



**Auditor of State
Betty Montgomery**

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures	1
Notes to the Schedule of Federal Awards Receipts and Expenditures.....	3
Independent Accountants' Report on Compliance and on Internal Control Required By <i>Government Auditing Standards</i>	5
Independent Accountants' Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133	7
Schedule of Findings.....	9

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PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
Schedule of Federal Awards Expenditures
FOR THE YEAR ENDED June 30, 2003

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$269,819	0	\$269,819
National School Breakfast	044636 05-PU-02	10.553	1,290	0	1,290	0
	044636 05-PU-03		5,399	0	5,399	0
National School Lunch Program	044636 LL-P4-02	10.555	212,064	0	212,064	0
	044636 LL-P4-03		706,406	0	706,406	0
Total U.S. Department of Agriculture - Nutrition Cluster			925,159	269,819	925,159	269,819
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	044636-BE-C02	84.027	35,000	0	21,039	0
	044636 BS-F02		255,871	0	261,560	0
	044636 BS-F03		1,666,619	0	1,413,927	0
Total CFDA			1,957,490	0	1,696,526	0
Special Education - Preschool Grant	044636 PG-S1-02	84.173	7,988	0	22,691	0
	044636 PG-S1-03		59,197	0	65,792	0
Total CFDA			67,185	0	88,483	0
Total Special Education Cluster			2,024,675	0	1,785,009	0
Adult Education- State Grant Program	044636 AB-S1-01CY	84.002	4,045	0	0	0
	044636 AB-S1-02CY		1,724	0	0	0
	044636 AB-S1-03		99,319	0	164,648	0
Total CFDA			105,088	0	164,648	0
Grants to Local Educational Agencies (ESEA Title I)	044636 C1-S1-02	84.010	62,785	0	133,938	0
	044636 C1-S1-03		666,299	0	599,843	0
Total CFDA			729,084	0	733,781	0
Education Technology State Grants	044636-TJ-S1-03	84.318	4,016	0	1,002	0
Total CFDA			4,016	0	1,002	0
Innovative Educational Program Strategies	044636 C2-S1-02	84.298	(3,682)	0	0	0
	044636 C2-S1-03		129,227	0	61,356	0
Total CFDA			125,545	0	61,356	0
Drug-Free Schools Grant	044636 DR-S1-02	84.186	(1,204)	0	0	0
	044636 DR-S1-03		51,783	0	44,924	0
Total CFDA			50,579	0	44,924	0
Vocational Education - Basic Grants to States	044636 20-C1-02	84.048	25,297	0	53,726	0
	044636 20-C1-03		155,073	0	66,707	0
Total CFDA			180,370	0	120,433	0
Accreditation Resource Assistance	044636 20-A0-02	84.048	3,720	0	24,639	0
Total CFDA			3,720	0	24,639	0
Advanced Placement Program	044636 AV-S1-02	84.330	686	0	0	0
	044636 AV-S1-03		1,400	0	0	0
Total CFDA			2,086	0	0	0
Goals 2000	044636 G2-S1-01	84.276	28,101	0	39,257	0
Total CFDA			28,101	0	39,257	0
Eisenhower Professional Development	044636 MS-S1-02	84.281	(3,127)	0	0	0
Total CFDA			(3,127)	0	0	0
Class Size Reduction	044636 CR-S1-02	84.340	(749)	0	0	0
Total CFDA			(749)	0	0	0
Assistive Technology Infusion Grant	044636 AT-S2-02	84.352A	106,269	0	0	0
	044636 AT-S3-02		64,711	0	0	0
Total CFDA			170,980	0	0	0
English Language Acquisition Grant	044636 T3-S1-03	84.365	39,303	0	27,914	0
			39,303	0	27,914	0
Improving Teacher Quality State Grants	044636 TR-S1-03	84.367	299,462	0	235,381	0
Total CFDA			299,462	0	235,381	0
Total Department of Education			3,759,133	0	3,238,344	0

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
Schedule of Federal Awards Expenditures
FOR THE YEAR ENDED June 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Education:</i>						
<i>Refugee and Entrant Assistance:</i>						
Discretionary Grants FY 2000	N/A	93.576	1,800	0	1,720	0
Total CFDA			1,800	0	1,720	0
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance/ Medicaid Title XIX	N/A	93.778	823,736	0	823,736	0
Total CFDA			823,736	0	823,736	0
Total U.S. Department of Human Services			825,536	0	825,456	0
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Learn and Service America		044636-SV-S1-03 94.004	15,000	0	11,250	0
Total CFDA			15,000	0	11,250	0
Total Corporation for National and Community Service			15,000	0	11,250	0
Totals			<u>\$5,524,828</u>	<u>\$269,819</u>	<u>\$5,000,209</u>	<u>\$269,819</u>

The accompanying notes to this schedule are an integral part of this schedule.

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) summarizes the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Values may change from month to month and are entirely subjective. At June 30, 2003, the District had no significant food commodities in inventory.

NOTE C – NATIONAL SCHOOL LUNCH PROGRAM

Cash receipts from the U.S. Department of Agriculture are commingled with State grants and local monies. It is assumed federal monies are expended first.

N/A - Not Applicable.

CFDA - Catalog of Federal Domestic Assistance.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Board of Education
Parma City School District
Cuyahoga County
6726 Ridge Road
Parma, Ohio 44129

We have audited the basic financial statements of the Parma City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated January 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-001, 002 and 003. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 28, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 28, 2004.

Parma City School District
Cuyahoga County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, the Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

January 28, 2004



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Parma City School District
Cuyahoga County
6726 Ridge Road
Parma, Ohio 44129

Compliance

We have audited the compliance of the Parma City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Internal Control Over Compliance (Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 28, 2004.

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated January 28, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

January 28, 2004

PARMA CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY
 JUNE 30, 2003

SCHEDULE OF FINDINGS
 OMB CIRCULAR A-133 Section .505

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Sec. .510?	No
(d)(1)(vii)	Major Programs (list)	Child Nutrition Cluster CFDA # 10.550, 10.553, 10.555, 10.556, 010.559; Title I, Part A, ESEA CFDA # 84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 Section .505
(Continued)**

2. FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER	2003-001
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Ohio Rev. Code Section 5705.10 states, money paid into any fund shall be used only for the purposes for which such fund is established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

For the month of October 2002, the Alternative Schools fund had a negative fund balance of \$23,046.

We recommend the District utilize cash advances to or other appropriate measures to ensure that negative cash/fund balances do not exist throughout the year.

FINDING NUMBER	2003-002
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Ohio Rev. Code 5705.39 prohibits a political subdivision from making a fund appropriation in excess of estimated resources available for expenditure from the fund. The following funds had original appropriations which were in excess of estimated resources as reported on the Official Certificate of Estimated Resources.

Fund	Estimated Resources	Appropriations	Variance
003	\$26,335,925	\$27,995,686	\$1,659,761
005	209,731	2,784,127	2,574,396
006	2,224,068	3,244,795	1,020,727
020	1,473,555	1,596,672	123,117
300	513,457	602,293	88,836
401	4,443,378	5,207,976	764,598

FINDING NUMBER	2003-003
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Ohio Rev. Code Section 5705.41(D) states no orders or contracts involving the expenditure of money are to be made unless there is attached a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exception to this basic requirement is provided by statute:

PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 Section .505
(Continued)

**2. FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER	2003-003
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Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts less than \$1,000 (\$3,000 after April 7, 2003), may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

The District did not always comply with the aforementioned Revised Code Section. Fifteen of the seventy transactions tested had the invoice dated prior to the certification. Post certification was not applied through the conventions of the "then and now" certification.

We recommend the District properly certify the availability of funds for any orders or contracts involving the expenditure of money to ensure compliance with this requirement. Any purchase that falls out of this procedure should be reviewed under the "then and now" criteria.

3. FINDING FOR FEDERAL AWARDS

None.

Parma City School District, Ohio

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2003

Prepared by:

Chief Financial Officer/Budget Director

Bruce Basalla

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Parma City School District, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003
Table of Contents

I. INTRODUCTORY SECTION

Table of Contents	ii
Letter of Transmittal	vi
List of Principal Officials	xix
Organizational Chart	xx
ASBO Certificate of Achievement.....	xxi
GFOA Certificate of Achievement	xxii

II. FINANCIAL SECTION

Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund	20
Statement of Fund Net Assets – Enterprise Funds	21
Statement of Revenues, Expenses and Changes in Fund Net Assets – Enterprise Funds	22
Statement of Cash Flows – Enterprise Funds.....	23
Statement of Fiduciary Assets and Liabilities - Agency Funds.....	25
Notes to the Basic Financial Statements	26

Parma City School District, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003
Table of Contents (continued)

Combining Statements and Individual Fund Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions.....	55
Combining Balance Sheet – Nonmajor Governmental Funds.....	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	59
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	64
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	69

Combining Statement – Agency Funds:

Fund Descriptions.....	70
Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	71

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in
Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual:

Major Funds:

General Fund.....	73
Bond Retirement Fund.....	78
Permanent Improvement Fund.....	79
Food Service Fund.....	81
Adult Continuing Education Fund.....	82
Extended Daycare/Preschool Fund.....	83

Nonmajor Funds:

Public School Support Fund.....	84
Other Grants Fund.....	86

Parma City School District, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003
Table of Contents (continued)

District Managed Student Activity Fund.....	88
Auxiliary Services Fund.....	89
Professional Development Fund.....	90
Disadvantaged Pupil Impact Aid Fund.....	91
Network Connectivity Fund	92
Ohio Reads Fund.....	93
Alternative Schools Fund.....	94
State Grants Fund	95
Adult Basic Education Fund.....	97
Eisenhower Grant Fund.....	98
Title VI-B Fund.....	99
Vocational Education Fund	101
Title I Fund.....	103
Title VI Fund.....	105
Drug Free Schools Fund.....	106
Preschool Grant Fund.....	107
Title VI-R Fund.....	109
Scholarship Fund.....	111
Venture Capital Fund	112
Economic Education Grant Fund	113
Career Development Fund.....	114
Managed Information Systems Fund.....	115
School Improvement Incentive Fund	116
Entry Year Grant Fund.....	117
School Net Subsidy Grant Fund.....	118
Textbook Subsidy Fund.....	119

Parma City School District
Comprehensive Annual Financial Reports
For the Fiscal Year Ended June 30, 2003
Table of Contents

Summer Intervention Fund.....	120
Vocational Education Enhancements Fund.....	121
Extended Learning Opportunity Grant Fund.....	122
Limited English Proficiency Fund.....	123
Federal Refugee Children Fund.....	124
Emergency Immigrant Education Assistance Grant Fund	125
Performance Incentive Fund.....	126
Turf Replacement Fund.....	127
School Net Fund.....	128
Power Up Grant Fund.....	129

III. STATISTICAL SECTION

Governmental Activities Revenues by Source and Expenses by Function - Last Three Fiscal Years.....	S1
General Governmental Revenues by Source and Expenditures by Function – Last Ten Fiscal Years.....	S2
Property Tax Levies and Collections – Real and Tangible Personal Property – Last Ten Years	S4
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years	S6
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S8
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt per Capita – Last Ten Years	S9
Computation of Legal Debt Margin	S10
Computation of Direct and Overlapping General Obligation Bonded Debt	S11
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to General Governmental Expenditures – Last Ten Years	S12
Demographic Statistics – Last Ten Years	S13
Property Value, Industrial Employment and Financial Institution Deposits – Last Ten Years	S14
Principal Taxpayers – Tangible Personal Property Tax.....	S15
Per Pupil Cost – Last Ten Fiscal Years.....	S16
Teacher Education Experience.....	S17

Administration

Sarah Zatik Ed.D., Superintendent
Christina Dinklocker, Ed.D., Deputy Supt.
Bruce Basalla, Chief Financial Officer
Mark Daniels, Business Manager



Office of the Treasurer

Serving Parma, Parma Heights and Seven Hills

Board of Education

J. Kevin Kelley, President
Rosemary C. Gulick, Vice President
Karen S. Dendorfer
Kathleen A. Petro
Richard E. Ress

January 28, 2004

Board of Education Members and Residents of Parma City School District:

We are pleased to submit to you the seventh annual Comprehensive Annual Financial Report (CAFR) of Parma City School District.

This CAFR, which includes an opinion from the Auditor of the State of Ohio, conforms to generally accepted accounting principles as applicable to governmental entities. This official report will provide the taxpayers of Parma City School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs. Copies will be made available to the Parma Area Chamber of Commerce, the Parma Regional Library, major taxpayers, financial rating services and other interested parties.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. We make special note of the fact that this report is the School District's third year of compliance with the GASB Statement 34 reporting model. Please refer to page 3 which is the Management's Discussion and Analysis section of the (CAFR). There will be an overview of the District's most significant funds as well as discussion of relevant financial issues.

The Comprehensive Annual Financial Report is presented in the following three sections:

The Introductory Section includes a Title Page, Table of Contents, Letter of Transmittal, List of Principal Officials, Organizational Chart of the School District, the GFOA Certificate of Achievement, and the ASBO Certificate of Excellence.

The Financial Section begins with the Independent Accountants' Report, and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.

The Statistical Section includes social and economic data, financial trends, School District data and the fiscal capacity of Parma City School District, generally presented on a multi-year basis.

Reporting Entity

The School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up Parma City School District (the primary government) and its potential component units.

The City of Parma, City of Parma Heights, City of Seven Hills, Parma Regional Library and the Parent Teacher Association have not been included in the accompanying financial statements. The boards are not appointed by the School District, nor are they fiscally dependent on the School District.

The School District participates in the Lakeshore Northeast Ohio Computer Association and Ohio Schools Council Association, both jointly governed organizations whose relationship with the School District is described in Note 16 to the basic financial statements. A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

School District Organization

Parma City School District is the tenth largest of the 613 school districts in the State of Ohio and the second largest of 31 school districts in Cuyahoga County. The School District provides education to 13,382 students in grades kindergarten through twelve. Additionally, the School District provides preschool, after school, adult and community education services to a large number of students. The Parma City School District is located in northeastern Ohio, approximately ten miles south of Lake Erie.

The Parma City School District serves the communities of Parma, Parma Heights and Seven Hills. The City of Parma is the largest of the three communities served by the Parma City School District. Within the boundaries of the City of Parma there are two high schools, two middle schools and twelve elementary schools. Within the City of Parma Heights, there is one high school and two elementary schools. Within the City of Seven Hills, there is one middle school and one elementary school.

Statutorily, the School District operates under the standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services prescribed by State and Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints three officials: the Superintendent, who serves as the Chief Executive Officer; the Treasurer, who serves as the Chief Financial Officer; and the Business Manager.

Kindergarten The School District operates half-day kindergarten programs in fifteen elementary school buildings. These programs are designed to prepare children for school, to develop social skills and to promote the foundation for future learning. The School District has been piloting an all day kindergarten program at five sites. For students who are academically unsuccessful in kindergarten, the School District offers a "pre-first grade" program. This is a year long remediation course to better prepare selected students for first grade.

Elementary The elementary school program provides students with exposure to reading, language arts, mathematics, science, social studies, health, music, art and physical education. Basic skill development is the key, and problem solving has been a focus in the mathematics area. Science is taught in a hands-on manner at our fifteen elementary schools, and manipulative models are used extensively in the math classes. Currently, our elementary schools service students in kindergarten through grade six. Many of our elementary schools participate in the Governor's "Ohio Reads" Literacy program and the Contract-to-READ program in cooperation with the Cuyahoga County Public Library. Five buildings receive reading remediation services through Title I staff members. Half of our elementary schools now participate in a conflict resolution program, and most of the elementary schools are now serviced by the Parma Police Department through the D.A.R.E. program.

Middle School The middle school program centers around the "house" concept whereby students are assigned to teams with core academic teachers to ease the transition from elementary school to middle school. Students participate in interdisciplinary units of study to enhance instruction. Our middle schools offer an array of exploratory courses, such as: art, family and consumer sciences, health, physical education, computer keyboarding and industrial technology where students use the latest technology. Currently, our middle schools service students only in grades seven and eight, but the School District plan

is to welcome sixth graders into the middle school within the next several years. Each middle school has two guidance counselors that offer students critical support when needed, a comprehensive group guidance program and a conflict resolution program called "Peace Makers."

Transitional Learning Center - Alternative School - Grades 8/9 The Transitional Learning Center (TLC) is an alternative school program targeted for eighth and ninth grade repeaters. The program runs like a middle school "team" and focuses on instruction through hands on lessons and interdisciplinary units. Students are closely monitored for performance and attendance. Parents sign a contract to be involved with the school and to work with their son/daughter toward excellence.

High School The School District has three comprehensive high schools of over 1,200 students each. The high school educational program offers students a wide array of curricular offerings in college preparatory and career preparatory courses. Students must earn twenty-one credits in order to be eligible for graduation and must pass all portions of the high school proficiency tests. Each high school offers courses at the regular student achievement level and at the honors level. The "honors" program presents students with opportunities for in-depth study and research in the subjects of English, math, science, social studies and foreign language. In addition, the high schools offer Advanced Placement courses in every subject for students who can meet the challenges of a college level course requiring the use of higher level thinking skills and self-discipline. High school courses have been expanded to include course offerings in business, computer science, art, music, family and consumer sciences, and physical education. A one-semester course in mythology, a speech/oral presentation course, and an alternative eleventh grade English course for the non-college bound student were added for the 2001-2002 school year. A well-rounded, well-educated student is our goal. A comprehensive guidance program (individual and group) is maintained at each high school. A home liaison works with targeted students at the high school level and intercedes with their families when needed. Again this year, through Title IV monies, the high schools were able to hire drug and alcohol intervention specialists to work with students with substance abuse issues.

During the 2002-2003 school year, the School District celebrated its 150th year of operation.

Additional Programs and Services

High School Athletics Normandy, Parma Senior and Valley Forge High Schools compete in the Lake Erie League. All three high schools qualify for the highly competitive Division I classification. Fall, winter and spring varsity sports are available for students, including football, soccer, volleyball, track, cross country, basketball, baseball, softball, wrestling, tennis, golf, swimming, diving and hockey. There are also ninth grade, junior varsity and middle school athletic programs offered. Cheerleading and flag corps are offered at all levels. The School District will join the Pioneer Athletic Conference beginning in the 2003-2004 school year.

The School District owns and operates Byers Field, one of the premier athletic/entertainment complexes in Northeast Ohio. Byers Field is currently the largest stadium complex in the area with the exception of Jacobs Field and the Cleveland Browns Stadium, both located in downtown Cleveland and home of the Indians and Browns, respectively. A new state-of-the-art artificial surface was installed during the summer of 2002.

Transportation The transportation policy of the Parma City School District exceeds the State's minimum standards and allows kindergarten through twelfth grade students, who live more than 1.5 miles from their schools (2.5 miles for high school), to be transported. The School District maintains a fleet of buses for this purpose and has additional vehicles to transport disabled students. A computer program assigns students to the appropriate bus route. Parents and students are informed by mail of appropriate bus number, time and location of street pick-up to school and drop-off for the return trip home.

Certified Staff The average experience of the certified staff is 14.8 years and 66.4 percent of the teaching staff has a master's or doctorate degree. Textbook authors, doctorates, nationally known speakers and recognized experts in specific fields of study are among the School District's teachers and administrators. A blend of experienced staff along with many new teachers offers students of the Parma City School District one of the strongest faculties in the area.

Programs of Special Interest

Media Center Program Each school has its own library/media center. These centers provide students with access to books, magazines, CDs, Internet access, and computers to work on research papers or to just stay in touch with the changes around the world. Printed, audio-visual and computer based materials are available in an "open" atmosphere where students are encouraged to use library skills. All schools have multi-media computer workstations. The School District received an LSTA grant from the State to update and computerize the libraries and also to network our buildings with infoHIO.

Music Program Music training and courses are available at all elementary school buildings. Students in these fifteen schools have the choice to participate in choir, band or orchestra. Middle schools offer choral and instrumental programs, while the three high schools work hard to "encourage" students to perform. Students at this level can participate in the marching band, flag corps, orchestra, show choir, string ensembles, choral and glee clubs, and a variety of other musical experiences.

Art Program The School District has increased the amount of time devoted to art instruction at the elementary level. At the middle school, a student takes art to appreciate the complexity of the offerings at the high school level. In high school, students can take photography, sketch, graphic design, computer graphics, jewelry, ceramics, and more to become well rounded in the arts. Traditionally, students from the high school win in local scholarship art competitions and have received national recognition for their talent.

Computer Instruction Computer education and exposure to individual productivity programs begins in the kindergarten and continues into high school. Ohio's SchoolNet funding has played a very large part in getting computers into our elementary classrooms. Seventh and eighth graders take courses in introductory keyboarding and program usage. These programs focus on the use of the computer as a tool for instruction. Skills are then generalized and applied in all curricular areas. Additionally, there are offerings in business, mathematics, industrial arts and other subjects that stress using the computer as a tool for productivity. Each high school also has a separate "computer resource lab" with a designated "instructor" to support projects assigned in other classes and to assist students with organization.

Special Education Program All children in the Parma City School District are serviced through the educational programs provided. Services to children with diversified needs include multi-handicap, speech/language handicap, cognitive disability, severe emotional disturbance, visual impairment, orthopedically handicap/other health impairment, specific learning disability, autistic, traumatic brain injury and the gifted program. Generally, students are placed in the least restrictive environment in which they can learn and be serviced according to the plan identified on the IEP (Individualized Education Plan). The schools run inclusion classes at every grade level that permit challenged students to work alongside other students with the support of a specialized instructor. Some students need to be served in a pull out fashion for short-term intervention, while still others need more complete supervision and instruction.

Gifted Program Serving students identified as gifted in the area of Superior Cognitive Ability in grades 3 – 6, the Able Learner Program (ALP) is a one-day per week pull-out program located within Parma Senior High School. The major curricular emphasis is the development of thinking competencies and skills which will help students identify value and develop their specific abilities, gifts and /or talents.

In the third and fourth grades, students are taught problem solving strategies along with creative thinking. Fifth and sixth graders use learning centers and the Future Problem-Solving Program as they further apply those skills learned in third and fourth grade. These students also practice organization and self-directed learning.

ALP is a continuum of services provided for gifted and high ability students in the Parma City School District including Honors and AP classes, Post Secondary Enrollment Options and various enrichment opportunities.

High School Career Preparatory Program The high schools offer one and two-year vocational courses in many areas. Currently students can take courses in cooperative business education, cooperative marketing and management, executive assistant, office services, cosmetology, culinary arts, medical professions/dental technologies, hospitality and facility care services, radio and TV production, auto collision, construction trades, carpentry, visual communications, drafting, electronics, tech-prep automotive service technology, and occupational work experience, networking (CISCO) academy. Some of these programs allow the students to earn college credit while still in high school. About 27 percent of the high school students participate in vocational course programming. The School District continues to re-evaluate every vocational program for validity in the work world and for upgrading as a result of technology advances.

High School College Preparatory Program The College bound program offers academically challenging courses for students planning to attend college. A student following this course pathway can gain unrestricted access to most colleges since qualifications are met on a general and extensive level. Students can also generally meet the requirements to obtain an “honors” diploma from the State Department of Education. Graduates in the School District continue to receive over \$2.5 million worth of scholarships each year. Approximately 60 percent of the students in the School District participate in college bound programs, including the challenging Advanced Placement Program through which they can earn college credit for high school course work.

First Step Program The Arlington School First Step Preschool Program is sponsored by the Parma City School District and is designed to provide early intervention for children with disabilities, between the ages of three and five, identified as having special needs. Children who qualify for these services demonstrate significant delays in one or more areas of development. Areas of disability include physical/orthopedic impairment, speech/language delays, cognitive delays, significant behavioral impairments, delays in social and/or emotional development, visual or hearing impairments and medically fragile children. Special Education services are individualized for each child, and the children are taught through developmentally appropriate curriculum and a multi-sensory approach. Support services are provided by a speech-language pathologist, an occupational therapist, a physical therapist and a school psychologist.

Daycare Center Program The Parma City School District sponsors a Day Care Center located at Normandy High School. The Center opens at 7 a.m. and closes at 6 p.m. Children between the ages of six weeks and five years old are cared for at the Center. The morning portion of the daily schedule includes a preschool component. The Center is licensed by the Ohio Department of Education and inspected by the Cuyahoga County Board of Health. The Center is staffed with certificated and trained caregivers. Tuition varies depending upon the age of the child and number of days needed. The Center follows the school calendar.

Extended Daycare Program The Parma City School District sponsors a self-supported, tuition-based Extended Day Care and Kindergarten Extended Day Care program. The Extended Day Care program is available in elementary schools from 7 a.m. to 9:15 a.m. and 3 p.m. to 6 p.m. and open to any child enrolled in those buildings. The Kindergarten Extended Day Care program is offered at a limited number of school buildings and operates from 11:45 a.m. to 6 p.m. These programs provide child care for children kindergarten through sixth grade on regularly scheduled school days. Tuition is based upon number of scheduled days.

Continuation High School/Community Education Programs The School District offers a limited number of courses through the Continuation High School Department. Courses offered center around those required for graduation from high school and those with new career field training. A variety of leisure and recreational activities are offered as well as self-help and self-improvement courses.

Adult Basic Literacy Education Day and evening classes in English Speakers of Other Languages (ESOL), Adult Basic Literacy Education (ABLE) and the Graduate Equivalence Diploma (GED) are offered. Grant money is available to support the program. Expenditures are monitored closely so that the program can run in the black with no drain on the general fund budget.

