



**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2004**



**Auditor of State  
Betty Montgomery**



PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

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**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
<b>Child Nutrition Cluster:</b>						
Food Distribution Program	N/A	10.550	0	332,764	0	332,764
National School Breakfast	044636-05PU-2003	10.553	965	0	965	0
	044636-05PU-2004		5,128	0	5,128	0
National School Lunch Program	044636-LLP4-2003	10.555	133,041	0	133,041	0
	044636-LLP4-2004		670,401	0	670,401	0
<b>Total U.S. Department of Agriculture - Nutrition Cluster</b>			<b>809,535</b>	<b>332,764</b>	<b>809,535</b>	<b>332,764</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
<b>Special Education Cluster:</b>						
Special Education Grants to States	044636-6BEC-2002	84.027	0	0	13,935	0
	044636-6BSF-2002		0	0	3,000	0
	044636-6BSF-2003		0	0	282,828	0
	044636-6BPB-2004		30,000	0	13,048	0
	044636-6BSF-2004		2,029,551	0	1,919,014	0
Total CFDA			2,059,551	0	2,231,825	0
Special Education - Preschool Grant	044636-PGS1-2003	84.173	22,129	0	15,534	0
	044636-PGS1-2004		92,087	0	87,756	0
Total CFDA			114,216	0	103,290	0
<b>Total Special Education Cluster</b>			<b>2,173,767</b>	<b>0</b>	<b>2,335,115</b>	<b>0</b>
Adult Education- State Grant Program	044636-ABS1-2003	84.002	4,966	0	884	0
	044636-ABS1-2004		153,421	0	153,857	0
Total CFDA			158,387	0	154,741	0
Grants to Local Educational Agencies (ESEA Title I)	044636-C1S1-2003	84.010	81,521	0	124,089	0
	044636-C1S1-2004		1,181,255	0	1,092,907	0
Total CFDA			1,262,776	0	1,216,996	0
Education Technology State Grants	044636-TJS1-2003	84.318	0	0	6,559	0
	044636-TJS1-2004		14,562	0	6,505	0
Total CFDA			14,562	0	13,064	0
Innovative Educational Program Strategies	044636-C2S1-2003	84.298	0	0	51,565	0
	044636-C2S1-2004		80,587	0	82,060	0
Total CFDA			80,587	0	133,625	0
Drug-Free Schools Grant	044636-DRS1-2003	84.186	0	0	7,331	0
	044636-DRS1-2004		44,371	0	42,049	0
Total CFDA			44,371	0	49,380	0
Vocational Education - Basic Grants to States	044636-20C1-2003	84.048	27,366	0	115,732	0
	044636-20C1-2004		183,728	0	87,453	0
Total CFDA			211,094	0	203,185	0
Assistive Technology Infusion Grant	044636 AT-S3-02	84.352A	0	0	49,284	0
Total CFDA			0	0	49,284	0
English Language Acquisition Grant	044636 T3S1-2003	84.365	0	0	5,710	0
	044636 T3S1-2004		66,618	0	65,018	0
	044636 T3S2-2004		18,060	0	8,642	0
			84,678	0	79,370	0
Title II-A - Improving Teacher Quality	044636 TR-S1-03	84.367	0	0	95,097	0
			413,866	0	362,229	0
Total CFDA			413,866	0	457,326	0
<b>Total Department of Education</b>			<b>4,444,088</b>	<b>0</b>	<b>4,692,086</b>	<b>0</b>
<b><u>U.S. DEPARTMENT OF HUMAN SERVICES</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Refugee and Entrant Assistance:	RIS1-2002	93.576	0	0	2,144	0
	RIS1-2004	93.576	22,960	0	3,165	0
Total CFDA			22,960	0	5,309	0
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance/ Medicaid Title XIX	N/A	93.778	410,893	0	410,893	0
Total CFDA			410,893	0	410,893	0
<b>Total U.S. Department of Human Services</b>			<b>433,853</b>	<b>0</b>	<b>416,202</b>	<b>0</b>

PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2004

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Learn and Service America	044636-SVS1-2003	94.004	0	0	530	0
Learn and Service America	044636-SVS1-2004	94.004	8,700	0	7,114	0
	Total CFDA		<u>8,700</u>	<u>0</u>	<u>7,644</u>	<u>0</u>
<b>Total Corporation for National and Community Service</b>			<u><b>8,700</b></u>	<u><b>0</b></u>	<u><b>7,644</b></u>	<u><b>0</b></u>
<b>Totals</b>			<u><b>\$5,696,176</b></u>	<u><b>\$332,764</b></u>	<u><b>\$5,925,467</b></u>	<u><b>\$332,764</b></u>

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

**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
JUNE 30, 2004**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes 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, 2004, 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 co-mingled with State grants and local monies. It is assumed federal monies are expended first.

CFDA – Catalog of Federal Domestic Assistance.

N/A – Not applicable.

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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 financial statements of the governmental 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, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 21, 2005. 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 tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect 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 no instances of noncompliance that we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the District's management in a separate letter dated January 21, 2005.

#### **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 opinions 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 the District's management in a separate letter dated January 21, 2005.

This report is intended for the information and use of 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 21, 2005



## 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, 2004. 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 its major federal program is 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, 2004. We noted an instance of noncompliance that does not require inclusion in this report that we have communicated to management of the District in a separate letter dated January 21, 2005.

#### 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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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.

#### **Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of the District as of and for the year ended June 30, 2004, and have issued our report thereon dated January 21, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's 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 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 21, 2005

**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2004**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Education Cluster: Special Education Grants to States – CFDA #84.027 and Special Education, Preschool Grant – CFDA #84.173 Title II A, Improving Teacher Quality – CFDA #84.367 Medical Assistance/Medicaid Title XIX – CFDA #93.778
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2004  
(CONTINUED)**

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2004**

<b>FINDING NUMBER</b>	<b>FINDING SUMMARY</b>	<b>FULLY CORRECTED ?</b>	<b>NOT CORRECTED, PARTIALLY CORRECTED; SIGNIFICANTLY DIFFERENT CORRECTIVE ACTION TAKEN; OR FINDING NO LONGER VALID; EXPLAIN:</b>
2003-001	Negative fund balance	Yes	
2003-002	Appropriations in excess of estimated resources	No	Not corrected, re-issued in Management Letter
2003-003	Proper certification of purchase commitments	No	Not Corrected, re-issued in Management Letter





**Parma City School District, Ohio**

*Comprehensive Annual Financial Report*

For The Fiscal Year Ended June 30, 2004

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, 2004*  
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## Administration

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



*Parma City School District  
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

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January 21, 2005

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

We are pleased to submit to you the eighth 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 fourth 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 the 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 the 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, Northeast Ohio Network for Educational Technology, and Ohio Schools Council Association, all jointly governed organizations whose relationship with the School District is described in Note 15 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 13,371 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.

***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 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 drug free school monies, the high schools were able to hire drug and alcohol intervention specialists to work with students with substance abuse issues.

#### ***Additional Programs and Services***

***High School Athletics*** Normandy, Parma Senior and Valley Forge High Schools compete in the Pioneer Athletic Conference. 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 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 14.0 years and 66.6 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 offer 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.

***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 provide inclusion classes at every grade level that permit challenged students to work alongside other students with the support of specialized instruction. 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 29 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. 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 six, 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 self supported tuition based 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.

***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 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. A recognition ceremony is held annually to honor those who participated in the program.

### ***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***

The driving force of education in the Parma City School District is our continuous improvement planning process. Currently all departments and schools in our School District are required to submit a continuous improvement plan (CIP) for review at the beginning of every school year to both the Deputy Superintendent of School Operations and the Director of Academic Services. Our continuous improvement process involves all departments and schools in the Parma City School District. These CIP plans serve the purpose of outlining specific goals and objectives pertinent to each building and school that will work to improve student achievement.

Upon receiving the data driven District-wide objectives, buildings then begin the writing of their individual plans. Each plan affords our schools the opportunity to address the needs of their community while at the same time incorporating the district vision. The writing of CIP plans is completed by school and department teams designated by building administration. Writing teams often consist of administration, faculty, community business partners, students, and parents. Upon review by the Deputy Superintendent, plans are then submitted to the Board of Education for approval. The details and rigor of this process has recently received national accolades by our receiving the Magna Award from the National School Boards' Association.

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 specialists also hold 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 11<sup>th</sup> 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 meetings 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 “Weekly Bulletin.” “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 “Weekly Bulletin” is the weekly e-publication that is created by the School District and distributed to all employees. The Superintendent discusses current initiatives, highlights outstanding employees and recaps student performance.

### ***Financial Update***

During the previous four fiscal years and fiscal year 2004, 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:

March 7, 2000	Approval of six mill operating and two mill permanent improvement levies.
June 26, 2000	Adoption of Continuous Improvement Plan.
June 5, 2001	Five-year capital repair and improvement plan presented to the Board of Education.
March 4, 2002	Approval of Phase IV H.B. 263 project. Administrative reorganization.
May 7, 2002	\$8,062,500 renewal levy approved by voters.
June 27, 2002	\$20,000,000 borrowed against future permanent improvement levy proceeds.
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 renewal levy approved by the voters

November 3, 2003	Adoption of updated 2003-2004 budget estimate and fiscal projections 2004-2005 through 2008
March 1, 2004	Approval of H.B. 264 Phase VI Energy Conservation Project.
March 2, 2004	New tax levy consisting of 5.9 mills for continuing operating expenses and 2 mills for on-going permanent improvements was not approved by the voters.
August 3, 2004	New tax levy consisting of 4.9 mills for continuing operating expenses and 1 mill for on-going permanent improvements was not approved by the voters.
June 8, 2004	Adoption of amended updated 2003-2004 budget estimate and fiscal projections 2004-2005 through 2007-2008
October 25, 2004	Adoption of amended updated 2004-2005 budget estimate and fiscal projections 2005-2006 through 2008-2009

Throughout fiscal year 2004, 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 2003-2004 accomplishments:

- The H.B. 264 project Phases V (A) & V (B) which replaced boilers and lighting throughout the District and are expected to save on energy costs were completed in November 2003.
- Permanent improvement projects, including system wide door and window replacement; high school auditorium seating and interior finishes; Shiloh parking lot; and system wide roofing, paving, and masonry repairs, funded with \$20,000,000 borrowed against future permanent improvement levy proceeds were all fully completed by January 2004.
- The School District achieved an Effective School designation from the Ohio Department of Education for the 2003-2004 school year.
- Began work on H.B. 264 Phase VI Energy Conservation Project.
- The School District received “The Auditor’s Award” from Betty Montgomery, the Auditor of State, Ohio, for outstanding commitment to the highest standards of financial reporting as evidenced by the District’s 2002 Comprehensive Annual Financial Report.

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 concern 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 2003-2004 budget and 2004-2005 budget:

- The Renewal of the 2004 expiring levy to be placed on the February 8, 2005 ballot.
- Passage of new tax levy consisting of 4.9 mills for continuing operating expenses and 1 mill for on-going permanent improvements to be placed on the February 8, 2005 ballot.
- 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 begin the process for generating additional revenues by placing a new continuing operating and permanent improvement levy and renewal levy on the ballot for February 2005.

### ***Financial Information***

***Internal Accounting and Budgetary Control*** 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. Appropriations are adopted 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 appropriations at the fund level 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 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** 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. Non-major 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 2004.

### ***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 repurchase agreements, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes 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 2004, the School District contracted with Hartford Insurance Company for property and casualty insurance. There is a \$25,000 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.

From July 1, 2003 through May 8, 2004, the United National Insurance Company provided general liability protection with a \$9,975,000 single occurrence limit, no aggregate, and a \$25,000 deductible and vehicle coverage with a \$25,000 deductible and a \$9,975,000 liability limit per accident. From May 9, 2004 through June 30, 2004, the Indiana Insurance Company provided general liability protection with a \$1,000,000 single occurrence limit, \$2,000,000 aggregate limit, and no deductible and vehicle coverage with no deductible and a \$1,000,000 liability limit per accident.

National Union Fire Insurance Company protected school leaders' errors and omissions with a \$3,000,000 annual aggregate and \$5,000 deductible per occurrence through May 8, 2004. From May 9, 2004 through June 30, 2004, the Indiana Insurance Company provided this coverage with a \$1,000,000 aggregate and a \$25,000 deductible.

The School District has 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 10 and 11 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, 2004. 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 school districts 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 eighth 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 last year's report. Attainment of these Certificates represents 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 possible.

Respectfully submitted,



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

***Parma City School District***

*Principal Officials*

*June 30, 2004*

**Board of Education**

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

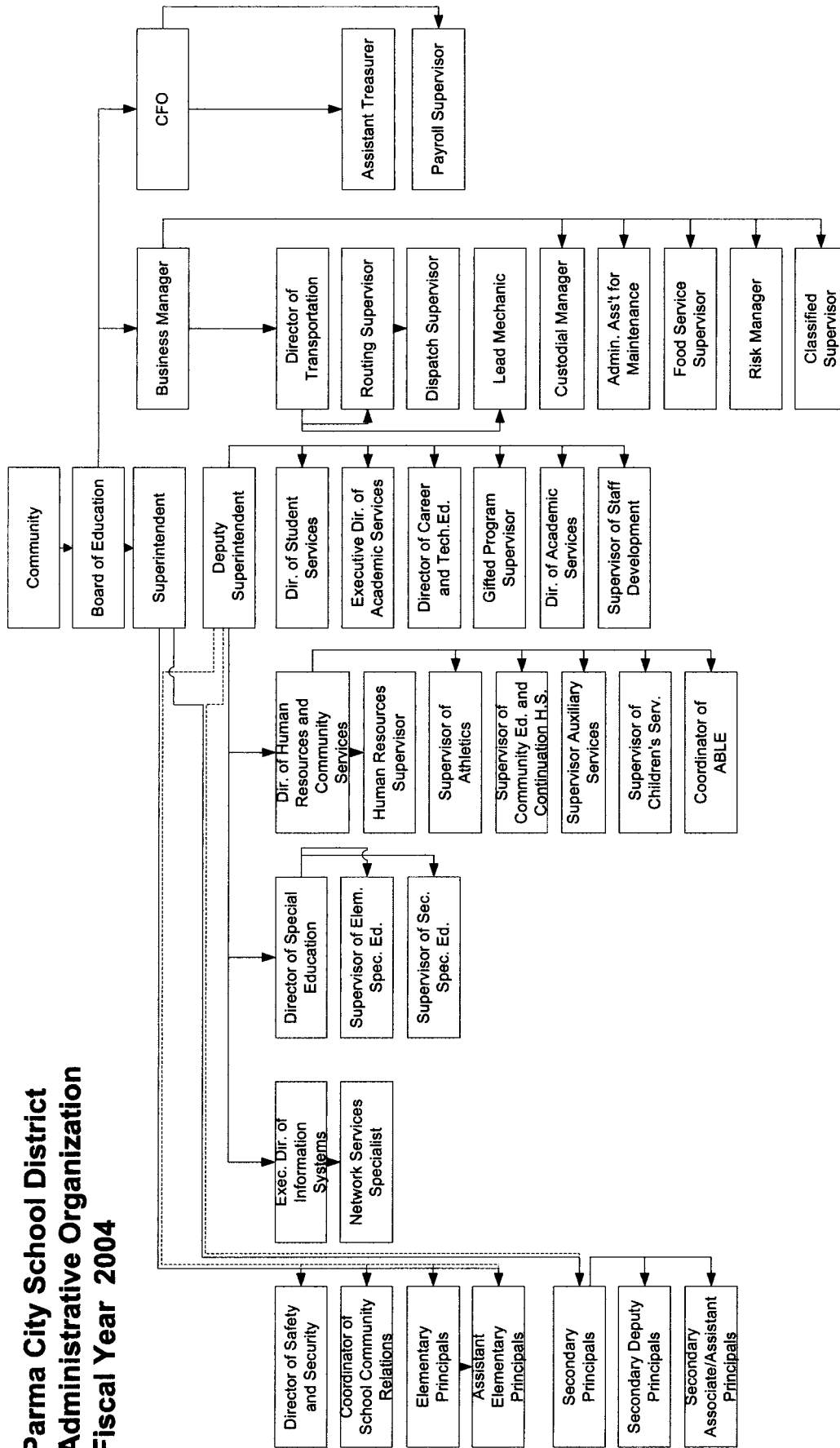
**Chief Financial Officer/Budget Director**

Bruce Basalla

**Administration**

Dr. Sarah C. Zatik..... Superintendent  
Dr. Christina M. Dinklocker..... 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 Organization  
Fiscal Year 2004**



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

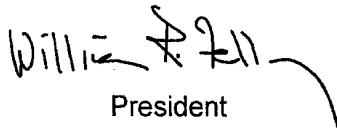


This Certificate of Excellence in Financial Reporting is presented to

**PARMA CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2003

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, 2003

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.



*Nancy L. Ziehl*

President

*Jeffrey R. Emer*

Executive Director

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**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, 2004, 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, 2004, and the respective changes in financial position and the cash flows, where applicable, and the respective budgetary comparison for the General Fund 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 21, 2005 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 applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the 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 schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules 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 21, 2005

**Parma City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

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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, 2004. 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 2004 are as follows:

- Total net assets decreased \$3.2 million, a decrease of \$3.1 million in Governmental Activities and .1 million in Business-Type Activities.
- General revenues accounted for \$112.8 million in revenue or 88.3 percent of all revenues for all Governmental Activities. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$15 million or 11.7 percent of total revenues of \$127.8 million.
- Total program expenses were \$130.9 million in Governmental Activities and \$4.8 million in Business-Type Activities.
- Outstanding debt increased by \$8.8 million to \$35.5 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 2003-2004 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*  
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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*  
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**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 2004 compared to 2003:

(Table 1)  
Net Assets  
(In millions)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>Assets</b>						
Current and Other Assets	\$110.0	\$118.1	\$0.4	\$0.7	\$110.4	\$118.8
Capital Assets, Net	50.9	45.6	0.1	0.1	51.0	45.7
<b>Total Assets</b>	<b>160.9</b>	<b>163.7</b>	<b>0.5</b>	<b>0.8</b>	<b>161.4</b>	<b>164.5</b>
<b>Liabilities</b>						
Current and Other Liabilities	80.0	89.8	0.1	0.4	80.1	90.2
Long-Term Liabilities:						
Due Within One Year	3.5	2.7	0.0	0.0	3.5	2.7
Due in More than One Year	40.6	31.3	0.1	0.0	40.7	31.3
<b>Total Liabilities</b>	<b>124.1</b>	<b>123.8</b>	<b>0.2</b>	<b>0.4</b>	<b>124.3</b>	<b>124.2</b>
<b>Net Assets</b>						
Invested in Capital						
Assets, Net of Debt	16.5	23.6	0.1	0.1	16.6	23.7
Restricted						
Capital Projects	5.5	0.0	0.0	0.0	5.5	0.0
Debt Service	0.7	0.7	0.0	0.0	0.7	0.7
Set Aside	0.6	0.6	0.0	0.0	0.6	0.6
Public School Support	0.6	0.6	0.0	0.0	0.6	0.6
Auxiliary Services	0.3	0.0	0.0	0.0	0.3	0.0
Network Connectivity	0.2	0.3	0.0	0.0	0.2	0.3
Miscellaneous State Grants	0.2	0.2	0.0	0.0	0.2	0.2
Title VI-B Grant	0.1	0.3	0.0	0.0	0.1	0.3
Title I Grant	0.2	0.1	0.0	0.0	0.2	0.1
Title VI-R Grant	0.2	0.2	0.0	0.0	0.2	0.2
Other Purpose	0.9	0.7	0.0	0.0	0.9	0.7
Unrestricted	10.8	12.6	0.2	0.3	11.0	12.9
<b>Total Net Assets</b>	<b>\$36.8</b>	<b>\$39.9</b>	<b>\$0.3</b>	<b>\$0.4</b>	<b>\$37.1</b>	<b>\$40.3</b>

Total assets of governmental activities decreased \$2.8 million. Equity in pooled cash and cash equivalents decreased \$9.0 million which was offset by increases in capital assets. Taxes receivable decreased \$4 million.

