / CFO

Beginning in 2018 with the appointment of Dr. Smialek as Superintendent, the Parma City School District strived to achieve three main goals, based on community feedback:

1. Practice fiscal responsibility
2. Increase student achievement
3. Improve transparency throughout our communities

Providing a high-quality education for each student, while practicing fiscal responsibility, is paramount for everyone who resides

and works in our three communities. To be transparent with our communities regarding our finances, we submit this report for the fiscal year ending on June 30, 2019.

This Financial Report summarizes the revenues and expenditures for the General Fund, the largest fund where most of the day-to-day operations and services of the district are provided.

In January, we were proud to report that the PCSD was removed from Fiscal Caution status. The removal from Fiscal Caution by Ohio Department of Education should reinforce to the community that the PCSD continues to closely monitor our finances and make sound financial decisions, while improving the educational experience for each of our students.

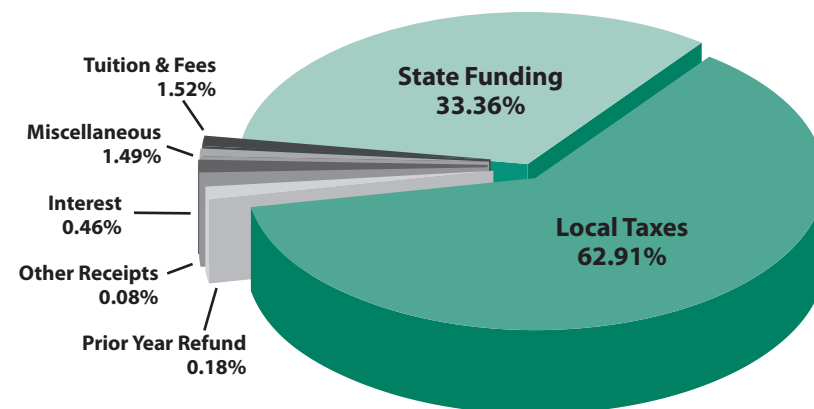
The PCSD had been in Fiscal Caution status since August 1, 2016. Since that time, the district endured millions of dollars in difficult reductions to the budget through fiscal recovery plans. The continuation of these previously implemented reductions were just one of the reasons for our increased financial stability. We are committed to making the necessary changes to our processes and procedures to ensure financial stability while being transparent with our communities.

We will continue to have an annual audit of our finances conducted through the Ohio Auditor of State. For the next two fiscal years, these audits will be conducted by Rea & Associates, an outside, independent Certified Public Accounting firm who will report their findings to the state. Those audits will be available on our website when they are released.

To keep our district in a sound financial position, the importance of Issue 31, the upcoming renewal levy, cannot be overstated. Issue 31 represents \$15.6 million of our entire General Fund operating budget, providing key resources and programs for our students throughout our three communities. Issue 31 is not a new tax and will be on the March 17, 2020 ballot.

For more information and to view the district's Five-Year Financial Forecast, please visit our website at www.parmacityschools.org/treasurer

2018–2019 PCSD Financial Report



2018–19 Revenues

Local Taxes	\$ 93,653,095.00	62.91%
State Funding	\$ 49,667,421.00	33.36%
Tuition & Fees	\$ 2,261,317.25	1.52%
Miscellaneous	\$ 2,216,795.27	1.49%
Interest	\$ 684,189.11	0.46%
Prior Year Refund	\$ 260,235.77	0.18%
Other Receipts	\$ 120,840.60	0.08%
TOTAL	\$ 148,863,894.00	100%

REVENUE DEFINITIONS:

Local Taxes:

A combination of residential, commercial, industrial, public utility and tangible personal property taxes paid by property owners located within the school district.

State Funding:

A combination of state per pupil aid, approximately \$3,627 per student, and property tax relief reimbursement from the homestead exemption. The exemption was eliminated in Sept. 2013 for any new tax issues that are approved.

Tuition & Fees:

A total of receipts generated by the district. This revenue includes tuition collected from programs like Career Tech and fees collected from programs and activities held throughout the year. Includes transportation and classroom fees.