Graduate Equivalence Diploma (GED) Testing The Parma City School's GED program is one of the top five test centers in the State of Ohio, with a pass rate of 79.8 percent. Individuals who prepare to take the test and meet requirements for test readiness have over a 90 percent chance of passing the GED test. Individuals must be 18 years old or older and formally withdrawn from school; however, 16 and 17 year-olds can be eligible with completion of an age waiver form. Individuals do not have to live in the Parma area to participate in this program. Anyone who passes the pretest will receive a waiver for the test fee. The GED test is offered at least twice a month throughout the fiscal year and a graduation ceremony is held every June to honor those who participated in the program and passed the GED test.

Economic Condition and Outlook

The City of Parma and the surrounding areas have a strong and stable economic base. In the last two decades apartment buildings have been constructed to accommodate the large number of families moving into Parma out of the more heavily populated Cleveland area.

With major employers including General Motors, Parma Community General Hospital and the Parma City School District, the area continues to flourish. Recent economic developments include the comprehensive renovation of Parmatown Mall.

The involvement of local businesses and community groups in partnership with Parma City School District enhances the relationship between free enterprise and government entities.

Major Initiatives

A committee of parents, community representatives, administrators and teachers worked to create the School District's Continuous Improvement Plan (CIP), which was adopted by the Board on June 26, 2000, in compliance with goals related to secondary instruction and three related specifically to elementary instruction. The plan has been outlined for various stakeholder groups and made available for public review. Monthly monitoring is taking place and the committee will review progress twice a year. The CIP was revised by the Board of Education to slow the implementation of all-day kindergarten district-wide. Five pilot sites began operations during the 2001-2002 school year. The School District has begun a comprehensive process to update the Continuous Improvement Plan.

In addition, each individual school building designed their own CIP to reflect initiatives in the building that will lead to increased student achievement. Building CIP's were reviewed by the Curriculum Division for content and to assure consistency with the School District CIP. Implementation is ongoing at each building. Individual CIP's are reviewed yearly and revised to generate future goals for improvement. The elementary principals have once again pooled their resources to create a general "ECIP-Elementary Continuous Improvement Plan" that addresses a specific need seen across the School District at that level. ECIP will outline a district-wide plan for action research, review, staff development and role-modeling to bring all elementary teachers on board with a common vision and set of goals for children.

The Deputy Superintendent received on behalf of the School District, the American Association of School Personnel Administrators C.S. Robinson Award for the Administrative Intern Program.

Several recent School District initiatives continue to have a positive impact upon our School District. The Staff Development department is continuing a comprehensive staff development plan for the School District. The plan has facilitated district-wide initiatives in the areas of special education and literacy, provided assistance with a Leadership Academy for all certified and classified administrators, arranged for principals to attend the SMART Consortium Principal's Academy on leadership, and supported individual building initiatives ranging from work on site-based management, to curriculum mapping, to review of best instructional practices.

The School District is committed to providing students in grades kindergarten through fourth grade with a solid literacy program. This initiative is in line with those of the Ohio Department of Education. Three literacy specialists have been hired to work full time with elementary teachers on what to teach and how to teach with regard to literacy. The specialist also holds classes after school to explain the core language arts curriculum to interested colleagues and to focus on action research in an effort to help interested teachers improve their delivery of instruction.

The Department of Safety and Security has expanded the use of motion detectors to all school buildings. A swipe card system of entry is utilized for exclusive employee entry to all buildings. Police dogs are used to detect illegal substances in the schools in an ongoing procedure. The Department has developed a district crisis plan and worked with administrators to develop individual building crisis plans. The Department works closely with the three local police departments to provide students with a safe and secure environment throughout the school day. Since the September 11th terrorist attack, all security procedures and crisis plans have been reviewed and updated.

The School District is participating in the Urban School Initiative (USI) through the Ohio Department of Education (ODE) with twenty other urban districts. Attendance at Urban Congress meeting and subcommittees studying proficiency, literacy, science and math is promoted. In addition, through the USI noted above, the School District is working with Cleveland State University and four inner ring urban districts (Cleveland, East Cleveland, Cleveland Heights-University Heights, and Euclid) through the Urban Collaborative, funded by the Jennings Foundation. The focus is on researching issues of concern to the districts and seeking solutions that will positively impact student achievement.

The Community/Business/Schools (CBS) Partnership Program is a major success story of the School District. Initiated in 1991, this program has over thirty-five members on its steering committee, including representatives from community groups, local businesses, government, clergy and the School District. It serves as an advisory committee to the superintendent. The different businesses partner with individual schools to provide financial support as well as support for programs in other ways. General Motors, Cox Communications, Cuyahoga Community College, Bryant and Stratton College, the VFW and Parma Community General Hospital are some of the CBS business partners active with the School District.

Communication with employees and stakeholders in the community continues through the publication of "Images" and the "Communicator." "Images" is a joint publication of the School District and the communities of Parma, Parma Heights and Seven Hills. It was developed to increase the communication between the cities and the School District, as well as to inform the greater public of the activities of both entities. It is published five times per year and mailed to local residents. The "Communicator" is published monthly by the School District and distributed to all employees. The superintendent discusses current initiatives, highlights outstanding employees and recaps student performance. Employee breakfasts are held four times per year to increase communication and staff recognition as well.

Financial Update

During fiscal year 2003, the Board of Education engaged in significant activities relative to the fiscal management and business management of the School District. Below is a listing of significant activities for the School District:

April 1999 Performance Audit received from Auditor of State's Office.

September 1999	Updated enrollment projections received from OSBA.
October 25, 1999	Economy and Efficiency Plan adopted and filed with Auditor of State and Ohio Department of Education.
March 7, 2000	Approval of six mill operating and two mill permanent improvement levies.
June 26, 2000	Adoption of Continuous Improvement Plan.
February 12, 2001	Adoption of resolution 2001-2-60.1, allocating \$1,600,000 rainy day fund for additional general fund textbook purchases.
	Adoption of resolution 2001-2-76, modifying the Continuous Improvement Plan to reduce the all day kindergarten program.
April 2, 2001	Approval of an amendment to the Medical Mutual contract returning the \$1,143,928 terminal reserve fund to the School District.
April 30, 2001	Agreement on a new two-year collective bargaining agreement with OAPSE approved.
June 5, 2001	Five-year capital repair and improvement plan presented to the Board of Education.
September 24, 2001	New three-year Collective Bargaining Agreement with PEA approved. 2001-2002 budget approved.
December 10, 2001	Updated 2001-2002 budget estimate and fiscal projections. 2002-2003 through 2005-2006 financial forecasts adopted and filed with the State.
March 4, 2002	Approval of Phase IV H.B. 263 project. Administrative reorganization.
March 18, 2002	Adoption of line item budget model.
May 7, 2002	\$8,062,500 emergency levy renewal approved by voters.
May 20, 2002	Agreement on a third year wages with OAPSE approved.
June 27, 2002	\$20,000,000 borrowed against future permanent improvement levy proceeds.
July 1, 2002	New photocopier program approved.
July 11, 2002	Special education transportation changes to bring a majority in-house.
August 6, 2002	Adoption of updated 2002-2003 budget estimate and fiscal projections 2003-2004 through 2006-2007.
December 12, 2002	Approval of Phase V (A) H.B. 264 Project
April 2, 2003	Approval of Phase V (B) H.B. 264 Project
May 6, 2003	\$7,603,000 emergency levy approved by the voters

Throughout fiscal year 2003, fiscal management procedures have continued to be refined and improved. The School District has achieved fiscal stability as a result of the fiscal management utilizing the following plans: five-year budget plan, the capital repair plan, the Continuous Improvement Plan, five-year enrollment projections and the Auditor of State Performance Audit.

The following are selected Board of Education and School District 2002-2003 accomplishments:

- The Community Attitude Survey conducted by Triad Research showed an increased support for the Board of Education and the School District.
- The Board of Education developed a financing package that does not use property tax dollars for the replacement of the Byers Field turf.
- The May renewal of the no tax increase emergency operating levy was passed.
- The Board of Education's \$20,000,000 capital improvements project began.
- The Board of Education adopted a line item budget model, which has significantly slowed the increase in personnel expenses.
- The H.B. 264 project Phases IV, V (A) & V (B). These projects replaced boilers and lighting throughout the District and are expected to save on energy costs.
- The Board of Education hired Dr. Sarah Zatik as the next superintendent of the School District beginning August 1, 2003.
- The Board of Education has begun restoring in-house special education transportation, which will save approximately \$491,000 over the next five years.

In June 2002 the Board of Education borrowed \$20,000,000, which represents one-half of ten years tax revenue from the on-going 2 mill permanent improvement levy. The proceeds will be used for selected projects from the capital improvement plan.

As we look forward, several major fiscal concerns are facing the School District. The first is the impact of school funding reform in the State of Ohio. The second is the continued rapid escalation of the cost of Special Education programming. The third is the concerns over the rapidly escalating cost of health care insurance. The fourth is the impact of Community School funding reductions. The following are major open issues that were identified in the 2002-2003 budget and 2003-2004 budget:

- The Renewal of the 2004 expiring Emergency Levy.
- Ohio Legislative action to fully fund the Ohio Supreme Court's Ruling (DeRolph vs. State of Ohio).
- Funding the Technology Plan.
- Developing a Technology Replacement Schedule.
- Developing a Classroom Furniture Replacement Plan.
- Future Funding of a Continuous Improvement Plan.

- Developing and Funding a Textbook Adoption Cycle.
- Updating the Five-Year Fiscal Projections.
- Funding the Provisions of the National Legislative Mandates in the “No Child Left Behind” Act.

Our financial outlook is stable and we are focused on increasing student achievement District-wide as we move into the future. The School District will be on the back end of the revenue cycle generated by the passage of an operating levy passed in March 2000. The School District will begin the process for generating additional revenues by placing an operating levy on the ballot for March 2004.

Financial Information

Internal Accounting and Budgetary Control The School District’s accounting system is organized on a “fund” basis. Each fund (and account group) is a distinct self-balancing accounting entity. Reports for governmental fund operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District’s proprietary fund operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the School District’s accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system of control for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that fiscal year. By statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The School District adopts the permanent appropriation in September.

Annual appropriations may not exceed the County Budget Commission’s official estimate of resources. The County Auditor must certify that the Board of Education’s appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the site administrator and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an online inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the various funds and account groups utilized by Parma City School District are fully described in Note 2 of the financial statements. Additional information on the School District’s budgetary accounting can also be found in Note 2.

Financial Condition This is the third year the School District has prepared financial statements following GASB 34, “Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments.” GASB 34 creates new basic financial statements for reporting on the School District’s financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Fund financial statements These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented in the financial section of this report after the Independent Accountants’ Report and provides an assessment of the School District finances for 2003.

Cash Management

Cash management is a vital component in the School District’s overall financial strategy. Cash not needed for immediate use during the fiscal year was invested in Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, Federal Farm Credit Bureau Notes, Federal Home Loan Mortgage Corporation Notes, repurchase agreements and STAROhio. STAROhio is a statewide investment pool offered to political subdivisions of the State of Ohio as a conservative means of investing in a portfolio of investment instruments.

Protection of the School District’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC) as well by qualified securities pledged by the institution holding the assets. By law financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must be equal to at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management

The School District participates in the State Workers’ Compensation plan and pays the premium based on a rate per \$100 of salaries. The School District is a member of Ohio Schools Board Association Workers’ Compensation Group Rating Program.

For fiscal year 2003, the School District contracted with Hartford Insurance Company for property and casualty insurance. There is a \$10,000 deductible with a one hundred percent blanket, all risk policy. The Hartford Insurance Company policy also covers the boiler and machinery with a \$25,000 deductible with full property limits.

The United National Insurance Company provides general liability protection with a \$9,975,000 single occurrence limit and no aggregate and a \$25,000 deductible. Vehicles are covered by United National Insurance Company with a \$25,000 deductible. Automobile liability has a \$9,975,000 liability limit per accident.

National Union Fire Insurance Company protects school leaders' errors and omissions with a \$3,000,000 annual aggregate and \$5,000 deductible per occurrence.

The School District has recently employed a full-time Risk Manager.

Pension Plans

All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Notes 11 and 12 to the basic financial statements for complete details.

Independent Audit

In accordance with Ohio Law, independent audits are required to be performed annually on all financial operations of the School District. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2003. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1999 fiscal year.

Awards

This is the seventh Comprehensive Annual Financial Report published by Parma City School District. The report will be submitted to the Government Finance Officers Association of the United States and Canada (GFOA) and to the Association of School Business Officials International (ASBO). It is felt that this report qualifies to earn GFOA's Certificate of Achievement for Excellence in Financial Reporting and ASBO's Certificate of Excellence in Financial Reporting. These Certificates are the highest forms of recognition available for governmental accounting and financial reporting. GFOA's and ASBO's certificates were awarded for the last year's report. Attainment of these Certificates represent a substantial accomplishment of any governmental entity.

In order to be awarded a Certificate of Achievement or Certificate of Excellence, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principle and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA and ASBO.

Acknowledgments

The publication of this CAFR represents an important achievement in the ability of the School District to provide significantly enhanced financial information and accountability to the taxpayers of the Parma City School District, its elected officials, management, staff and investors. This report is a continuation of the efforts of the Treasurer's Office to improve overall financial accounting, management and reporting capabilities.

The accomplishment of this report would not have been made possible without the assistance, support and efforts of the Treasurer's Office employees, various administrators, employees of the School District and the Local Government Services Section of Auditor of State Betty Montgomery's office. Assistance from the County Auditor's office staff and outside agencies made possible the fair presentation of statistical data.

Sincere appreciation is extended to the Board of Education, where the commitment to excellence begins. Without their support, this report would not have been made possible.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "B. Basalla".

Bruce Basalla
Chief Financial Officer/Budget Director
Parma City School District

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Parma City School District

Principal Officials

June 30, 2003

Board of Education

J. Kevin Kelley President
Rosemary C. Gulick..... Vice-President
Karen S. Denforfer..... Member
Kathleen A. Petro..... Member
Richard E. Ress..... Member

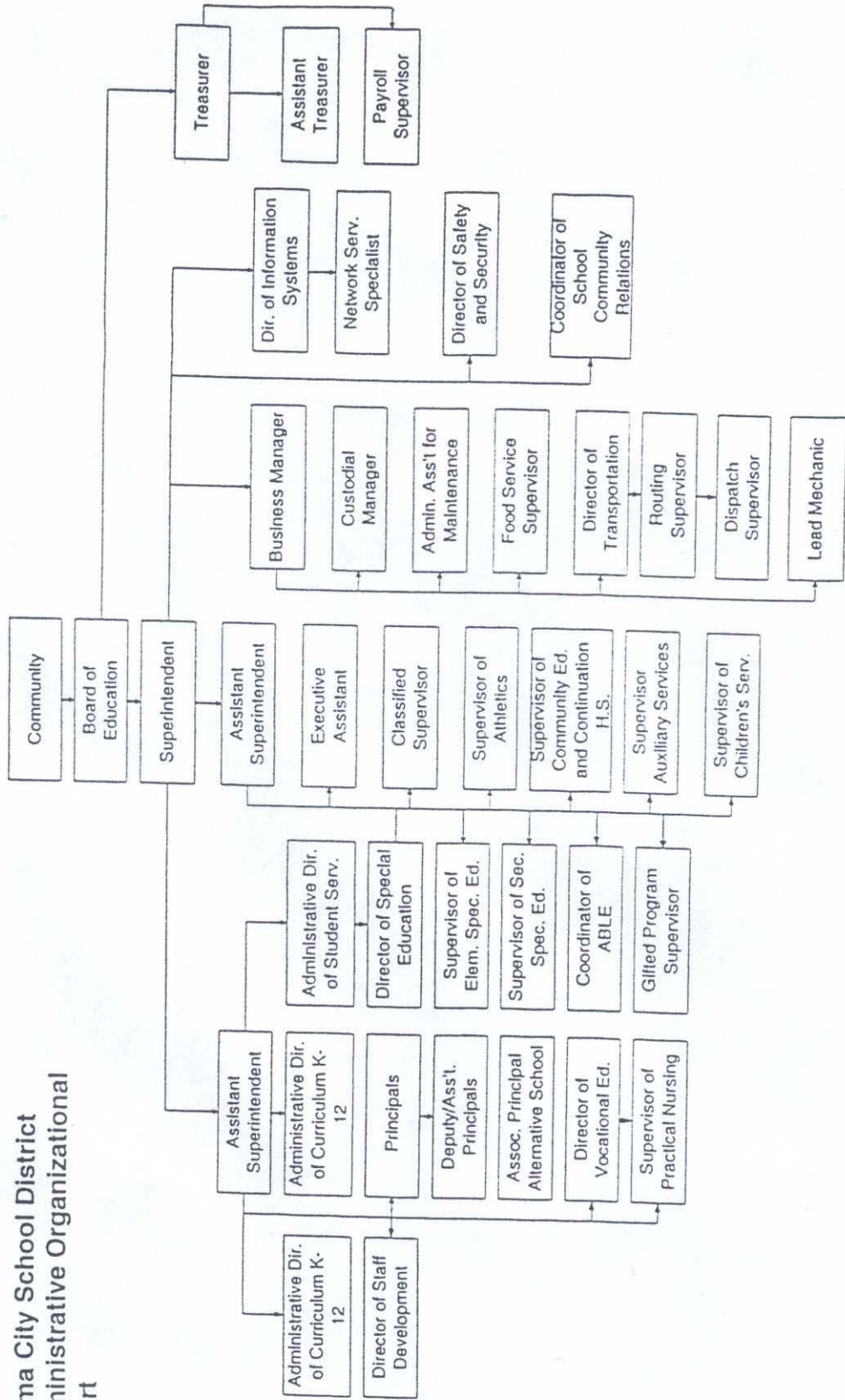
Chief Financial Officer/Budget Director

Bruce Basalla

Administration

Dr. Kurt Stanic Superintendent
Dr. Sarah C. Zatik Deputy Superintendent
Mark Daniels Business Manager
John Kuhn Director of Student Services
Anna Maria Tabernik Executive Administrative Director of Curriculum

Parma City School District Administrative Organizational Chart



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

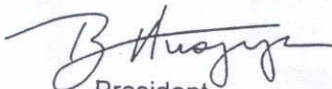


This Certificate of Excellence in Financial Reporting is presented to

PARMA CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2002

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program


President


Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Parma City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Board of Education
Parma City School District
Cuyahoga County
6726 Ridge Road
Parma, Ohio 44129

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Parma City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Parma City School District, Cuyahoga County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

January 28, 2004

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The discussion and analysis of Parma City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

- Total net assets decreased \$8.0 million, a decrease of \$8.0 million in Governmental Activities and no change in Business Type Activities.
- General revenues accounted for \$106.1 million in revenue or 88.6 percent of all revenues for all Governmental Activities. Program specific revenues in the form of charges for services and sales, operating grants and contributions, and capital grants and contributions accounted for \$13.6 million or 11.4 percent of total revenues of \$119.7 million.
- Total program expenses were \$127.7 million in Governmental Activities and \$4.9 million in Business-Type Activities.
- Outstanding debt increased by \$.3 million to \$26.7 million.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Parma City School District as an entire operating entity. The statements begin at a summary level and expand to detailed financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the entire School District, presenting both an aggregate view of the School District's current finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant governmental funds with all other nonmajor funds presented in total in one column. The general fund is the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as an entity looks at all financial transactions and asks the question, "How did we do financially during the 2002-2003 fiscal year?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. This is a major change from our previous annual financial reports.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. Changes to our net assets are a direct result of property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated educational programs, state funding, student enrollment, and general inflation.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two major activities:

- **Governmental Activities** – Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and general administration.
- **Business-Type Activities** – These services are provided on a fee basis to recover all of the expenses of the goods or services provided. The School District's business-type activities are food service, adult continuing education and extended daycare/preschool.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for its financial transactions. However, these fund financial statements concentrate on the School District's most significant funds. The School District's major governmental funds are the general fund, the bond retirement debt service fund and the permanent improvement capital projects fund.

Governmental Funds Most of the School District's activities are reported in governmental funds, which accounts for flow of money into and out of those funds and the year-end balances available for spending in future years. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine the amount of financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2003 compared to 2002:

(Table 1)
Net Assets
(In millions)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Assets						
Current and Other Assets	\$118.1	\$127.2	\$0.7	\$0.9	\$118.8	\$128.1
Capital Assets, Net	45.6	23.7	0.1	0.1	45.7	23.8
Total Assets	163.7	150.9	0.8	1.0	164.5	151.9
Liabilities						
Current and Other Liabilities	89.8	71.2	0.4	0.3	90.2	71.5
Long-Term Liabilities:						
Due Within One Year	2.7	2.0	0.0	0.0	2.7	2.0
Due in More than One Year	31.3	29.7	0.0	0.3	31.3	30.0
Total Liabilities	123.8	102.9	0.4	0.6	124.2	103.5
Net Assets						
Invested in Capital Assets, Net of Debt	23.6	21.4	0.1	0.1	23.7	21.5
Restricted						
Capital Projects	0.0	1.1	0.0	0.0	0.0	1.1
Debt Service	0.7	1.6	0.0	0.0	0.7	1.6
Set Asides	0.6	0.6	0.0	0.0	0.6	0.6
Other Purpose	2.4	2.2	0.0	0.0	2.4	2.2
Unrestricted	12.6	21.0	0.3	0.3	12.9	21.3
Total Net Assets	\$39.9	\$47.9	\$0.4	\$0.4	\$40.3	\$48.3

Total assets of governmental funds increased \$12.6 million. Equity in pooled cash and cash equivalents decreased \$15.0 million which was offset by increases in capital assets. Taxes receivable increased \$5.5 million.

Total liabilities for governmental activities increased by \$20.9 million. This increase was the result of increased deferred revenue, accrued wages and contracts payable in the amounts of approximately \$13 million, \$2 million and \$4 million, respectively.

The net impact was a decrease of net assets by \$8.0 million. For fiscal year 2003, restricted for capital projects was negative. This negative was offset to unrestricted net assets causing the big reduction from the prior year.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Table 2 shows the changes in net assets for the fiscal year 2003 for both our Governmental activities and our Business-Type activities. Since this is the third year the School District is reporting under the GASB 34 reporting model, revenue and expense comparisons can be made between the years 2002 and 2003.

Table 2
Changes in Net Assets
(In millions)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3.5	\$3.0	\$3.4	\$4.0	\$6.9	\$7.0
Capital Grants and Contributions	9.9	8.5	1.5	1.3	11.4	9.8
Operating Grants and Contributions	0.2	2.4	0.0	0.0	0.2	2.4
<i>Total Program Revenues</i>	<u>13.6</u>	<u>13.9</u>	<u>4.9</u>	<u>5.3</u>	<u>18.5</u>	<u>19.2</u>
General Revenues:						
Property Taxes	71.3	88.4	0.0	0.0	71.3	88.4
Grants and Entitlements	32.9	36.3	0.0	0.0	32.9	36.3
Investments	0.9	1.2	0.0	0.0	0.9	1.2
Miscellaneous	1.0	0.2	0.0	0.0	1.0	0.2
<i>Total General Revenues</i>	<u>106.1</u>	<u>126.1</u>	<u>0.0</u>	<u>0.0</u>	<u>106.1</u>	<u>126.1</u>
Total Revenues	<u>119.7</u>	<u>140.0</u>	<u>4.9</u>	<u>5.3</u>	<u>124.6</u>	<u>145.3</u>
Program Expenses						
Instruction	72.7	66.3	0.0	0.0	72.7	66.3
Support Services:						
Pupil and Instructional Staff	11.0	11.7	0.0	0.0	11.0	11.7
Board of Education, Administration						
Fiscal and Business	12.5	12.0	0.0	0.0	12.5	12.0
Operation and Maintenance	15.4	14.3	0.0	0.0	15.4	14.3
Pupil Transportation	5.4	6.4	0.0	0.0	5.4	6.4
Central	2.0	2.1	0.0	0.0	2.0	2.1
Operating of Non-Instructional Services	4.8	4.1	0.0	0.0	4.8	4.1
Enterprise Operations	0.0	0.0	4.9	5.9	4.9	5.9
Extracurricular Activities	2.8	2.4	0.0	0.0	2.8	2.4
Interest and Fiscal Charges	1.1	0.6	0.0	0.0	1.1	0.6
Total Program Expenses	<u>127.7</u>	<u>119.9</u>	<u>4.9</u>	<u>5.9</u>	<u>132.6</u>	<u>125.8</u>
Increase (Decrease) in Net Assets	(8.0)	20.1	0.0	(0.6)	(8.0)	19.5
<i>Net Assets Beginning of Year</i>	<u>47.9</u>	<u>27.8</u>	<u>0.4</u>	<u>1.0</u>	<u>48.3</u>	<u>28.8</u>
<i>Net Assets End of Year</i>	<u>\$39.9</u>	<u>\$47.9</u>	<u>\$0.4</u>	<u>\$0.4</u>	<u>\$40.3</u>	<u>\$48.3</u>

Total governmental activities net assets decreased \$8.0 million. Property taxes decreased \$17.1 million as a result of the timing of the mailing of tax bills and the collections from the County Auditor being more in line with fiscal year 2001. Grants and entitlements decreased \$3.4 million as a result of a decrease in the State subsidy for primary and secondary education.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The increase of \$6.4 million in instructional program expenses reflects both the increased cost of wages and benefits as well as the continued implementation of the School District's continuous improvement plan. The operations and maintenance expenses increased \$1.1 million. This reflects the increased cost of wages and benefits, increased cost of utilities and increased spending for capital repairs and maintenance.

The net impact was a decrease of net assets by \$8.0 million.