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Total liabilities for governmental activities increased by \$.3 million. This increase was the result of increased long term liabilities of \$10 million offset by decreases in deferred revenue of \$5.2 million, accrued wages \$.6 million and contracts payable of \$4.2, respectively.

The net impact was a decrease of net assets by \$3.1 million.

Table 2 shows the changes in net assets for the fiscal year 2004 for both our Governmental activities and our Business-Type activities. Since this is the fourth year the School District is reporting under the GASB 34 reporting model, revenue and expense comparisons can be made between the years 2003 and 2004.

Table 2  
Changes in Net Assets  
(In millions)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales	\$4.3	\$3.5	\$3.6	\$3.4	\$7.9	\$6.9
Operating Grants and Contributions	10.7	9.9	1.1	1.5	11.8	11.4
Capital Grants and Contributions	0.0	0.2	0.0	0.0	0.0	0.2
<i>Total Program Revenues</i>	<u>15.0</u>	<u>13.6</u>	<u>4.7</u>	<u>4.9</u>	<u>19.7</u>	<u>18.5</u>
General Revenues:						
Property Taxes	77.6	71.3	0.0	0.0	77.6	71.3
Grants and Entitlements	34.0	32.9	0.0	0.0	34.0	32.9
Investments	0.5	0.9	0.0	0.0	0.5	0.9
Miscellaneous	0.7	1.0	0.0	0.0	0.7	1.0
<i>Total General Revenues</i>	<u>112.8</u>	<u>106.1</u>	<u>0.0</u>	<u>0.0</u>	<u>112.8</u>	<u>106.1</u>
Total Revenues	<u>127.8</u>	<u>119.7</u>	<u>4.7</u>	<u>4.9</u>	<u>132.5</u>	<u>124.6</u>
<b>Program Expenses</b>						
Instruction	72.8	72.7	0.0	0.0	72.8	72.7
Support Services:						
Pupils and Instructional Staff	12.3	11.0	0.0	0.0	12.3	11.0
Board of Education, Administration						
Fiscal and Business	14.6	12.5	0.0	0.0	14.6	12.5
Operation and Maintenance	15.8	15.4	0.0	0.0	15.8	15.4
Pupil Transportation	5.9	5.4	0.0	0.0	5.9	5.4
Central	1.9	2.0	0.0	0.0	1.9	2.0
Operating of Non-Instructional Services	4.1	4.8	0.0	0.0	4.1	4.8
Enterprise Operations	0.0	0.0	4.8	4.9	4.8	4.9
Extracurricular Activities	3.3	2.8	0.0	0.0	3.3	2.8
Interest and Fiscal Charges	0.2	1.1	0.0	0.0	0.2	1.1
Total Program Expenses	<u>130.9</u>	<u>127.7</u>	<u>4.8</u>	<u>4.9</u>	<u>135.7</u>	<u>132.6</u>
Increase (Decrease) in Net Assets	(3.1)	(8.0)	(0.1)	0.0	(3.2)	(8.0)
<i>Net Assets Beginning 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>
<i>Net Assets End of Year</i>	<u>\$36.8</u>	<u>\$39.9</u>	<u>\$0.3</u>	<u>\$0.4</u>	<u>\$37.1</u>	<u>\$40.3</u>

Total governmental activities net assets decreased \$3.1 million. Property taxes increased \$6.3 million mainly because of the amount available as an advance at year end; grants and entitlements increased \$1.1 million.

**Parma City School District**  
*Management's Discussion and Analysis*  
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The increase of \$.1 million in instructional program expenses reflects both the increased cost of wages and benefits. The operations and maintenance expenses increased \$.4 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 \$3.1 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 60.7 percent of revenues for governmental activities for Parma Schools in fiscal year 2004.

The largest Governmental Activities program expense remains instruction, comprising 55.6 percent of total expenses. When combined with pupils and instructional support these categories make up 65 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 2004	Net Cost of Services 2004	Total Cost of Services 2003	Net Cost of Services 2003
Instruction	\$72.8	\$67.3	\$72.7	\$66.5
Support Services:				
Pupils and Instructional Staff	12.3	9.9	11.0	9.4
Board of Education, Administration				
Fiscal and Business	14.6	13.9	12.5	12.5
Operation and Maintenance	15.8	15.5	15.4	15.1
Pupil Transportation	5.9	5.4	5.4	4.9
Central	1.9	1.8	2.0	2.0
Operating of Non-Instructional Services	4.1	(0.4)	4.8	0.6
Extracurricular Activities	3.3	2.3	2.8	1.9
Interest and Fiscal Charges	0.2	0.2	1.1	1.1
<b>Total</b>	<b>\$130.9</b>	<b>\$115.9</b>	<b>\$127.7</b>	<b>\$114.0</b>

**Parma City School District**  
*Management's Discussion and Analysis*  
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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 decreased \$.1 million in 2004. 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 \$126.5 million and expenditures of \$138.3 million. The net change in fund balance for the year was an increase of \$.5 million. The permanent improvements fund had significant activity due to the District's involvement in HB264 energy conservation projects.

***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 2004, 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 \$98.9 million, a \$.8 decrease from the original budget estimates. Total actual revenues were \$106.0 million.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$115.1 million.

***Capital Assets and Debt Administration***

***Capital Assets***

At the end of fiscal 2004 the School District had \$51.0 million invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction in progress, \$50.9 million of which is in governmental activities. Table 4 shows fiscal 2004 balances compared to 2003:



**Parma City School District**  
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Table 4  
 Capital Assets at June 30  
 (Net of Depreciation)  
 (In millions)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$5.1	\$5.1	\$0.0	\$0.0	\$5.1	\$5.1
Land Improvements	5.4	3.4	0.0	0.0	5.4	3.4
Buildings and Improvements	36.0	23.3	0.0	0.0	36.0	23.3
Furniture and Equipment	2.9	2.1	0.1	0.1	3.0	2.2
Vehicles	1.5	1.4	0.0	0.0	1.5	1.4
Construction in Progress	0.0	10.3	0.0	0.0	0.0	10.3
<b>Totals</b>	<b>\$50.9</b>	<b>\$45.6</b>	<b>\$0.1</b>	<b>\$0.1</b>	<b>\$51.0</b>	<b>\$45.7</b>

The large increase in capital assets is primarily due to HB264 Energy Conservation projects.

For fiscal year 2004, 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 2004, this amounted to \$1.9 million for each set aside. For fiscal year 2004, 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 7 to the basic financial statements for additional information on capital assets.

***Debt***

At June 30, 2004 the School District had \$35.5 million in bonds, notes and loans outstanding, \$2.9 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.

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

	Governmental Activities	
	2004	2003
1999 Byers Field General Obligation Bonds	\$1.5	\$1.8
1999 Tax Anticipation Note	1.4	2.7
2002 Construction Note	18.6	20.0
2003 Energy Conservation Loan (Phase IV)	2.1	2.2
2004 Energy Conservation Loan (Phase V)	6.4	0.0
2004 Energy Conservation Loan (Phase VI)	5.5	0.0
<b>Totals</b>	<b>\$35.5</b>	<b>\$26.7</b>

**Parma City School District**  
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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 note was issued to allow the School District to stabilize its operating cash position. The note will be fully repaid in fiscal 2005.

The 2002 construction note for capital repairs and improvements will mature in 2012.

In late 2002, the School District borrowed \$2.2 million for a HB 264 Energy Conservation project. The loan will be paid off in 2016.

In 2004, the School District borrowed \$12.3 million for two HB 264 Energy Conservation projects. These loans will be paid off in 2019.

At June 30, 2004, the School District's overall legal debt margin was \$213,325,646 with an unvoted debt margin of \$2,378,407. See Notes 13 and 14 to the basic financial statements for additional information on debt.

### ***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 five-year enrollment projections, and the Auditor of State's performance audit. The District is in a challenging financial situation. We last passed a new money issue back in 2000. We have tried and failed to pass a new money issue in May 2004 and August of 2004. We currently have a new money issue on the ballot for February 2005 along with a renewal levy of approximately \$9.2 million. Due to the failures in May and August 2004 the School District has begun cost reduction procedures. There have been approximately \$7 million in cuts with Board approval for a plan to reduce another \$14 million if both the renewal and new issues fail in calendar 2005.

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 our current State subsidy. This year approximately \$2,067,000 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.

**Parma City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
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**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](mailto:brucebasa@parma.k12.oh.us).

## **Basic Financial Statements**

**Parma City School District**

*Statement of Net Assets*

*June 30, 2004*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$25,299,376	\$604,170	\$25,903,546
Accounts Receivable	515,389	50,364	565,753
Intergovernmental Receivable	1,217,584	138,821	1,356,405
Prepaid Items	270,255	0	270,255
Internal Balances	435,205	(435,205)	0
Materials and Supplies Inventory	298,376	0	298,376
Inventory Held for Resale	0	18,430	18,430
Property Taxes Receivable	81,764,269	0	81,764,269
Deferred Charges	133,757	0	133,757
Nondepreciable Capital Assets	5,114,951	0	5,114,951
Depreciable Capital Assets, Net	45,809,589	119,920	45,929,509
<i>Total Assets</i>	<u>160,858,751</u>	<u>496,500</u>	<u>161,355,251</u>
<b>Liabilities</b>			
Accounts Payable	1,215,405	1,151	1,216,556
Accrued Wages and Benefits	8,725,166	34,645	8,759,811
Intergovernmental Payable	4,487,496	106,668	4,594,164
Deferred Revenue	64,090,207	0	64,090,207
Accrued Interest Payable	117,467	0	117,467
Notes Payable	1,360,000	0	1,360,000
Long-Term Liabilities:			
Due Within One Year	3,474,911	8,801	3,483,712
Due In More Than One Year	40,612,926	58,857	40,671,783
<i>Total Liabilities</i>	<u>124,083,578</u>	<u>210,122</u>	<u>124,293,700</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	16,505,540	119,920	16,625,460
Restricted for:			
Capital Projects	5,507,722	0	5,507,722
Debt Service	707,547	0	707,547
Set Aside	588,782	0	588,782
Public School Support	566,102	0	566,102
Auxiliary Services	315,237	0	315,237
Network Connectivity	226,437	0	226,437
Miscellaneous State Grants	131,846	0	131,846
Title VI-B Grant	120,642	0	120,642
Title I Grant	193,201	0	193,201
Title VI-R Grant	143,068	0	143,068
Other Purposes	933,986	0	933,986
Unrestricted	10,835,063	166,458	11,001,521
<i>Total Net Assets</i>	<u>\$36,775,173</u>	<u>\$286,378</u>	<u>\$37,061,551</u>

See accompanying notes to the basic financial statements

**Parma City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2004

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
<b>Governmental Activities</b>			
Instruction:			
Regular	\$55,727,837	\$1,749,000	\$1,245,871
Special	14,786,344	411,703	1,930,920
Vocational	2,177,517	82,789	11,221
Adult/Continuing	104,805	0	107,983
Support Services:			
Pupils	6,898,816	119,311	1,063,490
Instructional Staff	5,420,181	78,931	1,201,308
Board of Education	1,199,052	18,778	4,341
Administration	9,484,263	179,474	395,841
Fiscal	3,173,100	60,519	13,994
Business	792,836	13,629	3,151
Operation and Maintenance of Plant	15,804,357	213,563	56,744
Pupil Transportation	5,861,535	330,252	138,692
Central	1,942,312	36,149	87,130
Operation of Non-Instructional Services	4,122,981	451	4,469,686
Extracurricular Activities	3,284,535	965,479	9,909
Interest and Fiscal Charges	170,934	0	0
<i>Total Governmental Activities</i>	<u>130,951,405</u>	<u>4,260,028</u>	<u>10,740,281</u>
<b>Business-Type Activities</b>			
Food Service	3,183,170	2,265,903	948,141
Adult Continuing Education	329,589	159,008	16,688
Extended Day Care/Preschool	1,288,939	1,123,457	165,556
<i>Total Business-Type Activities</i>	<u>4,801,698</u>	<u>3,548,368</u>	<u>1,130,385</u>
<i>Totals</i>	<u>\$135,753,103</u>	<u>\$7,808,396</u>	<u>\$11,870,666</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
(\$52,732,966)	\$0	(\$52,732,966)
(12,443,721)	0	(12,443,721)
(2,083,507)	0	(2,083,507)
3,178	0	3,178
(5,716,015)	0	(5,716,015)
(4,139,942)	0	(4,139,942)
(1,175,933)	0	(1,175,933)
(8,908,948)	0	(8,908,948)
(3,098,587)	0	(3,098,587)
(776,056)	0	(776,056)
(15,534,050)	0	(15,534,050)
(5,392,591)	0	(5,392,591)
(1,819,033)	0	(1,819,033)
347,156	0	347,156
(2,309,147)	0	(2,309,147)
(170,934)	0	(170,934)
(115,951,096)	0	(115,951,096)
0	30,874	30,874
0	(153,893)	(153,893)
0	74	74
0	(122,945)	(122,945)
(115,951,096)	(122,945)	(116,074,041)
73,923,631	0	73,923,631
2,392,758	0	2,392,758
1,305,697	0	1,305,697
33,989,650	0	33,989,650
455,946	0	455,946
41,658	0	41,658
712,760	6,193	718,953
112,822,100	6,193	112,828,293
(10,970)	10,970	0
112,811,130	17,163	112,828,293
(3,139,966)	(105,782)	(3,245,748)
39,915,139	392,160	40,307,299
\$36,775,173	\$286,378	\$37,061,551

**Parma City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2004*

	General	Bond Retirement Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$16,740,061	\$1,367,300	\$2,162,989	\$4,440,244
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	588,782	0	0	0
Accounts Receivable	511,112	0	1,202	3,075
Intergovernmental Receivable	384,665	0	0	832,919
Prepaid Items	270,255	0	0	0
Interfund Receivable	3,277,756	0	0	0
Materials and Supplies Inventory	298,376	0	0	0
Property Taxes Receivable	77,695,982	2,767,251	1,301,036	0
<i>Total Assets</i>	<u>\$99,766,989</u>	<u>\$4,134,551</u>	<u>\$3,465,227</u>	<u>\$5,276,238</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$787,883	\$0	\$49,236	\$378,286
Accrued Wages and Benefits	8,322,605	0	0	402,561
Intergovernmental Payable	3,015,833	0	0	165,117
Interfund Payable	0	617,823	150,000	2,074,728
Deferred Revenue	64,994,916	2,712,670	651,746	364,106
Accrued Interest Payable	5,213	0	0	0
Notes Payable	1,360,000	0	0	0
<i>Total Liabilities</i>	<u>78,486,450</u>	<u>3,330,493</u>	<u>850,982</u>	<u>3,384,798</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	1,346,569	0	53,069	434,942
Reserved for Property Taxes	13,013,584	54,581	649,290	0
Reserved for Budget Stabilization	588,782	0	0	0
Unreserved, Undesignated (Deficit)				
Reported in:				
General Fund	6,331,604	0	0	0
Special Revenue Funds	0	0	0	2,183,430
Debt Service Fund	0	749,477	0	0
Capital Projects Funds	0	0	1,911,886	(726,932)
<i>Total Fund Balances</i>	<u>21,280,539</u>	<u>804,058</u>	<u>2,614,245</u>	<u>1,891,440</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$99,766,989</u>	<u>\$4,134,551</u>	<u>\$3,465,227</u>	<u>\$5,276,238</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, 2004*

Total Governmental Funds	<b>Total Governmental Fund Balances</b>	\$26,590,282
\$24,710,594	<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
588,782	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
515,389	Capital Assets, not being depreciated	5,114,951
1,217,584	Capital Assets, being depreciated	115,606,652
270,255	Accumulated Depreciation	(69,797,063)
3,277,756	Total	50,924,540
298,376	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
81,764,269	Delinquent Property Taxes	3,956,607
\$112,643,005	Grants	364,106
	Tuition and Fees	312,518
\$1,215,405	Total	4,633,231
8,725,166	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.	(1,306,546)
3,180,950	Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the debt on a full accrual basis:	
2,842,551	Issuance costs	144,046
68,723,438	Amount expensed	(10,289)
5,213	Total	133,757
1,360,000	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.	(112,254)
86,052,723	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
1,834,580	General Obligation Bonds	(1,535,000)
13,717,455	Notes Payable	(18,580,000)
588,782	Loans Payable	(14,039,606)
6,331,604	Capital Lease Payable	(398,151)
2,183,430	Compensated Absences	(9,535,080)
749,477	Total	(44,087,837)
1,184,954	<i>Net Assets of Governmental Activities</i>	\$36,775,173
26,590,282		
\$112,643,005		