Miscellaneous:

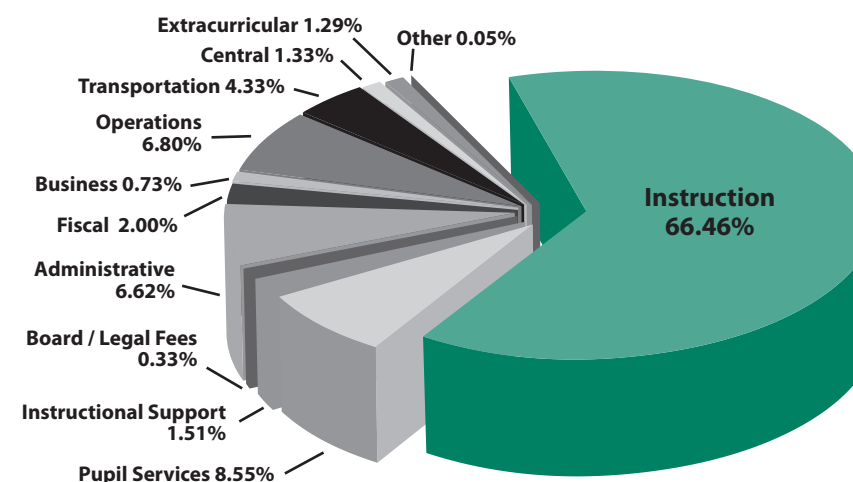
A combination of revenues some of which include service agreements, rentals, leases, administrative fees for auxiliary services and salary reimbursement from other funding sources.

Prior Year Expenditures:

Refunds of prior year expenditures.

Other Receipts:

Includes, but not limited to, sale of fixed assets, insurance claims and fees collected from recycling programs.



2018–19 Expenditures

Instruction*	\$ 92,851,497.63	66.46%
Pupil Services*	\$ 11,944,271.60	8.55%
Operations	\$ 9,498,429.12	6.80%
Administrative*	\$ 9,246,927.50	6.62%
Transportation*	\$ 6,052,094.21	4.33%
Fiscal	\$ 2,798,322.68	2.00%
Instructional Support*	\$ 2,114,130.46	1.51%
Central	\$ 1,855,943.04	1.33%
Extracurricular	\$ 1,804,798.17	1.29%
Business	\$ 1,021,504.51	0.73%
Board / Legal Fees	\$ 457,175.15	0.33%
Other	\$ 62,917.50	0.05%
TOTAL	\$ 139,708,011.57	100%

* Over 87% of PCSD general fund expenditures are spent on student instruction and student support services.

Definitions derived from Uniform School Accounting System (USAS) Manual, developed by the Auditor of State's Office.

EXPENDITURE DEFINITIONS:

Instruction:

Relates to the direct, daily instruction between teacher and pupil. Instruction includes regular, special education and Career and Technical education.

Pupil Services:

Provides administrative, technical and logistical support to facilitate and enhance instruction. Includes guidance services, health services, speech, hearing and occupational and physical therapy.

Operations & Maintenance:

Relates to activities concerned with keeping the physical plant open, comfortable and safe for use. Keeping buildings, grounds and equipment in effective working conditions. Includes safety and security services.

Administrative:

Relates to activities associated with overall administrative responsibility for a single school or the entire district. Includes school administrative services, district administrative services and special education administrative services.

Transportation:

Relates to the conveyance of individuals to and from school as provided by state law. Includes transportation to and from school activities and between home and school.

Fiscal Services:

Relates to budgeting, financial accounting, payroll, inventory control, auditing and fiscal services rendered by the Treasurer's office.

Instructional Support:

Relates to activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils. Includes testing coordination, literacy, coaching, professional curricular development and media services.

Central:

Relates to activities, other than administrative, that support each of the other instructional and supporting services and programs. Includes technology maintenance and support, electronic student records management and informational services.

Extracurricular:

Student activities under the guidance or supervision of qualified adults that provide opportunities on an individual, small group or large group basis, not necessarily for credit. Includes subject, language, music, honor and sport related activities.

Business:

Relates to activities concerned with purchasing, receiving, transporting, exchanging and maintaining goods for the district. Includes, but not limited to, telephones and printing services.

Board / Legal Fees:

Relates to activities concerned with establishing and administering policy in connection with operating the school district. Includes district legal fees.

Other:

Relates to community services and building improvement. Community services are payments the district makes that do not directly relate to providing education for pupils. Building improvement relates to remodeling of buildings.