The unusual nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. As a result of legislation enacted in 1976, the overall revenue generated by a voted tax levy does not increase as a result of inflation. As an example, a homeowner with a home valued at \$100,000 (Assessed value of \$35,000) and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (assessed value of \$70,000) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Our School District, which is dependent upon property taxes, is hampered by a lack of revenue growth and must periodically ask the voters to increase property taxes to maintain a constant level of service. Property taxes made up 59.6 percent of revenues for governmental activities for Parma Schools in fiscal year 2003.

The largest Governmental Activities program expense remains instruction, comprising 56.9 percent of total expenses. When combined with pupil and instructional support these categories make up 65.5 percent of expenses.

Management recognizes a continued loss of personal property tax revenue due to the continued phase-in of public utility deregulation as well as board of revision and board of tax appeal decisions.

Interest expense was attributable to the outstanding bonds and notes and borrowing for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, (services supported by tax revenue and unrestricted State entitlements), the total cost of services and the net cost of services.

Table 3
 Governmental Activities
 (In millions)

	Total Cost of Services 2003	Net Cost of Services 2003	Total Cost of Services 2002	Net Cost of Services 2002
Instruction	\$72.7	\$66.5	\$66.3	\$62.8
Support Services:				
Pupil and Instructional Staff	11.0	9.4	11.7	9.7
Board of Education, Administration				
Fiscal and Business	12.5	12.5	12.0	11.7
Operation and Maintenance	15.4	15.1	14.3	11.8
Pupil Transportation	5.4	4.9	6.4	6.3
Central	2.0	2.0	2.1	2.1
Operating of Non-Instructional Services	4.8	0.6	4.1	(0.3)
Extracurricular Activities	2.8	1.9	2.4	1.3
Interest and Fiscal Charges	1.1	1.1	0.6	0.6
Total	\$127.7	\$114.0	\$119.9	\$106.0

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The dependence upon tax revenues for governmental activities is apparent. Over 90 percent of instruction activities are supported through taxes and other general revenues. Our three communities are responsible for the primary support for Parma City School District students.

Business-Type Activities

Business-type activities include the food service, adult continuing education, and extended daycare/preschool programs.

Overall net assets remained unchanged in 2003. Business type activities cash positions are consistently positive and have allowed individual Business Type Activities to absorb additional program expenses over the last three years.

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$119.5 million and expenditures of \$150.0 million. The net change in fund balance for the year was most significant in the permanent improvement capital project fund, a decrease of \$22.2 million. As previously discussed, the School District expended the majority of the \$20.0 million debt issue on capital repairs and improvements along with \$8.0 million in HB 264 Energy Conservation projects during the 2003 fiscal year.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal 2003, the School District amended its general fund budget several times to allow for an additional advance to the permanent improvement fund and other less significant amendments.

For the general fund, final budget basis estimated revenue was \$111.8 million, a \$7.5 increase from the original budget estimates. Total actual revenues were \$111.8 million, exactly as the final budget estimates.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$109.7 million.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2003 the School District had \$45.7 million invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction in progress, \$45.6 million of which is in governmental activities. Table 4 shows fiscal 2003 balances compared to 2002:

Table 4
 Capital Assets at June 30
 (Net of Depreciation)
 (In millions)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$5.1	\$5.1	\$0.0	\$0.0	\$5.1	\$5.1
Land Improvements	3.4	2.1	0.0	0.0	3.4	2.1
Buildings and Improvements	23.3	13.1	0.0	0.0	23.3	13.1
Furniture and Equipment	2.1	2.1	0.1	0.1	2.2	2.2
Vehicles	1.4	1.3	0.0	0.0	1.4	1.3
Construction in Progress	10.3	0.0	0.0	0.0	10.3	0.0
Totals	\$45.6	\$23.7	\$0.1	\$0.1	\$45.7	\$23.8

The large increase in capital assets is primarily due to HB264 Energy Conservation projects plus the completion of the \$20 million capital repairs and improvement project.

For fiscal year 2003, an Ohio law required school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks. For fiscal year 2003, this amounted to \$1.9 million for each set aside. For fiscal year 2003 the School District had qualifying disbursements or offsets exceeding these requirements. During fiscal year 2001, the requirement for a budget reserve set-aside was eliminated. See Note 8 to the basic financial statements for additional information on capital assets.

Debt

At June 30, 2003 the School District had \$26.7 million in bonds, notes and loans outstanding, \$3.1 million due within one year. The debt will be serviced with tax revenue from the March 2000 2.0 mill permanent improvement levy. Table 5 summarizes bonds, notes and loans outstanding.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Table 5
 Outstanding Debt, at Year End
 (In millions)

	Governmental Activities	
	2003	2002
General Obligation Bonds:		
1992 Energy Conservation	\$0.0	\$0.3
1999 Byers Field	1.8	2.0
1999 Tax Anticipation Note	2.7	4.1
2002 Tax Anticipation Note	20.0	20.0
2003 Energy Conservation Loan	2.2	0.0
Totals	<u>\$26.7</u>	<u>\$26.4</u>

In 1992 the School District borrowed \$2.3 million for a HB 264 Energy Conservation project. The bonds were paid off in 2002.

The 1999 energy conservation note and Byers Field note were combined and converted to a 10 year bond, now referred to as the Byers Field bond, which will mature in 2008.

The 1999 tax anticipation notes were issued to allow the School District to stabilize its operating cash position. The note will be fully repaid in fiscal 2005.

The 2002 tax anticipation notes for capital repairs and improvements will mature in 2013.

In late 2002 the School District borrowed \$2.2 million for a HB 264 Energy Conservation project. The loan will be paid off in 2017.

At June 30, 2003, the School District's overall legal debt margin was \$199,848,968 with an unvoted debt margin of \$2,233,360.

School District Outlook

The Board of Education and administration have implemented fiscal management disciplines that utilize a variety of formal plans. We are working within the five-year budget plan, the five-year capital repairs and renovations plan, the continuous improvement plan, the five-year enrollment projections, and the Auditor of State's performance audit. The passage of the March 2000 6.0 mill operating levy and 2.0 mill permanent improvement levy have provided the necessary revenue base to support current program levels. The renewal in May 2002 of the expiring levy received a 60.4 percent approval, the highest in many years. In May of 2003, voters approved another emergency levy to continue current level programming.

Several significant legislative and judicial actions have occurred that will have a major impact on our School District. The Ohio Supreme Court has pending an additional decision regarding school funding reform in Ohio. We believe that the ultimate resolution of funding reform is still sometime away. The downturn in the economy has put pressures on both the State budget as well as our local School District budget. We are concerned that the State may not have the ability to fully fund the previously approved subsidies for primary and secondary education in the State budget. We are also concerned that the local tax base may be weakened as a result of the current economic conditions and therefore negatively impact local tax revenues. The ongoing legislative efforts to support the existence of community (charter) schools come at the expense of

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

our current State subsidy. This year approximately \$1,000,000 will be deducted from our State subsidy and redirected to local community (charter) schools. Our School District has been impacted by the continuing national trend of rapidly escalating employee benefit cost.

The Parma City School District has committed itself to a fiscal discipline based on long-term plans as well as a commitment to full disclosure of financial information and utilization of the highest standards of financial reporting. Since 1999 the School District's commitment to improve fiscal management has led to many budgeting, reporting and internal control enhancements.

Contacting the School District Fiscal Management

This financial report was designed to comply with the most current reporting requirements and is intended to provide our parents, citizens, taxpayers, investors and creditors an understanding of the School District's financial position. Bruce G. Basalla, Chief Financial Officer can be contacted at the Parma City School District, 6726 Ridge Road, Parma, Ohio 44129 or by email at brucebasa@parma.k12.oh.us.

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Basic Financial Statements

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Parma City School District

Statement of Net Assets

June 30, 2003

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$34,291,111	\$840,931	\$35,132,042
Accounts Receivable	304,727	47,454	352,181
Accrued Interest Receivable	9,549	0	9,549
Intergovernmental Receivable	566,298	34,101	600,399
Prepaid Items	274,230	0	274,230
Internal Balances	243,205	(243,205)	0
Materials and Supplies Inventory	292,722	0	292,722
Inventory Held for Resale	0	22,801	22,801
Property Taxes Receivable	82,148,383	0	82,148,383
Nondepreciable Capital Assets	15,404,378	0	15,404,378
Depreciable Capital Assets, Net	<u>30,211,400</u>	<u>110,996</u>	<u>30,322,396</u>
<i>Total Assets</i>	<u>163,746,003</u>	<u>813,078</u>	<u>164,559,081</u>
Liabilities			
Accounts Payable	1,866,151	6,060	1,872,211
Contracts Payable	4,187,895	0	4,187,895
Accrued Wages and Benefits	8,100,974	41,590	8,142,564
Intergovernmental Payable	3,686,172	303,583	3,989,755
Deferred Revenue	69,249,100	0	69,249,100
Accrued Interest Payable	78,774	0	78,774
Notes Payable	2,720,000	0	2,720,000
Long-Term Liabilities:			
Due Within One Year	2,688,505	22,487	2,710,992
Due In More Than One Year	<u>31,253,293</u>	<u>47,198</u>	<u>31,300,491</u>
<i>Total Liabilities</i>	<u>123,830,864</u>	<u>420,918</u>	<u>124,251,782</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	23,627,984	110,996	23,738,980
Restricted for:			
Debt Service	653,054	0	653,054
Set Aside	588,782	0	588,782
Other Purposes	2,390,877	0	2,390,877
Unrestricted	<u>12,654,442</u>	<u>281,164</u>	<u>12,935,606</u>
<i>Total Net Assets</i>	<u>\$39,915,139</u>	<u>\$392,160</u>	<u>\$40,307,299</u>

See accompanying notes to the basic financial statements

Parma City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2003

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities				
Instruction:				
Regular	\$56,735,679	\$1,579,616	\$2,730,556	\$0
Special	13,502,318	87,756	1,553,750	0
Vocational	2,421,619	87,757	0	0
Adult/Continuing	103,058	0	164,286	0
Support Services:				
Pupil	6,280,658	0	447,703	0
Instructional Staff	4,689,359	0	870,145	191,504
Board of Education	808,105	0	0	0
Administration	9,085,121	0	0	0
Fiscal	1,878,329	0	0	0
Business	704,215	0	0	0
Operation and Maintenance of Plant	15,370,578	266,448	0	0
Pupil Transportation	5,464,548	599,746	0	0
Central	1,987,681	0	0	0
Operation of Non-Instructional Services	4,777,508	0	4,158,729	0
Extracurricular Activities	2,751,996	832,077	5,929	0
Interest and Fiscal Charges	1,081,240	0	0	0
<i>Total Governmental Activities</i>	<u>127,642,012</u>	<u>3,453,400</u>	<u>9,931,098</u>	<u>191,504</u>
Business-Type Activities				
Food Service	3,271,012	2,209,174	1,258,120	0
Adult Continuing Education	452,074	210,227	46,305	0
Extended Day Care/Preschool	1,166,063	991,293	157,116	0
<i>Total Business-Type Activities</i>	<u>4,889,149</u>	<u>3,410,694</u>	<u>1,461,541</u>	<u>0</u>
<i>Totals</i>	<u>\$132,531,161</u>	<u>\$6,864,094</u>	<u>\$11,392,639</u>	<u>\$191,504</u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Capital Projects

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$52,425,507)	\$0	(\$52,425,507)
(11,860,812)	0	(11,860,812)
(2,333,862)	0	(2,333,862)
61,228	0	61,228
(5,832,955)	0	(5,832,955)
(3,627,710)	0	(3,627,710)
(808,105)	0	(808,105)
(9,085,121)	0	(9,085,121)
(1,878,329)	0	(1,878,329)
(704,215)	0	(704,215)
(15,104,130)	0	(15,104,130)
(4,864,802)	0	(4,864,802)
(1,987,681)	0	(1,987,681)
(618,779)	0	(618,779)
(1,913,990)	0	(1,913,990)
(1,081,240)	0	(1,081,240)
<u>(114,066,010)</u>	<u>0</u>	<u>(114,066,010)</u>
0	196,282	196,282
0	(195,542)	(195,542)
0	(17,654)	(17,654)
<u>0</u>	<u>(16,914)</u>	<u>(16,914)</u>
<u>(114,066,010)</u>	<u>(16,914)</u>	<u>(114,082,924)</u>
68,717,395	0	68,717,395
466,239	0	466,239
2,102,542	0	2,102,542
32,873,674	0	32,873,674
910,019	0	910,019
42,563	0	42,563
941,427	6,331	947,758
106,053,859	6,331	106,060,190
<u>(10,908)</u>	<u>10,908</u>	<u>0</u>
<u>106,042,951</u>	<u>17,239</u>	<u>106,060,190</u>
(8,023,059)	325	(8,022,734)
47,938,198	391,835	48,330,033
<u>\$39,915,139</u>	<u>\$392,160</u>	<u>\$40,307,299</u>

Parma City School District

Balance Sheet

Governmental Funds

June 30, 2003

	General	Bond Retirement Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$19,247,433	\$1,224,060	\$9,396,213	\$3,834,623
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	588,782	0	0	0
Accounts Receivable	289,117	0	0	15,610
Accrued Interest Receivable	9,549	0	0	0
Intergovernmental Receivable	116,633	0	0	449,665
Prepaid Items	274,230	0	0	0
Interfund Receivable	8,803,663	0	0	0
Materials and Supplies Inventory	292,722	0	0	0
Property Taxes Receivable	78,093,605	322,565	3,732,213	0
<i>Total Assets</i>	<u>\$107,715,734</u>	<u>\$1,546,625</u>	<u>\$13,128,426</u>	<u>\$4,299,898</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$955,191	\$0	\$141,525	\$769,435
Contracts Payable	0	0	4,187,895	0
Accrued Wages and Benefits	7,768,152	0	0	332,822
Intergovernmental Payable	2,382,397	0	0	118,462
Interfund Payable	0	617,823	6,870,956	1,071,679
Deferred Revenue	68,778,733	287,229	3,268,594	299,796
Accrued Interest Payable	10,427	0	60,060	0
Energy Conservation Loan Payable	0	0	0	0
Notes Payable	2,720,000	0	0	0
<i>Total Liabilities</i>	<u>82,614,900</u>	<u>905,052</u>	<u>14,529,030</u>	<u>2,592,194</u>
Fund Balances				
Reserved for Encumbrances	1,145,222	0	2,249,972	624,558
Reserved for Property Taxes	8,437,653	35,336	426,817	0
Reserved for Budget Stabilization	588,782	0	0	0
Unreserved, Undesignated (Deficit)				
Reported in:				
General Fund	14,929,177	0	0	0
Special Revenue Funds	0	0	0	1,795,851
Debt Service Fund	0	606,237	0	0
Capital Projects Funds	0	0	(4,077,393)	(712,705)
<i>Total Fund Balances (Deficit)</i>	<u>25,100,834</u>	<u>641,573</u>	<u>(1,400,604)</u>	<u>1,707,704</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$107,715,734</u>	<u>\$1,546,625</u>	<u>\$13,128,426</u>	<u>\$4,299,898</u>

See accompanying notes to the basic financial statements

Parma City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2003*

Total Governmental Funds		\$26,049,507
\$33,702,329	Total Governmental Fund Balances	
588,782	<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
304,727	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
9,549	Capital Assets, not being depreciated	15,404,378
566,298	Capital Assets, being depreciated	98,030,772
274,230	Accumulated Depreciation	(67,819,372)
8,803,663	Total	45,615,778
292,722	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
82,148,383	Delinquent Property Taxes	2,935,830
<u>\$126,690,683</u>	Grants	255,689
	Tuition and Fees	193,733
	Total	3,385,252
\$1,866,151	Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds	(1,185,313)
4,187,895	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.	(8,287)
8,100,974	Long-term liabilities, including bonds payable, compensated absences and capital leases, are not due and payable in the current period and therefore are not reported in the funds:	
2,500,859	General Obligation Bonds	(1,795,000)
8,560,458	Notes Payable	(20,000,000)
72,634,352	Loans Payable	(2,202,000)
70,487	Capital Lease Payable	(514,672)
0	Compensated Absences	(9,430,126)
2,720,000	Total	(33,941,798)
<u>100,641,176</u>	<i>Net Assets of Governmental Activities</i>	<u>\$39,915,139</u>
4,019,752		
8,899,806		
588,782		
14,929,177		
1,795,851		
606,237		
(4,790,098)		
<u>26,049,507</u>		
<u>\$126,690,683</u>		

Parma City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2003

	General	Bond Retirement Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds
Revenues				
Property Taxes	\$68,564,534	\$524,207	\$2,097,776	\$0
Intergovernmental	34,079,814	0	477,278	8,372,222
Interest	888,296	0	0	21,723
Tuition and Fees	1,718,752	0	0	0
Extracurricular Activities	101,386	0	0	631,087
Rentals	248,548	0	0	0
Charges for Services	599,746	0	17,900	99,604
Contributions and Donations	13,592	0	0	54,439
Miscellaneous	276,943	0	51,878	612,606
<i>Total Revenues</i>	<u>106,491,611</u>	<u>524,207</u>	<u>2,644,832</u>	<u>9,791,681</u>
Expenditures				
Current:				
Instruction:				
Regular	53,617,228	0	0	742,220
Special	12,175,053	0	0	1,410,639
Vocational	2,281,398	0	0	24,257
Adult/Continuing	3,523	0	0	113,172
Support Services:				
Pupil	5,867,654	0	0	479,393
Instructional Staff	3,773,113	0	0	860,737
Board of Education	807,146	0	0	0
Administration	8,903,721	0	0	410,635
Fiscal	1,858,481	0	0	4,334
Business	864,809	0	0	1,950
Operation and Maintenance of Plant	10,354,662	0	0	13,368
Pupil Transportation	6,013,042	0	0	25,042
Central	1,953,281	0	0	7,941
Operation of Non-Instructional Services	24,723	0	0	4,615,696
Extracurricular Activities	1,405,978	0	0	1,404,327
Capital Outlay	130,819	0	26,992,589	1,112,345
Debt Service:				
Principal Retirement	101,822	530,000	0	0
Interest and Fiscal Charges	177,339	852,446	54,054	0
<i>Total Expenditures</i>	<u>110,313,792</u>	<u>1,382,446</u>	<u>27,046,643</u>	<u>11,226,056</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,822,181)</u>	<u>(858,239)</u>	<u>(24,401,811)</u>	<u>(1,434,375)</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	616,494	0	0	0
Proceeds from Sale of Capital Assets	7,563	0	35,000	0
Loan Proceeds	0	0	2,202,000	0
Transfers In	14,068	0	0	122,850
Transfers Out	(130,611)	0	0	(17,215)
<i>Total Other Financing Sources (Uses)</i>	<u>507,514</u>	<u>0</u>	<u>2,237,000</u>	<u>105,635</u>
<i>Net Change in Fund Balances</i>	<u>(3,314,667)</u>	<u>(858,239)</u>	<u>(22,164,811)</u>	<u>(1,328,740)</u>
<i>Fund Balances Beginning of Year</i>	<u>28,415,501</u>	<u>1,499,812</u>	<u>20,764,207</u>	<u>3,036,444</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$25,100,834</u>	<u>\$641,573</u>	<u>(\$1,400,604)</u>	<u>\$1,707,704</u>

See accompanying notes to the basic financial statements

Parma City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2003*

Total Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	(\$27,666,457)
\$71,186,517	Amounts reported for governmental activities in the statement of activities are different because	
42,929,314	Governmental funds report capital outlays as expenditures.	
910,019	However, in the statement of activities, the cost of those assets	
1,718,752	are allocated over their estimated useful lives as depreciation	
732,473	expense. This is the amount by which capital outlay exceeded	
248,548	depreciation in the current period.	
717,250	Capital Asset Additions	23,859,148
68,031	Current Year Depreciation	(1,910,854)
941,427	Total	21,948,294
119,452,331	In the statement of activities the loss on the disposal of capital assets is reported.	
		(15,886)
	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
54,359,448	Delinquent Property Taxes	99,659
13,585,692	Grants	(1,069)
2,305,655	Tuition and Fees	36,377
116,695	Total	134,967
6,347,047	Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
4,633,850		631,822
807,146	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due	
9,314,356		2,599
1,862,815	Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represent contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
866,759	Compensated Absences	(296,845)
10,368,030	Special Termination Benefits	219,334
6,038,084	Pension Obligation	(162,393)
1,961,222	Total	(239,904)
4,640,419	Receipt of loan proceeds is a revenue in the governmental funds, but the issuance of loans increases long-term liabilities in the statement of net assets.	
2,810,305		(2,202,000)
28,235,753	Inception of a capital lease is an other financing source in the governmental funds, but increases liabilities in governmental activities.	
631,822		(616,494)
1,083,839	<i>Change in Net Assets of Governmental Activities</i>	
149,968,937		(\$8,023,059)
(30,516,606)		
616,494		
42,563		
2,202,000		
136,918		
(147,826)		
2,850,149		
(27,666,457)		
53,715,964		
\$26,049,507		

Parma City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Property Taxes	\$68,811,466	\$73,769,717	\$73,905,278	\$135,561
Intergovernmental	32,034,061	34,341,213	34,027,240	(313,973)
Interest	693,201	743,150	983,157	240,007
Tuition and Fees	1,483,450	1,591,133	1,668,587	77,454
Extracurricular Activities	91,429	98,017	101,386	3,369
Rentals	184,854	198,173	252,754	54,581
Charges for Services	747,298	801,145	599,746	(201,399)
Contributions and Donations	40,689	45,089	13,592	(31,497)
Miscellaneous	212,703	228,041	251,394	23,353
<i>Total Revenues</i>	<u>104,299,151</u>	<u>111,815,678</u>	<u>111,803,134</u>	<u>(12,544)</u>
Expenditures				
Current:				
Instruction:				
Regular	54,496,251	53,353,410	51,998,704	1,354,706
Special	11,058,759	11,838,379	11,728,429	109,950
Vocational	2,305,664	2,269,503	2,243,396	26,107
Adult/Continuing	6,397	6,897	3,523	3,374
Support Services:				
Pupils	6,197,418	6,108,002	5,787,708	320,294
Instructional Staff	4,388,871	4,380,566	3,931,745	448,821
Board of Education	921,086	899,766	865,946	33,820
Administration	9,193,246	9,159,086	8,839,475	319,611
Fiscal	2,464,546	2,156,038	1,899,939	256,099
Business	1,109,415	1,054,318	976,268	78,050
Operation and Maintenance of Plant	11,648,564	11,546,180	11,174,907	371,273
Pupil Transportation	6,811,552	6,723,944	6,386,042	337,902
Central	2,130,969	2,429,734	2,253,272	176,462
Operation of Non-Instructional Services	70,495	70,495	28,169	42,326
Extracurricular Activities	1,368,198	1,530,287	1,467,440	62,847
Capital Outlay	155,000	167,319	159,174	8,145
<i>Total Expenditures</i>	<u>114,326,431</u>	<u>113,693,924</u>	<u>109,744,137</u>	<u>3,949,787</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(10,027,280)</u>	<u>(1,878,246)</u>	<u>2,058,997</u>	<u>3,937,243</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	10,000	10,000	7,563	(2,437)
Advances In	2,279,940	2,279,940	2,230,854	(49,086)
Advances Out	(77,940)	(7,677,246)	(7,676,571)	675
Transfers In	0	0	14,068	14,068
Transfers Out	(150,000)	(180,612)	(130,611)	50,001
<i>Total Other Financing Sources (Uses)</i>	<u>2,062,000</u>	<u>(5,567,918)</u>	<u>(5,554,697)</u>	<u>13,221</u>
<i>Net Change in Fund Balance</i>	<u>(7,965,280)</u>	<u>(7,446,164)</u>	<u>(3,495,700)</u>	<u>3,950,464</u>
<i>Fund Balance Beginning of Year</i>	<u>19,151,866</u>	<u>19,151,866</u>	<u>19,151,866</u>	<u>0</u>
Prior Year Encumbrances Appropriated	2,306,683	2,306,683	2,306,683	0
<i>Fund Balance End of Year</i>	<u>\$13,493,269</u>	<u>\$14,012,385</u>	<u>\$17,962,849</u>	<u>\$3,950,464</u>

See accompanying notes to the basic financial statements

Parma City School District

Statement of Fund Net Assets

Enterprise Funds

June 30, 2003

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$395,019	\$22,342	\$423,570	\$840,931
Accounts Receivable	2,391	0	45,063	47,454
Intergovernmental Receivable	30,195	3,906	0	34,101
Inventory Held for Resale	22,801	0	0	22,801
<i>Total Current Assets</i>	450,406	26,248	468,633	945,287
<i>Noncurrent Assets:</i>				
Capital Assets, Net	97,246	4,756	8,994	110,996
<i>Total Assets</i>	547,652	31,004	477,627	1,056,283
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	0	2,678	3,382	6,060
Accrued Wages and Benefits	15,649	10,472	15,469	41,590
Compensated Absences Payable	20,545	1,315	627	22,487
Intergovernmental Payable	44,708	10,946	247,929	303,583
Interfund Payable	0	72,802	170,403	243,205
<i>Total Current Liabilities</i>	80,902	98,213	437,810	616,925
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable	43,143	2,746	1,309	47,198
<i>Total Liabilities</i>	124,045	100,959	439,119	664,123
Net Assets				
Invested in Capital Assets	97,246	4,756	8,994	110,996
Unrestricted (Deficit)	326,361	(74,711)	29,514	281,164
<i>Total Net Assets (Deficit)</i>	\$423,607	(\$69,955)	\$38,508	\$392,160

See accompanying notes to the basic financial statements

Parma City School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year Ended June 30, 2003*