**Parma City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2004*

	General	Bond Retirement Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds
<b>Revenues</b>				
Property Taxes	\$72,911,607	\$2,388,496	\$1,257,099	\$0
Intergovernmental	34,550,476	0	382,969	9,711,877
Interest	440,488	0	0	15,458
Tuition and Fees	1,978,176	0	0	0
Extracurricular Activities	96,312	0	0	660,165
Rentals	447,195	0	1,202	0
Charges for Services	779,217	0	800	178,176
Contributions and Donations	12,728	0	0	7,571
Miscellaneous	107,511	0	31,978	573,271
<i>Total Revenues</i>	<u>111,323,710</u>	<u>2,388,496</u>	<u>1,674,048</u>	<u>11,146,518</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	53,821,996	0	0	772,284
Special	12,818,220	0	0	1,898,120
Vocational	2,565,455	0	0	0
Adult/Continuing	5,023	0	0	107,028
Support Services:				
Pupils	6,278,881	0	0	622,790
Instructional Staff	4,074,986	0	0	1,307,242
Board of Education	899,528	0	0	0
Administration	9,398,782	0	0	355,031
Fiscal	3,165,068	0	0	2,317
Business	832,219	0	0	0
Operation and Maintenance of Plant	11,115,957	0	0	11,457
Pupil Transportation	6,209,950	0	0	66,355
Central	1,802,362	0	0	127,596
Operation of Non-Instructional Services	25,487	0	0	4,204,832
Extracurricular Activities	1,637,660	0	0	1,537,877
Capital Outlay	169,157	0	9,988,805	43,090
Debt Service:				
Principal Retirement	116,521	2,137,000	0	0
Interest and Fiscal Charges	5,667	51,011	0	0
Issuance Costs	106,046	38,000	0	0
<i>Total Expenditures</i>	<u>115,048,965</u>	<u>2,226,011</u>	<u>9,988,805</u>	<u>11,056,019</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,725,255)</u>	<u>162,485</u>	<u>(8,314,757)</u>	<u>90,499</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	9,167	0	35,000	0
Loan Proceeds	0	0	12,294,606	0
Transfers In	34,800	0	0	128,037
Transfers Out	(139,007)	0	0	(34,800)
<i>Total Other Financing Sources (Uses)</i>	<u>(95,040)</u>	<u>0</u>	<u>12,329,606</u>	<u>93,237</u>
<i>Net Change in Fund Balances</i>	<u>(3,820,295)</u>	<u>162,485</u>	<u>4,014,849</u>	<u>183,736</u>
<i>Fund Balances Beginning of Year</i>	<u>25,100,834</u>	<u>641,573</u>	<u>(1,400,604)</u>	<u>1,707,704</u>
<i>Fund Balances End of Year</i>	<u>\$21,280,539</u>	<u>\$804,058</u>	<u>\$2,614,245</u>	<u>\$1,891,440</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, 2004*

Total Governmental Funds	<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$540,775
\$76,557,202	<b>Amounts reported for governmental activities in the statement of activities are different because</b>	
44,645,322	Governmental funds report capital outlays as expenditures.	
455,946	However, in the statement of activities, the cost of those assets	
1,978,176	are allocated over their estimated useful lives as depreciation	
756,477	expense. This is the amount by which capital outlay exceeded	
448,397	depreciation in the current period.	
958,193	Capital Asset Additions	7,800,906
20,299	Current Year Depreciation	(2,489,635)
712,760	Total	5,311,271
126,532,772	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
		(2,509)
54,594,280	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
14,716,340	Delinquent Property Taxes	1,064,884
2,565,455	Grants	64,310
112,051	Tuition and Fees	118,785
6,901,671	Total	1,247,979
5,382,228	Issuance costs are reported as an expenditure when paid in the governmental funds, but is deferred and amortized on the statement of activities. This is unamortized issuance costs on loans.	
899,528		144,046
9,753,813	Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
3,167,385		2,253,521
832,219	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.	
11,127,414	Compensated Absences	(104,954)
6,276,305	Pension Obligation	(121,233)
1,929,958	Total	(226,187)
4,230,319	Debt issuance costs are reported as an expenditure in the governmental funds but are allocated as an expense over the life of the debt on a full accrual basis.	
3,175,537	Current Year Expense	(10,289)
10,201,052	Accrued Interest	(103,967)
2,253,521	Total	(114,256)
56,678	Receipt of loan proceeds is an other financing source in the governmental funds, but the issuance of loans increases long-term liabilities in the statement of net assets.	
144,046		(12,294,606)
138,319,800	<b>Change in Net Assets of Governmental Activities</b>	
(11,787,028)		(\$3,139,966)
44,167		
12,294,606		
162,837		
(173,807)		
12,327,803		
540,775		
26,049,507		
\$26,590,282		

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Property Taxes	\$61,244,963	\$60,418,261	\$67,952,788	\$7,534,527
Intergovernmental	34,656,109	34,656,109	34,282,444	(373,665)
Interest	900,202	900,202	563,233	(336,969)
Tuition and Fees	1,637,221	1,637,221	1,896,826	259,605
Extracurricular Activities	110,040	110,040	96,312	(13,728)
Rentals	263,000	263,000	431,604	168,604
Charges for Services	368,378	368,378	628,418	260,040
Contributions and Donations	52,123	52,123	12,728	(39,395)
Miscellaneous	454,690	454,690	101,242	(353,448)
<i>Total Revenues</i>	<u>99,686,726</u>	<u>98,860,024</u>	<u>105,965,595</u>	<u>7,105,571</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	57,237,677	55,952,147	53,583,661	2,368,486
Special	11,696,109	12,502,622	12,465,058	37,564
Vocational	2,397,030	2,566,667	2,556,432	10,235
Adult/Continuing	5,591	8,291	5,023	3,268
Support Services:				
Pupils	6,163,819	6,351,705	6,182,263	169,442
Instructional Staff	4,540,676	4,498,670	4,202,721	295,949
Board of Education	846,647	1,080,329	976,265	104,064
Administration	9,587,880	9,606,998	9,301,961	305,037
Fiscal	3,727,346	3,628,224	3,140,848	487,376
Business	904,358	968,688	902,594	66,094
Operation and Maintenance of Plant	11,924,069	12,037,939	11,322,294	715,645
Pupil Transportation	6,340,438	6,549,956	6,294,327	255,629
Central	2,441,803	2,460,460	2,287,335	173,125
Operation of Non-Instructional Services	43,136	43,664	25,304	18,360
Extracurricular Activities	1,677,190	1,730,320	1,636,408	93,912
Capital Outlay	151,995	169,995	169,572	423
<i>Total Expenditures</i>	<u>119,685,764</u>	<u>120,156,675</u>	<u>115,052,066</u>	<u>5,104,609</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(19,999,038)</u>	<u>(21,296,651)</u>	<u>(9,086,471)</u>	<u>12,210,180</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	850	850	9,167	8,317
Advances In	5,564,786	5,564,786	6,802,146	1,237,360
Advances Out	(525,000)	(2,466,958)	(1,125,440)	1,341,518
Transfers In	100,000	100,000	34,800	(65,200)
Transfers Out	(175,000)	(199,965)	(139,007)	60,958
<i>Total Other Financing Sources (Uses)</i>	<u>4,965,636</u>	<u>2,998,713</u>	<u>5,581,666</u>	<u>2,582,953</u>
<i>Net Change in Fund Balance</i>	<u>(15,033,402)</u>	<u>(18,297,938)</u>	<u>(3,504,805)</u>	<u>14,793,133</u>
<i>Fund Balance Beginning of Year</i>	<u>17,962,849</u>	<u>17,962,849</u>	<u>17,962,849</u>	<u>0</u>
Prior Year Encumbrances Appropriated	1,829,012	1,829,012	1,829,012	0
<i>Fund Balance End of Year</i>	<u>\$4,758,459</u>	<u>\$1,493,923</u>	<u>\$16,287,056</u>	<u>\$14,793,133</u>

See accompanying notes to the basic financial statements

**Parma City School District**  
*Statement of Fund Net Assets*  
*Enterprise Funds*  
*June 30, 2004*

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<b>Assets</b>	
<b><i>Current Assets:</i></b>	
Equity in Pooled Cash and Cash Equivalents	\$604,170
Accounts Receivable	50,364
Intergovernmental Receivable	138,821
Inventory Held for Resale	18,430
	<hr/>
<i>Total Current Assets</i>	811,785
 <b><i>Noncurrent Assets:</i></b>	
Capital Assets, Net	119,920
	<hr/>
<i>Total Assets</i>	931,705
	<hr/>
<b>Liabilities</b>	
<b><i>Current Liabilities:</i></b>	
Accounts Payable	1,151
Accrued Wages and Benefits	34,645
Intergovernmental Payable	106,668
Interfund Payable	435,205
	<hr/>
<i>Total Current Liabilities</i>	577,669
 <b><i>Long-Term Liabilities:</i></b>	
Compensated Absences Payable	67,658
	<hr/>
<i>Total Liabilities</i>	645,327
	<hr/>
<b>Net Assets</b>	
Invested in Capital Assets	119,920
Unrestricted	166,458
	<hr/>
<i>Total Net Assets</i>	\$286,378
	<hr/> <hr/>

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, 2004*

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<b>Operating Revenues</b>	
Tuition	\$1,282,465
Sales	2,265,903
Miscellaneous	6,193
	3,554,561
<i>Total Operating Revenues</i>	
<b>Operating Expenses</b>	
Salaries	1,955,738
Fringe Benefits	837,907
Purchased Services	593,172
Materials and Supplies	119,880
Cost of Sales	1,259,707
Depreciation	19,556
Other	15,738
	4,801,698
<i>Total Operating Expenses</i>	
<i>Operating Loss</i>	(1,247,137)
<b>Non-Operating Revenues</b>	
Operating Grants	1,130,385
<i>Loss Before Transfers</i>	(116,752)
Transfer In	10,970
<i>Change in Net Assets</i>	(105,782)
<i>Net Assets Beginning of Year</i>	392,160
<i>Net Assets End of Year</i>	\$286,378

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, 2004*

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**Increase (Decrease) in Cash and Cash Equivalents**

**Cash Flows from Operating Activities**

Cash Received from Customers	\$3,544,003
Other Cash Receipts	6,193
Cash Payments to Employees for Services	(1,962,334)
Cash Payments for Employee Benefits	(825,651)
Cash Payments for Goods and Services	(2,184,844)
Other Cash Payments	(14,283)
	<hr/>

*Net Cash Used for Operating Activities* (1,436,916)

**Cash Flows from Noncapital**

**Financing Activities**

Operating Grants Received	1,025,665
Advances In	192,000
Transfers In	10,970
	<hr/>

*Net Cash Provided by*  
*Noncapital Financing Activities* 1,228,635

**Cash Flows from Capital and  
Related Financing Activities**

Payments for Capital Acquisitions	(28,480)
	<hr/>

*Net Decrease in Cash and Cash Equivalents* (236,761)

*Cash and Cash Equivalents Beginning of Year* 840,931

*Cash and Cash Equivalents End of Year* \$604,170

(continued)

**Parma City School District**  
*Statement of Cash Flows*  
*Enterprise Funds (continued)*  
*For the Fiscal Year Ended June 30, 2004*

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**Reconciliation of Operating Loss to Net Cash  
Used for Operating Activities**

Operating Loss	(\$1,247,137)
Adjustments:	
Depreciation	19,556
(Increase) Decrease in Assets:	
Accounts Receivable	(2,910)
Inventory Held for Resale	4,371
Increase (Decrease) in Liabilities:	
Accounts Payable	(4,909)
Accrued Wages and Benefits	(6,945)
Compensated Absences Payable	(2,027)
Intergovernmental Payable	<u>(196,915)</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>(\$1,436,916)</u></u>

See accompanying notes to the basic financial statements



**Parma City School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*June 30, 2004*

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**Assets**

Equity Pooled in Cash and Cash Equivalents	<u><u>\$2,192,305</u></u>
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**Liabilities**

Undistributed Monies	\$1,781,254
Due to Students	<u>411,051</u>

<i>Total Liabilities</i>	<u><u>\$2,192,305</u></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, 2004*

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**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 778 noncertified and 997 certificated full time teaching personnel who provide services to 13,371 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 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, 2004*

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The School District participates in three jointly governed organizations and a public entity risk pool. These organizations are the Lakeshore Northeast Ohio Computer Association, the Northeast Ohio Network for Educational Technology and Ohio Schools Council Association, all jointly governed organizations, and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are discussed in Note 15 and Note 16 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 enterprise funds unless those pronouncements conflict with or contradict GASB pronouncements. The School District has elected not to apply FASB statements 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 three 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, 2004*

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**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 enterprise funds are used to account for food service operations, adult continuing education operations and extended daycare/preschool operations.

**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.

**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.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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***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. 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 6.) 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.

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.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 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 2004, investments were limited to repurchase agreements, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation 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, 2004.

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 2004 amounted to \$440,488 which includes \$131,610 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.

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

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2004, 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 budget stabilization. See Note 19 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:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
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

**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.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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***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, loans, 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.

***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, and budget stabilization.



**Parma City School District**  
*Notes to the Basic Financial Statements*  
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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 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.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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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 – Fund Deficits and Compliance**

***A. Fund Deficits***

Fund Balances at June 30, 2004, included the following individual fund deficits:

<b>Special Revenue Funds</b>	
Alternative Schools	(\$39,768)
Adult Basic Education	(5,012)
Drug Free Schools	(304)
<b>Capital Projects Funds</b>	
Turf Replacement	(693,080)
Power Up Grant	(35,046)
<b>Enterprise Fund</b>	
Adult Continuing Education	(221,348)

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 \$221,348 at June 30, 2004. Management is currently analyzing their operations to determine appropriate steps to alleviate the deficit.

***B. Compliance***

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

	Estimated Revenue Plus Carryover Balances	Appropriations	Excess
<b><i>Special Revenue Funds:</i></b>			
District Managed Student Activity	620,164	639,273	(19,109)
Title VI-R	690,483	691,599	(1,116)
<b><i>Enterprise Fund:</i></b>			
Adult Continuing Education	290,443	294,592	(4,149)

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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Although these budgetary violations were not corrected by fiscal year-end, management has indicated that appropriations will be closely monitored to ensure no future violations.

**Note 4 - 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).
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 (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). General 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	(\$3,820,295)
Net Adjustment for Revenue Accruals	(3,863,336)
Reallocation of Revenue to Debt Service Fund for Note Payment	(1,453,840)
Advances In	6,802,146
Unrecorded Cash	200
Beginning Fair Value Adjustment for Investments	27,703
Ending Fair Value Adjustment for Investments	(68,842)
Net Adjustment for Expenditure Accruals	1,786,742
Advances Out	(1,125,440)
Adjustment for Encumbrances	(1,789,843)
Budget Basis	<u><u>(\$3,504,805)</u></u>

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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**Note 5 - 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.

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);

**Parma City School District**  
*Notes to the Basic Financial Statements*  
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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."

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 \$3,356,722 and the bank balance was \$2,342,783. Of the bank balance:

1. \$200,000 of the bank balance was covered by depository insurance; and
2. \$2,142,783 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.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
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	Category 3	Carrying and Fair Value
Repurchase Agreements	\$5,722,846	\$5,722,846
Federal National Mortgage Association Notes	5,024,871	5,024,871
Federal Home Loan Mortgage Corporation Notes	2,993,324	2,993,324
Federal Home Loan Bank Notes	1,020,285	1,020,285
STAROhio		9,977,603
Total	\$14,761,326	\$24,738,929

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:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$28,095,851	\$0
Cash on Hand	(200)	0
Investments:		
Repurchase Agreements	(5,722,846)	5,722,846
Federal National Mortgage Association Notes	(5,024,871)	5,024,871
Federal Home Loan Mortgage Corporation Notes	(2,993,324)	2,993,324
Federal Home Loan Bank Notes	(1,020,285)	1,020,285
STAROhio	(9,977,603)	9,977,603
GASB Statement No. 3	\$3,356,722	\$24,738,929

**Note 6 - 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 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, 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.

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*Notes to the Basic Financial Statements*  
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Public utility property tax revenue received in calendar 2004 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 became a lien December 31, 2002, were levied after April 1, 2003 and are collected in 2004 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 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three 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, 2004, are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2004 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 were 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, 2004 was \$13,013,584 in the general fund, \$54,581 in the bond retirement debt service fund, and \$649,290 in the permanent improvement capital projects fund. 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.

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 2004 taxes were collected are:

	2003 Second Half Collections		2004 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$2,072,730,100	92.81 %	\$2,220,948,470	93.38 %
Public Utility Personal	44,007,640	1.97	45,166,030	1.90
Tangible Personal Property	116,622,201	5.22	112,292,038	4.72
Total	<u>\$2,233,359,941</u>	<u>100.00 %</u>	<u>\$2,378,406,538</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$60.20		\$59.50	

**Parma City School District**  
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**Note 7 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Balance 6/30/2003	Additions	Deletions	Balance 6/30/2004
<b>Governmental Activities</b>				
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$5,096,730	\$0	\$0	5,096,730
Construction in Progress	10,307,648	15,516	(10,304,943)	18,221
<i>Total Capital Assets, not being depreciated</i>	<u>15,404,378</u>	<u>15,516</u>	<u>(10,304,943)</u>	<u>5,114,951</u>
<b><i>Capital Assets, being depreciated:</i></b>				
Land Improvements	6,924,021	2,326,705	0	9,250,726
Buildings and Improvements	66,947,413	14,123,114	0	81,070,527
Furniture and Equipment	11,486,337	1,164,901	(514,453)	12,136,785
Vehicles	6,994,853	475,613	0	7,470,466
Textbooks	5,678,148	0	0	5,678,148
<i>Total Capital Assets, being depreciated</i>	<u>98,030,772</u>	<u>18,090,333</u>	<u>(514,453)</u>	<u>115,606,652</u>
Less Accumulated Depreciation:				
Land Improvements	(3,592,889)	(260,577)	0	(3,853,466)
Buildings and Improvements	(43,585,522)	(1,547,622)	0	(45,133,144)
Furniture and Equipment	(9,362,722)	(354,293)	511,944	(9,205,071)
Vehicles	(5,626,863)	(316,157)	0	(5,943,020)
Textbooks	(5,651,376)	(10,986)	0	(5,662,362)
Total Accumulated Depreciation	<u>(67,819,372)</u>	<u>(2,489,635) *</u>	<u>511,944</u>	<u>(69,797,063)</u>
Total Capital Assets, being depreciated, net	<u>30,211,400</u>	<u>15,600,698</u>	<u>(2,509)</u>	<u>45,809,589</u>
Governmental Activities Capital Assets, Net	<u>\$45,615,778</u>	<u>\$15,616,214</u>	<u>(\$10,307,452)</u>	<u>\$50,924,540</u>

\* Depreciation expense was charged to governmental functions as follow:

Instruction:	
Regular	\$1,073,110
Special	33,502
Vocational	52,423
Adult/Continuing	878
Support Services:	
Pupils	4,221
Instructional Staff	15,566
Board of Education	1,939
Administration	10,500
Fiscal	1,015
Business	27,819
Operation and Maintenance of Plant	994,555
Pupil Transportation	56,832
Central	5,331
Operation of Non-Instructional Services	72,327
Extracurricular Activities	139,617
Total Depreciation Expense	<u>\$2,489,635</u>



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	Balance 6/30/2003	Additions	Deletions	Balance 6/30/2004
<b>Business-Type Activities</b>				
Buildings and Improvements	\$8,000	\$0	\$0	\$8,000
Furniture and Equipment	1,479,774	28,480	0	1,508,254
Vehicles	23,132	0	0	23,132
Totals at Historical Cost	1,510,906	28,480	0	1,539,386
Less Accumulated Depreciation:				
Buildings and Improvements	(720)	(160)	0	(880)
Furniture and Equipment	(1,398,033)	(17,083)	0	(1,415,116)
Vehicles	(1,157)	(2,313)	0	(3,470)
Total Accumulated Depreciation	(1,399,910)	(19,556)**	0	(1,419,466)
Business-Type Activities Capital Asset, Net	\$110,996	\$8,924	\$0	\$119,920

\*\* Depreciation expense was charged to business-type activities as follow:

Food Service	\$16,707
Adult Continuing Education	1,894
Extended Daycare/Preschool	955
Total Depreciation Expense	\$19,556

**Note 8 - Receivables**

Receivables at June 30, 2004, 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:

Governmental Activities	Amounts
General	\$384,665
Auxiliary Services	74,871
Student Intervention	50,958
Alternative Schools	43,023
Title VI-B	182,117
Title I	270,347
Title VI	30,283
Drug Free Schools	75
Preschool Grant	30,854
Title VI-R	80,369
Other Special Revenue	70,022
Total	\$1,217,584

**Parma City School District**  
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**Note 9 - Risk Management**

***A. Workers' Compensation***

For fiscal year 2004, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (see Note 16). 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. At June 30, 2004, the School District contracted with the following insurance companies:

Company	Type of Coverage	Limit	Deductible
Indiana Insurance Company	Auto Liability	\$1,000,000	N/A
	Uninsured Motorist	1,000,000	N/A
	Comprehensive General Liability		
	General Liability	1,000,000	N/A
	Personal Injury	1,000,000	N/A
	General Aggregate	2,000,000	N/A
	Errors and Omissions	1,000,000	25,000
Hartford Insurance Company	Property Coverage		
	Blanket Building and Contents	210,671,542	25,000

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 10 - 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

**Parma City School District**  
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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 or by calling (614) 222-5853.

Plan members are required to contribute 10 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 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17 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, 2004, 2003 and 2002 were \$1,632,646, \$1,426,264, and \$895,508 respectively; 40.39 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002.

***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.

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For the fiscal year ended June 30, 2004, plan members were required to contribute 10 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 2003, the portion used to fund pension obligations was 13 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.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2004, 2003, and 2002 were \$7,942,103, \$7,515,614, and \$5,148,867, respectively; 79.20 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002. Contributions to the DC and Combined Plans for fiscal year 2004 were \$50,680 made by the School District and \$165,157 made by the plan members.

**Note 11 - 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 retirees who participated in the DB or Combined plans and their 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. All 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, 2004, 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 \$610,931 for fiscal year 2004.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2004, the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 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, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll, a decrease of .92 percent from fiscal year 2003. 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 2004, the minimum pay was established at \$25,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2004 fiscal year equaled \$881,880.

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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, 2004, were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

**Note 12 - 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.

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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 Jefferson Pilot and vision insurance through VSP Vision Care Plan to all eligible employees.

**Note 13 - Note Debt**

The School District's note activity for fiscal year 2004, including amounts outstanding and interest rates, is as follows:

	Balance 6/30/2003	Additions	Deletions	Balance 6/30/2004
General Fund:				
Tax Anticipation Note - 4.60%	\$2,720,000	\$0	(\$1,360,000)	\$1,360,000

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, 2004, are as follows:

Fiscal Year Ending June, 30	Tax Anticipation Note	
	Principal	Interest
2005	\$1,360,000	\$31,280

**Note 14 - Long-Term Obligations**

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:			
Byers Field General Obligation Bonds - 1999	5.5400%	\$2,485,000	December 1, 2008
Construction Note - 2002	3.6036%	20,000,000	December 1, 2012
Energy Conservation Loan - 2003 (Phase IV)	4.6000%	2,202,000	December 28, 2016
Energy Conservation Loan - 2004 (Phase V)	4.6000%	6,817,000	June 28, 2017
Energy Conservation Loan - 2004 (Phase VI)	4.3900%	5,477,606	April 23, 2019

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

	Principal Outstanding 6/30/2003	Additions	(Reductions)	Principal Outstanding 6/30/2004	Amount Due in One Year
<b>Governmental Activities:</b>					
1999 Byers Field General Obligation Bonds	\$1,795,000	\$0	(\$260,000)	\$1,535,000	\$275,000
2002 Construction Note	20,000,000	0	(1,420,000)	18,580,000	1,785,000
2003 Energy Conservation Loan (Phase IV)	2,202,000	0	(68,000)	2,134,000	130,000
2004 Energy Conservation Loan (Phase V)	0	6,817,000	(389,000)	6,428,000	403,000
2004 Energy Conservation Loan (Phase VI)	0	5,477,606	0	5,477,606	264,769
Capital Lease	514,672	0	(116,521)	398,151	122,482
Compensated Absences	9,430,126	995,047	(890,093)	9,535,080	494,660
Total Governmental Activities	<u>\$33,941,798</u>	<u>\$13,289,653</u>	<u>(\$3,143,614)</u>	<u>\$44,087,837</u>	<u>\$3,474,911</u>
<b>Business-Type Activities:</b>					
Compensated Absences	<u>\$69,685</u>	<u>\$9,477</u>	<u>(\$11,504)</u>	<u>\$67,658</u>	<u>\$8,801</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 December 2002, June 2003, and April 2004, the School District issued energy conservation loans in the amounts of \$2,202,000, \$6,817,000, and \$5,477,606, respectively. The proceeds were and are going to be used to renovate school facilities in order to improve energy conservation measures.

The 2002 construction 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. The energy conservation loans and capital leases will be paid from the general fund. Compensated absences will be paid from the general fund and the food service, adult continuing education and extended daycare/preschool enterprise funds.

The School District's overall legal debt margin was \$213,325,646 with an unvoted debt margin of \$2,378,407 at June 30, 2004. Principal and interest requirements to retire the general obligation bonds and the tax anticipation note outstanding at June 30, 2004, are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds		Construction Note		Energy Conservation Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$275,000	\$77,561	\$1,785,000	\$656,385	\$797,769	\$580,876	\$2,857,769	\$1,314,822
2006	290,000	61,883	1,845,000	583,635	821,520	554,079	2,956,520	1,199,597
2007	305,000	45,371	1,930,000	513,172	849,793	525,086	3,084,793	1,083,629
2008	325,000	27,889	1,990,000	453,377	878,610	493,593	3,193,610	974,859
2009	340,000	9,435	2,050,000	387,939	911,996	459,820	3,301,996	857,194
2010-2014	0	0	8,980,000	732,436	5,157,511	1,688,416	14,137,511	2,420,852
2015-2019	0	0	0	0	4,622,407	487,388	4,622,407	487,388
Total	<u>\$1,535,000</u>	<u>\$222,139</u>	<u>\$18,580,000</u>	<u>\$3,326,944</u>	<u>\$14,039,606</u>	<u>\$4,789,258</u>	<u>\$34,154,606</u>	<u>\$8,338,341</u>

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**Note 15 - 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 2004, the School District paid \$203,488 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. Northeast Ohio Network for Educational Technology***

The Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. The School District used NEONET for internet services throughout the entire fiscal year, and beginning on June 28, 2004, they switched to NEONET replacing the services provided by LNOCA. NEONET is a jointly governed organization among nineteen school districts and the Summit County Educational Service Center. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The School District does not retain an ongoing financial interest or an ongoing financial responsibility in NEONET. Payments to NEONET are made from the general fund. During the current fiscal year, the School District contributed \$97,530 to NEONET. Financial information can be obtained by writing to the Summit County Educational Service Center, 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio 44221.

***C. 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 2004, the School District paid \$4,170 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.



**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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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.

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 16 - 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 17 - Interfund Transactions**

Transfers made during the year ended June 30, 2004 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>				<u>Total</u>
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Adult Education</u>	<u>Extended Day Care/Preschool</u>	
Major Funds:					
General Fund	\$0	\$128,037	\$1,300	\$9,670	\$139,007
Nonmajor Governmental	34,800	0	0	0	34,800
	<u>\$34,800</u>	<u>\$128,037</u>	<u>\$1,300</u>	<u>\$9,670</u>	<u>\$173,807</u>

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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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.

Interfund balances at June 30, 2004, consist of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
General Fund	\$3,277,756	\$0
Debt Service Fund:		
Bond Retirement	0	617,823
Special Revenue Funds:		
Public School Support	0	16,400
Other Grants	0	2,544
Auxiliary Services	0	346,034
Career Programs	0	7,619
Vocational Education Enhancement	0	63
Title VI-B	0	679,012
Vocational Education	0	25,297
Preschool Grant	0	30,661
Title VI-R	0	50,000
<i>Total Special Revenue Funds</i>	0	1,157,630
Capital Projects Funds:		
Permanent Improvements	0	150,000
Turf Replacement	0	826,350
Power Up Grant	0	90,748
<i>Total Capital Projects Funds</i>	0	1,067,098
Enterprise Funds:		
Adult Continuing Education	0	264,802
Extended Daycare Preschool	0	170,403
<i>Total Enterprise Funds</i>	0	435,205
Total All Funds	\$3,277,756	\$3,277,756

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 tax revenues. The permanent improvement payable is due to the start of improvement projects before the permanent improvement tax levy collections began. Interfund payables exist in the enterprise funds due to the timing of the receipt of various revenue sources.

**Note 18 - 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, 2004.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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**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 19 - 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, 2004, 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, 2003	(\$561,665)	\$0	\$588,782
Current Year Set-aside Requirement	1,920,608	1,920,608	0
Offsets During the Fiscal Year	0	(1,582,900)	0
Qualifying Disbursements	(2,085,188)	(909,024)	0
Totals	<u>(\$726,245)</u>	<u>(\$571,316)</u>	<u>\$588,782</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$726,245)</u>	<u>\$0</u>	<u>\$588,782</u>
Set-aside Reserve Balance as of June 30, 2004	<u>\$0</u>	<u>\$0</u>	<u>\$588,782</u>

The School District had qualifying disbursements 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 and offsets 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 20 - 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, 2004*

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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 21 - Capital Leases**

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, 2004 amounted to \$205,498 leaving a book value of \$410,996. The agreements provide for minimum, annual lease payments as follows:

	Governmental Activities
2005	\$139,608
2006	139,608
2007	139,608
2008	11,634
Total Minimum Lease Payments	430,458
Less: Amounts Representing Interest	(32,307)
Present Value of Minimum Lease Payments	\$398,151

**Note 22 – Subsequent Event**

On November 15, 2004, the Parma City School District Board of Education passed resolutions to place the following levies on the February 8, 2005 ballot:

Type	Amount	Term
Emergency - Renewal	3.9 Mills	5 Years
Capital Improvement	1.0 Mill	Continuing
Operating	4.90 Mills	Continuing

## Combining Statements and Individual Fund Schedules

### *Fund Descriptions - Nonmajor Governmental Funds*

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#### *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.

**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)***

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**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  
Limited English Proficiency Grant  
Federal Refugee Children Fund  
Emergency Immigrant Education Assistance Grant Fund

*Fund Descriptions - Nonmajor Governmental Funds (continued)*

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*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, 2004*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4,252,242	\$188,002	\$4,440,244
Accounts Receivable	909	2,166	3,075
Intergovernmental Receivable	832,919	0	832,919
<i>Total Assets</i>	<u>\$5,086,070</u>	<u>\$190,168</u>	<u>\$5,276,238</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$378,286	\$0	\$378,286
Accrued Wages and Benefits	402,561	0	402,561
Intergovernmental Payable	165,115	2	165,117
Interfund Payable	1,157,630	917,098	2,074,728
Deferred Revenue	364,106	0	364,106
<i>Total Liabilities</i>	<u>2,467,698</u>	<u>917,100</u>	<u>3,384,798</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	434,942	0	434,942
Unreserved, Undesignated (Deficit)			
Reported in:			
Special Revenue Funds	2,183,430	0	2,183,430
Capital Projects Funds	0	(726,932)	(726,932)
<i>Total Fund Balances (Deficit)</i>	<u>2,618,372</u>	<u>(726,932)</u>	<u>1,891,440</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,086,070</u>	<u>\$190,168</u>	<u>\$5,276,238</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, 2004*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$9,711,877	\$0	\$9,711,877
Interest	15,458	0	15,458
Extracurricular Activities	660,165	0	660,165
Charges for Services	178,176	0	178,176
Contributions and Donations	7,571	0	7,571
Miscellaneous	550,136	23,135	573,271
<i>Total Revenues</i>	<u>11,123,383</u>	<u>23,135</u>	<u>11,146,518</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	772,284	0	772,284
Special	1,898,120	0	1,898,120
Adult/Continuing	107,028	0	107,028
Support Services:			
Pupils	622,790	0	622,790
Instructional Staff	1,307,242	0	1,307,242
Administration	355,031	0	355,031
Fiscal	2,317	0	2,317
Operation and Maintenance of Plant	11,457	0	11,457
Pupil Transportation	66,355	0	66,355
Central	127,596	0	127,596
Operation of Non-Instructional Services	4,204,832	0	4,204,832
Extracurricular Activities	1,537,877	0	1,537,877
Capital Outlay	5,728	37,362	43,090
<i>Total Expenditures</i>	<u>11,018,657</u>	<u>37,362</u>	<u>11,056,019</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>104,726</u>	<u>(14,227)</u>	<u>90,499</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	128,037	0	128,037
Transfers Out	(34,800)	0	(34,800)
<i>Total Other Financing Sources (Uses)</i>	<u>93,237</u>	<u>0</u>	<u>93,237</u>
<i>Net Change in Fund Balances</i>	197,963	(14,227)	183,736
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>2,420,409</u>	<u>(712,705)</u>	<u>1,707,704</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,618,372</u>	<u>(\$726,932)</u>	<u>\$1,891,440</u>

**Parma City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2004*

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$598,714	\$61,264	\$138,777	\$1,180,035
Accounts Receivable	909	0	0	0
Intergovernmental Receivable	0	0	0	74,871
<i>Total Assets</i>	<u>\$599,623</u>	<u>\$61,264</u>	<u>\$138,777</u>	<u>\$1,254,906</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$15,189	\$466	\$8,201	\$176,531
Accrued Wages and Benefits	0	0	0	131,571
Intergovernmental Payable	1,932	1,091	1,143	42,938
Interfund Payable	16,400	2,544	0	346,034
Deferred Revenue	0	0	0	36,466
<i>Total Liabilities</i>	<u>33,521</u>	<u>4,101</u>	<u>9,344</u>	<u>733,540</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	54,688	1,345	18,167	116,020
Unreserved, Undesignated (Deficit)	511,414	55,818	111,266	405,346
<i>Total Fund Balances (Deficit)</i>	<u>566,102</u>	<u>57,163</u>	<u>129,433</u>	<u>521,366</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$599,623</u>	<u>\$61,264</u>	<u>\$138,777</u>	<u>\$1,254,906</u>

Professional Development	Disadvantaged Pupil Impact Aid	Network Connectivity	Ohio Reads	Alternative Schools	State Grants	Adult Basic Education
\$4,660	\$61,009	\$226,437	\$10,840	\$110	\$132,782	\$63
0	0	0	0	0	0	0
0	0	0	0	43,023	0	0
<u>\$4,660</u>	<u>\$61,009</u>	<u>\$226,437</u>	<u>\$10,840</u>	<u>\$43,133</u>	<u>\$132,782</u>	<u>\$63</u>
\$0	\$0	\$0	\$1,595	\$0	\$0	\$182
0	0	0	0	31,893	0	344
0	1,800	0	1,551	7,985	618	4,549
0	0	0	0	0	0	0
0	0	0	0	43,023	0	0
0	1,800	0	3,146	82,901	618	5,075
0	0	0	5,963	660	3,872	128
4,660	59,209	226,437	1,731	(40,428)	128,292	(5,140)
4,660	59,209	226,437	7,694	(39,768)	132,164	(5,012)
<u>\$4,660</u>	<u>\$61,009</u>	<u>\$226,437</u>	<u>\$10,840</u>	<u>\$43,133</u>	<u>\$132,782</u>	<u>\$63</u>

(continued)

**Parma City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2004*

	Eisenhower Grant	Title VI-B	Vocational Education	Title I
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$1,433	\$902,935	\$120,145	\$133,679
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	182,117	0	270,347
<i>Total Assets</i>	<u>\$1,433</u>	<u>\$1,085,052</u>	<u>\$120,145</u>	<u>\$404,026</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$108,959	\$722	\$21,259
Accrued Wages and Benefits	0	58,334	0	130,887
Intergovernmental Payable	0	47,585	724	34,893
Interfund Payable	0	679,012	25,297	0
Deferred Revenue	0	0	0	126,343
<i>Total Liabilities</i>	<u>0</u>	<u>893,890</u>	<u>26,743</u>	<u>313,382</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	72,647	94,548	3,158
Unreserved, Undesignated (Deficit)	1,433	118,515	(1,146)	87,486
<i>Total Fund Balances (Deficit)</i>	<u>1,433</u>	<u>191,162</u>	<u>93,402</u>	<u>90,644</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,433</u>	<u>\$1,085,052</u>	<u>\$120,145</u>	<u>\$404,026</u>

Title VI	Drug Free Schools	Preschool Grant	Title VI-R	Other	Total Nonmajor Special Revenue Funds
\$19,217	\$1,636	\$36,277	\$163,671	\$458,558	\$4,252,242
0	0	0	0	0	909
30,283	75	30,854	80,369	120,980	832,919
<u>\$49,500</u>	<u>\$1,711</u>	<u>\$67,131</u>	<u>\$244,040</u>	<u>\$579,538</u>	<u>\$5,086,070</u>
\$8,757	\$646	\$9,990	\$1,062	\$24,727	\$378,286
8,529	0	6,069	34,934	0	402,561
1,598	1,294	2,038	10,521	2,855	165,115
0	0	30,661	50,000	7,682	1,157,630
17,456	75	3,466	33,269	104,008	364,106
<u>36,340</u>	<u>2,015</u>	<u>52,224</u>	<u>129,786</u>	<u>139,272</u>	<u>2,467,698</u>
0	1,539	11,532	24,267	26,408	434,942
13,160	(1,843)	3,375	89,987	413,858	2,183,430
13,160	(304)	14,907	114,254	440,266	2,618,372
<u>\$49,500</u>	<u>\$1,711</u>	<u>\$67,131</u>	<u>\$244,040</u>	<u>\$579,538</u>	<u>\$5,086,070</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, 2004*