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Operating Revenues				
Tuition	\$0	\$200,231	\$991,293	\$1,191,524
Sales	2,209,174	5,996	0	2,215,170
Charges for Services	0	4,000	0	4,000
Miscellaneous	1,731	0	4,600	6,331
<i>Total Operating Revenues</i>	<u>2,210,905</u>	<u>210,227</u>	<u>995,893</u>	<u>3,417,025</u>
Operating Expenses				
Salaries	909,832	200,360	724,856	1,835,048
Fringe Benefits	447,626	23,302	145,348	616,276
Purchased Services	132,679	51,325	12,674	196,678
Materials and Supplies	157,982	18,314	276,858	453,154
Cost of Sales	1,613,178	0	0	1,613,178
Depreciation	9,688	732	424	10,844
Other	27	158,041	5,903	163,971
<i>Total Operating Expenses</i>	<u>3,271,012</u>	<u>452,074</u>	<u>1,166,063</u>	<u>4,889,149</u>
<i>Operating Loss</i>	<u>(1,060,107)</u>	<u>(241,847)</u>	<u>(170,170)</u>	<u>(1,472,124)</u>
Non-Operating Revenues				
Donated Commodities	269,819	0	0	269,819
Operating Grants	988,301	46,305	157,116	1,191,722
<i>Total Non-Operating Revenues</i>	<u>1,258,120</u>	<u>46,305</u>	<u>157,116</u>	<u>1,461,541</u>
<i>Income (Loss) Before Transfers</i>	198,013	(195,542)	(13,054)	(10,583)
Transfer In	0	1,411	9,497	10,908
<i>Change in Net Assets</i>	198,013	(194,131)	(3,557)	325
<i>Net Assets Beginning of Year</i>	<u>225,594</u>	<u>124,176</u>	<u>42,065</u>	<u>391,835</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>\$423,607</u></u>	<u><u>(\$69,955)</u></u>	<u><u>\$38,508</u></u>	<u><u>\$392,160</u></u>

See accompanying notes to the basic financial statements

Parma City School District
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2003

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$2,208,175	\$210,227	\$986,680	\$3,405,082
Other Cash Receipts	454	0	4,422	4,876
Cash Payments to Employees for Services	(988,728)	(239,723)	(783,577)	(2,012,028)
Cash Payments for Employee Benefits	(471,946)	(77,411)	(211,947)	(761,304)
Cash Payments for Goods and Services	(1,609,360)	(98,016)	(111,273)	(1,818,649)
Other Cash Payments	(27)	(158,041)	(5,903)	(163,971)
<i>Net Cash Used for Operating Activities</i>	<u>(861,432)</u>	<u>(362,964)</u>	<u>(121,598)</u>	<u>(1,345,994)</u>
Cash Flows from Noncapital Financing Activities				
Operating Grants Received	958,106	42,399	157,116	1,157,621
Advances In	0	14,000	0	14,000
Operating Transfers In	0	1,411	9,497	10,908
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>958,106</u>	<u>57,810</u>	<u>166,613</u>	<u>1,182,529</u>
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	(25,622)	0	0	(25,622)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	71,052	(305,154)	45,015	(189,087)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>323,967</u>	<u>327,496</u>	<u>378,555</u>	<u>1,030,018</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$395,019</u></u>	<u><u>\$22,342</u></u>	<u><u>\$423,570</u></u>	<u><u>\$840,931</u></u>

(continued)

Parma City School District
Statement of Cash Flows
Enterprise Funds (continued)
For the Fiscal Year Ended June 30, 2003

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Reconciliation of Operating Loss to Net Cash Used for Operating Activities				
Operating Loss	(\$1,060,107)	(\$241,847)	(\$170,170)	(\$1,472,124)
Adjustments:				
Depreciation	9,688	732	424	10,844
Donated Commodities Received During Year	269,819	0	0	269,819
(Increase) Decrease in Assets:				
Accounts Receivable	(2,276)	0	(4,791)	(7,067)
Inventory Held for Resale	69,492	0	0	69,492
Increase (Decrease) in Liabilities:				
Accounts Payable	0	(5,219)	877	(4,342)
Accrued Wages and Benefits	(78,896)	(39,014)	(58,721)	(176,631)
Compensated Absences Payable	(69,028)	(65,404)	(102,213)	(236,645)
Intergovernmental Payable	(124)	(12,212)	212,996	200,660
<i>Net Cash Used for Operating Activities</i>	<u>(\$861,432)</u>	<u>(\$362,964)</u>	<u>(\$121,598)</u>	<u>(\$1,345,994)</u>

Non-Cash Non Capital Activity:

Federal donated commodities in the amount of \$269,819 were recorded as revenue in the food service enterprise fund.

See accompanying notes to the basic financial statements

Parma City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2003

Assets

Equity Pooled in Cash and Cash Equivalents	<u>\$1,901,400</u>
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Liabilities

Undistributed Monies	\$1,450,047
Due to Students	<u>451,353</u>

<i>Total Liabilities</i>	<u>\$1,901,400</u>
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See accompanying notes to the basic financial statements

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 1 - Description of the School District and Reporting Entity

Parma City School District (School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and federal agencies. This Board of Education controls the School District's twenty-four instructional/support facilities staffed by 802 noncertified and 978 certificated full time teaching personnel who provide services to 13,382 students and other community members.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Parma City School District, this includes general operations, food service, adult continuing education, preschool and student related activities of the School District. The following activities are also included within the reporting entity.

Nonpublic Schools Within the School District boundaries, Bethany Lutheran, Community Elementary, Parma Heights Christian Academy and Bethel Christian Academy are operated independently, whereas Holy Family, Incarnate Word Academy, Holy Name High School, St. Anthony of Padua, St. Bridget, St. Charles, St. Columbkille, St. Francis de Sales, St. John Bosco, Padua Franciscan High School and St. Josaphat that are operated through the Cleveland Catholic Diocese. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. These transactions are reported as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes for the organization. The School District does not have any component units.

The following entities which perform activities within the School District boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

Cities of Parma, Parma Heights and Seven Hills The city governments of Parma, Parma Heights and Seven Hills are separate bodies politic and corporate. A mayor and council are elected independent of any School District relationships and administer the provision of traditional City services. Council acts as the taxing and budgeting authority for these City services.

Parent Teacher Association The School District is not involved in the budgeting or management, is not responsible for any debt and has no influence over the organization.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The School District participates in two jointly governed organizations and a public entity risk pool. These organizations are the Lakeshore Northeast Ohio Computer Association and Ohio Schools Council Association, both jointly governed organizations, and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are discussed in Note 16 and Note 17 of the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of Parma City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The School District has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business type activities and enterprise funds. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for two business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the School District are divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

Bond Retirement Debt Service Fund The bond retirement fund is used to account for the accumulation of property tax revenues for, and the payment of, general obligation bonds issued for energy conservation.

Permanent Improvement Capital Projects Fund The permanent improvement capital projects fund accounts for taxes and other revenue to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Fund Type Proprietary funds focus on the determination of operating income, changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. The School District only has enterprise funds.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's major enterprise funds are:

Food Service Fund This fund accounts for the financial transactions related to the food service operations of the School District.

Adult Continuing Education This fund accounts for the educational programs offered to the community to enhance their education and complete their general education diploma (GED) qualifications.

Extended Daycare/Preschool This fund accounts for the funds used to provide day care and preschool programs for children of the staff and community.

Fiduciary Fund Type Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary funds are agency funds which reflect resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flow provides about how the School District finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, interest, tuition, grants, fees and rentals.

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

During fiscal year 2003, investments were limited to repurchase agreements, certificate of deposits, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, Federal Farm Credit Bureau Notes, Federal Home Loan Bank Notes and STAROhio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$888,296 which includes \$371,845 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

F. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Inventories consist of donated food, purchased food and school supplies held for resale, and materials and supplies held for consumption.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributor, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include amounts required by State statute to be set-aside to create a reserve for textbooks and budget stabilization. See Note 20 for additional information regarding set-asides.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the governmental-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	20 years	N/A
Buildings and Improvements	20-50 years	10-30 years
Furniture and Equipment	5-15 years	10-15 years
Vehicles	10 years	N/A
Textbooks	5 years	N/A

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans and unpaid amounts for interfund services are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified employees, certified employees and administrators after 14 years of current service with the School District.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for the payment during the current fiscal year. Bonds and capital leases are recognized as a liability on the governmental fund financial statements when due.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include student activities, special education, computer networking, and programs to help students prepare for the proficiency test.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

N. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, property taxes, textbooks and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales and fees for food service, adult continuing education and extended daycare/preschool programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenue and expenses not meeting these definitions are reported as non-operating.

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Q. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

S. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Chief Finance Officer/Budget Director has been given the authority to allocate Board appropriations to the function and object levels.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Chief Finance Officer/Budget Director. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that was in effect at the time the final appropriations were passed by the Board of Education.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues by fund. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Note 3 – Changes in Accounting Principles

For fiscal year 2003, the School District has implemented GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences." GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the school district not being able to present budgetary comparisons for the general and each major special revenue fund. This change does not affect the presentation of the budgetary statements of the School District.

Note 4 – Fund Deficits and Compliance

A. Fund Deficits

Fund Balances at June 30, 2003, included the following individual fund deficits:

Special Revenue Funds	
Alternative Schools	(\$22,131)
Adult Basic Education	(5,537)
Preschool Grant	(15,821)
Capital Projects Funds	
Permanent Improvement	(1,400,604)
Turf Replacement	(716,162)
Power Up Grant	(35,046)
Enterprise Fund	
Adult Continuing Education	(69,955)

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The special revenue and capital project funds' deficits are due to adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.

The adult continuing education enterprise fund had deficit retained earnings of \$69,955 at June 30, 2003. Management is currently analyzing their operations to determine appropriate steps to alleviate the deficit.

B. Compliance

Contrary to Section 5705.10, Ohio Revised Code, the alternative schools fund had a negative fund balance of \$23,046 for the month of October 2002.

Contrary to Section 5705.39, Ohio Revised Code, the following funds had original appropriations in excess of estimated revenues and carryover balances:

	Estimated Revenue Plus Carryover Balances	Appropriations	Excess
<i>Special Revenue Funds:</i>			
Public School Support	\$1,611,737	\$1,664,617	(\$52,880)
District Managed Student Activity	513,457	602,293	(88,836)
Auxiliary Services	4,443,378	5,207,976	(764,598)
<i>Capital Projects Funds:</i>			
Permanent Improvement	26,335,925	27,995,686	(1,659,761)
Turf Replacement	209,731	2,784,127	(2,574,396)
<i>Enterprise Funds:</i>			
Food Service	2,224,068	3,244,795	(1,020,727)
Extended Day Care/Preschool	1,473,555	1,596,672	(123,117)

Although these budgetary violations were corrected by fiscal year-end, management has indicated that appropriations will be closely monitored to ensure no future violations.

Ohio Revised Code Section 5705.41(D) provides that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. During fiscal year 2003, expenditures were made without the prior certification of the fiscal officer.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Investments reported at fair value (GAAP) rather than cost (budget).
6. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis for the general fund.

	Net Change in Fund Balance
GAAP Basis	(\$3,314,667)
Net Adjustment for Revenue Accruals	6,167,019
Transfer of Revenue for Note Payment	(1,516,400)
Interest and Fiscal Charges for Debt	(156,400)
Advances In	2,230,854
Unrecorded Cash	(44,687)
Beginning Fair Value Adjustment for Investments	61,394
Ending Fair Value Adjustment for Investments	27,703
Net Adjustment for Expenditure Accruals	1,871,277
Advances Out	(7,676,571)
Adjustment for Encumbrances	(1,145,222)
Budget Basis	<u><u>(\$3,495,700)</u></u>

Note 6 - Deposits and Investments

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Chief Finance Officer/Budget Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand At fiscal year-end, the School District had \$200 in unreported cash which is included on the balance sheet of the School District as part of "Equity in pooled cash and cash equivalents."

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$2,396,972 and the bank balance was \$2,586,666. Of the bank balance:

1. \$200,000 of the bank balance was covered by depository insurance; and
2. \$2,386,666 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments Investments are categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAROhio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$13,454,304	\$13,454,304	\$13,454,304
Federal National Mortgage Association Notes	1,000,000	1,000,000	1,000,000
Federal Home Loan Mortgage Corporation Notes	3,992,127	3,992,127	3,992,127
Federal Farm Credit Bureau Notes	2,003,840	2,003,840	2,003,840
Federal Home Loan Bank Notes	2,907,240	2,907,240	2,907,240
STAROhio		11,278,759	11,278,759
Total	\$23,357,511	\$34,636,270	\$34,636,270

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$37,033,442	\$0
Cash on Hand	(200)	0
Investments:		
Repurchase Agreements	(13,454,304)	13,454,304
Federal National Mortgage Association Notes	(1,000,000)	1,000,000
Federal Home Loan Mortgage Corporation Notes	(3,992,127)	3,992,127
Federal Farm Credit Bureau Notes	(2,003,840)	2,003,840
Federal Home Loan Bank Notes	(2,907,240)	2,907,240
STAROhio	(11,278,759)	11,278,759
GASB Statement No. 3	\$2,396,972	\$34,636,270

Note 7 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Cuyahoga County. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2003 was \$8,437,653 in the general fund, \$35,336 in the bond retirement debt service fund, and \$426,817 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2002, was \$16,368,771 in the general fund, \$506,251 in the bond retirement debt service fund and \$850,146 in the permanent improvement capital projects fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second Half Collections		2003 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$2,068,070,490	92.59 %	\$2,072,730,100	92.81 %
Public Utility Personal	46,260,140	2.07	44,007,640	1.97
Tangible Personal Property	119,158,280	5.34	116,622,201	5.22
Total	<u>\$2,233,488,910</u>	<u>100.00 %</u>	<u>\$2,233,359,941</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$60.20		\$60.20	

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Balance 6/30/2002	Additions	Deletions	Balance 6/30/2003
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$5,096,730	\$0	\$0	\$5,096,730
Construction in Progress	0	10,307,648	0	10,307,648
<i>Total Capital Assets, not being depreciated</i>	<u>5,096,730</u>	<u>10,307,648</u>	<u>0</u>	<u>15,404,378</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	5,577,152	1,346,869	0	6,924,021
Buildings and Improvements	55,893,308	11,054,105	0	66,947,413
Furniture and Equipment	11,296,494	532,213	(342,370)	11,486,337
Vehicles	6,376,540	618,313	0	6,994,853
Textbooks	5,678,148	0	0	5,678,148
<i>Total Capital Assets, being depreciated</i>	<u>84,821,642</u>	<u>13,551,500</u>	<u>(342,370)</u>	<u>98,030,772</u>
Less Accumulated Depreciation:				
Land Improvements	(3,423,760)	(169,129)	0	(3,592,889)
Buildings and Improvements	(42,648,171)	(937,351)	0	(43,585,522)
Furniture and Equipment	(9,187,021)	(502,185)	326,484	(9,362,722)
Vehicles	(5,335,660)	(291,203)	0	(5,626,863)
Textbooks	(5,640,390)	(10,986)	0	(5,651,376)
Total Accumulated Depreciation	<u>(66,235,002)</u>	<u>(1,910,854)*</u>	<u>326,484</u>	<u>(67,819,372)</u>
Total Capital Assets, being depreciated, net	<u>18,586,640</u>	<u>11,640,646</u>	<u>(15,886)</u>	<u>30,211,400</u>
Governmental Activities Capital Assets, Net	<u>\$23,683,370</u>	<u>\$21,948,294</u>	<u>(\$15,886)</u>	<u>\$45,615,778</u>
Business-Type Activities				
Buildings and Improvements	\$8,000	\$0	\$0	\$8,000
Furniture and Equipment	1,480,591	2,490	(3,307)	1,479,774
Vehicles	0	23,132	0	23,132
Totals at Historical Cost	<u>1,488,591</u>	<u>25,622</u>	<u>(3,307)</u>	<u>1,510,906</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(560)	(160)	0	(720)
Furniture and Equipment	(1,391,813)	(9,527)	3,307	(1,398,033)
Vehicles	0	(1,157)	0	(1,157)
Total Accumulated Depreciation	<u>(1,392,373)</u>	<u>(10,844)</u>	<u>3,307</u>	<u>(1,399,910)</u>
Business-Type Activities Capital Asset, Net	<u>\$96,218</u>	<u>\$14,778</u>	<u>\$0</u>	<u>\$110,996</u>

* Depreciation expense was charged to governmental functions as follow:

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Instruction:	
Regular	\$1,244,639
Special	30,377
Vocational	73,523
Adult/Continuing	391
Support Services:	
Pupils	3,463
Instructional Staff	31,446
Board of Education	3,239
Administration	14,754
Fiscal	4,316
Business	28,431
Operation and Maintenance of Plant	179,449
Pupil Transportation	16,661
Central	4,698
Operation of Non-Instructional Services	67,098
Extracurricular Activities	101,252
Capital Outlay	<u>107,117</u>
Total Depreciation Expense	<u><u>\$1,910,854</u></u>

Note 9 - Receivables

Receivables at June 30, 2003, consisted of taxes, accounts (rent and tuition), interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
General	\$116,633
Other Grants	7,628
State Grants	57,000
Adult Basic Education	3,720
Title VI-B	34,013
Vocational Education	27,366
Title I	148,911
Title VI	1,266
Drug Free Schools	22,602
Preschool Grant	42,866
Title VI - R	60,186
Other Special Revenue	<u>44,107</u>
Total	<u><u>\$566,298</u></u>

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 10 - Risk Management

A. Workers' Compensation

For fiscal year 2003, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (see Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP.

Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

B. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2003, the School District contracted with the following insurance companies:

Company	Type of Coverage	Limit	Deductible
United National Insurance Company	Auto Liability	\$9,975,000	\$25,000
	Uninsured Motorist	25,000	25,000
	Comprehensive General Liability		
	Personal Injury	9,975,000	25,000
	General Aggregate	9,975,000	25,000
Hartford Insurance Company	Property Coverage		
	Blanket Building and Contents	210,671,542	10,000
National Union Fire Insurance Company	Errors and Omissions	3,000,000	5,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year.

Note 11 - Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were \$1,426,264, \$895,508 and \$1,734,747 respectively; 44.52 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$7,515,614, \$5,148,867, and \$6,722,402 respectively; 80.80 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$36,555 made by the School District and \$115,275 made by the plan members.

Note 12 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Board allocated employer contributions equal to one percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$578,124 for fiscal year 2003.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay was established at \$14,500. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$1,331,587.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2003, were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 13 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who are on twelve month contracts earn up to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees and administrators who are on twelve month contracts upon termination of employment. Teachers and administrators who are not on a twelve month contract do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month of service or fifteen days for each completed year of service. There is no limit on the maximum number of sick leave days that may be accumulated.

Upon retirement, certified employees with less than fourteen years of service with the School District are paid a sum equal to one-fourth of unused sick leave to a maximum of thirty days. Upon separation, certified employees with fourteen years of service or more with the School District, hired prior to May 1, 1996, receive a lump sum payment for total sick leave accumulation, up to a maximum accumulation of sixty days. Any certified employee with a balance of greater than 150 days also receives an additional ten percent of accrued and unused sick leave above the 150 days. Certified employees with fourteen years of service or more, hired after May 1, 1996, receive a lump sum payment for one-fourth of accrued and unused sick leave up to a maximum accumulation of ninety days.

Classified employees with fourteen years of service or more with the School District are paid a sum upon separation (regardless of whether retiring) equal to the value of the percentages below, to a maximum of 82.5 days:

Accrued and Unused Sick Days	Maximum Days Paid Upon Separation
0 - 50 days at 22%	11.0
51 - 100 days at 27%	13.5
101 - 146 days at 35%	16.0
147 - 197 days at 40%	20.0
198 - 242 days at 50%	22.0
	<u>82.5</u>

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance through Southern Life Insurance Company. Certified employees working two and one-half hours or more per day and administrators receive \$50,000 term life and accidental death and dismemberment coverage. Classified employees who work four to six hours per day receive \$20,000 coverage, and those who work six hours or more per day receive \$30,000 coverage for term life insurance and accidental death and dismemberment.

The School District also provides medical/surgical insurance through Medical Mutual of Ohio, dental insurance through Canada Life and vision insurance through VSP Vision Care Plan to all eligible employees.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

C. Special Termination Benefit Payable

The School District Board of Education approved a Special Termination Benefit program on March 8, 2000 for its certified employees. Certified employees, who retired under the requirements set forth by STRS during fiscal year 2000, were given a special termination benefit of \$500 for each year of service credit to the Parma City School District. This pay-out was in addition to the accumulated unused sick leave (compensated absences) obligation owed by the School District to the retirees. The Board elected to pay the special termination benefits, along with the compensated absences, in three equal installments beginning February 1, 2001, with the remaining balances being paid on February 1, 2002 and February 1, 2003. The total pay-out for fiscal year 2003 was \$219,334.

Note 14 - Note Debt

The School District's note activity for fiscal year 2003, including amounts outstanding and interest rates, is as follows:

	Balance 6/30/2002	Additions	Deletions	Balance 6/30/2003
General Fund:				
Tax Anticipation Note - 4.60%	\$4,080,000	\$0	(\$1,360,000)	\$2,720,000

The note is backed by the full faith and credit of Parma City School District and matures in 2005. The 1999 note was issued to stabilize the School District's operating cash position. The note liability is reflected in the fund which received the proceeds and which will repay the debt. Principal and interest requirements to retire the tax anticipation note outstanding at June 30, 2003, are as follows:

Fiscal Year Ending June, 30	Tax Anticipation Note	
	Principal	Interest
2004	\$1,360,000	\$93,840
2005	1,360,000	31,280
Total	\$2,720,000	\$125,120

Note 15 - Long-Term Obligations

The original issue date, interest rate, original issue amount and date of maturity of each of the School District's bonds follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:			
Energy Conservation Bonds - 1992	3.7 - 6.15%	\$2,250,000	December 1, 2002
Byers Field - 1999	5.54%	2,485,000	December 1, 2008
Tax Anticipation Note - 2002	4.60%	20,000,000	December 1, 2013
Energy Conservation Loan - 2003	4.60%	2,202,000	December 1, 2017

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding 6/30/2002	Additions	(Reductions)	Principal Outstanding 6/30/2003	Amount Due in One Year
Governmental Activities:					
General Obligations Bonds:					
1992 Energy Conservation Bonds	\$285,000	\$0	(\$285,000)	\$0	\$0
1999 Byers Field	2,040,000	0	(245,000)	1,795,000	260,000
<i>Total General Obligation Bonds</i>	2,325,000	0	(530,000)	1,795,000	260,000
2002 Tax Anticipation Note	20,000,000	0	0	20,000,000	1,420,000
2003 Energy Conservation Loan	0	2,202,000	0	2,202,000	106,000
Capital Lease	0	616,494	(101,822)	514,672	116,521
Compensated Absences	9,133,281	1,500,966	(1,204,121)	9,430,126	785,984
Special Termination Benefits	219,334	0	(219,334)	0	0
Total Governmental Activities	<u>\$31,677,615</u>	<u>\$4,319,460</u>	<u>(\$2,055,277)</u>	<u>\$33,941,798</u>	<u>\$2,688,505</u>
Business-Type Activities:					
Compensated Absences	<u>\$306,330</u>	<u>\$0</u>	<u>(\$236,645)</u>	<u>\$69,685</u>	<u>\$22,487</u>

On July 15, 1999, the School District issued bonds in the amount of \$2,485,000. The proceeds were used to repay the \$370,000 Byers Field bond anticipation note and the \$2,350,000 House Bill 264 Energy Conservation Note.

In April of 1992 and December of 2002 the School District issued energy conservation bonds and loans in the amounts of \$2,250,000 and \$2,202,000. The proceeds were used to renovate school facilities in order to improve energy conservation measures.

The 2002 tax anticipation note is being used for the purpose of acquiring, constructing, enlarging and renovating certain property of the School District. This note will be repaid over 10 years.

The general obligation bonds will be paid from the bond retirement debt service fund. The note liability is reflected in the fund which received the proceeds and which will repay the debt. Compensated absences will be paid from the general fund and the food service, adult continuing education and extended daycare/preschool enterprise funds.

Special termination benefits were paid from the general fund, auxiliary services fund, title I fund, title VI-B fund, alternative schools fund, district managed student activity fund, adult basic education fund, preschool grant fund, vocational education fund, disadvantaged pupil impact aid fund, Ohio reads fund, Eisenhower grant fund, professional development fund, state grants fund, other grants fund, drug free schools fund, title VI-R fund and the other special revenue fund.

The School District's overall legal debt margin was \$199,848,968 with an unvoted debt margin of \$2,233,360 at June 30, 2003. Principal and interest requirements to retire the general obligation bonds and the tax anticipation note outstanding at June 30, 2003, are as follows:

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Fiscal Year Ending June, 30	General Obligation		Tax Anticipation		Energy Conservation		Total	
	Bonds		Note		Loan			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$260,000	\$92,408	\$1,420,000	\$712,472	\$106,000	\$100,302	\$1,786,000	\$905,182
2005	275,000	77,561	1,785,000	656,385	130,000	95,172	2,190,000	829,118
2006	290,000	61,883	1,845,000	583,635	133,000	89,356	2,268,000	734,874
2007	305,000	45,371	1,930,000	513,172	138,000	83,265	2,373,000	641,808
2008	325,000	27,889	1,990,000	453,377	142,000	76,898	2,457,000	558,164
2009-2013	340,000	9,435	11,030,000	1,120,375	804,000	278,578	12,174,000	1,408,388
2014-2018	0	0	0	0	749,000	74,815	749,000	74,815
Total	<u>\$1,795,000</u>	<u>\$314,547</u>	<u>\$20,000,000</u>	<u>\$4,039,416</u>	<u>\$2,202,000</u>	<u>\$798,386</u>	<u>\$23,997,000</u>	<u>\$5,152,349</u>

Note 16 - Jointly Governed Organizations

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau that was formed for the purpose of providing data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. In fiscal year 2003, the School District paid \$315,892 to LNOCA. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valley View, OH 44125.

B. Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2003, the School District paid \$3,450 to the Council. Financial information can be obtained by contacting Kathleen T. Neal, the Executive Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 1999. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

Note 17 - Insurance Purchasing Pool

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 18 - Interfund Transactions

Transfers made during the year ended June 30, 2003 were as follows:

<u>Transfers From</u>	Transfers To				<u>Total</u>
	General	Nonmajor Governmental	Adult Education	Extended Day Care/Preschool	
Major Funds:					
General Fund	\$0	\$119,703	\$1,411	\$9,497	\$130,611
Nonmajor Governmental	14,068	3,147	0	0	17,215
	\$14,068	\$122,850	\$1,411	\$9,497	\$147,826

The public school support fund transferred residual money to the general fund. Other transfers made are to move unrestricted balances to support programs and projects accounted for in other funds.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Interfund balances at June 30, 2003, consist of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
General Fund	\$8,803,663	\$0
Debt Service Fund:		
Bond Retirement	0	617,823
Special Revenue Funds:		
Public Schools Support	0	7,700
Career Programs	0	7,619
Vocational Education Enhancement	0	4,754
Adult Basic Education	0	4,966
Title VI-B	0	34,012
Vocational Education	0	52,663
Preschool Grant	0	42,867
<i>Total Special Revenue Funds</i>	0	154,581
Capital Projects Funds:		
Permanent Improvements	0	6,870,956
Turf Replacement	0	826,350
Power Up Grant	0	90,748
<i>Total Capital Projects Funds</i>	0	7,788,054
Enterprise Funds:		
Adult Continuing Education	0	72,802
Extended Daycare Preschool	0	170,403
<i>Total Enterprise Funds</i>	0	243,205
Total All Funds	\$8,803,663	\$8,803,663

Interfund payables in the special revenue funds are due to the timing of the receipt of grant monies received by the various funds. The payable in the bond retirement is related to debt payments, to be repaid with taxes revenues. The permanent improvement payable is due to the start of improvement projects before the permanent improvement tax levy collections began.

Note 19 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2003.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

B. Litigation

The School District is party to legal proceedings. The School Board is of opinion that the ultimate disposition of the current proceeding will not have a material effect, if any, on the financial condition of the School District.

Note 20 - Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2003, only the unspent portion of certain workers' compensation refunds continues to be required to be set aside.

The following cash basis information describes the change in the fiscal year end set-aside amounts for textbooks, capital acquisitions, and budget stabilization. Disclosure of this information is required by State statute.

	Textbooks Instructional Materials Reserve	Capital Improvement Reserve	Budget Reserve
Set-aside Reserve Balances as of June 30, 2002	(\$770,440)	\$0	\$588,782
Current Year Set-aside Requirement	1,858,527	1,858,527	0
Offsets During the Fiscal Year	0	(3,577,908)	0
Qualifying Disbursements	(1,649,752)	(1,842,293)	0
Totals	<u>(\$561,665)</u>	<u>(\$3,561,674)</u>	<u>\$588,782</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>	<u>\$0</u>	<u>\$588,782</u>
Set-aside Reserve Balance as of June 30, 2003	<u>\$0</u>	<u>\$0</u>	<u>\$588,782</u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements of future fiscal years. Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

Note 21 - State School Funding Decision

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The School District is currently unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

Note 22 – Contractual Commitments

At June 30, 2003, the following contractual commitments have been entered into for various improvements to the School District:

Contractor	Amount of Contract
RFC Construction	\$887,309
Miracle Recreation Equipment Company	898,350
G.R. Osterland Company	32,683
Carron Asphalt	232,990
Cleveland Mechanical Inc.	30,584
Erie Street Theatrical Services	16,839
HMH Restoration Inc.	41,385
M & M Restoration	218,012
New Era Builders Inc.	389,121
North Coast Paving	15,081
Waller Duman	61,082
West Roofing Systems	10,501
Total	\$2,833,937

Note 23 - Capital Leases

During 2003, the School District entered into capital leases for copier machines and fax machines. This lease meets the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases." The leased equipment is reported as a group in governmental activities at a cost of \$616,494; accumulated depreciation through June 30, 2003 amounted to \$102,749 leaving a book value of \$513,745. Such agreement provides for minimum, annual lease payments as follows:

	Governmental Activities
2004	\$139,608
2005	139,608
2006	139,608
2007	139,608
2008	11,634
Total Minimum Lease Payments	570,066
Less: Amounts Representing Interest	(55,394)
Present Value of Minimum Lease Payments	\$514,672

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Combining Statements and Individual Fund Schedules

Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for revenues from specific sources which legally, otherwise, are restricted to expenditures for specific purposes.

Public School Support Fund – This fund accounts for school sites sales revenue and expenditures for field trips, assemblies and other activity costs.

Other Grants Fund – This fund accounts for several miscellaneous scholarships that the School District receives and disburses during the year.

District Managed Student Activity Fund - This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic program.

Auxiliary Services Fund - This fund accounts for grant monies which provide services and materials to pupils attending non-public schools within the School District.

Professional Development Fund – This fund accounts for State monies to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

Disadvantaged Pupil Impact Aid Fund – This fund accounts for State monies from disadvantaged pupil impact aid.

Network Connectivity Fund – This fund accounts for State monies to operate and develop the School District's computer networking system.

Ohio Reads Fund – This fund accounts for State monies used for discovering and helping students who have reading deficiencies.

Alternative Schools Fund – This fund accounts for State monies for misbehaving students who cannot function in a regular classroom and would otherwise be kicked out of school.

State Grants Fund – This fund accounts for several miscellaneous State grants that the School District receives and disburses during the year.

Adult Basic Education Fund - This fund accounts for Federal monies used to provide reading, writing and math competency programs for adults that do not have a high school diploma.

Eisenhower Grant Fund – This fund accounts for Federal monies for the Education for Economic Security Act and the National Defense Education Act.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Title VI-B Fund - This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative patterns and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Vocational Education Fund - This fund accounts for monies used for the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and disabled persons, exemplary programs, cooperative education, construction of area vocational school ancillary services, research, advisory committees and work study projects.

Title I Fund - This fund accounts for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title VI Fund - This fund accounts for Federal monies which support the implementation of a variety of programs such as computer education, gifted and talented programs and in-service and staff development.

Drug Free Schools Fund – This fund accounts for Federal monies which support the implementation of drug abuse education and prevention programs.

Preschool Grant Fund – This fund accounts for Federal monies used for speech therapy services and instructional supplies used in preschool programs.

Title VI-R Fund – This fund accounts for Federal monies used for preparing students and teachers for the proficiency test.

Other small Special Revenue Funds operated by the School District and subsidized in part by local, state and federal monies as well as miscellaneous resources. These funds are as follows:

Scholarship Fund
Venture Capital Fund
Economic Education Grant Fund
Career Development Fund
Managed Information Systems Fund
School Improvement Incentive fund
Entry Year Grant Fund
School Net Subsidy Grant Fund
Textbook Subsidy Fund
Summer Intervention Fund
Vocational Education Enhancements Fund
Extended Learning Opportunity Grant Fund
Limited English Proficiency Grant
Federal Refugee Children Fund
Emergency Immigrant Education Assistance Grant Fund
Performance Incentive Fund

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

Turf Replacement Fund - This fund accounts for monies used for rebuilding, restoring and improving Byers Field.

School Net Fund - This fund accounts for grant money used to purchase computer hardware and software.

Power Up Grant Fund - This fund accounts for grant money expended to make wiring in the classrooms technology ready.

Parma City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,438,726	\$395,897	\$3,834,623
Accounts Receivable	15,610	0	15,610
Intergovernmental Receivable	449,665	0	449,665
<i>Total Assets</i>	<u>\$3,904,001</u>	<u>\$395,897</u>	<u>\$4,299,898</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$577,931	\$191,504	\$769,435
Accrued Wages and Benefits	332,822	0	332,822
Intergovernmental Payable	118,462	0	118,462
Interfund Payable	154,581	917,098	1,071,679
Deferred Revenue	299,796	0	299,796
<i>Total Liabilities</i>	<u>1,483,592</u>	<u>1,108,602</u>	<u>2,592,194</u>
Fund Balances			
Reserved for Encumbrances	624,558	0	624,558
Unreserved, Undesignated (Deficit)			
Reported in:			
Special Revenue Funds	1,795,851	0	1,795,851
Capital Projects Funds	0	(712,705)	(712,705)
<i>Total Fund Balances</i>	<u>2,420,409</u>	<u>(712,705)</u>	<u>1,707,704</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,904,001</u>	<u>\$395,897</u>	<u>\$4,299,898</u>

Parma City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$8,180,718	\$191,504	\$8,372,222
Interest	21,723	0	21,723
Extracurricular Activities	631,087	0	631,087
Charges for Services	99,604	0	99,604
Contributions and Donations	54,439	0	54,439
Miscellaneous	598,925	13,681	612,606
<i>Total Revenues</i>	<u>9,586,496</u>	<u>205,185</u>	<u>9,791,681</u>
Expenditures			
Current:			
Instruction:			
Regular	742,220	0	742,220
Special	1,410,639	0	1,410,639
Vocational	24,257	0	24,257
Adult/Continuing	113,172	0	113,172
Support Services:			
Pupil	479,393	0	479,393
Instructional Staff	860,737	0	860,737
Board of Education	410,635	0	410,635
Administration	4,334	0	4,334
Business	1,950	0	1,950
Operation and Maintenance of Plant	13,368	0	13,368
Pupil Transportation	25,042	0	25,042
Central	7,941	0	7,941
Operation of Non-Instructional Services	4,615,696	0	4,615,696
Extracurricular Activities	1,404,327	0	1,404,327
Capital Outlay	4,734	1,107,611	1,112,345
<i>Total Expenditures</i>	<u>10,118,445</u>	<u>1,107,611</u>	<u>11,226,056</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(531,949)</u>	<u>(902,426)</u>	<u>(1,434,375)</u>
Other Financing Sources (Uses)			
Transfers In	122,850	0	122,850
Transfers Out	(17,215)	0	(17,215)
<i>Total Other Financing Sources (Uses)</i>	<u>105,635</u>	<u>0</u>	<u>105,635</u>
<i>Net Change in Fund Balances</i>	(426,314)	(902,426)	(1,328,740)
<i>Fund Balances Beginning of Year</i>	<u>2,846,723</u>	<u>189,721</u>	<u>3,036,444</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,420,409</u>	<u>(\$712,705)</u>	<u>\$1,707,704</u>

Parma City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$635,194	\$77,586	\$141,144	\$876,754
Accounts Receivable	280	0	15,330	0
Intergovernmental Receivable	0	7,628	0	0
<i>Total Assets</i>	<u>\$635,474</u>	<u>\$85,214</u>	<u>\$156,474</u>	<u>\$876,754</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$4,619	\$0	\$435,167
Accrued Wages and Benefits	0	0	0	141,615
Intergovernmental Payable	0	553	740	32,927
Interfund Payable	7,700	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>7,700</u>	<u>5,172</u>	<u>740</u>	<u>609,709</u>
 Fund Balances				
Reserved for Encumbrances	52,609	1,517	19,110	218,484
Unreserved, Undesignated (Deficit)	575,165	78,525	136,624	48,561
<i>Total Fund Balances (Deficit)</i>	<u>627,774</u>	<u>80,042</u>	<u>155,734</u>	<u>267,045</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$635,474</u>	<u>\$85,214</u>	<u>\$156,474</u>	<u>\$876,754</u>

Professional Development	Disadvantaged Pupil Impact Aid	Network Connectivity	Ohio Reads	Alternative Schools	State Grants	Adult Basic Education
\$4,660	\$25,836	\$263,452	\$11,843	\$22,020	\$108,781	\$1,629
0	0	0	0	0	0	0
0	0	0	0	0	57,000	3,720
<u>\$4,660</u>	<u>\$25,836</u>	<u>\$263,452</u>	<u>\$11,843</u>	<u>\$22,020</u>	<u>\$165,781</u>	<u>\$5,349</u>
\$0	\$0	\$0	\$7,593	\$0	\$8,576	\$0
0	2,968	0	0	35,499	0	2,171
200	1,783	0	1,704	8,652	3,213	3,749
0	0	0	0	0	0	4,966
0	0	0	0	0	0	0
<u>200</u>	<u>4,751</u>	<u>0</u>	<u>9,297</u>	<u>44,151</u>	<u>11,789</u>	<u>10,886</u>
1,232	0	0	3,628	1,072	26,730	885
<u>3,228</u>	<u>21,085</u>	<u>263,452</u>	<u>(1,082)</u>	<u>(23,203)</u>	<u>127,262</u>	<u>(6,422)</u>
<u>4,460</u>	<u>21,085</u>	<u>263,452</u>	<u>2,546</u>	<u>(22,131)</u>	<u>153,992</u>	<u>(5,537)</u>
<u>\$4,660</u>	<u>\$25,836</u>	<u>\$263,452</u>	<u>\$11,843</u>	<u>\$22,020</u>	<u>\$165,781</u>	<u>\$5,349</u>

(continued)

Parma City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2003

	Eisenhower Grant	Title VI-B	Vocational Education	Title I
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$4,904	\$447,172	\$139,602	\$95,657
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	34,013	27,366	148,911
<i>Total Assets</i>	<u>\$4,904</u>	<u>\$481,185</u>	<u>\$166,968</u>	<u>\$244,568</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$20,422	\$0	\$21,346
Accrued Wages and Benefits	0	41,485	0	71,161
Intergovernmental Payable	30	31,261	3,369	15,580
Interfund Payable	0	34,012	52,663	0
Deferred Revenue	0	34,013	27,366	67,390
<i>Total Liabilities</i>	<u>30</u>	<u>161,193</u>	<u>83,398</u>	<u>175,477</u>
 Fund Balances				
Reserved for Encumbrances	293	71,590	111,317	14,471
Unreserved, Undesignated (Deficit)	4,581	248,402	(27,747)	54,620
<i>Total Fund Balances (Deficit)</i>	<u>4,874</u>	<u>319,992</u>	<u>83,570</u>	<u>69,091</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,904</u>	<u>\$481,185</u>	<u>\$166,968</u>	<u>\$244,568</u>

Title VI	Drug Free Schools	Preschool Grant	Title VI-R	Other	Total Nonmajor Special Revenue Funds
\$73,080	\$7,130	\$38,437	\$216,370	\$247,475	\$3,438,726
0	0	0	0	0	15,610
1,266	22,602	42,866	60,186	44,107	449,665
<u>\$74,346</u>	<u>\$29,732</u>	<u>\$81,303</u>	<u>\$276,556</u>	<u>\$291,582</u>	<u>\$3,904,001</u>
\$28,594	\$782	\$714	\$36,284	\$13,834	\$577,931
0	0	6,077	31,846	0	332,822
0	945	4,600	6,437	2,719	118,462
0	0	42,867	0	12,373	154,581
1,266	22,602	42,866	60,186	44,107	299,796
<u>29,860</u>	<u>24,329</u>	<u>97,124</u>	<u>134,753</u>	<u>73,033</u>	<u>1,483,592</u>
23,529	757	4,350	65,934	7,050	624,558
20,957	4,646	(20,171)	75,869	211,499	1,795,851
<u>44,486</u>	<u>5,403</u>	<u>(15,821)</u>	<u>141,803</u>	<u>218,549</u>	<u>2,420,409</u>
<u>\$74,346</u>	<u>\$29,732</u>	<u>\$81,303</u>	<u>\$276,556</u>	<u>\$291,582</u>	<u>\$3,904,001</u>

Parma City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services
Revenues				
Intergovernmental	\$0	\$117,805	\$0	\$3,710,189
Interest	0	0	0	21,723
Extracurricular Activities	383,280	0	247,807	0
Charges for Services	467	0	99,137	0
Contributions and Donations	5,929	48,510	0	0
Miscellaneous	534,736	39,166	25,023	0
<i>Total Revenues</i>	<u>924,412</u>	<u>205,481</u>	<u>371,967</u>	<u>3,731,912</u>
Expenditures				
Current:				
Instruction:				
Regular	0	34,039	0	0
Special	8,398	126,703	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	17,696	0	0
Administration	196	0	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	558	0	7,572	0
Central	0	961	0	0
Operation of Non-Instructional Services	0	0	0	4,124,103
Extracurricular Activities	929,674	0	461,873	0
Capital Outlay	1,129	0	0	0
<i>Total Expenditures</i>	<u>939,955</u>	<u>179,399</u>	<u>469,445</u>	<u>4,124,103</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(15,543)</u>	<u>26,082</u>	<u>(97,478)</u>	<u>(392,191)</u>
Other Financing Sources (Uses)				
Transfers In	28,315	20	84,388	0
Transfers Out	(14,088)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>14,227</u>	<u>20</u>	<u>84,388</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(1,316)	26,102	(13,090)	(392,191)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>629,090</u>	<u>53,940</u>	<u>168,824</u>	<u>659,236</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$627,774</u>	<u>\$80,042</u>	<u>\$155,734</u>	<u>\$267,045</u>

Professional Development	Disadvantaged Pupil Impact Aid	Network Connectivity	Ohio Reads	Alternative Schools	State Grants	Adult Basic Education
\$0	\$106,667	\$70,000	\$84,883	\$292,597	\$135,786	\$164,286
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	106,667	70,000	84,883	292,597	135,786	164,286
9,094	75,233	0	0	292,975	5,479	0
0	0	0	26,954	0	55,353	0
0	0	0	0	0	0	0
0	0	0	0	0	0	112,172
0	0	0	1,559	24,406	100,932	42,818
3,106	0	0	58,827	0	51,532	0
0	0	0	17,730	90,956	4,250	0
0	0	0	0	0	4,334	0
0	0	0	0	0	1,950	0
0	0	0	0	0	13,368	0
0	0	0	0	0	3,590	0
0	0	0	889	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
12,200	75,233	0	105,959	408,337	240,788	154,990
(12,200)	31,434	70,000	(21,076)	(115,740)	(105,002)	9,296
0	0	0	0	0	7,000	0
0	0	0	0	0	0	0
0	0	0	0	0	7,000	0
(12,200)	31,434	70,000	(21,076)	(115,740)	(98,002)	9,296
16,660	(10,349)	193,452	23,622	93,609	251,994	(14,833)
\$4,460	\$21,085	\$263,452	\$2,546	(\$22,131)	\$153,992	(\$5,537)

(continued)

Parma City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2003

	Eisenhower Grant	Title VI-B	Vocational Education	Title I
Revenues				
Intergovernmental	\$0	\$1,701,620	\$184,090	\$833,604
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>1,701,620</u>	<u>184,090</u>	<u>833,604</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	452,647	0	692,669
Vocational	0	0	24,257	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	4,060	129,602	74,829	0
Instructional Staff	0	548,853	11,669	17,680
Administration	0	242,941	0	4,146
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	7,200	0	0
Central	0	0	6,091	0
Operation of Non-Instructional Services	975	371,587	0	67,962
Extracurricular Activities	0	0	12,780	0
Capital Outlay	0	0	0	3,605
<i>Total Expenditures</i>	<u>5,035</u>	<u>1,752,830</u>	<u>129,626</u>	<u>786,062</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,035)</u>	<u>(51,210)</u>	<u>54,464</u>	<u>47,542</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(3,127)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,127)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(8,162)	(51,210)	54,464	47,542
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>13,036</u>	<u>371,202</u>	<u>29,106</u>	<u>21,549</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$4,874</u>	<u>\$319,992</u>	<u>\$83,570</u>	<u>\$69,091</u>

Title VI	Drug Free Schools	Preschool Grant	Title VI-R	Other	Total Nonmajor Special Revenue Funds
\$125,545	\$50,579	\$67,184	\$351,211	\$184,672	\$8,180,718
0	0	0	0	0	21,723
0	0	0	0	0	631,087
0	0	0	0	0	99,604
0	0	0	0	0	54,439
0	0	0	0	0	598,925
125,545	50,579	67,184	351,211	184,672	9,586,496
76,004	0	0	138,892	110,504	742,220
0	0	8,158	0	39,757	1,410,639
0	0	0	0	0	24,257
0	0	0	0	1,000	113,172
0	48,987	20,982	0	31,218	479,393
0	0	49,149	80,185	22,040	860,737
0	0	3,447	46,969	0	410,635
0	0	0	0	0	4,334
0	0	0	0	0	1,950
0	0	0	0	0	13,368
0	0	4,187	1,935	0	25,042
0	0	0	0	0	7,941
39,166	2,128	6,902	0	2,873	4,615,696
0	0	0	0	0	1,404,327
0	0	0	0	0	4,734
115,170	51,115	92,825	267,981	207,392	10,118,445
10,375	(536)	(25,641)	83,230	(22,720)	(531,949)
0	0	0	3,127	0	122,850
0	0	0	0	0	(17,215)
0	0	0	3,127	0	105,635
10,375	(536)	(25,641)	86,357	(22,720)	(426,314)
34,111	5,939	9,820	55,446	241,269	2,846,723
\$44,486	\$5,403	(\$15,821)	\$141,803	\$218,549	\$2,420,409

Parma City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2003

	<u>Turf Replacement</u>	<u>School Net</u>	<u>Power Up Grant</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$110,188</u>	<u>\$230,007</u>	<u>\$55,702</u>	<u>\$395,897</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$191,504	\$0	\$191,504
Interfund Payable	<u>826,350</u>	<u>0</u>	<u>90,748</u>	<u>917,098</u>
<i>Total Liabilities</i>	826,350	191,504	90,748	1,108,602
Fund Balances				
Unreserved, Undesignated (Deficit)	<u>(716,162)</u>	<u>38,503</u>	<u>(35,046)</u>	<u>(712,705)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$110,188</u>	<u>\$230,007</u>	<u>\$55,702</u>	<u>\$395,897</u>

Parma City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

	<u>Turf Replacement</u>	<u>School Net</u>	<u>Power Up Grant</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues				
Intergovernmental	\$0	\$191,504	\$0	\$191,504
Miscellaneous	13,681	0	0	13,681
<i>Total Revenues</i>	13,681	191,504	0	205,185
Expenditures				
Capital Outlay	916,107	191,504	0	1,107,611
<i>Net Change in Fund Balances</i>	(902,426)	0	0	(902,426)
<i>Fund Balances (Deficit) Beginning of Year</i>	186,264	38,503	(35,046)	189,721
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$716,162)</u>	<u>\$38,503</u>	<u>(\$35,046)</u>	<u>(\$712,705)</u>

Fund Descriptions – Agency Funds

Student Activities Fund - This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Voluntary Benefits Fund - This fund accounts for monies withheld from part-time employees paychecks for insurance.