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services
<b>Revenues</b>				
Intergovernmental	\$0	\$53,744	\$0	\$3,973,730
Interest	777	0	0	14,681
Extracurricular Activities	372,925	0	287,240	0
Charges for Services	1,066	0	177,110	0
Contributions and Donations	2,781	4,790	0	0
Miscellaneous	550,036	100	0	0
<i>Total Revenues</i>	<u>927,585</u>	<u>58,634</u>	<u>464,350</u>	<u>3,988,411</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	25,652	0	0
Special	6,026	4,144	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	750	0	0
Instructional Staff	0	48,128	0	0
Administration	200	0	0	0
Fiscal	2,317	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	23,113	0
Central	0	3,923	0	0
Operation of Non-Instructional Services	0	0	0	3,734,090
Extracurricular Activities	978,295	0	559,582	0
Capital Outlay	2,528	0	0	0
<i>Total Expenditures</i>	<u>989,366</u>	<u>82,597</u>	<u>582,695</u>	<u>3,734,090</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(61,781)</u>	<u>(23,963)</u>	<u>(118,345)</u>	<u>254,321</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	2,609	1,084	124,344	0
Transfers Out	(2,500)	0	(32,300)	0
<i>Total Other Financing Sources (Uses)</i>	<u>109</u>	<u>1,084</u>	<u>92,044</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(61,672)	(22,879)	(26,301)	254,321
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>627,774</u>	<u>80,042</u>	<u>155,734</u>	<u>267,045</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$566,102</u>	<u>\$57,163</u>	<u>\$129,433</u>	<u>\$521,366</u>

Professional Development	Disadvantaged Pupil Impact Aid	Network Connectivity	Ohio Reads	Alternative Schools	State Grants	Adult Basic Education
\$0	\$106,667	\$66,000	\$55,500	\$253,323	\$40,569	\$154,667
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	66,000	55,500	253,323	40,569	154,667
0	68,343	0	11,266	165,305	5	0
0	0	0	3,173	0	0	0
0	0	0	0	0	0	106,028
0	0	0	7,873	20,854	24,104	48,114
0	0	0	27,919	0	26,393	0
0	0	0	0	84,801	11	0
0	0	0	0	0	0	0
0	0	0	0	0	11,457	0
0	0	0	0	0	0	0
0	0	103,015	121	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	68,343	103,015	50,352	270,960	61,970	154,142
0	38,324	(37,015)	5,148	(17,637)	(21,401)	525
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	38,324	(37,015)	5,148	(17,637)	(21,401)	525
4,660	20,885	263,452	2,546	(22,131)	153,565	(5,537)
\$4,660	\$59,209	\$226,437	\$7,694	(\$39,768)	\$132,164	(\$5,012)

(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, 2004*

	Eisenhower Grant	Title VI-B	Vocational Education	Title I
<b>Revenues</b>				
Intergovernmental	\$0	\$2,241,668	\$211,094	\$1,325,259
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>2,241,668</u>	<u>211,094</u>	<u>1,325,259</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	3,441	0	0	0
Special	0	802,123	0	1,011,252
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	116,831	166,143	0
Instructional Staff	0	855,800	31,223	153,326
Administration	0	264,042	0	5,387
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	32,744	0	0
Central	0	16,641	3,896	0
Operation of Non-Instructional Services	0	279,117	0	133,741
Extracurricular Activities	0	0	0	0
Capital Outlay	0	3,200	0	0
<i>Total Expenditures</i>	<u>3,441</u>	<u>2,370,498</u>	<u>201,262</u>	<u>1,303,706</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,441)</u>	<u>(128,830)</u>	<u>9,832</u>	<u>21,553</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(3,441)	(128,830)	9,832	21,553
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>4,874</u>	<u>319,992</u>	<u>83,570</u>	<u>69,091</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,433</u></u>	<u><u>\$191,162</u></u>	<u><u>\$93,402</u></u>	<u><u>\$90,644</u></u>



Title VI	Drug Free Schools	Preschool Grant	Title VI-R	Other	Total Nonmajor Special Revenue Funds
\$93,414	\$44,436	\$141,604	\$512,320	\$437,882	\$9,711,877
0	0	0	0	0	15,458
0	0	0	0	0	660,165
0	0	0	0	0	178,176
0	0	0	0	0	7,571
0	0	0	0	0	550,136
93,414	44,436	141,604	512,320	437,882	11,123,383
79,884	0	0	286,500	131,888	772,284
0	0	15,155	49,284	6,963	1,898,120
0	0	0	0	1,000	107,028
0	47,879	33,204	94,567	62,471	622,790
0	0	54,003	87,058	23,392	1,307,242
0	0	0	590	0	355,031
0	0	0	0	0	2,317
0	0	0	0	0	11,457
0	0	404	0	10,094	66,355
0	0	0	0	0	127,596
44,856	2,264	8,110	1,444	1,210	4,204,832
0	0	0	0	0	1,537,877
0	0	0	0	0	5,728
124,740	50,143	110,876	519,443	237,018	11,018,657
(31,326)	(5,707)	30,728	(7,123)	200,864	104,726
0	0	0	0	0	128,037
0	0	0	0	0	(34,800)
0	0	0	0	0	93,237
(31,326)	(5,707)	30,728	(7,123)	200,864	197,963
44,486	5,403	(15,821)	121,377	239,402	2,420,409
\$13,160	(\$304)	\$14,907	\$114,254	\$440,266	\$2,618,372

**Parma City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2004*

	<u>Turf Replacement</u>	<u>School Net</u>	<u>Power Up Grant</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$131,106	\$1,194	\$55,702	\$188,002
Accounts Receivable	2,166	0	0	2,166
<b>Total Assets</b>	<u>\$133,272</u>	<u>\$1,194</u>	<u>\$55,702</u>	<u>\$190,168</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Intergovernmental Payable	\$2	\$0	\$0	\$2
Interfund Payable	826,350	0	90,748	917,098
<i>Total Liabilities</i>	826,352	0	90,748	917,100
<b>Fund Balances</b>				
Unreserved, Undesignated (Deficit)	(693,080)	1,194	(35,046)	(726,932)
<i>Total Liabilities and Fund Balances</i>	<u>\$133,272</u>	<u>\$1,194</u>	<u>\$55,702</u>	<u>\$190,168</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, 2004*

	<u>Turf Replacement</u>	<u>School Net</u>	<u>Power Up Grant</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues</b>				
Miscellaneous	\$23,135	\$0	\$0	\$23,135
<b>Expenditures</b>				
Capital Outlay	<u>53</u>	<u>37,309</u>	<u>0</u>	<u>37,362</u>
<i>Net Change in Fund Balances</i>	23,082	(37,309)	0	(14,227)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(716,162)</u>	<u>38,503</u>	<u>(35,046)</u>	<u>(712,705)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$693,080)</u></u>	<u><u>\$1,194</u></u>	<u><u>(\$35,046)</u></u>	<u><u>(\$726,932)</u></u>

## **Combining Statements and Individual Fund Schedules**

### *Fund Descriptions - Nonmajor Proprietary Funds*

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#### *Nonmajor 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.

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

**Adult Continuing Education Fund** - 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 Fund** - This fund accounts for the funds used to provide day care and preschool programs for children of the staff and community.

**Parma City School District**  
*Combining Statement of Fund Net Assets*  
*Nonmajor Enterprise Funds*  
*June 30, 2004*

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
<b>Assets</b>				
<b><i>Current Assets:</i></b>				
Equity in Pooled Cash and Cash Equivalents	\$318,919	\$63,522	\$221,729	\$604,170
Accounts Receivable	0	473	49,891	50,364
Intergovernmental Receivable	133,781	5,040	0	138,821
Inventory Held for Resale	18,430	0	0	18,430
<i>Total Current Assets</i>	471,130	69,035	271,620	811,785
<b><i>Noncurrent Assets:</i></b>				
Capital Assets, Net	109,019	2,862	8,039	119,920
<i>Total Assets</i>	580,149	71,897	279,659	931,705
<b>Liabilities</b>				
<b><i>Current Liabilities:</i></b>				
Accounts Payable	0	0	1,151	1,151
Accrued Wages and Benefits	10,564	14,014	10,067	34,645
Intergovernmental Payable	53,679	10,020	42,969	106,668
Interfund Payable	0	264,802	170,403	435,205
<i>Total Current Liabilities</i>	64,243	288,836	224,590	577,669
<b><i>Long-Term Liabilities:</i></b>				
Compensated Absences Payable	61,425	4,409	1,824	67,658
<i>Total Liabilities</i>	125,668	293,245	226,414	645,327
<b>Net Assets</b>				
Invested in Capital Assets	106,170	4,756	8,994	119,920
Unrestricted (Deficit)	348,311	(226,104)	44,251	166,458
<i>Total Net Assets (Deficit)</i>	\$454,481	(\$221,348)	\$53,245	\$286,378

**Parma City School District**  
*Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2004*

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
<b>Operating Revenues</b>				
Tuition	\$0	\$159,008	\$1,123,457	\$1,282,465
Sales	2,265,903	0	0	2,265,903
Miscellaneous	0	1,200	4,993	6,193
<i>Total Operating Revenues</i>	<u>2,265,903</u>	<u>160,208</u>	<u>1,128,450</u>	<u>3,554,561</u>
<b>Operating Expenses</b>				
Salaries	989,842	187,161	778,735	1,955,738
Fringe Benefits	552,537	64,923	220,447	837,907
Purchased Services	246,978	62,831	283,363	593,172
Materials and Supplies	110,670	9,210	0	119,880
Cost of Sales	1,259,707	0	0	1,259,707
Depreciation	16,707	1,894	955	19,556
Other	6,729	3,570	5,439	15,738
<i>Total Operating Expenses</i>	<u>3,183,170</u>	<u>329,589</u>	<u>1,288,939</u>	<u>4,801,698</u>
<i>Operating Loss</i>	(917,267)	(169,381)	(160,489)	(1,247,137)
<b>Non-Operating Revenues</b>				
Operating Grants	948,141	16,688	165,556	1,130,385
<i>Income (Loss) Before Transfers</i>	30,874	(152,693)	5,067	(116,752)
Transfer In	0	1,300	9,670	10,970
<i>Change in Net Assets</i>	30,874	(151,393)	14,737	(105,782)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>423,607</u>	<u>(69,955)</u>	<u>38,508</u>	<u>392,160</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$454,481</u>	<u>(\$221,348)</u>	<u>\$53,245</u>	<u>\$286,378</u>

**Parma City School District**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds*  
*For the Fiscal Year Ended June 30, 2004*

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$2,267,017	\$158,535	\$1,118,451	\$3,544,003
Other Cash Receipts	0	1,200	4,993	6,193
Cash Payments to Employees for Services	(994,927)	(183,270)	(784,137)	(1,962,334)
Cash Payments for Employee Benefits	(545,829)	(65,850)	(213,972)	(825,651)
Cash Payments for Goods and Services	(1,612,984)	(74,719)	(497,141)	(2,184,844)
Other Cash Payments	(5,452)	(3,570)	(5,261)	(14,283)
<i>Net Cash Used for Operating Activities</i>	<u>(892,175)</u>	<u>(167,674)</u>	<u>(377,067)</u>	<u>(1,436,916)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Operating Grants Received	844,555	15,554	165,556	1,025,665
Advances In	0	192,000	0	192,000
Transfers In	0	1,300	9,670	10,970
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>844,555</u>	<u>208,854</u>	<u>175,226</u>	<u>1,228,635</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments for Capital Acquisitions	(28,480)	0	0	(28,480)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(76,100)	41,180	(201,841)	(236,761)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>395,019</u>	<u>22,342</u>	<u>423,570</u>	<u>840,931</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$318,919</u>	<u>\$63,522</u>	<u>\$221,729</u>	<u>\$604,170</u>

(continued)

**Parma City School District**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds (continued)*  
*For the Fiscal Year Ended June 30, 2004*

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>				
Operating Loss	(\$917,267)	(\$169,381)	(\$160,489)	(\$1,247,137)
Adjustments:				
Depreciation	16,707	1,894	955	19,556
(Increase) Decrease in Assets:				
Accounts Receivable	2,391	(473)	(4,828)	(2,910)
Inventory Held for Resale	4,371	0	0	4,371
Increase (Decrease) in Liabilities:				
Accounts Payable	0	(2,678)	(2,231)	(4,909)
Accrued Wages and Benefits	(5,085)	3,542	(5,402)	(6,945)
Compensated Absences Payable	(2,263)	348	(112)	(2,027)
Intergovernmental Payable	8,971	(926)	(204,960)	(196,915)
<i>Net Cash Used for Operating Activities</i>	<u>(\$892,175)</u>	<u>(\$167,674)</u>	<u>(\$377,067)</u>	<u>(\$1,436,916)</u>



***Fund Descriptions - Agency Funds***

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**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, 2004*

	Balance 06/30/03	Additions	Deductions	Balance 06/30/04
<b><i>Student Activities</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$451,353	\$924,627	\$964,929	\$411,051
<b>Liabilities</b>				
Due to Students	\$451,353	\$924,627	\$964,929	\$411,051
<b><i>Voluntary Benefits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,450,047	\$3,221,394	\$2,890,187	\$1,781,254
<b>Liabilities</b>				
Undistributed Monies	\$1,450,047	\$3,221,394	\$2,890,187	\$1,781,254
<b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,901,400	\$4,146,021	\$3,855,116	\$2,192,305
<b>Liabilities</b>				
Undistributed Monies	\$1,450,047	\$3,221,394	\$2,890,187	\$1,781,254
Due to Students	451,353	924,627	964,929	411,051
<b><i>Total Liabilities</i></b>	<b>\$1,901,400</b>	<b>\$4,146,021</b>	<b>\$3,855,116</b>	<b>\$2,192,305</b>

**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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
<b>Revenues</b>				
Property Taxes	\$61,244,963	\$60,418,261	\$67,952,788	\$7,534,527
Intergovernmental	34,656,109	34,656,109	34,282,444	(373,665)
Interest	900,202	900,202	563,233	(336,969)
Tuition and Fees	1,637,221	1,637,221	1,896,826	259,605
Extracurricular Activities	110,040	110,040	96,312	(13,728)
Rentals	263,000	263,000	431,604	168,604
Charges for Services	368,378	368,378	628,418	260,040
Contributions and Donations	52,123	52,123	12,728	(39,395)
Miscellaneous	454,690	454,690	101,242	(353,448)
<i>Total Revenues</i>	99,686,726	98,860,024	105,965,595	7,105,571
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	39,219,349	39,956,109	38,127,097	1,829,012
Fringe Benefits	13,514,841	11,497,661	11,394,946	102,715
Purchased Services	1,540,960	1,782,667	1,713,762	68,905
Materials and Supplies	2,028,716	2,060,237	1,744,571	315,666
Capital Outlay - New	679,794	372,790	367,880	4,910
Capital Outlay - Replacement	20,016	20,319	19,706	613
Other	234,001	262,364	215,699	46,665
<i>Total Regular</i>	57,237,677	55,952,147	53,583,661	2,368,486
Special:				
Salaries	8,609,829	9,356,015	9,356,015	0
Fringe Benefits	3,024,274	3,038,403	3,038,403	0
Purchased Services	25,777	62,227	30,515	31,712
Materials and Supplies	35,415	35,587	31,425	4,162
Capital Outlay - New	214	10,072	8,542	1,530
Other	600	318	158	160
<i>Total Special</i>	11,696,109	12,502,622	12,465,058	37,564
Vocational:				
Salaries and Wages	1,643,981	1,760,738	1,760,738	0
Fringe Benefits	459,332	508,399	508,399	0
Purchased Services	55,773	37,376	36,202	1,174
Materials and Supplies	138,991	125,753	119,067	6,686
Capital Outlay - Replacement	98,953	134,401	132,026	2,375
<i>Total Vocational</i>	2,397,030	2,566,667	2,556,432	10,235
Adult/Continuing:				
Fringe Benefits	2,142	2,142	0	2,142
Other	3,449	6,149	5,023	1,126
<i>Total Adult/Continuing</i>	5,591	8,291	5,023	3,268
<i>Total Instruction</i>	\$71,336,407	\$71,029,727	\$68,610,174	\$2,419,553

(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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Support Services:				
Pupils:				
Salaries	\$4,214,404	\$4,265,892	\$4,265,892	\$0
Fringe Benefits	1,490,873	1,490,321	1,392,409	97,912
Purchased Services	368,715	489,565	430,167	59,398
Materials and Supplies	89,827	105,927	93,795	12,132
Total Pupils	6,163,819	6,351,705	6,182,263	169,442
Instructional Staff:				
Salaries	2,549,649	2,527,781	2,436,843	90,938
Fringe Benefits	968,510	968,943	802,923	166,020
Purchased Services	608,680	613,750	590,644	23,106
Materials and Supplies	216,373	195,692	183,829	11,863
Capital Outlay - New	191,464	186,504	186,238	266
Other	6,000	6,000	2,244	3,756
Total Instructional Staff	4,540,676	4,498,670	4,202,721	295,949
Board of Education:				
Salaries	82,838	84,376	84,376	0
Fringe Benefits	19,653	19,653	15,738	3,915
Purchased Services	743,592	959,736	862,775	96,961
Materials and Supplies	272	3,772	1,474	2,298
Other	292	12,792	11,902	890
Total Board of Education	846,647	1,080,329	976,265	104,064
Administration:				
Salaries	6,548,648	6,554,959	6,554,959	0
Fringe Benefits	2,755,843	2,766,739	2,507,269	259,470
Purchased Services	189,412	180,746	152,442	28,304
Materials and Supplies	84,977	89,854	78,624	11,230
Capital Outlay - New	0	2,300	2,225	75
Capital Outlay - Replacement	4,000	4,900	2,434	2,466
Other	5,000	7,500	4,008	3,492
Total Administration	9,587,880	9,606,998	9,301,961	305,037
Fiscal:				
Salaries	824,800	724,800	469,367	255,433
Fringe Benefits	241,790	241,790	193,311	48,479
Purchased Services	1,409,575	1,384,043	1,248,309	135,734
Materials and Supplies	21,217	21,217	16,954	4,263
Capital Outlay - New	8,000	15,500	13,517	1,983
Capital Outlay - Replacement	1,000	1,000	247	753
Other	1,220,964	1,239,874	1,199,143	40,731
Total Fiscal	\$3,727,346	\$3,628,224	\$3,140,848	\$487,376

(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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Business:				
Salaries	\$405,082	\$412,229	\$412,229	\$0
Fringe Benefits	139,017	139,570	139,570	0
Purchased Services	37,500	64,500	46,198	18,302
Materials and Supplies	222,569	230,599	211,520	19,079
Capital Outlay - New	96,277	116,277	89,817	26,460
Capital Outlay - Replacement	250	250	250	0
Other	3,663	5,263	3,010	2,253
<b>Total Business</b>	<b>904,358</b>	<b>968,688</b>	<b>902,594</b>	<b>66,094</b>
Operation and Maintenance of Plant:				
Salaries	4,341,831	4,376,544	4,376,544	0
Fringe Benefits	2,013,036	2,013,036	1,704,778	308,258
Purchased Services	4,194,976	4,427,282	4,066,438	360,844
Materials and Supplies	806,998	834,827	833,724	1,103
Capital Outlay - New	25,000	25,000	24,991	9
Capital Outlay - Replacement	121,593	128,514	127,897	617
Other	420,635	232,736	187,922	44,814
<b>Total Operation and Maintenance of Plant</b>	<b>11,924,069</b>	<b>12,037,939</b>	<b>11,322,294</b>	<b>715,645</b>
Pupil Transportation:				
Salaries	3,368,014	3,477,343	3,477,343	0
Fringe Benefits	1,643,808	1,647,476	1,448,155	199,321
Purchased Services	651,612	652,112	608,627	43,485
Materials and Supplies	428,073	489,063	479,967	9,096
Other	248,931	283,962	280,235	3,727
<b>Total Pupil Transportation</b>	<b>6,340,438</b>	<b>6,549,956</b>	<b>6,294,327</b>	<b>255,629</b>
Central:				
Salaries	623,852	640,898	640,898	0
Fringe Benefits	248,340	249,491	229,501	19,990
Purchased Services	790,164	812,714	692,611	120,103
Materials and Supplies	457,338	450,507	426,135	24,372
Capital Outlay - New	317,047	300,288	294,064	6,224
Other	5,062	6,562	4,126	2,436
<b>Total Central</b>	<b>2,441,803</b>	<b>2,460,460</b>	<b>2,287,335</b>	<b>173,125</b>
<b>Total Support Services</b>	<b>\$46,477,036</b>	<b>\$47,182,969</b>	<b>\$44,610,608</b>	<b>\$2,572,361</b>

(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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$36,269	\$36,269	\$21,840	\$14,429
Fringe Benefits	5,853	5,853	3,397	2,456
Purchased Services	0	200	67	133
Materials and Supplies	0	328	0	328
Other	1,014	1,014	0	1,014
<b>Total Operation of Non-Instructional Services</b>	<b>43,136</b>	<b>43,664</b>	<b>25,304</b>	<b>18,360</b>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	181,875	181,875	177,822	4,053
Fringe Benefits	29,883	29,883	28,727	1,156
Purchased Services	65,521	62,773	50,700	12,073
Materials and Supplies	64,756	69,247	58,462	10,785
Capital Outlay - Replacement	4,500	1,800	1,691	109
<b>Total Academic and Subject Oriented Activities</b>	<b>346,535</b>	<b>345,578</b>	<b>317,402</b>	<b>28,176</b>
Occupation Oriented Activities:				
Materials and Supplies	47,008	46,978	0	46,978
Sport Oriented Activities:				
Salaries and Wages	783,882	899,528	899,528	0
Fringe Benefits	152,970	174,168	174,168	0
Purchased Services	28,000	36,000	33,500	2,500
Other	24,000	0	0	0
<b>Total Sport Oriented Activities</b>	<b>988,852</b>	<b>1,109,696</b>	<b>1,107,196</b>	<b>2,500</b>
Co-Curricular Activities:				
Salaries and Wages	171,448	175,199	175,199	0
Fringe Benefits	28,613	28,635	28,635	0
Purchased Services	35,000	10,000	941	9,059
Materials and Supplies	40,401	401	0	401
Capital Outlay - New	805	805	805	0
Other	18,528	13,028	6,230	6,798
<b>Total Co-Curricular Activities</b>	<b>294,795</b>	<b>228,068</b>	<b>211,810</b>	<b>16,258</b>
<b>Total Extracurricular Activities</b>	<b>\$1,677,190</b>	<b>\$1,730,320</b>	<b>\$1,636,408</b>	<b>\$93,912</b>

(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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Capital Outlay:				
Building Improvement Services:				
Purchased Services	\$121,341	\$139,341	\$138,963	\$378
Other Facilities Acquisition and Construction Services:				
Purchased Services	30,654	30,654	30,609	45
<b>Total Capital Outlay</b>	<b>151,995</b>	<b>169,995</b>	<b>169,572</b>	<b>423</b>
<i>Total Expenditures</i>	<u>119,685,764</u>	<u>120,156,675</u>	<u>115,052,066</u>	<u>5,104,609</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(19,999,038)</u>	<u>(21,296,651)</u>	<u>(9,086,471)</u>	<u>12,210,180</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	850	850	9,167	8,317
Advances In	5,564,786	5,564,786	6,802,146	1,237,360
Advances Out	(525,000)	(2,466,958)	(1,125,440)	1,341,518
Transfers In	100,000	100,000	34,800	(65,200)
Transfers Out	(175,000)	(199,965)	(139,007)	60,958
<b>Total Other Financing Sources (Uses)</b>	<b>4,965,636</b>	<b>2,998,713</b>	<b>5,581,666</b>	<b>2,582,953</b>
<i>Net Change in Fund Balance</i>	<u>(15,033,402)</u>	<u>(18,297,938)</u>	<u>(3,504,805)</u>	<u>14,793,133</u>
<i>Fund Balance Beginning of Year</i>	17,962,849	17,962,849	17,962,849	0
Prior Year Encumbrances Appropriated	1,829,012	1,829,012	1,829,012	0
<b>Fund Balance End of Year</b>	<b><u>\$4,758,459</u></b>	<b><u>\$1,493,923</u></b>	<b><u>\$16,287,056</u></b>	<b><u>\$14,793,133</u></b>



**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Property Taxes	\$3,586,313	\$3,791,874	\$3,823,091	\$31,217
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	74,372	3,114,371	3,497,000	(382,629)
Interest and Fiscal Charges	1,130,524	1,496,086	182,851	1,313,235
<i>Total Expenditures</i>	1,204,896	4,610,457	3,679,851	930,606
<i>Net Change in Fund Balance</i>	2,381,417	(818,583)	143,240	961,823
<i>Fund Balance Beginning of Year</i>	1,224,063	1,224,063	1,224,063	0
<i>Fund Balance End of Year</i>	\$3,605,480	\$405,480	\$1,367,303	\$961,823

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Property Taxes	\$1,500,000	\$1,500,000	\$1,071,428	(\$428,572)
Intergovernmental	1,000,000	1,000,000	382,969	(617,031)
Charges for Services	0	0	800	800
Extracurricular Activities	5,000	5,000	0	(5,000)
Miscellaneous	35,000	35,000	31,978	(3,022)
<i>Total Revenues</i>	<u>2,540,000</u>	<u>2,540,000</u>	<u>1,487,175</u>	<u>(1,052,825)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	47,000	47,000	43,287	3,713
Operation and Maintenance of Plant:				
Purchased Services	7,044,021	9,674,739	8,436,157	1,238,582
Capital Outlay - New	0	121,997	121,859	138
Total Operation and Maintenance of Plant	<u>7,044,021</u>	<u>9,796,736</u>	<u>8,558,016</u>	<u>1,238,720</u>
Pupil Transportation				
Capital Outlay - Replacement	0	500,000	499,999	1
Total Support Services	<u>7,091,021</u>	<u>10,343,736</u>	<u>9,101,302</u>	<u>1,242,434</u>
Capital Outlay:				
Building Improvement Services:				
Capital Outlay - New	2,201,759	5,297,426	5,297,426	0
Facilities Acquisition and Construction Services:				
Capital Outlay - New	103,433	0	0	0
Total Capital Outlay	<u>2,305,192</u>	<u>5,297,426</u>	<u>5,297,426</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,396,213</u>	<u>15,641,162</u>	<u>14,398,728</u>	<u>1,242,434</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,856,213)</u>	<u>(13,101,162)</u>	<u>(12,911,553)</u>	<u>189,609</u>
<b>Other Financing Sources (Uses)</b>				
Loan Proceeds	1,558,526	11,228,341	12,294,606	1,066,265
Proceeds from Sale of Capital Assets	0	0	35,000	35,000
Advances Out	0	(7,520,957)	(6,720,956)	800,001
Transfers Out	0	(2,434)	0	2,434
<i>Total Other Financing Sources (Uses)</i>	<u>\$1,558,526</u>	<u>\$3,704,950</u>	<u>\$5,608,650</u>	<u>\$1,903,700</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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<i>Net Change in Fund Balance</i>	(\$5,297,687)	(\$9,396,212)	(\$7,302,903)	\$2,093,309
<i>Fund Balance Beginning of Year</i>	4,695,286	4,695,286	4,695,286	0
<i>Prior Year Encumbrances Appropriated</i>	4,700,926	4,700,926	4,700,926	0
<i>Fund Balance End of Year</i>	<u>\$4,098,525</u>	<u>\$0</u>	<u>\$2,093,309</u>	<u>\$2,093,309</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, 2004*

	Budgeted Amounts		Actual	Variance with
	Original Budget	Revised Budget		Final Budget Positive (Negative)
<b>Revenues</b>				
Interest	\$2,000	\$2,000	\$777	(\$1,223)
Tuition and Fees	830	830	0	(830)
Extracurricular Activities	642,916	642,916	372,925	(269,991)
Charges for Services	6,196	6,196	1,066	(5,130)
Contributions and Donations	10,103	10,103	1,872	(8,231)
Miscellaneous	637,955	275,955	550,316	274,361
<i>Total Revenues</i>	<u>1,300,000</u>	<u>938,000</u>	<u>926,956</u>	<u>(11,044)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	475	475	0	475
Materials and Supplies	150	150	0	150
<b>Total Regular</b>	<u>625</u>	<u>625</u>	<u>0</u>	<u>625</u>
Special:				
Other	6,445	6,445	6,026	419
<b>Total Instruction</b>	<u>7,070</u>	<u>7,070</u>	<u>6,026</u>	<u>1,044</u>
Support Services:				
Administration:				
Materials and Supplies	1,280	310	200	110
Fiscal:				
Other	0	2,317	2,317	0
Pupil Transportation:				
Other	360	360	360	0
<b>Total Support Services</b>	<u>1,640</u>	<u>2,987</u>	<u>2,877</u>	<u>110</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	37,297	37,281	9,244	28,037
Other	561,253	344,253	286,148	58,105
<b>Total Academic and Subject Oriented Activities</b>	<u>598,550</u>	<u>381,534</u>	<u>295,392</u>	<u>86,142</u>
Occupational Oriented Activities:				
Materials and Supplies	\$4,555	\$4,555	\$319	\$4,236

(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, 2004*

	Budgeted Amounts		Actual	Variance with
	Original Budget	Revised Budget		Final Budget Positive (Negative)
School and Public Service				
Co-Curricular Activities:				
Purchased Services	\$170,762	\$188,007	\$118,779	\$69,228
Materials and Supplies	828,741	841,059	573,502	267,557
Capital Outlay - New	0	10,997	10,997	0
Other	118,443	104,043	29,353	74,690
Total School and Public Service				
Co-Curricular Activities	1,117,946	1,144,106	732,631	411,475
Total Extracurricular Activities	1,721,051	1,530,195	1,028,342	501,853
Capital Outlay:				
Building Improvement Services:				
Purchased Services	13,000	13,000	3,710	9,290
Total Expenditures	1,742,761	1,553,252	1,040,955	512,297
Excess of Revenues Under Expenditures	(442,761)	(615,252)	(113,999)	501,253
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	10,000	10,000
Advances Out	0	(11,300)	(1,300)	10,000
Transfers In	0	0	2,609	2,609
Transfers Out	0	(5,393)	(2,500)	2,893
Total Other Financing Sources (Uses)	0	(16,693)	8,809	25,502
Net Change in Fund Balance	(442,761)	(631,945)	(105,190)	526,755
Fund Balance Beginning of Year	582,585	582,585	582,585	0
Prior Year Encumbrances Appropriated	52,609	52,609	52,609	0
Fund Balance End of Year	\$192,433	\$3,249	\$530,004	\$526,755

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$32,882	\$34,942	\$61,372	\$26,430
Contributions and Donations	17,118	17,118	4,790	(12,328)
Miscellaneous	0	0	100	100
<i>Total Revenues</i>	50,000	52,060	66,262	14,202
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	2,000	6,356	4,698	1,658
Fringe Benefits	317	639	637	2
Purchased Services	6,341	25,698	16,112	9,586
Materials and Supplies	8,867	12,127	7,558	4,569
Capital Outlay - New	5,796	4,235	744	3,491
Total Regular	23,321	49,055	29,749	19,306
Special:				
Materials and Supplies	124	840	492	348
Capital Outlay - New	882	5,130	4,474	656
Total Special	1,006	5,970	4,966	1,004
Total Instruction	24,327	55,025	34,715	20,310
Support Services:				
Pupils:				
Purchased Services	0	250	250	0
Materials and Supplies	0	450	450	0
Other	0	300	300	0
Total Pupils	0	1,000	1,000	0
Instructional Staff:				
Salaries	518	37,013	34,922	2,091
Fringe Benefits	18	8,183	4,058	4,125
Purchased Services	0	7,784	7,784	0
Materials and Supplies	130	3,740	1,570	2,170
Total Instructional Staff	666	56,720	48,334	8,386
Central:				
Purchased Services	1,300	6,600	2,200	4,400
Materials and Supplies	1,200	1,200	9	1,191
Other	9,000	9,000	1,765	7,235
Total Central	11,500	16,800	3,974	12,826
Total Support Services	\$12,166	\$74,520	\$53,308	\$21,212

(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, 2004*

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original Budget	Revised Budget		
<i>Total Expenditures</i>	\$36,493	\$129,545	\$88,023	\$41,522
<i>Excess of Revenues Over (Under) Expenditures</i>	13,507	(77,485)	(21,761)	55,724
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	2,544	2,544
Transfers In	0	0	1,084	1,084
Transfers Out	0	(100)	0	100
<i>Total Other Financing Sources (Uses)</i>	0	(100)	3,628	3,728
<i>Net Change in Fund Balance</i>	13,507	(77,585)	(18,133)	59,452
<i>Fund Balance Beginning of Year</i>	71,890	71,890	71,890	0
Prior Year Encumbrances Appropriated	5,696	5,696	5,696	0
<i>Fund Balance End of Year</i>	\$91,093	\$1	\$59,453	\$59,452

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Extracurricular Activities	\$128,876	\$233,584	\$289,865	\$56,281
Charges for Services	130,000	130,000	186,797	56,797
Miscellaneous	151,145	151,145	3,018	(148,127)
<i>Total Revenues</i>	<u>410,021</u>	<u>514,729</u>	<u>479,680</u>	<u>(35,049)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil Transportation:				
Purchased Services	15,000	30,000	25,658	4,342
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	38,585	43,023	30,723	12,300
Fringe Benefits	6,905	8,098	4,922	3,176
Purchased Services	319,954	362,173	333,756	28,417
Materials and Supplies	192,103	186,549	154,591	31,958
Capital Outlay - New	18,000	14,000	11,986	2,014
Other	48,726	48,729	38,583	10,146
Total Extracurricular Activities	<u>624,273</u>	<u>662,572</u>	<u>574,561</u>	<u>88,011</u>
<i>Total Expenditures</i>	<u>639,273</u>	<u>692,572</u>	<u>600,219</u>	<u>92,353</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(229,252)</u>	<u>(177,843)</u>	<u>(120,539)</u>	<u>57,304</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	69,000	69,000	124,344	55,344
Transfers Out	0	(32,300)	(32,300)	0
<i>Total Other Financing Sources (Uses)</i>	<u>69,000</u>	<u>36,700</u>	<u>92,044</u>	<u>55,344</u>
<i>Net Change in Fund Balance</i>	<u>(160,252)</u>	<u>(141,143)</u>	<u>(28,495)</u>	<u>112,648</u>
<i>Fund Balance Beginning of Year</i>	<u>122,034</u>	<u>122,034</u>	<u>122,034</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>19,109</u>	<u>19,109</u>	<u>19,109</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$19,109)</u>	<u>\$0</u>	<u>\$112,648</u>	<u>\$112,648</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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$4,200,000	\$4,483,783	\$3,935,325	(\$548,458)
Interest	0	0	14,681	14,681
<i>Total Revenues</i>	<u>4,200,000</u>	<u>4,483,783</u>	<u>3,950,006</u>	<u>(533,777)</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	166,752	1,211,513	1,071,918	139,595
Fringe Benefits	52,411	433,711	336,491	97,220
Purchased Services	166,984	1,756,196	1,481,558	274,638
Materials and Supplies	440,014	1,401,445	1,202,268	199,177
Capital Outlay - New	49,768	217,664	178,316	39,348
<i>Total Expenditures</i>	<u>875,929</u>	<u>5,020,529</u>	<u>4,270,551</u>	<u>749,978</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,324,071</u>	<u>(536,746)</u>	<u>(320,545)</u>	<u>216,201</u>
<b>Other Financing Source (Uses)</b>				
Advances In	0	0	195,235	195,235
Advances Out	0	(340,000)	0	340,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(340,000)</u>	<u>195,235</u>	<u>535,235</u>
<i>Net Change in Fund Balance</i>	3,324,071	(876,746)	(125,310)	751,436
<i>Fund Balance Beginning of Year</i>	223,103	223,103	223,103	0
Prior Year Encumbrances Appropriated	653,652	653,652	653,652	0
<i>Fund Balance End of Year</i>	<u>\$4,200,826</u>	<u>\$9</u>	<u>\$751,445</u>	<u>\$751,436</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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$7,098	\$2,281	\$0	(\$2,281)
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	4,429	4,429	0	4,429
Materials and Supplies	230	230	0	230
<i>Total Expenditures</i>	4,659	4,659	0	4,659
<i>Net Change in Fund Balance</i>	2,439	(2,378)	0	2,378
<i>Fund Balance Beginning of Year</i>	3,428	3,428	3,428	0
Prior Year Encumbrances Appropriated	1,230	1,230	1,230	0
<i>Fund Balance End of Year</i>	\$7,097	\$2,280	\$4,658	\$2,378