Parma City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2003

	Balance 06/30/02	Additions	Deductions	Balance 06/30/03
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$374,876	\$921,395	\$844,918	\$451,353
Liabilities				
Due to Students	\$374,876	\$921,395	\$844,918	\$451,353
<i>Voluntary Benefits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,508,900	\$2,464,674	\$2,523,527	\$1,450,047
Liabilities				
Undistributed Monies	\$1,508,900	\$2,464,674	\$2,523,527	\$1,450,047
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,883,776	\$3,386,069	\$3,368,445	\$1,901,400
Liabilities				
Undistributed Monies	\$1,508,900	\$2,464,674	\$2,523,527	\$1,450,047
Due to Students	374,876	921,395	844,918	451,353
<i>Total Liabilities</i>	\$1,883,776	\$3,386,069	\$3,368,445	\$1,901,400

**Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes
in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual**

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Property Taxes	\$68,811,466	\$73,769,717	\$73,905,278	\$135,561
Intergovernmental	32,034,061	34,341,213	34,027,240	(313,973)
Interest	693,201	743,150	983,157	240,007
Tuition and Fees	1,483,450	1,591,133	1,668,587	77,454
Extracurricular Activities	91,429	98,017	101,386	3,369
Rentals	184,854	198,173	252,754	54,581
Charges for Services	747,298	801,145	599,746	(201,399)
Contributions and Donations	40,689	45,089	13,592	(31,497)
Miscellaneous	212,703	228,041	251,394	23,353
<i>Total Revenues</i>	104,299,151	111,815,678	111,803,134	(12,544)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	37,367,130	36,852,148	36,550,012	302,136
Fringe Benefits	11,454,588	10,900,915	10,445,889	455,026
Purchased Services	1,853,166	1,842,708	1,775,799	66,909
Materials and Supplies	2,691,718	2,654,929	2,223,037	431,892
Capital Outlay - New	829,536	804,217	732,729	71,488
Capital Outlay - Replacement	57,000	56,251	56,057	194
Other	243,113	242,242	215,181	27,061
Total Regular	54,496,251	53,353,410	51,998,704	1,354,706
Special:				
Salaries	7,998,628	8,780,548	8,725,822	54,726
Fringe Benefits	2,747,413	2,749,338	2,697,212	52,126
Purchased Services	53,705	45,523	44,652	871
Materials and Supplies	43,440	44,297	43,241	1,056
Capital Outlay - New	214,948	217,948	216,873	1,075
Other	625	725	629	96
Total Special	11,058,759	11,838,379	11,728,429	109,950
Vocational:				
Salaries and Wages	1,580,751	1,580,751	1,574,630	6,121
Fringe Benefits	417,574	417,574	414,678	2,896
Purchased Services	55,320	34,014	28,290	5,724
Materials and Supplies	133,832	132,038	120,735	11,303
Capital Outlay - Replacement	110,180	105,119	105,058	61
Other	8,007	7	5	2
Total Vocational	2,305,664	2,269,503	2,243,396	26,107
Adult/Continuing:				
Fringe Benefits	1,948	1,948	0	1,948
Other	4,449	4,949	3,523	1,426
Total Adult/Continuing	6,397	6,897	3,523	3,374
Total Instruction	\$67,867,071	\$67,468,189	\$65,974,052	\$1,494,137

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Support Services:				
Pupils:				
Salaries	\$4,177,313	\$4,132,313	\$4,129,460	\$2,853
Fringe Benefits	1,354,960	1,300,331	1,225,443	74,888
Purchased Services	521,095	514,611	329,593	185,018
Materials and Supplies	144,050	160,747	103,212	57,535
Total Pupils	6,197,418	6,108,002	5,787,708	320,294
Instructional Staff:				
Salaries	2,458,104	2,453,509	2,240,118	213,391
Fringe Benefits	880,458	880,458	724,853	155,605
Purchased Services	633,245	631,043	591,608	39,435
Materials and Supplies	218,313	214,377	175,257	39,120
Capital Outlay - New	192,251	194,679	193,929	750
Other	6,500	6,500	5,980	520
Total Instructional Staff	4,388,871	4,380,566	3,931,745	448,821
Board of Education:				
Salaries	91,743	81,651	80,723	928
Fringe Benefits	19,865	17,865	17,765	100
Purchased Services	795,278	790,367	758,203	32,164
Materials and Supplies	1,950	1,978	1,977	1
Capital Outlay - New	2,000	0	0	0
Other	10,250	7,905	7,278	627
Total Board of Education	921,086	899,766	865,946	33,820
Administration:				
Salaries	6,321,194	6,310,965	6,280,901	30,064
Fringe Benefits	2,514,819	2,504,465	2,262,195	242,270
Purchased Services	209,958	200,155	181,468	18,687
Materials and Supplies	136,075	132,755	106,690	26,065
Capital Outlay - Replacement	5,200	5,000	3,962	1,038
Other	6,000	5,746	4,259	1,487
Total Administration	9,193,246	9,159,086	8,839,475	319,611
Fiscal:				
Salaries	829,901	701,901	508,340	193,561
Fringe Benefits	219,808	219,808	179,728	40,080
Purchased Services	112,200	108,916	101,522	7,394
Materials and Supplies	25,150	24,605	23,727	878
Capital Outlay - New	4,000	3,900	3,357	543
Capital Outlay - Replacement	2,300	800	668	132
Other	1,271,187	1,096,108	1,082,597	13,511
Total Fiscal	\$2,464,546	\$2,156,038	\$1,899,939	\$256,099

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Business:				
Salaries	\$387,502	\$382,502	\$369,223	\$13,279
Fringe Benefits	126,378	126,378	115,216	11,162
Purchased Services	112,076	65,881	49,451	16,430
Materials and Supplies	277,709	273,925	254,700	19,225
Capital Outlay - Replacement	200,000	200,000	183,259	16,741
Other	5,750	5,632	4,419	1,213
Total Business	1,109,415	1,054,318	976,268	78,050
Operation and Maintenance of Plant:				
Salaries	4,306,953	4,306,953	4,304,817	2,136
Fringe Benefits	1,830,031	1,750,031	1,552,810	197,221
Purchased Services	4,005,507	4,002,005	3,947,405	54,600
Materials and Supplies	880,431	874,202	852,409	21,793
Capital Outlay - New	32,000	32,000	29,758	2,242
Capital Outlay - Replacement	140,000	138,647	138,056	591
Other	453,642	442,342	349,652	92,690
Total Operation and Maintenance of Plant	11,648,564	11,546,180	11,174,907	371,273
Pupil Transportation:				
Salaries	3,270,476	3,268,476	3,265,526	2,950
Fringe Benefits	1,494,369	1,464,369	1,261,037	203,332
Purchased Services	871,972	837,980	799,036	38,944
Materials and Supplies	566,050	560,425	524,066	36,359
Capital Outlay - Replacement	327,785	327,785	327,785	0
Other	280,900	264,909	208,592	56,317
Total Pupil Transportation	6,811,552	6,723,944	6,386,042	337,902
Central:				
Salaries	599,467	599,467	598,901	566
Fringe Benefits	225,162	225,762	202,685	23,077
Purchased Services	738,010	941,568	854,959	86,609
Materials and Supplies	371,640	245,147	218,243	26,904
Capital Outlay - New	186,500	401,600	366,903	34,697
Other	10,190	16,190	11,581	4,609
Total Central	2,130,969	2,429,734	2,253,272	176,462
Total Support Services	\$44,865,667	\$44,457,634	\$42,115,302	\$2,342,332

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$34,874	\$34,874	\$22,927	\$11,947
Fringe Benefits	5,321	5,321	3,242	2,079
Purchased Services	30,000	30,000	2,000	28,000
Materials and Supplies	300	300	0	300
Total Non-Instructional Services	70,495	70,495	28,169	42,326
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	174,880	174,880	174,526	354
Fringe Benefits	27,162	27,162	25,517	1,645
Purchased Services	62,605	64,039	55,494	8,545
Materials and Supplies	41,966	86,143	60,518	25,625
Capital Outlay - Replacement	0	4,478	4,478	0
Total Academic and Subject Oriented Activities	306,613	356,702	320,533	36,169
Sport Oriented Activities:				
Salaries and Wages	653,736	788,736	783,670	5,066
Fringe Benefits	119,060	139,060	132,425	6,635
Purchased Services	27,300	27,300	27,300	0
Other	24,000	0	0	0
Total Sport Oriented Activities	824,096	955,096	943,395	11,701
Co-Curricular Activities:				
Salaries and Wages	164,853	164,853	164,723	130
Fringe Benefits	26,013	26,013	23,496	2,517
Purchased Services	30,727	10,727	7,789	2,938
Materials and Supplies	801	801	0	801
Capital Outlay - New	405	405	0	405
Other	14,690	15,690	7,504	8,186
Total Co-Curricular Activities	237,489	218,489	203,512	14,977
Total Extracurricular Activities	1,368,198	1,530,287	1,467,440	62,847
Capital Outlay:				
Site Improvement Services:				
Purchased Services	118,000	128,161	125,177	2,984
Other Facilities Acquisition and Construction Services:				
Purchased Services	37,000	39,158	33,997	5,161
Total Capital Outlay	\$155,000	\$167,319	\$159,174	\$8,145

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<i>Total Expenditures</i>	\$114,326,431	\$113,693,924	\$109,744,137	\$3,949,787
<i>Excess of Revenues Over (Under) Expenditures</i>	(10,027,280)	(1,878,246)	2,058,997	3,937,243
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	10,000	10,000	7,563	(2,437)
Advances In	2,279,940	2,279,940	2,230,854	(49,086)
Advances Out	(77,940)	(7,677,246)	(7,676,571)	675
Transfers In	0	0	14,068	14,068
Transfers Out	(150,000)	(180,612)	(130,611)	50,001
<i>Total Other Financing Sources (Uses)</i>	2,062,000	(5,567,918)	(5,554,697)	13,221
<i>Net Change in Fund Balance</i>	(7,965,280)	(7,446,164)	(3,495,700)	3,950,464
<i>Fund Balance Beginning of Year</i>	19,151,866	19,151,866	19,151,866	0
<i>Prior Year Encumbrances Appropriated</i>	2,306,683	2,306,683	2,306,683	0
<i>Fund Balance End of Year</i>	<u>\$13,493,269</u>	<u>\$14,012,385</u>	<u>\$17,962,849</u>	<u>\$3,950,464</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Property Taxes	\$1,490,401	\$2,485,523	\$2,511,522	\$25,999
Intergovernmental	25,999	25,999	0	(25,999)
<i>Total Revenues</i>	<u>1,516,400</u>	<u>2,511,522</u>	<u>2,511,522</u>	<u>0</u>
Expenditures				
Debt Service:				
Principal Retirement	1,890,000	1,890,000	1,890,000	0
Interest and Fiscal Charges	271,247	1,008,846	1,008,846	0
<i>Total Expenditures</i>	<u>2,161,247</u>	<u>2,898,846</u>	<u>2,898,846</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(644,847)	(387,324)	(387,324)	0
<i>Fund Balance Beginning of Year</i>	<u>1,611,387</u>	<u>1,611,387</u>	<u>1,611,387</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$966,540</u>	<u>\$1,224,063</u>	<u>\$1,224,063</u>	<u>\$0</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Property Taxes	\$1,409,777	\$8,014,269	\$2,484,303	(\$5,529,966)
Intergovernmental	194,283	1,380,351	477,278	(903,073)
Charges for Services	0	36,605	17,900	(18,705)
Miscellaneous	31,233	171,090	51,878	(119,212)
<i>Total Revenues</i>	<u>1,635,293</u>	<u>9,602,315</u>	<u>3,031,359</u>	<u>(6,570,956)</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Purchased Services	62,900	62,900	0	62,900
Other	50,700	50,700	46,879	3,821
Total Fiscal	<u>113,600</u>	<u>113,600</u>	<u>46,879</u>	<u>66,721</u>
Operation and Maintenance of Plant:				
Purchased Services	5,254,335	11,587,091	8,155,401	3,431,690
Capital Outlay - New	224,863	261,863	257,937	3,926
Total Operation and Maintenance of Plant	<u>5,479,198</u>	<u>11,848,954</u>	<u>8,413,338</u>	<u>3,435,616</u>
Total Support Services	<u>5,592,798</u>	<u>11,962,554</u>	<u>8,460,217</u>	<u>3,502,337</u>
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Capital Outlay - New	20,000,000	19,937,500	18,945,444	992,056
Debt Service:				
Principal Retirement	47,470	47,470	0	47,470
Interest and Fiscal Charges	3,418	3,418	0	3,418
Total Debt Service	<u>50,888</u>	<u>50,888</u>	<u>0</u>	<u>50,888</u>
<i>Total Expenditures</i>	<u>25,643,686</u>	<u>31,950,942</u>	<u>27,405,661</u>	<u>4,545,281</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(24,008,393)</u>	<u>(22,348,627)</u>	<u>(24,374,302)</u>	<u>(2,025,675)</u>
Other Financing Sources (Uses)				
Proceeds of Loan	2,352,000	2,352,000	2,202,000	(150,000)
Proceeds from Sale of Capital Assets	35,000	35,000	35,000	0
Advances In	0	0	6,720,956	6,720,956
Advances Out	(2,352,000)	(2,352,000)	(2,202,000)	150,000
<i>Total Other Financing Sources (Uses)</i>	<u>\$35,000</u>	<u>\$35,000</u>	<u>\$6,755,956</u>	<u>\$6,720,956</u>

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
<i>Net Change in Fund Balance</i>	(\$23,973,393)	(\$22,313,627)	(\$17,618,346)	\$4,695,281
<i>Fund Balance Beginning of Year</i>	11,711,199	11,711,199	11,711,199	0
Prior Year Encumbrances Appropriated	<u>10,602,433</u>	<u>10,602,433</u>	<u>10,602,433</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$1,659,761)</u>	<u>\$5</u>	<u>\$4,695,286</u>	<u>\$4,695,281</u>

Parma City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Sales	\$1,795,100	\$2,820,565	\$2,208,175	(\$612,390)
Operating Grants	105,000	346,054	958,106	612,052
Miscellaneous	0	86	454	368
<i>Total Revenues</i>	1,900,100	3,166,705	3,166,735	30
Expenses				
Salaries	944,640	988,728	988,728	0
Fringe Benefits	521,227	477,139	471,946	5,193
Purchased Services	128,430	223,370	158,970	64,400
Materials and Supplies	1,491,854	1,498,561	1,427,452	71,109
Capital Outlay	155,500	185,500	121,696	63,804
Other	3,144	3,566	27	3,539
<i>Total Expenses</i>	3,244,795	3,376,864	3,168,819	208,045
<i>Net Change in Fund Equity</i>	(1,344,695)	(210,159)	(2,084)	208,075
<i>Fund Equity Beginning of Year</i>	323,524	323,524	323,524	0
Prior Year Encumbrances Appropriated	444	444	444	0
<i>Fund Equity (Deficit) End of Year</i>	(\$1,020,727)	\$113,809	\$321,884	\$208,075

Parma City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Adult Continuing Education Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Tuition and Fees	\$447,360	\$222,383	\$200,231	(\$22,152)
Charges for Services	0	0	9,996	9,996
Operating Grants	6,466	3,214	42,399	39,185
Miscellaneous	85,373	42,440	0	(42,440)
<i>Total Revenues</i>	539,199	268,037	252,626	(15,411)
Expenses				
Salaries	304,519	244,771	239,723	5,048
Fringe Benefits	95,714	82,084	77,411	4,673
Purchased Services	148,215	75,261	75,261	0
Materials and Supplies	44,801	33,801	26,905	6,896
Other	10,984	159,609	158,041	1,568
<i>Total Expenses</i>	604,233	595,526	577,341	18,185
<i>Excess of Revenues Under Expenses</i>	(65,034)	(327,489)	(324,715)	2,774
Advances In	0	0	14,000	14,000
Transfers In	0	0	1,411	1,411
Transfers Out	(116,000)	0	0	0
<i>Net Change in Fund Equity</i>	(181,034)	(327,489)	(309,304)	18,185
<i>Fund Equity Beginning of Year</i>	313,900	313,900	313,900	0
Prior Year Encumbrances Appropriated	13,598	13,598	13,598	0
<i>Fund Equity End of Year</i>	\$146,464	\$9	\$18,194	\$18,185

Parma City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Extended Daycare/Preschool Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Tuition and Fees	\$1,042,579	\$1,122,874	\$986,680	(\$136,194)
Operating Grants	50,669	50,669	157,116	106,447
Miscellaneous	1,752	1,887	4,422	2,535
<i>Total Revenues</i>	<u>1,095,000</u>	<u>1,175,430</u>	<u>1,148,218</u>	<u>(27,212)</u>
Expenses				
Salaries	883,750	883,750	783,577	100,173
Fringe Benefits	226,034	226,034	211,947	14,087
Purchased Services	263,017	251,131	233,545	17,586
Materials and Supplies	213,946	165,108	113,352	51,756
Other	9,925	9,925	5,903	4,022
<i>Total Expenses</i>	<u>1,596,672</u>	<u>1,535,948</u>	<u>1,348,324</u>	<u>187,624</u>
<i>Excess of Revenues Under Expenditures</i>	(501,672)	(360,518)	(200,106)	160,412
Transfers In	0	0	9,497	9,497
<i>Net Change in Fund Equity</i>	(501,672)	(360,518)	(190,609)	169,909
<i>Fund Equity Beginning of Year</i>	353,247	353,247	353,247	0
Prior Year Encumbrances Appropriated	25,308	25,308	25,308	0
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$123,117)</u>	<u>\$18,037</u>	<u>\$187,946</u>	<u>\$169,909</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Interest	\$1,274	\$1,262	\$0	(\$1,262)
Tuition and Fees	437	432	0	(432)
Extracurricular Activities	382,973	385,972	367,033	(18,939)
Charges for Services	1,119	1,208	467	(741)
Contributions and Donations	5,558	5,505	5,929	424
Miscellaneous	568,639	564,606	534,456	(30,150)
<i>Total Revenues</i>	<u>960,000</u>	<u>958,985</u>	<u>907,885</u>	<u>(51,100)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	454	454	0	454
Materials and Supplies	225	225	0	225
Total Regular	<u>679</u>	<u>679</u>	<u>0</u>	<u>679</u>
Special:				
Other	2,113	14,650	11,043	3,607
Total Instruction	<u>2,792</u>	<u>15,329</u>	<u>11,043</u>	<u>4,286</u>
Support Services:				
Administration:				
Materials and Supplies	750	750	196	554
Pupil Transportation:				
Other	975	975	918	57
Total Support Services	<u>1,725</u>	<u>1,725</u>	<u>1,114</u>	<u>611</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	73,302	50,830	22,728	28,102
Other	478,622	339,909	249,959	89,950
Total Academic and Subject Oriented Activities	<u>551,924</u>	<u>390,739</u>	<u>272,687</u>	<u>118,052</u>
Occupational Oriented Activities:				
Materials and Supplies	\$3,601	\$5,056	\$339	\$4,717

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
School and Public Service				
Co-Curricular Activities:				
Purchased Services	\$140,636	\$140,636	\$86,742	\$53,894
Materials and Supplies	841,931	895,804	592,244	303,560
Other	109,273	111,660	27,266	84,394
Total School and Public Service				
Co-Curricular Activities	1,091,840	1,148,100	706,252	441,848
Total Extracurricular Activities	1,647,365	1,543,895	979,278	564,617
Capital Outlay:				
Building Improvement Services:				
Purchased Services	12,735	12,735	1,129	11,606
<i>Total Expenditures</i>	1,664,617	1,573,684	992,564	581,120
<i>Excess of Revenues Under Expenditures</i>	(704,617)	(614,699)	(84,679)	530,020
Other Financing Sources (Uses)				
Advances In	0	0	1,300	1,300
Advances Out	0	(1,300)	0	1,300
Transfers In	0	0	28,315	28,315
Transfers Out	0	(14,089)	(14,088)	1
<i>Total Other Financing Sources (Uses)</i>	0	(15,389)	15,527	30,916
<i>Net Change in Fund Balance</i>	(704,617)	(630,088)	(69,152)	560,936
<i>Fund Balance Beginning of Year</i>	575,153	575,153	575,153	0
Prior Year Encumbrances Appropriated	76,584	76,584	76,584	0
<i>Fund Balance (Deficit) End of Year</i>	(\$52,880)	\$21,649	\$582,585	\$560,936

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Grants Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$0	\$112,171	\$112,171	\$0
Contributions and Donations	13,494	55,477	48,510	(6,967)
Miscellaneous	30,506	34,679	39,166	4,487
<i>Total Revenues</i>	<u>44,000</u>	<u>202,327</u>	<u>199,847</u>	<u>(2,480)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	20	2,472	2,472	0
Fringe Benefits	0	6,555	6,319	236
Purchased Services	1,603	13,450	12,171	1,279
Materials and Supplies	1,836	10,471	8,255	2,216
Capital Outlay - New	19,976	22,855	20,763	2,092
Total Regular	<u>23,435</u>	<u>55,803</u>	<u>49,980</u>	<u>5,823</u>
Special:				
Materials and Supplies	3,500	17,892	14,826	3,066
Capital Outlay - New	22,995	114,872	112,649	2,223
Total Special	<u>26,495</u>	<u>132,764</u>	<u>127,475</u>	<u>5,289</u>
Vocational:				
Salaries and Wages	2,517	2,517	0	2,517
Fringe Benefits	482	482	0	482
Capital Outlay - New	1,016	1,016	0	1,016
Total Vocational	<u>4,015</u>	<u>4,015</u>	<u>0</u>	<u>4,015</u>
Total Instruction	<u>53,945</u>	<u>192,582</u>	<u>177,455</u>	<u>15,127</u>
Support Services:				
Pupils:				
Purchased Services	2,127	2,127	0	2,127
Instructional Staff:				
Salaries	0	37,617	11,813	25,804
Fringe Benefits	0	7,619	1,078	6,541
Purchased Services	1,460	11,560	2,244	9,316
Materials and Supplies	23	3,542	2,359	1,183
Total Instructional Staff	<u>\$1,483</u>	<u>\$60,338</u>	<u>\$17,494</u>	<u>\$42,844</u>

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Grants Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Central:				
Purchased Services	\$1,750	\$1,750	\$460	\$1,290
Materials and Supplies	1,130	1,130	0	1,130
Other	9,000	9,000	501	8,499
Total Central	11,880	11,880	961	10,919
Total Support Services	15,490	74,345	18,455	55,890
Extracurricular Activities: School and Public Service Co-Curricular Activities: Materials and Supplies	17	17	0	17
<i>Total Expenditures</i>	69,452	266,944	195,910	71,034
<i>Excess of Revenues Over (Under) Expenditures</i>	(25,452)	(64,617)	3,937	68,554
Other Financing Sources				
Transfers In	0	0	20	20
<i>Net Change in Fund Balance</i>	(25,452)	(64,617)	3,957	68,574
<i>Fund Balance Beginning of Year</i>	25,242	25,242	25,242	0
Prior Year Encumbrances Appropriated	42,691	42,691	42,691	0
<i>Fund Balance End of Year</i>	<u>\$42,481</u>	<u>\$3,316</u>	<u>\$71,890</u>	<u>\$68,574</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Student Activity Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Extracurricular Activities	\$142,906	\$187,113	\$245,182	\$58,069
Charges for Services	73,305	95,982	99,137	3,155
Miscellaneous	102,289	133,931	12,318	(121,613)
<i>Total Revenues</i>	<u>318,500</u>	<u>417,026</u>	<u>356,637</u>	<u>(60,389)</u>
Expenditures				
Current:				
Support Services:				
Pupil Transportation:				
Purchased Services	17,500	17,500	7,572	9,928
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	24,915	27,911	26,025	1,886
Fringe Benefits	4,944	5,263	4,124	1,139
Purchased Services	306,071	304,177	242,741	61,436
Materials and Supplies	179,713	180,412	164,314	16,098
Capital Outlay - New	18,600	18,600	10,337	8,263
Other	50,550	48,655	34,835	13,820
Total Extracurricular Activities	<u>584,793</u>	<u>585,018</u>	<u>482,376</u>	<u>102,642</u>
<i>Total Expenditures</i>	<u>602,293</u>	<u>602,518</u>	<u>489,948</u>	<u>112,570</u>
<i>Excess of Revenues Under Expenditures</i>	(283,793)	(185,492)	(133,311)	52,181
Other Financing Sources				
Transfers In	24,000	24,000	84,388	60,388
<i>Net Change in Fund Balance</i>	(259,793)	(161,492)	(48,923)	112,569
<i>Fund Balance Beginning of Year</i>	153,183	153,183	153,183	0
Prior Year Encumbrances Appropriated	17,774	17,774	17,774	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$88,836)</u>	<u>\$9,465</u>	<u>\$122,034</u>	<u>\$112,569</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$3,380,209	\$4,084,863	\$3,710,189	(\$374,674)
Interest	19,791	23,917	21,723	(2,194)
<i>Total Revenues</i>	<u>3,400,000</u>	<u>4,108,780</u>	<u>3,731,912</u>	<u>(376,868)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	1,343,201	1,246,746	1,078,986	167,760
Fringe Benefits	422,176	367,470	316,127	51,343
Purchased Services	1,364,043	1,095,015	1,092,013	3,002
Materials and Supplies	1,878,644	1,737,602	1,737,389	213
Capital Outlay - New	199,912	327,672	327,672	0
<i>Total Expenditures</i>	<u>5,207,976</u>	<u>4,774,505</u>	<u>4,552,187</u>	<u>222,318</u>
<i>Net Change in Fund Balance</i>	(1,807,976)	(665,725)	(820,275)	(154,550)
<i>Fund Balance Beginning of Year</i>	516,380	516,380	516,380	0
Prior Year Encumbrances Appropriated	<u>526,998</u>	<u>526,998</u>	<u>526,998</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$764,598)</u>	<u>\$377,653</u>	<u>\$223,103</u>	<u>(\$154,550)</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Professional Development Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$33,695	\$9,459	\$0	(\$9,459)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	4,858	7,488	7,488	0
Fringe Benefits	1,679	1,679	1,679	0
Total Instruction	6,537	9,167	9,167	0
Support Services:				
Instructional Staff:				
Fringe Benefits	34	35	35	0
Purchased Services	6,860	7,089	7,089	0
Materials and Supplies	966	0	0	0
Total Support Services	7,860	7,124	7,124	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,894	0	0	0
<i>Total Expenditures</i>	16,291	16,291	16,291	0
<i>Net Change in Fund Balance</i>	17,404	(6,832)	(16,291)	(9,459)
<i>Fund Balance Beginning of Year</i>	17,824	17,824	17,824	0
Prior Year Encumbrances Appropriated	1,895	1,895	1,895	0
<i>Fund Balance End of Year</i>	\$37,123	\$12,887	\$3,428	(\$9,459)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$220,617	\$105,494	\$106,667	\$1,173
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	106,667	83,826	59,701	24,125
Fringe Benefits	0	22,840	22,302	538
<i>Total Expenditures</i>	<u>106,667</u>	<u>106,666</u>	<u>82,003</u>	<u>24,663</u>
<i>Net Change in Fund Balance</i>	113,950	(1,172)	24,664	25,836
<i>Fund Balance Beginning of Year</i>	<u>1,172</u>	<u>1,172</u>	<u>1,172</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$115,122</u></u>	<u><u>\$0</u></u>	<u><u>\$25,836</u></u>	<u><u>\$25,836</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Network Connectivity Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$117,794	\$3,068	\$70,000	\$66,932
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	56,952	56,952	0	56,952
<i>Net Change in Fund Balance</i>	60,842	(53,884)	70,000	123,884
<i>Fund Balance Beginning of Year</i>	193,452	193,452	193,452	0
<i>Fund Balance End of Year</i>	<u>\$254,294</u>	<u>\$139,568</u>	<u>\$263,452</u>	<u>\$123,884</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$236,055	\$84,883	\$84,883	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries	0	9,729	9,729	0
Fringe Benefits	19	1,492	1,492	0
Materials and Supplies	8,159	18,906	18,906	0
Total Instruction	8,178	30,127	30,127	0
Support Services:				
Pupils:				
Salaries	1,000	1,130	1,085	45
Fringe Benefits	240	524	443	81
Total Pupils	1,240	1,654	1,528	126
Instructional Staff:				
Salaries	4,771	31,586	31,531	55
Fringe Benefits	650	5,162	4,895	267
Purchased Services	0	7,600	7,600	0
Materials and Supplies	6,602	19,566	19,554	12
Total Instructional Staff	12,023	63,914	63,580	334
Administration:				
Fringe Benefits	0	147	0	147
Purchased Services	6,335	14,533	14,533	0
Materials and Supplies	970	2,772	2,772	0
Total Administration	7,305	17,452	17,305	147
Central:				
Other	500	983	968	15
Total Support Services	21,068	84,003	83,381	622
<i>Total Expenditures</i>	29,246	114,130	113,508	622
<i>Net Change in Fund Balance</i>	206,809	(29,247)	(28,625)	622
<i>Fund Balance Beginning of Year</i>	13,718	13,718	13,718	0
Prior Year Encumbrances Appropriated	15,529	15,529	15,529	0
<i>Fund Balance End of Year</i>	\$236,056	\$0	\$622	\$622