**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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
<b>Revenues</b>				
Intergovernmental	\$271,864	\$105,494	\$106,667	\$1,173
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	22,952	105,965	50,376	55,589
Fringe Benefits	538	24,191	20,501	3,690
Total Regular	23,490	130,156	70,877	59,279
Special:				
Materials and Supplies	1,172	1,172	0	1,172
<i>Total Expenditures</i>	24,662	131,328	70,877	60,451
<i>Net Change in Fund Balance</i>	247,202	(25,834)	35,790	61,624
<i>Fund Balance Beginning of Year</i>	25,836	25,836	25,836	0
<i>Fund Balance End of Year</i>	\$273,038	\$2	\$61,626	\$61,624

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$545,372	\$59,787	\$66,000	\$6,213
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	263,452	263,452	103,015	160,437
<i>Net Change in Fund Balance</i>	281,920	(203,665)	(37,015)	166,650
<i>Fund Balance Beginning of Year</i>	263,452	263,452	263,452	0
<i>Fund Balance End of Year</i>	<u>\$545,372</u>	<u>\$59,787</u>	<u>\$226,437</u>	<u>\$166,650</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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$116,176	\$55,499	\$55,500	\$1
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	0	9,232	9,232	0
Fringe Benefits	0	1,429	1,301	128
Materials and Supplies	0	392	392	0
Total Regular	0	11,053	10,925	128
Special:				
Materials and Supplies	11,633	12,029	10,808	1,221
Total Instruction	11,633	23,082	21,733	1,349
Support Services:				
Pupils:				
Salaries	0	6,692	5,943	749
Fringe Benefits	82	1,064	848	216
Materials and Supplies	0	3,318	3,088	230
Total Pupils	82	11,074	9,879	1,195
Instructional Staff:				
Salaries	33	22,753	22,650	103
Fringe Benefits	0	3,588	3,588	0
Purchased Services	0	1,050	499	551
Materials and Supplies	94	5,422	5,339	83
Total Instructional Staff	127	32,813	32,076	737
Central:				
Other	0	373	373	0
Total Support Services	209	44,260	42,328	1,932
<i>Total Expenditures</i>	11,842	67,342	64,061	3,281
<i>Net Change in Fund Balance</i>	104,334	(11,843)	(8,561)	3,282
<i>Fund Balance Beginning of Year</i>	622	622	622	0
Prior Year Encumbrances Appropriated	11,221	11,221	11,221	0
<i>Fund Balance End of Year</i>	\$116,177	\$0	\$3,282	\$3,282

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$671,271	\$302,250	\$253,323	(\$48,927)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	20,947	164,111	125,255	38,856
Fringe Benefits	0	45,269	45,269	0
Materials and Supplies	660	660	660	0
Total Instruction	21,607	210,040	171,184	38,856
Support Services:				
Pupils:				
Salaries	0	21,283	12,801	8,482
Fringe Benefits	0	8,387	7,979	408
Purchased Services	362	362	0	362
Total Pupils	362	30,032	20,780	9,252
Administration:				
Salaries	59,011	68,338	68,338	0
Fringe Benefits	0	15,466	14,697	769
Purchased Services	0	344	344	0
Materials and Supplies	50	50	0	50
Total Administration	59,061	84,198	83,379	819
Total Support Services	59,423	114,230	104,159	10,071
<i>Total Expenditures</i>	81,030	324,270	275,343	48,927
<i>Net Change in Fund Balance</i>	590,241	(22,020)	(22,020)	0
<i>Fund Balance Beginning of Year</i>	20,948	20,948	20,948	0
Prior Year Encumbrances Appropriated	1,072	1,072	1,072	0
<i>Fund Balance End of Year</i>	\$612,261	\$0	\$0	\$0

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$361,052	\$109,079	\$97,095	(\$11,984)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	47	47	0	47
Fringe Benefits	5	5	5	0
Total Regular	52	52	5	47
Special:				
Materials and Supplies	896	896	0	896
Total Instruction	948	948	5	943
Support Services:				
Pupils:				
Salaries	1,469	20,344	18,719	1,625
Fringe Benefits	452	5,005	3,840	1,165
Purchased Services	1,538	1,708	1,189	519
Materials and Supplies	1,648	9,073	6,920	2,153
Capital Outlay - New	752	1,544	1,544	0
Total Pupils	5,859	37,674	32,212	5,462
Instructional Staff:				
Purchased Services	5,661	5,661	4,626	1,035
Materials and Supplies	13,705	16,481	14,817	1,664
Capital Outlay - New	10,312	10,312	9,007	1,305
Total Instructional Staff	29,678	32,454	28,450	4,004
Administration:				
Salaries	1,185	1,185	0	1,185
Fringe Benefits	194	194	11	183
Capital Outlay - New	665	665	0	665
Total Administration	\$2,044	\$2,044	\$11	\$2,033

(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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Operation and Maintenance of Plant:				
Purchased Services	\$4,461	\$12,261	\$12,196	\$65
Materials and Supplies	2,343	3,977	3,600	377
Capital Outlay - New	760	550	550	0
<b>Total Operation and Maintenance of Plant</b>	<b>7,564</b>	<b>16,788</b>	<b>16,346</b>	<b>442</b>
<b>Total Support Services</b>	<b>45,145</b>	<b>88,960</b>	<b>77,019</b>	<b>11,941</b>
Operation of Non-Instructional Services:				
Community Services:				
Salaries	3,262	3,262	0	3,262
Materials and Supplies	56,937	56,937	0	56,937
<b>Total Operation of Non-Instructional Services</b>	<b>60,199</b>	<b>60,199</b>	<b>0</b>	<b>60,199</b>
<b>Total Expenditures</b>	<b>106,292</b>	<b>150,107</b>	<b>77,024</b>	<b>73,083</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>254,760</b>	<b>(41,028)</b>	<b>20,071</b>	<b>61,099</b>
<b>Other Financing Uses</b>				
Advances Out	0	(57,000)	0	57,000
<b>Net Change in Fund Balance</b>	<b>254,760</b>	<b>(98,028)</b>	<b>20,071</b>	<b>118,099</b>
<b>Fund Balance Beginning of Year</b>	<b>76,145</b>	<b>76,145</b>	<b>76,145</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>32,694</b>	<b>32,694</b>	<b>32,694</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$363,599</b>	<b>\$10,811</b>	<b>\$128,910</b>	<b>\$118,099</b>



**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$101,256	\$161,641	\$158,387	(\$3,254)
<b>Expenditures</b>				
Current:				
Instruction:				
Adult/Continuing:				
Salaries	0	89,039	88,472	567
Fringe Benefits	65	14,527	13,274	1,253
Purchased Services	776	1,776	1,013	763
Materials and Supplies	631	2,930	2,314	616
Capital Outlay - New	0	500	500	0
Total Instruction	1,472	108,772	105,573	3,199
Support Services:				
Pupils:				
Salaries	13	35,764	35,764	0
Fringe Benefits	0	11,544	11,544	0
Purchased Services	92	1,022	971	51
Materials and Supplies	48	548	548	0
Capital Outlay - New	0	150	150	0
Other	4	504	500	4
Total Support Services	157	49,532	49,477	55
<i>Total Expenditures</i>	1,629	158,304	155,050	3,254
<i>Excess of Revenues Over Expenditures</i>	99,627	3,337	3,337	0
<b>Other Financing Uses</b>				
Advances Out	0	(4,966)	(4,966)	0
<i>Net Change in Fund Balance</i>	99,627	(1,629)	(1,629)	0
<i>Fund Balance Beginning of Year</i>	744	744	744	0
Prior Year Encumbrances Appropriated	885	885	885	0
<i>Fund Balance End of Year</i>	\$101,256	\$0	\$0	\$0

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$2,212	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	3,841	3,841	3,471	370
<i>Net Change in Fund Balance</i>	(1,629)	(3,841)	(3,471)	370
<i>Fund Balance Beginning of Year</i>	4,611	4,611	4,611	0
Prior Year Encumbrances Appropriated	293	293	293	0
<i>Fund Balance End of Year</i>	<u>\$3,275</u>	<u>\$1,063</u>	<u>\$1,433</u>	<u>\$370</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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$2,002,952	\$2,863,209	\$2,059,551	(\$803,658)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries	0	36,618	31,321	5,297
Fringe Benefits	0	5,238	5,056	182
Purchased Services	46,240	568,923	567,433	1,490
Materials and Supplies	38,962	252,133	226,234	25,899
Capital Outlay - New	20,638	50,988	45,978	5,010
Other	0	2,420	215	2,205
Total Instruction	105,840	916,320	876,237	40,083
Support Services:				
Pupils:				
Salaries	121,668	165,719	58,971	106,748
Fringe Benefits	19,643	31,095	14,732	16,363
Purchased Services	1,103	24,903	23,296	1,607
Materials and Supplies	1,040	21,040	20,343	697
Capital Outlay - New	1,084	6,084	5,986	98
Total Pupils	144,538	248,841	123,328	125,513
Instructional Staff:				
Salaries	55,326	508,736	498,618	10,118
Fringe Benefits	25,503	306,804	275,076	31,728
Purchased Services	11,032	28,250	16,103	12,147
Materials and Supplies	1,773	11,973	11,957	16
Capital Outlay - New	76	19,076	18,971	105
Total Instructional Staff	93,710	874,839	820,725	54,114
Administration:				
Salaries	25,820	171,808	171,238	570
Fringe Benefits	10,377	75,901	70,559	5,342
Purchased Services	3,841	11,841	8,753	3,088
Materials and Supplies	3,698	11,486	10,788	698
Capital Outlay - New	0	5,000	5,000	0
Total Administration	\$43,736	\$276,036	\$266,338	\$9,698

(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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Pupil Transportation:				
Salaries	\$5,000	\$22,112	\$22,112	\$0
Fringe Benefits	1,500	9,994	9,994	0
Purchased Services	6,002	18,760	18,760	0
<b>Total Pupil Transportation</b>	<b>12,502</b>	<b>50,866</b>	<b>50,866</b>	<b>0</b>
Central:				
Purchased Services	0	5,530	4,891	639
<b>Total Support Services</b>	<b>294,486</b>	<b>1,456,112</b>	<b>1,266,148</b>	<b>189,964</b>
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	0	174,150	174,150	0
Fringe Benefits	0	47,253	47,253	0
Purchased Services	0	42,444	42,444	0
Materials and Supplies	1,816	17,605	16,742	863
<b>Total Operation of Non-Instructional Services</b>	<b>1,816</b>	<b>281,452</b>	<b>280,589</b>	<b>863</b>
Capital Outlay:				
Other Facilities Acquisition and Construction Services:				
Purchased Services	3,211	3,200	3,200	0
<b>Total Expenditures</b>	<b>405,353</b>	<b>2,657,084</b>	<b>2,426,174</b>	<b>230,910</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>1,597,599</i>	<i>206,125</i>	<i>(366,623)</i>	<i>(572,748)</i>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	645,000	645,000
Advances Out	0	(653,297)	0	653,297
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(653,297)</b>	<b>645,000</b>	<b>1,298,297</b>
<b>Net Change in Fund Balance</b>	<b>1,597,599</b>	<b>(447,172)</b>	<b>278,377</b>	<b>725,549</b>
<i>Fund Balance Beginning of Year</i>	<i>348,925</i>	<i>348,925</i>	<i>348,925</i>	<i>0</i>
Prior Year Encumbrances Appropriated	98,247	98,247	98,247	0
<b>Fund Balance End of Year</b>	<b>\$2,044,771</b>	<b>\$0</b>	<b>\$725,549</b>	<b>\$725,549</b>

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$152,095	\$218,670	\$211,094	(\$7,576)
<b>Expenditures</b>				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	161	161	0	161
Support Services:				
Pupils:				
Salaries	63	19,978	19,942	36
Fringe Benefits	10	2,783	2,769	14
Purchased Services	300	3,802	3,506	296
Materials and Supplies	752	752	380	372
Capital Outlay - New	114,765	247,975	228,311	19,664
Capital Outlay - Replacement	0	5,000	5,000	0
Total Pupils	115,890	280,290	259,908	20,382
Instructional Staff:				
Purchased Services	0	25,280	25,280	0
Materials and Supplies	330	6,330	6,330	0
Total Instructional Staff	330	31,610	31,610	0
Central:				
Purchased Services	3,252	6,937	6,937	0
Materials and Supplies	6	6	0	6
Total Central	3,258	6,943	6,937	6
Total Support Services	119,478	318,843	298,455	20,388
<i>Total Expenditures</i>	119,639	319,004	298,455	20,549
<i>Excess of Revenues Over (Under) Expenditures</i>	32,456	(100,334)	(87,361)	12,973
<b>Other Financing Uses</b>				
Advances Out	\$0	(\$39,268)	(\$27,366)	\$11,902

(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, 2004*

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<i>Net Change in Fund Balance</i>	\$32,456	(\$139,602)	(\$114,727)	\$24,875
<i>Fund Balance Beginning of Year</i>	25,244	25,244	25,244	0
<i>Prior Year Encumbrances Appropriated</i>	114,358	114,358	114,358	0
<i>Fund Balance End of Year</i>	\$172,058	\$0	\$24,875	\$24,875

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$1,065,878	\$1,649,508	\$1,262,776	(\$386,732)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries	109,480	819,294	695,646	123,648
Fringe Benefits	23,736	201,392	201,392	0
Purchased Services	20,183	99,527	15,593	83,934
Materials and Supplies	23,624	81,822	33,040	48,782
Capital Outlay - New	24,209	41,209	24,928	16,281
<b>Total Instruction</b>	<b>201,232</b>	<b>1,243,244</b>	<b>970,599</b>	<b>272,645</b>
Support Services:				
Instructional Staff:				
Salaries	0	130,942	76,798	54,144
Fringe Benefits	268	35,868	23,891	11,977
Purchased Services	935	49,935	14,044	35,891
Materials and Supplies	10,197	34,197	16,575	17,622
Capital Outlay - New	0	5,000	4,378	622
<b>Total Instructional Staff</b>	<b>11,400</b>	<b>255,942</b>	<b>135,686</b>	<b>120,256</b>
Administration:				
Salaries	1,930	9,930	0	9,930
Fringe Benefits	568	3,168	0	3,168
Purchased Services	670	6,670	4,818	1,852
Materials and Supplies	500	2,500	833	1,667
<b>Total Administration</b>	<b>3,668</b>	<b>22,268</b>	<b>5,651</b>	<b>16,617</b>
<b>Total Support Services</b>	<b>15,068</b>	<b>278,210</b>	<b>141,337</b>	<b>136,873</b>
Operation of Non-Instructional Services:				
Community Services:				
Salaries	4,333	99,900	78,569	21,331
Fringe Benefits	5,074	30,845	21,198	9,647
Purchased Services	11,580	43,080	26,860	16,220
Materials and Supplies	0	3,000	2,850	150
<b>Total Operation of Non-Instructional Services</b>	<b>20,987</b>	<b>176,825</b>	<b>129,477</b>	<b>47,348</b>
<b>Total Expenditures</b>	<b>\$237,287</b>	<b>\$1,698,279</b>	<b>\$1,241,413</b>	<b>\$456,866</b>

(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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<i>Excess of Revenues Over (Under) Expenditures</i>	\$828,591	(\$48,771)	\$21,363	\$70,134
<b>Other Financing Uses</b>				
Transfers Out	0	(46,886)	0	46,886
<i>Net Change in Fund Balance</i>	828,591	(95,657)	21,363	117,020
<i>Fund Balance Beginning of Year</i>	59,840	59,840	59,840	0
Prior Year Encumbrances Appropriated	35,817	35,817	35,817	0
<i>Fund Balance End of Year</i>	<u>\$924,248</u>	<u>\$0</u>	<u>\$117,020</u>	<u>\$117,020</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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$93,130	\$128,046	\$80,587	(\$47,459)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	0	34,537	33,551	986
Fringe Benefits	0	13,195	12,410	785
Materials and Supplies	13,829	16,627	4,834	11,793
Capital Outlay - New	41,759	81,021	41,021	40,000
Total Instruction	55,588	145,380	91,816	53,564
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	489	3,164	2,400	764
Materials and Supplies	11,008	23,443	23,443	0
Capital Outlay - New	6,074	23,073	23,049	24
Total Operation of Non-Instructional Services	17,571	49,680	48,892	788
<i>Total Expenditures</i>	73,159	195,060	140,708	54,352
<i>Excess of Revenues Over (Under) Expenditures</i>	19,971	(67,014)	(60,121)	6,893
<b>Other Financing Uses</b>				
Transfers Out	(966)	(6,065)	0	6,065
<i>Net Change in Fund Balance</i>	19,005	(73,079)	(60,121)	12,958
<i>Fund Balance Beginning of Year</i>	21,306	21,306	21,306	0
Prior Year Encumbrances Appropriated	51,773	51,773	51,773	0
<i>Fund Balance End of Year</i>	\$92,084	\$0	\$12,958	\$12,958

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$33,218	\$47,680	\$44,436	(\$3,244)
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Salaries	3,171	37,521	35,378	2,143
Fringe Benefits	296	11,539	11,539	0
Purchased Services	434	215	65	150
Materials and Supplies	1,581	281	209	72
Total Pupils	5,482	49,556	47,191	2,365
Instructional Staff:				
Purchased Services	152	152	0	152
Total Support Services	5,634	49,708	47,191	2,517
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	1,482	5,101	4,374	727
<i>Total Expenditures</i>	7,116	54,809	51,565	3,244
<i>Net Change in Fund Balance</i>	26,102	(7,129)	(7,129)	0
<i>Fund Balance Beginning of Year</i>	5,591	5,591	5,591	0
Prior Year Encumbrances Appropriated	1,538	1,538	1,538	0
<i>Fund Balance End of Year</i>	\$33,231	\$0	\$0	\$0

**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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
<b>Revenues</b>				
Intergovernmental	\$108,200	\$143,198	\$114,216	(\$28,982)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Materials and Supplies	658	13,578	13,366	212
Capital Outlay - New	0	10,462	10,461	1
Total Instruction	658	24,040	23,827	213
Support Services:				
Pupils:				
Salaries	0	18,619	17,891	728
Fringe Benefits	1,076	9,028	8,450	578
Materials and Supplies	0	6,915	6,897	18
Capital Outlay - New	0	8,200	8,200	0
Total Pupils	1,076	42,762	41,438	1,324
Instructional Staff:				
Salaries	15,122	37,348	33,936	3,412
Fringe Benefits	10,248	18,680	13,331	5,349
Total Instructional Staff	25,370	56,028	47,267	8,761
Administration:				
Purchased Services	122	122	0	122
Pupil Transportation:				
Purchased Services	3,052	3,456	3,456	0
Total Support Services	29,620	102,368	92,161	10,207
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	4,284	12,361	8,824	3,537
Total Expenditures	34,562	138,769	124,812	13,957
Excess of Revenues Over (Under) Expenditures	73,638	4,429	(10,596)	(15,025)
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	30,661	30,661
Advances Out	0	(42,867)	(42,867)	0
Total Other Financing Sources (Uses)	\$0	(\$42,867)	(\$12,206)	\$30,661