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative Schools Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$870,175	\$292,597	\$292,597	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	45,271	212,271	195,416	16,855
Fringe Benefits	29,815	80,965	80,865	100
Purchased Services	3,354	1,535	1,201	334
Materials and Supplies	9,566	4,910	4,868	42
Total Instruction	88,006	299,681	282,350	17,331
Support Services:				
Pupils:				
Salaries	391	17,755	14,139	3,616
Fringe Benefits	5,646	4,726	4,726	0
Purchased Services	15,362	7,862	7,862	0
Total Pupils	21,399	30,343	26,727	3,616
Administration:				
Salaries	11,194	71,663	71,663	0
Fringe Benefits	1,136	16,362	16,362	0
Purchased Services	4,045	1,870	1,870	0
Materials and Supplies	2,344	801	800	1
Total Administration	18,719	90,696	90,695	1
Total Support Services	40,118	121,039	117,422	3,617
<i>Total Expenditures</i>	128,124	420,720	399,772	20,948
<i>Net Change in Fund Balance</i>	742,051	(128,123)	(107,175)	20,948
<i>Fund Balance Beginning of Year</i>	111,245	111,245	111,245	0
Prior Year Encumbrances Appropriated	16,878	16,878	16,878	0
<i>Fund Balance End of Year</i>	\$870,174	\$0	\$20,948	\$20,948

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Grants Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$988,204	\$231,428	\$78,786	(\$152,642)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	10,000	4,591	4,591	0
Fringe Benefits	2,000	757	757	0
Total Regular	12,000	5,348	5,348	0
Special:				
Salaries	26,887	6,099	6,099	0
Fringe Benefits	4,570	942	942	0
Purchased Services	18,750	18,742	18,742	0
Materials and Supplies	29,585	29,293	29,293	0
Total Special	79,792	55,076	55,076	0
Total Instruction	91,792	60,424	60,424	0
Support Services:				
Pupils:				
Salaries	4,485	68,822	53,248	15,574
Fringe Benefits	4,385	32,109	16,424	15,685
Purchased Services	10,418	10,816	10,127	689
Materials and Supplies	24,543	33,771	33,320	451
Capital Outlay - New	2,000	1,544	1,544	0
Total Pupils	45,831	147,062	114,663	32,399
Instructional Staff:				
Purchased Services	12,627	37,922	37,922	0
Materials and Supplies	13,982	23,983	23,952	31
Capital Outlay - New	12,000	11,614	10,308	1,306
Total Instructional Staff	38,609	73,519	72,182	1,337
Administration:				
Salaries	9,042	9,712	4,009	5,703
Fringe Benefits	2,169	2,487	860	1,627
Total Administration	11,211	12,199	4,869	7,330
Fiscal:				
Salaries	3,550	3,550	3,550	0
Fringe Benefits	690	690	690	0
Total Fiscal	\$4,240	\$4,240	\$4,240	\$0

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Grants Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Business:				
Purchased Services	\$31	\$0	\$0	\$0
Materials and Supplies	2,070	1,950	1,950	0
Total Business	2,101	1,950	1,950	0
Operation and Maintenance of Plant:				
Purchased Services	8,922	15,078	14,330	748
Materials and Supplies	1,874	3,524	1,328	2,196
Capital Outlay - New	3,911	1,281	1,045	236
Total Operation and Maintenance of Plant	14,707	19,883	16,703	3,180
Pupil Transportation:				
Salaries	3,000	3,000	3,000	0
Fringe Benefits	510	510	510	0
Total Pupil Transportation	3,510	3,510	3,510	0
Total Support Services	120,209	262,363	218,117	44,246
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	26,211	26,211	0	26,211
Fringe Benefits	25,853	25,853	0	25,853
Purchased Services	14,554	14,554	0	14,554
Materials and Supplies	6,911	6,911	0	6,911
Capital Outlay - New	505	505	0	505
Total Operation of Non-Instructional Services	74,034	74,034	0	74,034
Total Expenditures	286,035	396,821	278,541	118,280
<i>Excess of Revenues Over (Under) Expenditures</i>	702,169	(165,393)	(199,755)	(34,362)
Other Financing Sources				
Transfers In	0	0	7,000	7,000
Net Change in Fund Balance	702,169	(165,393)	(192,755)	(27,362)
<i>Fund Balance Beginning of Year</i>	170,809	170,809	170,809	0
Prior Year Encumbrances Appropriated	98,039	98,039	98,039	0
Fund Balance End of Year	\$971,017	\$103,455	\$76,093	(\$27,362)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Basic Education Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$169,577	\$171,301	\$164,611	(\$6,690)
Expenditures				
Current:				
Instruction:				
Adult/Continuing:				
Salaries	97,000	96,539	96,539	0
Fringe Benefits	18,000	17,563	17,499	64
Purchased Services	1,829	1,816	1,816	0
Materials and Supplies	6,963	6,263	5,647	616
Capital Outlay - New	1,736	1,500	1,500	0
Total Instruction	125,528	123,681	123,001	680
Support Services:				
Pupils:				
Salaries	42,426	32,341	32,327	14
Fringe Benefits	1,987	10,204	10,204	0
Purchased Services	1,000	930	885	45
Materials and Supplies	1,076	857	857	0
Capital Outlay - New	1,193	1,143	1,138	5
Other	150	150	150	0
Total Support Services	47,832	45,625	45,561	64
<i>Total Expenditures</i>	173,360	169,306	168,562	744
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,783)	1,995	(3,951)	(5,946)
Other Financing Sources (Uses)				
Advances In	0	0	4,966	4,966
Advances Out	0	(4,054)	(4,054)	0
<i>Total Other Financing Sources (Uses)</i>	0	(4,054)	912	4,966
<i>Net Change in Fund Balance</i>	(3,783)	(2,059)	(3,039)	(980)
<i>Fund Balance Beginning of Year</i>	1,733	1,733	1,733	0
Prior Year Encumbrances Appropriated	2,050	2,050	2,050	0
<i>Fund Balance End of Year</i>	\$0	\$1,724	\$744	(\$980)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$6,478	\$13,622	\$0	(\$13,622)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	213	1,034	213	821
Support Services:				
Pupils:				
Salaries	0	1,134	1,134	0
Fringe Benefits	2,033	181	181	0
Purchased Services	2,291	4,080	4,080	0
Materials and Supplies	7,083	0	0	0
Capital Outlay - New	4,427	4,943	4,868	75
Total Support Services	15,834	10,338	10,263	75
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	3,568	975	975	0
<i>Total Expenditures</i>	19,615	12,347	11,451	896
<i>Excess of Revenues Over (Under) Expenditures</i>	(13,137)	1,275	(11,451)	(12,726)
Other Financing Uses				
Transfers Out	0	(3,127)	(3,127)	0
<i>Net Change in Fund Balance</i>	(13,137)	(1,852)	(14,578)	(12,726)
<i>Fund Balance Beginning of Year</i>	15,234	15,234	15,234	0
Prior Year Encumbrances Appropriated	3,955	3,955	3,955	0
<i>Fund Balance End of Year</i>	<u>\$6,052</u>	<u>\$17,337</u>	<u>\$4,611</u>	<u>(\$12,726)</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$918,909	\$1,992,978	\$1,957,490	(\$35,488)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	86	86	0	86
Fringe Benefits	263	263	0	263
Total Regular	349	349	0	349
Special:				
Salaries	35,629	54,989	54,989	0
Fringe Benefits	16,706	19,040	19,040	0
Purchased Services	36,441	139,343	78,161	61,182
Materials and Supplies	79,767	182,958	179,159	3,799
Capital Outlay - New	11,052	190,792	190,472	320
Total Special	179,595	587,122	521,821	65,301
Total Instruction	179,944	587,471	521,821	65,650
Support Services:				
Pupils:				
Salaries	48,794	123,399	49,976	73,423
Fringe Benefits	21,748	62,966	43,321	19,645
Purchased Services	1,800	20,900	20,474	426
Materials and Supplies	3,146	15,146	14,652	494
Capital Outlay - New	85	1,885	1,872	13
Total Pupils	75,573	224,296	130,295	94,001
Instructional Staff:				
Salaries	72,784	623,564	518,240	105,324
Fringe Benefits	46,379	46,379	20,877	25,502
Purchased Services	1,115	16,373	4,447	11,926
Materials and Supplies	250	9,060	8,789	271
Capital Outlay - New	580	3,580	2,924	656
Total Instructional Staff	121,108	698,956	555,277	143,679
Administration:				
Salaries	31,560	199,560	173,988	25,572
Fringe Benefits	17,134	62,788	52,286	10,502
Purchased Services	0	20,000	16,912	3,088
Materials and Supplies	12,199	12,199	11,243	956
Capital Outlay - New	0	5,000	5,000	0
Total Administration	\$60,893	\$299,547	\$259,429	\$40,118

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Pupil Transportation:				
Salaries	\$0	\$5,000	\$0	\$5,000
Fringe Benefits	0	1,500	0	1,500
Purchased Services	0	7,200	7,200	0
Total Pupil Transportation	0	13,700	7,200	6,500
Total Support Services	257,574	1,236,499	952,201	284,298
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	3,107	205,457	205,457	0
Fringe Benefits	0	59,610	59,609	1
Purchased Services	31,768	72,152	72,152	0
Materials and Supplies	21,888	30,524	30,072	452
Total Operation of Non-Instructional Services	56,763	367,743	367,290	453
Capital Outlay:				
Other Facilities Acquisition and Construction Services:				
Purchased Services	0	3,200	3,200	0
Total Expenditures	494,281	2,194,913	1,844,512	350,401
<i>Excess of Revenues Over (Under) Expenditures</i>	424,628	(201,935)	112,978	314,913
Other Financing Sources				
Advances In	0	0	34,012	34,012
Net Change in Fund Balance	424,628	(201,935)	146,990	348,925
<i>Fund Balance Beginning of Year</i>	106,239	106,239	106,239	0
Prior Year Encumbrances Appropriated	95,696	95,696	95,696	0
Fund Balance End of Year	\$626,563	\$0	\$348,925	\$348,925

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$121,354	\$194,407	\$184,090	(\$10,317)
Expenditures				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	24,800	24,800	24,639	161
Support Services:				
Pupils:				
Salaries	0	14,375	11,455	2,920
Fringe Benefits	0	3,513	2,502	1,011
Purchased Services	700	3,700	2,821	879
Materials and Supplies	924	2,114	1,742	372
Capital Outlay - New	46,074	183,846	183,846	0
Total Pupils	47,698	207,548	202,366	5,182
Instructional Staff:				
Purchased Services	0	751	751	0
Materials and Supplies	0	12,169	12,169	0
Total Instructional Staff	0	12,920	12,920	0
Administration:				
Materials and Supplies	223	223	0	223
Central:				
Purchased Services	55	4,096	4,030	66
Materials and Supplies	2,700	2,700	2,694	6
Total Central	2,755	6,796	6,724	72
Total Support Services	50,676	227,487	222,010	5,477
Extracurricular Activities:				
Occupation Oriented Activities:				
Materials and Supplies	152	12,780	12,780	0
<i>Total Expenditures</i>	75,628	265,067	259,429	5,638
<i>Excess of Revenues Over (Under) Expenditures</i>	\$45,726	(\$70,660)	(\$75,339)	(\$4,679)

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund (continued)
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Other Financing Sources (Uses)				
Advances In	\$0	\$0	\$27,366	\$27,366
Advances Out	0	(24,800)	(24,800)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(24,800)</u>	<u>2,566</u>	<u>27,366</u>
<i>Net Change in Fund Balance</i>	45,726	(95,460)	(72,773)	22,687
<i>Fund Balance Beginning of Year</i>	23,207	23,207	23,207	0
Prior Year Encumbrances Appropriated	<u>74,810</u>	<u>74,810</u>	<u>74,810</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$143,743</u>	<u>\$2,557</u>	<u>\$25,244</u>	<u>\$22,687</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$301,806	\$830,742	\$752,083	(\$78,659)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries	125,734	460,606	453,690	6,916
Fringe Benefits	40,400	140,957	137,222	3,735
Purchased Services	3,097	26,455	24,376	2,079
Materials and Supplies	20,062	39,970	36,415	3,555
Capital Outlay - New	1,145	22,209	21,259	950
Capital Outlay - Replacement	1,000	8,140	8,140	0
Total Instruction	191,438	698,337	681,102	17,235
Support Services:				
Instructional Staff:				
Salaries	1,239	15,232	15,000	232
Fringe Benefits	540	3,269	3,269	0
Purchased Services	1,000	1,000	1,000	0
Materials and Supplies	3,444	9,712	572	9,140
Total Instructional Staff	6,223	29,213	19,841	9,372
Administration:				
Salaries	2,000	2,000	70	1,930
Fringe Benefits	1,000	600	32	568
Purchased Services	1,445	3,456	2,931	525
Materials and Supplies	1,000	1,500	1,262	238
Total Administration	5,445	7,556	4,295	3,261
Total Support Services	11,668	36,769	24,136	12,633
Operation of Non-Instructional Services:				
Community Services:				
Salaries	7,208	34,599	30,266	4,333
Fringe Benefits	321	13,646	8,573	5,073
Purchased Services	11,177	33,503	23,503	10,000
Materials and Supplies	2,300	2,300	2,300	0
Total Operation of Non-Instructional Services	21,006	84,048	64,642	19,406
Capital Outlay:				
Building Acquisition and Construction Services:				
Capital Outlay - Replacement	\$12,120	\$12,120	\$0	\$12,120

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund (continued)
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Construction Services:				
Capital Outlay - New	\$6,500	\$6,500	\$3,605	\$2,895
Total Capital Outlay	<u>18,620</u>	<u>18,620</u>	<u>3,605</u>	<u>15,015</u>
<i>Total Expenditures</i>	<u>242,732</u>	<u>837,774</u>	<u>773,485</u>	<u>64,289</u>
<i>Net Change in Fund Balance</i>	59,074	(7,032)	(21,402)	(14,370)
<i>Fund Balance Beginning of Year</i>	72,598	72,598	72,598	0
Prior Year Encumbrances Appropriated	<u>8,644</u>	<u>8,644</u>	<u>8,644</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$140,316</u>	<u>\$74,210</u>	<u>\$59,840</u>	<u>(\$14,370)</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$89,752	\$188,724	\$125,545	(\$63,179)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	20,020	24,499	15,504	8,995
Capital Outlay - New	12,880	84,209	83,384	825
Total Instruction	32,900	108,708	98,888	9,820
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	3,424	2,935	489
Materials and Supplies	4,522	28,565	21,513	7,052
Capital Outlay - New	7,468	19,038	15,013	4,025
Total Operation of Non-Instructional Services	11,990	51,027	39,461	11,566
<i>Total Expenditures</i>	44,890	159,735	138,349	21,386
<i>Excess of Revenues Over (Under) Expenditures</i>	44,862	28,989	(12,804)	(41,793)
Other Financing Uses				
Transfers Out	0	(966)	0	966
<i>Net Change in Fund Balance</i>	44,862	28,023	(12,804)	(40,827)
<i>Fund Balance Beginning of Year</i>	32,174	32,174	32,174	0
Prior Year Encumbrances Appropriated	1,936	1,936	1,936	0
<i>Fund Balance End of Year</i>	\$78,972	\$62,133	\$21,306	(\$40,827)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$26,132	\$54,948	\$50,579	(\$4,369)
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries	8,679	36,219	33,048	3,171
Fringe Benefits	0	11,271	10,974	297
Purchased Services	128	3,850	3,416	434
Materials and Supplies	387	6,684	5,684	1,000
Total Pupils	9,194	58,024	53,122	4,902
Instructional Staff:				
Purchased Services	152	152	152	0
Total Support Services	9,346	58,176	53,274	4,902
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	1,290	3,039	2,363	676
<i>Total Expenditures</i>	10,636	61,215	55,637	5,578
<i>Net Change in Fund Balance</i>	15,496	(6,267)	(5,058)	1,209
<i>Fund Balance Beginning of Year</i>	10,110	10,110	10,110	0
Prior Year Encumbrances Appropriated	539	539	539	0
<i>Fund Balance End of Year</i>	\$26,145	\$4,382	\$5,591	\$1,209

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$55,362	\$116,410	\$67,184	(\$49,226)
Expenditures				
Current:				
Instruction:				
Special:				
Materials and Supplies	6,084	8,835	6,818	2,017
Capital Outlay - New	2,037	2,000	1,998	2
Total Instruction	8,121	10,835	8,816	2,019
Support Services:				
Pupils:				
Salaries	675	13,259	12,584	675
Fringe Benefits	2,738	9,808	5,993	3,815
Purchased Services	797	0	0	0
Total Pupils	4,210	23,067	18,577	4,490
Instructional Staff:				
Salaries	10,642	54,641	37,944	16,697
Fringe Benefits	3,529	25,040	14,422	10,618
Total Instructional Staff	14,171	79,681	52,366	27,315
Administration:				
Purchased Services	3,569	3,569	3,569	0
Pupil Transportation:				
Purchased Services	1,829	4,345	4,187	158
Total Support Services	23,779	110,662	78,699	31,963
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	268	10,740	10,472	268
<i>Total Expenditures</i>	32,168	132,237	97,987	34,250
<i>Excess of Revenues Over (Under) Expenditures</i>	23,194	(15,827)	(30,803)	(14,976)
Other Financing Sources				
Advances In	\$0	\$0	\$42,867	\$42,867

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Grant Fund (continued)
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
<i>Net Change in Fund Balance</i>	\$23,194	(\$15,827)	\$12,064	\$27,891
<i>Fund Balance Beginning of Year</i>	13,932	13,932	13,932	0
Prior Year Encumbrances Appropriated	<u>4,326</u>	<u>4,326</u>	<u>4,326</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$41,452</u>	<u>\$2,431</u>	<u>\$30,322</u>	<u>\$27,891</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-R Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$144,527	\$430,037	\$379,312	(\$50,725)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	38,881	162,718	160,694	2,024
Fringe Benefits	1,837	49,719	48,484	1,235
Purchased Services	32,682	1,258	1,025	233
Total Regular	73,400	213,695	210,203	3,492
Special:				
Materials and Supplies	0	13,210	9,851	3,359
Capital Outlay - New	0	49,060	37,607	11,453
Total Special	0	62,270	47,458	14,812
Total Instruction	73,400	275,965	257,661	18,304
Support Services:				
Instructional Staff:				
Salaries	0	58,705	41,636	17,069
Fringe Benefits	0	19,710	13,011	6,699
Purchased Services	0	15,398	13,582	1,816
Materials and Supplies	0	5,279	4,255	1,024
Total Instructional Staff	0	99,092	72,484	26,608
Administration:				
Materials and Supplies	0	13,000	12,623	377
Capital Outlay - New	0	50,887	50,654	233
Total Administration	0	63,887	63,277	610
Pupil Transportation:				
Purchased Services	0	2,285	1,935	350
Total Support Services	0	165,264	137,696	27,568
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	1,500	1,404	96
<i>Total Expenditures</i>	73,400	442,729	396,761	45,968
<i>Excess of Revenues Over (Under) Expenditures</i>	\$71,127	(\$12,692)	(\$17,449)	(\$4,757)

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-R (continued)
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Other Financing Sources (Uses)				
Transfers In	\$0	\$0	\$3,127	\$3,127
Transfers Out	0	(1,492)	0	1,492
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(1,492)</u>	<u>3,127</u>	<u>4,619</u>
<i>Net Change in Fund Balance</i>	71,127	(14,184)	(14,322)	(138)
<i>Fund Balance Beginning of Year</i>	<u>128,474</u>	<u>128,474</u>	<u>128,474</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$199,601</u>	<u>\$114,290</u>	<u>\$114,152</u>	<u>(\$138)</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Revenues				
Interest	\$900	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Adult/Continuing:				
Other	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(100)	(1,000)	(1,000)	0
<i>Fund Balance Beginning of Year</i>	<u>16,878</u>	<u>16,878</u>	<u>16,878</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,778</u></u>	<u><u>\$15,878</u></u>	<u><u>\$15,878</u></u>	<u><u>\$0</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Venture Capital Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$50,000	\$0	\$0	\$0
Expenditures				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	50,000	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>1,925</u>	<u>1,925</u>	<u>1,925</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$51,925</u></u>	<u><u>\$1,925</u></u>	<u><u>\$1,925</u></u>	<u><u>\$0</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Education Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	443	443	443	0
<i>Fund Balance End of Year</i>	\$443	\$443	\$443	\$0

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Career Development Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$11,638	\$3,267	\$0	(\$3,267)
Expenditures				
Current:				
Support Services:				
Pupils:				
Purchased Services	825	825	0	825
Materials and Supplies	4,775	4,775	3,158	1,617
Total Pupils	5,600	5,600	3,158	2,442
Instructional Staff:				
Materials and Supplies	27	27	27	0
<i>Total Expenditures</i>	5,627	5,627	3,185	2,442
<i>Net Change in Fund Balance</i>	6,011	(2,360)	(3,185)	(825)
<i>Fund Balance Beginning of Year</i>	1,910	1,910	1,910	0
Prior Year Encumbrances Appropriated	5,627	5,627	5,627	0
<i>Fund Balance End of Year</i>	\$13,548	\$5,177	\$4,352	(\$825)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Managed Information Systems Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$244,750	\$28,709	\$49,194	\$20,485
Expenditures				
Current:				
Support Services:				
Central:				
Salaries	118,334	118,334	0	118,334
<i>Net Change in Fund Balance</i>	126,416	(89,625)	49,194	138,819
<i>Fund Balance Beginning of Year</i>	118,334	118,334	118,334	0
<i>Fund Balance End of Year</i>	<u>\$244,750</u>	<u>\$28,709</u>	<u>\$167,528</u>	<u>\$138,819</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Improvement Incentive Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$39,002	\$10,949	\$0	(\$10,949)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	9,999	9,999	9,848	151
Capital Outlay - New	7,309	7,309	7,211	98
Total Instruction	17,308	17,308	17,059	249
Support Services:				
Pupils:				
Materials and Supplies	849	849	0	849
Capital Outlay - New	700	700	0	700
Total Support Services	1,549	1,549	0	1,549
<i>Total Expenditures</i>	18,857	18,857	17,059	1,798
<i>Net Change in Fund Balance</i>	20,145	(7,908)	(17,059)	(9,151)
<i>Fund Balance Beginning of Year</i>	5,349	5,349	5,349	0
Prior Year Encumbrances Appropriated	13,508	13,508	13,508	0
<i>Fund Balance End of Year</i>	\$39,002	\$10,949	\$1,798	(\$9,151)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Year Grant Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$84,722	\$36,000	\$36,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	1,517	30,817	30,817	0
Fringe Benefits	949	5,649	5,649	0
Purchased Services	1,499	1,499	1,329	170
Materials and Supplies	997	2,997	1,918	1,079
<i>Total Expenditures</i>	<u>4,962</u>	<u>40,962</u>	<u>39,713</u>	<u>1,249</u>
<i>Net Change in Fund Balance</i>	79,760	(4,962)	(3,713)	1,249
<i>Fund Balance Beginning of Year</i>	2,995	2,995	2,995	0
Prior Year Encumbrances Appropriated	<u>1,967</u>	<u>1,967</u>	<u>1,967</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$84,722</u></u>	<u><u>\$0</u></u>	<u><u>\$1,249</u></u>	<u><u>\$1,249</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Subsidy Grant Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$29,045	\$8,154	\$10,500	\$2,346
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries	12,558	1,500	1,500	0
Fringe Benefits	1,484	230	230	0
Purchased Services	0	12,313	12,313	0
<i>Total Expenditures</i>	<u>14,042</u>	<u>14,043</u>	<u>14,043</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	15,003	(5,889)	(3,543)	2,346
<i>Fund Balance Beginning of Year</i>	<u>14,043</u>	<u>14,043</u>	<u>14,043</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$29,046</u></u>	<u><u>\$8,154</u></u>	<u><u>\$10,500</u></u>	<u><u>\$2,346</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Textbook Subsidy Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$81	\$23	\$0	(\$23)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	39	39	0	39
<i>Net Change in Fund Balance</i>	42	(16)	0	16
<i>Fund Balance Beginning of Year</i>	39	39	39	0
<i>Fund Balance End of Year</i>	<u>\$81</u>	<u>\$23</u>	<u>\$39</u>	<u>\$16</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer Intervention Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$79,398	\$2,290	\$0	(\$2,290)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	20,000	20,000	20,000	0
Fringe Benefits	5,000	5,000	5,000	0
Materials and Supplies	13,388	13,388	5,024	8,364
<i>Total Expenditures</i>	<u>38,388</u>	<u>38,388</u>	<u>30,024</u>	<u>8,364</u>
<i>Net Change in Fund Balance</i>	41,010	(36,098)	(30,024)	6,074
<i>Fund Balance Beginning of Year</i>	<u>38,388</u>	<u>38,388</u>	<u>38,388</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$79,398</u>	<u>\$2,290</u>	<u>\$8,364</u>	<u>\$6,074</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Enhancements Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$65,557	\$31,696	\$26,942	(\$4,754)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	1,000	9,375	9,375	0
Fringe Benefits	1,000	1,513	1,465	48
Purchased Services	1,000	1,206	1,206	0
Materials and Supplies	1,754	19,602	19,568	34
<i>Total Expenditures</i>	4,754	31,696	31,614	82
<i>Excess of Revenues Over (Under) Expenditures</i>	60,803	0	(4,672)	(4,672)
Other Financing Sources				
Advances In	0	0	4,754	4,754
<i>Net Change in Fund Balance</i>	60,803	0	82	82
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$60,803	\$0	\$82	\$82

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Extended Learning Opportunity Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$968	\$272	\$0	(\$272)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	468	468	416	52
<i>Net Change in Fund Balance</i>	500	(196)	(416)	(220)
<i>Fund Balance Beginning of Year</i>	468	468	468	0
<i>Fund Balance End of Year</i>	\$968	\$272	\$52	(\$220)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Limited English Proficiency Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$78,656	\$38,656	\$39,303	\$647
Expenditures				
Current:				
Instruction:				
Special:				
Salaries	20,000	9,500	8,951	549
Fringe Benefits	6,000	2,600	2,110	490
Materials and Supplies	40,000	19,500	19,036	464
Total Instruction	66,000	31,600	30,097	1,503
Support Services:				
Instructional Staff:				
Purchased Services	6,000	2,056	0	2,056
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	6,656	5,000	2,899	2,101
<i>Total Expenditures</i>	<u>78,656</u>	<u>38,656</u>	<u>32,996</u>	<u>5,660</u>
<i>Net Change in Fund Balance</i>	0	0	6,307	6,307
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$6,307</u>	<u>\$6,307</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Refugee Children Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$6,264	\$13,172	\$1,800	(\$11,372)
Expenditures				
Current:				
Instruction:				
Special:				
Purchased Services	11,000	11,965	11,965	0
Materials and Supplies	1,960	2,795	2,715	80
Capital Outlay - New	203	203	177	26
<i>Total Expenditures</i>	13,163	14,963	14,857	106
<i>Net Change in Fund Balance</i>	(6,899)	(1,791)	(13,057)	(11,266)
<i>Fund Balance Beginning of Year</i>	12,960	12,960	12,960	0
Prior Year Encumbrances Appropriated	203	203	203	0
<i>Fund Balance End of Year</i>	\$6,264	\$11,372	\$106	(\$11,266)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Immigrant Education Assistance Grant Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$82	\$173	\$0	(\$173)
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	196	196	0	196
<i>Net Change in Fund Balance</i>	(114)	(23)	0	23
<i>Fund Balance Beginning of Year</i>	56	56	56	0
Prior Year Encumbrances Appropriated	196	196	196	0
<i>Fund Balance End of Year</i>	<u>\$138</u>	<u>\$229</u>	<u>\$252</u>	<u>\$23</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Performance Incentive Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$28,101	\$48,834	\$28,101	(\$20,733)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries	30,744	30,774	28,044	2,730
Fringe Benefits	5,319	5,318	1,193	4,125
Purchased Services	2,000	2,000	2,000	0
Materials and Supplies	8,880	8,880	8,019	861
Total Instruction	46,943	46,972	39,256	7,716
Support Services:				
Instructional Staff:				
Salaries	2,030	2,224	2,224	0
Fringe Benefits	340	134	134	0
Purchased Services	5,160	5,143	5,143	0
Materials and Supplies	1,000	1,000	1,000	0
Total Support Services	8,530	8,501	8,501	0
<i>Total Expenditures</i>	55,473	55,473	47,757	7,716
<i>Net Change in Fund Balance</i>	(27,372)	(6,639)	(19,656)	(13,017)
<i>Fund Balance Beginning of Year</i>	26,511	26,511	26,511	0
Prior Year Encumbrances Appropriated	861	861	861	0
<i>Fund Balance End of Year</i>	\$0	\$20,733	\$7,716	(\$13,017)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Turf Replacement Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Miscellaneous	\$13,700	\$13,681	\$13,681	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	2,654	2,654	2,383	271
Capital Outlay - Replacement	99,432	66,332	338	65,994
Total Instruction	102,086	68,986	2,721	66,265
Support Services:				
Instructional Staff:				
Materials and Supplies	84,418	84,418	67,404	17,014
Administration:				
Fringe Benefits	61	61	0	61
Operation and Maintenance of Plant:				
Fringe Benefits	78	78	0	78
Purchased Services	599	599	214	385
Total Operation and Maintenance of Plant	677	677	214	463
Total Support Services	85,156	85,156	67,618	17,538
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - Replacement	1,770,535	855,535	855,535	0
<i>Total Expenditures</i>	<u>1,957,777</u>	<u>1,009,677</u>	<u>925,874</u>	<u>83,803</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,944,077)</u>	<u>(995,996)</u>	<u>(912,193)</u>	<u>83,803</u>
Other Financing Sources (Uses)				
Advances In	0	826,350	826,350	0
Advances Out	(826,350)	(26,350)	0	26,350
<i>Total Other Financing Sources (Uses)</i>	<u>(826,350)</u>	<u>800,000</u>	<u>826,350</u>	<u>26,350</u>
<i>Net Change in Fund Balance</i>	<u>(2,770,427)</u>	<u>(195,996)</u>	<u>(85,843)</u>	<u>110,153</u>
<i>Fund Balance Beginning of Year</i>	<u>121,075</u>	<u>121,075</u>	<u>121,075</u>	<u>0</u>
Prior Year Encumbrances Appropriated	74,956	74,956	74,956	0
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$2,574,396)</u></u>	<u><u>\$35</u></u>	<u><u>\$110,188</u></u>	<u><u>\$110,153</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$0	\$191,504	\$191,504	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Capital Outlay - New	38,503	230,007	191,504	38,503
<i>Net Change in Fund Balance</i>	(38,503)	(38,503)	0	38,503
<i>Fund Balance Beginning of Year</i>	38,503	38,503	38,503	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$38,503</u>	<u>\$38,503</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Power Up Grant Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	55,701	55,701	0	55,701
<i>Net Change in Fund Balance</i>	(55,701)	(55,701)	0	55,701
<i>Fund Balance Beginning of Year</i>	55,701	55,701	55,701	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$55,701</u>	<u>\$55,701</u>

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Parma City School District
Governmental Activities Revenues by Source and Expenses by Function
Last Three Fiscal Years

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Program Revenues			
Charges for Services and Sales	\$3,453,400	\$2,950,422	\$3,956,734
Operating Grants and Contributions	9,931,098	8,531,154	8,361,820
Capital Grants and Contributions	191,504	2,390,077	152,016
General Revenues			
Property Taxes	71,286,176	88,492,389	73,873,979
Intergovernmental	32,873,674	36,323,272	23,777,006
Interest	910,019	1,184,907	1,473,616
Gain on Sale of Capital Assets	42,563	0	11,625
Miscellaneous	941,427	163,388	902,636
Total	<u>\$119,629,861</u>	<u>\$140,035,609</u>	<u>\$112,509,432</u>
Expenses			
Current:			
Instruction:			
Regular	\$56,735,679	\$52,549,702	\$46,171,336
Special	13,502,318	11,657,885	10,151,082
Vocational	2,421,619	1,942,972	2,412,894
Adult/Continuing	103,058	146,408	131,614
Support Services:			
Pupil	6,280,658	6,028,497	5,702,894
Instructional Staff	4,689,359	5,620,956	4,373,868
Board of Education	808,105	722,338	445,182
Administration	9,085,121	8,561,814	6,800,226
Fiscal	1,878,329	1,961,584	2,122,588
Business	704,215	760,916	608,938
Operation and Maintenance of Plant	15,370,578	14,323,751	10,154,889
Pupil Transportation	5,464,548	6,381,700	4,298,362
Central	1,987,681	2,142,312	1,489,597
Operation of Non-Instructional Services	4,777,508	4,059,216	4,263,121
Extracurricular Activities	2,751,996	2,449,230	2,279,498
Interest	1,081,240	576,680	484,966
Total	<u>\$127,642,012</u>	<u>\$119,885,961</u>	<u>\$101,891,055</u>

Source: School District Financial Records

Parma City School District
General Governmental Revenues by Source and Expenditures by Function
Last Ten Fiscal Years

	2003 (1)	2002 (1)	2001 (1)	2000 (1)
Revenues				
Property Taxes	\$71,186,517	\$88,326,725	\$73,263,088	\$63,979,640
Intergovernmental	42,929,314	44,784,732	32,489,640	31,562,955
Interest	910,019	1,184,907	1,473,616	1,241,930
Tuition and Fees	1,718,752	1,377,030	1,832,502	1,520,317
Extracurricular Activities	732,473	1,135,757	908,940	1,363,197
Rentals	248,548	279,729	576,153	230,444
Charges for Services	717,250	550	639,139	332,983
Contributions and Donations	68,031	2,353,647	79,121	56,406
Miscellaneous	941,427	163,388	902,636	351,055
Total	<u>\$119,452,331</u>	<u>\$139,606,465</u>	<u>\$112,164,835</u>	<u>\$100,638,927</u>
Expenditures				
Current:				
Instruction:				
Regular	\$54,359,448	\$52,921,929	\$45,678,906	\$42,121,709
Special	13,585,692	11,510,571	10,275,154	9,009,861
Vocational	2,305,655	1,894,917	2,421,717	2,365,948
Adult/Continuing	116,695	152,600	125,977	1,249,792
Support Services:				
Pupil	6,347,047	6,032,667	5,854,037	4,980,936
Instructional Staff	4,633,850	5,498,899	4,371,538	3,839,009
Board of Education	807,146	716,927	442,794	68,594
Administration	9,314,356	8,612,763	7,254,890	6,404,442
Fiscal	1,862,815	1,878,590	2,132,139	1,268,946
Business	866,759	754,317	619,083	625,702
Operation and Maintenance of Plant	10,368,030	10,836,202	9,485,597	9,060,406
Pupil Transportation	6,038,084	6,329,352	4,576,746	3,795,132
Central	1,961,222	2,142,270	1,701,377	1,190,863
Operation of Non-Instructional Services	4,640,419	4,140,970	4,585,118	3,605,276
Extracurricular Activities	2,810,305	2,526,666	2,250,836	2,489,889
Capital Outlay	28,235,753	6,638,144	2,926,295	707,129
Intergovernmental	0	0	0	4,400
Debt Service	1,715,661	1,090,559	940,271	3,783,150
Total	<u>\$149,968,937</u>	<u>\$123,678,343</u>	<u>\$105,642,475</u>	<u>\$96,571,184</u>

(1) 1997 through 2003 reported on a GAAP Basis; All other on Cash Basis

Source: School District Financial Records

<u>1999 (1)</u>	<u>1998 (1)</u>	<u>1997 (1)</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
\$64,801,975	\$64,247,335	\$60,468,806	\$59,185,386	\$55,089,148	\$50,114,932
29,336,982	28,282,193	25,771,582	22,659,448	21,264,995	20,130,816
911,990	844,850	619,757	598,791	421,276	310,553
1,264,113	775,293	1,589,170	1,351,686	1,105,915	2,065,409
1,395,082	1,363,567	1,297,212	445,945	956,860	449,098
84,629	106,463	225,652	0	0	0
227,820	198,905	0	0	0	0
85,301	165,202	164,724	0	0	0
460,166	1,367,485	157,211	2,171,542	1,206,486	1,139,629
<u>\$98,568,058</u>	<u>\$97,351,293</u>	<u>\$90,294,114</u>	<u>\$86,412,798</u>	<u>\$80,044,680</u>	<u>\$74,210,437</u>
\$44,493,411	\$43,504,689	\$41,889,510	\$39,531,630	\$35,761,981	\$35,829,261
8,527,584	8,305,462	7,599,446	6,795,596	6,765,411	6,881,955
1,589,698	1,432,552	2,869,507	2,790,477	2,993,552	3,000,646
247,818	216,042	92,813	59,859	76,874	75,062
5,328,169	4,991,585	4,028,395	3,836,412	3,622,234	3,521,235
4,477,718	4,916,855	6,051,766	5,804,758	5,153,497	5,678,561
61,895	50,707	42,645	35,102	28,267	16,839
7,125,281	7,751,325	6,370,159	6,909,985	5,663,714	7,451,106
1,522,202	1,547,714	1,269,908	1,228,812	1,138,983	1,178,899
760,549	796,169	730,366	662,027	556,751	545,632
9,632,433	9,879,885	9,341,167	9,784,581	8,776,964	11,892,095
3,848,234	4,105,287	4,314,313	4,176,923	3,170,391	3,482,098
1,033,112	1,094,231	669,706	737,068	650,053	662,428
3,537,697	3,098,375	3,356,742	311,580	185,888	1,703
2,200,277	1,956,788	1,134,324	1,141,567	1,066,396	943,998
1,299,669	981,663	2,535,087	164,803	235,241	355,966
0	0	0	0	0	0
5,363,759	5,808,349	823,052	6,387,025	10,457,905	5,299,148
<u>\$101,049,506</u>	<u>\$100,437,678</u>	<u>\$93,118,906</u>	<u>\$90,358,205</u>	<u>\$86,304,102</u>	<u>\$86,816,632</u>

Parma City School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Ten Years

Year (2)	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections
2002	\$84,635,846	\$79,054,266	93.4%	\$1,820,038	\$80,874,304
2001	83,966,683	79,517,206	94.7	1,185,154	80,702,360
2000	67,096,069	64,104,921	95.5	1,321,288	65,426,209
1999	67,291,297	64,156,335	95.3	1,124,762	65,281,097
1998	67,287,295	64,014,755	95.1	520,400	64,535,155
1997	65,558,400	61,276,304	93.5	449,874	61,726,178
1996	64,810,236	61,136,494	94.3	624,822	61,761,316
1995	64,274,022	60,919,043	94.8	432,011	61,351,054
1994	53,042,256	49,837,373	94.0	655,263	50,492,636
1993	53,016,065	49,944,343	94.2	491,597	50,435,940

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) Represents collection year. 2003 information cannot be presented because all collections have not been made by June 30.

<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
95.6%	3,063,489	3.6%
96.1	2,626,400	3.1
97.5	2,015,508	3.0
97.0	2,304,690	3.4
95.9	3,133,933	4.7
94.2	4,739,286	7.2
95.3	4,197,127	6.5
95.5	3,658,971	5.7
95.2	3,618,067	6.8
95.1	3,119,146	5.9

Parma City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Agricultural and Residential Real Estate	Other Real Estate	Public Utility Personal	Tangible Personal
2003	\$1,673,545,860	\$399,184,240	\$44,007,640	\$116,622,201
2002	1,666,465,250	401,605,240	46,260,140	119,158,280
2001	1,660,692,760	396,516,490	60,432,510	115,972,283
2000	1,501,273,010	349,437,930	62,799,720	119,090,817
1999	1,492,634,760	343,431,990	71,855,030	120,840,696
1998	1,486,223,910	353,088,600	73,452,990	120,861,764
1997	1,367,851,700	329,054,660	75,265,490	113,614,115
1996	1,362,121,220	319,723,780	77,879,960	111,345,314
1995	1,359,834,070	334,374,050	83,560,620	111,012,183
1994	1,167,991,340	289,088,250	78,473,210	109,869,397

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because this is the manner in which the information is maintained by the County Auditor.

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at 88 percent of actual value.
 Tangible personal property is assessed at 25 percent of actual value for capital assets and 24 percent for inventory.

Total Assessed Value	Estimated Actual Value (1)	Ratio
\$2,233,359,941	\$6,438,583,486	34.7%
2,233,488,910	6,437,974,288	34.7
2,233,614,043	6,410,303,152	34.8
2,032,601,477	5,835,472,128	34.8
2,028,762,476	5,810,921,220	34.9
2,033,627,264	5,810,363,611	35.0
1,885,785,965	5,388,289,311	35.0
1,871,070,274	5,339,152,640	35.0
1,888,780,923	5,345,507,702	35.3
1,645,422,197	4,691,736,233	35.1

Parma City School District
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

Collection Year	School Levy	County Levy	City Levy	Total Levy	Debt Service Included in Total Levy			
					School	County	City	Total
2003	\$60.20	\$17.60	\$6.40	\$84.20	\$0.00	\$0.91	\$0.00	\$0.91
2002	60.20	17.60	6.90	84.70	0.00	0.86	0.00	0.86
2001	60.20	17.60	7.00	84.80	0.00	0.79	0.10	0.89
2000	53.30	16.70	7.10	77.10	0.50	0.85	0.20	1.55
1999	53.40	16.70	7.10	77.20	0.70	0.72	0.20	1.62
1998	53.60	16.60	7.10	77.30	0.70	0.72	0.20	1.62
1997	54.20	18.00	7.10	79.30	0.70	0.90	0.20	1.80
1996	54.00	18.00	7.10	79.10	0.60	0.87	0.20	1.67
1995	54.10	18.20	7.10	79.40	0.78	0.76	0.20	1.74
1994	51.70	17.80	4.10	73.60	0.99	0.68	0.44	2.11

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

Parma City School District
*Ratio of Net General Obligation Bonded Debt to
 Assessed Value and Net Bonded Debt Per Capita
 Last Ten Years*

<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2003	\$1,153,427	\$2,233,359,941	120,722	0.05%	\$10
2002	825,188	2,233,488,910	119,394	0.04	7
2001	1,173,594	2,233,614,043	124,340	0.05	9
2000	1,875,901	2,032,601,477	124,340	0.09	15
1999	0	2,028,762,476	124,340	0.00	0
1998	0	2,033,627,264	124,340	0.00	0
1997	660,596	1,885,785,965	121,240	0.04	5
1996	1,597,328	1,871,070,274	118,919	0.09	13
1995	1,352,037	1,888,780,923	118,919	0.07	11
1994	1,586,461	1,645,422,197	119,918	0.10	13

Source:

(1) School District Financial Records

(2) Cuyahoga County Auditor

(3) Cleveland Plain Dealer

Parma City School District
Computation of Legal Debt Margin
June 30, 2003

Assessed Valuation (2003)	<u><u>\$2,233,359,941</u></u>
Debt Limit - 9% of Assessed Value (1)	\$201,002,395
Outstanding Debt:	
Tax Anticipation Notes	22,720,000
General Obligation Bonds	1,795,000
Energy Conservation Loan	2,202,000
Less: Amount Available in Debt Service Fund	(641,573)
Total Outstanding Debt	26,075,427
Less Exemptions:	
Tax Anticipation Notes	22,720,000
Energy Conservation Loan	2,202,000
Total Exemptions	24,922,000
Amount of Debt Applicable Debt Limit	1,153,427
<i>Overall Debt Margin</i>	<i>\$199,848,968</i>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$2,233,360
Amount of Debt Applicable	0
<i>Unvoted Debt Margin</i>	<i>\$2,233,360</i>
Additional Limit for Unvoted Energy Conservation Loan:	
Debt Limit - 1% of Assessed Valuation	\$22,333,599
Energy Conservation Loans	(2,202,000)
<i>Additional Unvoted Debt Margin</i>	<i>\$20,131,599</i>

Source: Cuyahoga County Auditor and School District Financial Records

(1) Ohio Bond Law sets an overall limit of 9% for total debt and 1/10 of 1% for unvoted debt.

Parma City School District

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2002

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<u>Direct:</u>			
Parma City School District	<u>\$1,795,000</u>	100.00%	<u>\$1,795,000</u>
<u>Overlapping:</u>			
City of Parma	21,420,412	100.00	21,420,412
City of Parma Heights	4,278,637	100.00	4,278,637
City of Seven Hills	14,327,994	100.00	14,327,994
Cuyahoga County	200,162,636	8.96	17,934,572
Regional Transit Authority	<u>136,310,000</u>	8.96	<u>12,213,376</u>
Total Overlapping	<u>376,499,679</u>		<u>70,174,991</u>
Total	<u><u>\$378,294,679</u></u>		<u><u>\$71,969,991</u></u>

Source: Cuyahoga County Auditor and City of Parma Finance Department, City of Parma Heights Finance Department and City of Seven Hills Finance Department - Data is presented on a calendar year basis (including School District) because that is the manner in which the information is maintained by both the County Auditor and the City Finance Departments.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2002 collection year.

Parma City School District
*Ratio of Annual Debt Service Expenditures For
 General Obligation Bonded Debt to General Governmental Expenditures
 Last Ten Years*

Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures (Percentage)
2003	\$530,000	\$852,446	\$1,382,446	\$149,968,937	0.92%
2002	500,000	224,833	724,833	123,577,214	0.59
2001	465,000	172,898	637,898	105,642,475	0.60
2000	465,000	194,485	659,485	96,571,184	0.68
1999	450,000	102,406	552,406	101,049,506	0.55
1998	440,000	114,401	554,401	100,437,678	0.55
1997	430,000	138,740	568,740	93,118,906	0.61
1996	420,000	162,336	582,336	90,358,205	0.64
1995	410,000	184,682	594,682	86,304,102	0.69
1994	405,000	205,628	610,628	86,816,632	0.70

Source: School District Financial Records

Parma City School District

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Cuyahoga County Population</u>	<u>Parma City Population</u>	<u>Parma Heights City Population</u>	<u>Seven Hills City Population</u>	<u>School Enrollment</u>	<u>Unemployment Rate (1)</u>
2003	1,379,049	85,655	21,300	13,767	13,382	6.7%
2002	1,393,978	85,655	21,659	12,080	13,406	4.6
2001	1,380,421	85,655	21,659	12,080	13,245	4.5
2000	1,386,096	85,655	N/A	N/A	13,497	4.5
1999	1,386,096	81,207	20,610	12,058	13,203	4.6
1998	1,397,694	83,347	20,624	12,276	12,737	4.4
1997	1,398,169	87,900	21,000	12,340	12,631	5.8
1996	1,403,217	85,006	20,865	12,256	12,531	5.2
1995	1,403,239	85,721	20,897	12,301	12,658	4.8
1994	1,414,141	86,471	21,107	12,340	12,760	5.8

Source: Information in this table was provided by the Citizens League Research Institute and the Ohio Employment Services Bureau, Labor Market Analyst

(1) Represents Cuyahoga County
N/A - Not Available

Parma City School District
Property Value, Industrial Employment
and Financial Institution Deposits
Last Ten Years

<u>Year</u>	<u>Estimated Actual Property Value (Real Estate Only)</u>	<u>Industrial Employment (1)</u>	<u>Financial Institution Deposits Banks (2)</u>
2002	\$5,908,772,829	629,000	95,761,917
2001	5,278,935,189	637,400	88,346,368
2000	5,256,245,733	637,400	61,942,764
1999	5,245,905,000	637,400	57,021,360
1998	5,255,178,600	637,400	56,770,353
1997	4,848,303,886	643,800	53,941,971
1996	4,805,271,429	644,200	27,068,211
1995	4,840,594,629	636,300	22,458,573
1994	4,163,084,543	625,700	20,885,453
1993	4,145,543,829	628,100	21,009,421

Sources: Ohio Bureau of Employment Services
Federal Reserve Bank of Cleveland

- (1) Represents Cuyahoga County
- (2) Represents deposits made to all banks headquartered in Cuyahoga County

Parma City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2002

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Assessed Value</u>
General Motors Corporation	\$31,430,350	26.95%
Shiloh Corporation	5,791,270	4.97
Cox Cable Cleveland	2,370,600	2.03
Liberty Ford Southwest Incorporated	2,358,470	2.02
Tops Markets LLC	2,306,460	1.98
Bob Gillingham Ford Incorporated	1,610,020	1.38
Sptitzer Buick Incorporated	1,540,030	1.32
Spitzer Motor City Incorporated	1,476,700	1.27
Marc Glassman Incorporated	1,415,200	1.21
BJ's Wholesale Club Incorporated	<u>1,399,690</u>	<u>1.20</u>
Total	<u><u>\$51,698,790</u></u>	<u><u>44.33%</u></u>
Total Assessed Value	<u><u>\$116,622,201</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2003 collection year.

Parma City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Governmental Expenditures (1)</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
2003	\$149,968,937	13,382	\$11,207
2002	123,577,214	13,406	9,218
2001	105,642,475	13,245	7,976
2000	96,571,184	13,497	7,155
1999	101,049,506	13,203	7,654
1998	100,437,678	12,737	7,886
1997	93,118,906	12,631	7,372
1996	90,358,205	12,531	7,211
1995	86,304,102	12,658	6,818
1994	86,816,632	12,760	6,804

Source: School District Financial Records.

(1) 1997 - 2003 reported on a GAAP basis;
all other on cash basis

Parma City School District
Teacher Education and Experience
 June 30, 2003

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	127	12.99%
Bachelor + 12	71	7.26
Bachelor + 24	88	9.00
Bachelor + 36	43	4.39
Master's Degree	306	31.29
Master's + 12	120	12.27
Master's + 24	61	6.24
Master's + 36	57	5.83
Master's + 48	91	9.30
Doctorate's Degree	9	0.92
Doctorate + 12	5	0.51
Total	<u>978</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	263	26.89%
6 - 10	194	19.84
11 and Over	521	53.27
	<u>978</u>	<u>100.00%</u>

Source: School District Personnel Records

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**Auditor of State
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800-282-0370

Facsimile 614-466-4490

PARMA CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 22, 2004**