(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, 2004*

	<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>	\$73,638	(\$38,438)	(\$22,802)	\$15,636
<i>Fund Balance Beginning of Year</i>	30,322	30,322	30,322	0
Prior Year Encumbrances Appropriated	<u>8,116</u>	<u>8,116</u>	<u>8,116</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$112,076</u>	<u>\$0</u>	<u>\$15,636</u>	<u>\$15,636</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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$367,513	\$466,397	\$437,848	(\$28,549)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	2,024	219,438	219,438	0
Fringe Benefits	1,235	57,110	57,110	0
Purchased Services	233	233	0	233
Materials and Supplies	0	6,312	3,535	2,777
Total Regular	3,492	283,093	280,083	3,010
Special:				
Materials and Supplies	13,207	22,047	9,829	12,218
Capital Outlay - New	49,060	87,455	39,455	48,000
Total Special	62,267	109,502	49,284	60,218
Total Instruction	65,759	392,595	329,367	63,228
Support Services:				
Pupils				
Purchased Services	0	85,712	85,712	0
Materials and Supplies	0	14,784	7,967	6,817
Capital Outlay - New	0	21,000	20,919	81
Total Pupils	0	121,496	114,598	6,898
Instructional Staff:				
Salaries	17,068	79,806	62,094	17,712
Fringe Benefits	6,701	21,740	18,666	3,074
Purchased Services	2,588	2,851	413	2,438
Materials and Supplies	1,046	7,908	7,908	0
Total Instructional Staff	27,403	112,305	89,081	23,224
Administration:				
Materials and Supplies	30,685	25,685	590	25,095
Capital Outlay - New	22,487	36,487	36,254	233
Total Administration	53,172	62,172	36,844	25,328
Pupil Transportation:				
Purchased Services	350	0	0	0
Total Support Services	\$80,925	\$295,973	\$240,523	\$55,450

(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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Operation of Non-Instructional Services:				
Community Services:				
Salaries	\$0	\$34	\$34	\$0
Fringe Benefits	0	5	5	0
Purchased Services	1,500	1,500	1,404	96
Total Operation of Non-Instructional Services	1,500	1,539	1,443	96
<i>Total Expenditures</i>	148,184	690,107	571,333	118,774
<i>Excess of Revenues Over (Under) Expenditures</i>	219,329	(223,710)	(133,485)	90,225
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	50,000	50,000
Transfers Out	(1,492)	(1,492)	0	1,492
<i>Total Other Financing Sources (Uses)</i>	(1,492)	(1,492)	50,000	51,492
<i>Net Change in Fund Balance</i>	217,837	(225,202)	(83,485)	141,717
<i>Fund Balance Beginning of Year</i>	121,868	121,868	121,868	0
Prior Year Encumbrances Appropriated	102,218	102,218	102,218	0
<i>Fund Balance (Deficit) End of Year</i>	\$441,923	(\$1,116)	\$140,601	\$141,717

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Miscellaneous	\$500	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Adult/Continuing:				
Other	15,878	15,878	1,000	14,878
<i>Net Change in Fund Balance</i>	(15,378)	(15,878)	(1,000)	14,878
<i>Fund Balance Beginning of Year</i>	15,878	15,878	15,878	0
<i>Fund Balance End of Year</i>	\$500	\$0	\$14,878	\$14,878

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Miscellaneous	\$50,000	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	50,000	0	0	0
<i>Fund Balance Beginning of Year</i>	1,925	1,925	1,925	0
<i>Fund Balance End of Year</i>	<u>\$51,925</u>	<u>\$1,925</u>	<u>\$1,925</u>	<u>\$0</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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	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>	<u>\$443</u>	<u>\$443</u>	<u>\$443</u>	<u>\$0</u>

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$9,009	\$2,895	\$0	(\$2,895)
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	75	75	0	75
Materials and Supplies	3,191	3,191	0	3,191
Total Pupils	3,266	3,266	0	3,266
Instructional Staff:				
Materials and Supplies	1,113	1,113	0	1,113
<i>Total Expenditures</i>	4,379	4,379	0	4,379
<i>Net Change in Fund Balance</i>	4,630	(1,484)	0	1,484
<i>Fund Balance Beginning of Year</i>	4,352	4,352	4,352	0
Prior Year Encumbrances Appropriated	27	27	27	0
<i>Fund Balance End of Year</i>	<u>\$9,009</u>	<u>\$2,895</u>	<u>\$4,379</u>	<u>\$1,484</u>

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$346,799	\$12,800	\$49,195	\$36,395
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff				
Salaries	20,999	20,999	0	20,999
Capital Outlay - New	49,194	49,194	0	49,194
Total Instructional Staff	70,193	70,193	0	70,193
Central:				
Salaries	49,036	49,036	0	49,036
Capital Outlay - New	48,299	48,299	0	48,299
Total Central	97,335	97,335	0	97,335
<i>Total Expenditures</i>	167,528	167,528	0	167,528
<i>Net Change in Fund Balance</i>	179,271	(154,728)	49,195	203,923
<i>Fund Balance Beginning of Year</i>	167,528	167,528	167,528	0
<i>Fund Balance End of Year</i>	\$346,799	\$12,800	\$216,723	\$203,923

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$3,722	\$251	\$0	(\$251)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	1,519	1,519	1,444	75
Capital Outlay - New	1,050	1,050	1,037	13
Total Instruction	2,569	2,569	2,481	88
Support Services:				
Pupils:				
Materials and Supplies	1,548	1,548	0	1,548
<i>Total Expenditures</i>	4,117	4,117	2,481	1,636
<i>Net Change in Fund Balance</i>	(395)	(3,866)	(2,481)	1,385
<i>Fund Balance Beginning of Year</i>	1,798	1,798	1,798	0
Prior Year Encumbrances Appropriated	2,319	2,319	2,319	0
<i>Fund Balance End of Year</i>	\$3,722	\$251	\$1,636	\$1,385

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$61,790	\$28,600	\$58,300	\$29,700
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	262	23,148	0	23,148
Fringe Benefits	0	3,715	0	3,715
Purchased Services	40	40	0	40
Materials and Supplies	1,892	3,891	2,683	1,208
<i>Total Expenditures</i>	2,194	30,794	2,683	28,111
<i>Net Change in Fund Balance</i>	59,596	(2,194)	55,617	57,811
<i>Fund Balance Beginning of Year</i>	1,249	1,249	1,249	0
Prior Year Encumbrances Appropriated	945	945	945	0
<i>Fund Balance End of Year</i>	\$61,790	\$0	\$57,811	\$57,811

**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, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$21,736	\$6,985	\$9,450	\$2,465
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	11,236	(3,515)	(1,050)	2,465
<i>Fund Balance Beginning of Year</i>	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$21,736</u></u>	<u><u>\$6,985</u></u>	<u><u>\$9,450</u></u>	<u><u>\$2,465</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, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$81	\$26	\$0	(\$26)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	<u>39</u>	<u>39</u>	<u>0</u>	<u>39</u>
<i>Net Change in Fund Balance</i>	42	(13)	0	13
<i>Fund Balance Beginning of Year</i>	<u>39</u>	<u>39</u>	<u>39</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$81</u></u>	<u><u>\$26</u></u>	<u><u>\$39</u></u>	<u><u>\$13</u></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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$521,667	\$243,637	\$192,680	(\$50,957)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	8,364	97,518	29,056	68,462
Fringe Benefits	0	26,783	4,038	22,745
Purchased Services	0	4,000	3,350	650
Materials and Supplies	0	97,900	82,303	15,597
Total Instruction	8,364	226,201	118,747	107,454
Support Services:				
Pupils				
Salaries	0	5,000	128	4,872
Fringe Benefits	0	1,400	3	1,397
Total Pupils	0	6,400	131	6,269
Administration				
Salaries	0	6,500	0	6,500
Fringe Benefits	0	2,800	0	2,800
Total Administration	0	9,300	0	9,300
Pupil Transportation				
Purchased Services	0	10,100	10,094	6
Total Support Services	0	25,800	10,225	15,575
<b>Total Expenditures</b>	8,364	252,001	128,972	123,029
<b>Net Change in Fund Balance</b>	513,303	(8,364)	63,708	72,072
<b>Fund Balance Beginning of Year</b>	8,364	8,364	8,364	0
<b>Fund Balance End of Year</b>	\$521,667	\$0	\$72,072	\$72,072



**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$83,063	\$40,043	\$31,493	(\$8,550)
<b>Expenditures</b>				
Current:				
Instruction:				
Adult/Continuing				
Capital Outlay - New	0	8,061	8,061	0
Support Services:				
Pupils				
Fringe Benefits	48	48	48	0
Purchased Services	0	592	592	0
Materials and Supplies	9,078	22,228	22,035	193
Capital Outlay - New	0	5,000	5,000	0
Total Support Services	9,126	27,868	27,675	193
<i>Total Expenditures</i>	9,126	35,929	35,736	193
<i>Excess of Revenues Over (Under) Expenditures</i>	73,937	4,114	(4,243)	(8,357)
<b>Other Financing Uses</b>				
Advances Out	0	(13,240)	(4,691)	8,549
<i>Net Change in Fund Balance</i>	73,937	(9,126)	(8,934)	192
<i>Fund Balance Beginning of Year</i>	82	82	82	0
Prior Year Encumbrances Appropriated	9,044	9,044	9,044	0
<i>Fund Balance End of Year</i>	\$83,063	\$0	\$192	\$192

**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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
<b>Revenues</b>				
Intergovernmental	\$109,358	\$169,071	\$84,678	(\$84,393)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular				
Purchased Services	0	1,652	1,407	245
Materials and Supplies	0	21,686	21,686	0
Total Regular	0	23,338	23,093	245
Special:				
Salaries	549	1,165	1,165	0
Fringe Benefits	490	606	606	0
Materials and Supplies	5,520	10,602	4,256	6,346
Total Special	6,559	12,373	6,027	6,346
Total Instruction	6,559	35,711	29,120	6,591
Support Services:				
Pupils				
Salaries	0	72,023	31,310	40,713
Fringe Benefits	0	22,215	12,039	10,176
Total Pupils	0	94,238	43,349	50,889
Instructional Staff:				
Salaries	0	20,000	5,675	14,325
Fringe Benefits	0	5,600	102	5,498
Purchased Services	2,056	13,056	7,845	5,211
Materials and Supplies	0	1,828	0	1,828
Total Instructional Staff	2,056	40,484	13,622	26,862
Total Support Services	2,056	134,722	56,971	77,751
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,127	10,027	1,499	8,528
Total Expenditures	10,742	180,460	87,590	92,870
Net Change in Fund Balance	98,616	(11,389)	(2,912)	8,477
Fund Balance Beginning of Year	6,307	6,307	6,307	0
Prior Year Encumbrances Appropriated	5,082	5,082	5,082	0
Fund Balance End of Year	\$110,005	\$0	\$8,477	\$8,477

**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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
<b>Revenues</b>				
Intergovernmental	\$14,367	\$22,934	\$22,960	\$26
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries	0	12,340	2,769	9,571
Fringe Benefits	0	2,660	395	2,265
Purchased Services	2,641	8,161	2,642	5,519
Materials and Supplies	906	1,026	826	200
Capital Outlay - New	0	2,320	0	2,320
<i>Total Expenditures</i>	<u>3,547</u>	<u>26,507</u>	<u>6,632</u>	<u>19,875</u>
<i>Net Change in Fund Balance</i>	10,820	(3,573)	16,328	19,901
<i>Fund Balance Beginning of Year</i>	106	106	106	0
Prior Year Encumbrances Appropriated	<u>3,467</u>	<u>3,467</u>	<u>3,467</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$14,393</u>	<u>\$0</u>	<u>\$19,901</u>	<u>\$19,901</u>

**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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$122	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	196	196	0	196
<i>Net Change in Fund Balance</i>	(74)	(196)	0	196
<i>Fund Balance Beginning of Year</i>	252	252	252	0
<i>Fund Balance End of Year</i>	<u>\$178</u>	<u>\$56</u>	<u>\$252</u>	<u>\$196</u>

**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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
<b>Revenues</b>				
Miscellaneous	\$84,200	\$20,200	\$20,969	\$769
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	36,852	36,852	0	36,852
Operation and Maintenance of Plant:				
Salaries	50	50	50	0
Fringe Benefits	1	1	1	0
Total Operation and Maintenance of Plant	51	51	51	0
Total Support Services	36,903	36,903	51	36,852
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - Replacement	73,285	73,285	0	73,285
<i>Total Expenditures</i>	110,188	110,188	51	110,137
<i>Net Change in Fund Balance</i>	(25,988)	(89,988)	20,918	110,906
<i>Fund Balance Beginning of Year</i>	110,188	110,188	110,188	0
<i>Fund Balance End of Year</i>	\$84,200	\$20,200	\$131,106	\$110,906

**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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
<b>Revenues</b>				
Intergovernmental	\$5,000	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Capital Outlay - New	230,007	230,007	228,813	1,194
<i>Net Change in Fund Balance</i>	(225,007)	(230,007)	(228,813)	1,194
<i>Fund Balance Beginning of Year</i>	38,503	38,503	38,503	0
Prior Year Encumbrances Appropriated	191,504	191,504	191,504	0
<i>Fund Balance End of Year</i>	<u>\$5,000</u>	<u>\$0</u>	<u>\$1,194</u>	<u>\$1,194</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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>		
<b>Revenues</b>				
Miscellaneous	\$13,700	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	<u>0</u>	<u>55,701</u>	<u>0</u>	<u>55,701</u>
<i>Net Change in Fund Balance</i>	13,700	(55,701)	0	55,701
<i>Fund Balance Beginning of Year</i>	<u>55,701</u>	<u>55,701</u>	<u>55,701</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$69,401</u></u>	<u><u>\$0</u></u>	<u><u>\$55,701</u></u>	<u><u>\$55,701</u></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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
<b>Revenues</b>				
Sales	\$3,000,000	\$3,000,000	\$2,267,017	(\$732,983)
Operating Grants	0	0	844,555	844,555
<i>Total Revenues</i>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,111,572</u>	<u>111,572</u>
<b>Expenses</b>				
Salaries	919,395	994,927	994,927	0
Fringe Benefits	409,373	529,803	529,803	0
Purchased Services	134,854	313,140	205,648	107,492
Materials and Supplies	1,440,200	1,396,589	1,373,303	23,286
Capital Outlay - New	257,345	77,345	77,320	25
Other	11,969	12,419	5,452	6,967
<i>Total Expenses</i>	<u>3,173,136</u>	<u>3,324,223</u>	<u>3,186,453</u>	<u>137,770</u>
<i>Net Change in Fund Equity</i>	(173,136)	(324,223)	(74,881)	249,342
<i>Fund Equity Beginning of Year</i>	321,884	321,884	321,884	0
Prior Year Encumbrances Appropriated	<u>73,136</u>	<u>73,136</u>	<u>73,136</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$221,884</u>	<u>\$70,797</u>	<u>\$320,139</u>	<u>\$249,342</u>



**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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
<b>Revenues</b>				
Tuition and Fees	\$253,099	\$352,882	\$158,535	(\$194,347)
Operating Grants	0	0	15,554	15,554
Miscellaneous	15,000	15,000	1,200	(13,800)
<i>Total Revenues</i>	<u>268,099</u>	<u>367,882</u>	<u>175,289</u>	<u>(192,593)</u>
<b>Expenses</b>				
Salaries	127,041	215,175	183,270	31,905
Fringe Benefits	64,695	70,883	64,372	6,511
Purchased Services	75,060	76,370	63,711	12,659
Materials and Supplies	22,296	22,296	12,390	9,906
Other	5,500	5,500	3,570	1,930
<i>Total Expenses</i>	<u>294,592</u>	<u>390,224</u>	<u>327,313</u>	<u>62,911</u>
<i>Excess of Revenues Under Expenses</i>	<u>(26,493)</u>	<u>(22,342)</u>	<u>(152,024)</u>	<u>(129,682)</u>
<b>Other Financing Sources</b>				
Advances In	0	0	192,000	192,000
Transfers In	0	0	1,300	1,300
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>193,300</u>	<u>193,300</u>
<i>Net Change in Fund Equity</i>	(26,493)	(22,342)	41,276	63,618
<i>Fund Equity Beginning of Year</i>	18,194	18,194	18,194	0
Prior Year Encumbrances Appropriated	4,150	4,150	4,150	0
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$4,149)</u>	<u>\$2</u>	<u>\$63,620</u>	<u>\$63,618</u>

**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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
<b>Revenues</b>				
Tuition and Fees	\$1,250,000	\$1,266,947	\$1,118,451	(\$148,496)
Operating Grants	0	0	165,556	165,556
Miscellaneous	0	0	4,993	4,993
<i>Total Revenues</i>	<u>1,250,000</u>	<u>1,266,947</u>	<u>1,289,000</u>	<u>22,053</u>
<b>Expenses</b>				
Salaries	497,118	850,117	784,137	65,980
Fringe Benefits	220,018	220,018	212,750	7,268
Purchased Services	471,011	475,167	411,726	63,441
Materials and Supplies	125,352	114,250	94,670	19,580
Capital Outlay - New	10,350	10,480	1,703	8,777
Capital Outlay - Replacement	1,850	2,060	1,192	868
Other	9,925	9,925	5,261	4,664
<i>Total Expenses</i>	<u>1,335,624</u>	<u>1,682,017</u>	<u>1,511,439</u>	<u>170,578</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(85,624)</u>	<u>(415,070)</u>	<u>(222,439)</u>	<u>192,631</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	9,670	9,670
Transfers Out	0	(8,500)	0	8,500
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(8,500)</u>	<u>9,670</u>	<u>18,170</u>
<i>Net Change in Fund Equity</i>	<u>(85,624)</u>	<u>(423,570)</u>	<u>(212,769)</u>	<u>210,801</u>
<i>Fund Equity Beginning of Year</i>	187,946	187,946	187,946	0
Prior Year Encumbrances Appropriated	235,624	235,624	235,624	0
<i>Fund Equity End of Year</i>	<u>\$337,946</u>	<u>\$0</u>	<u>\$210,801</u>	<u>\$210,801</u>

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

	2004	2003	2002	2001
<b>Program Revenues</b>				
Charges for Services and Sales	\$4,260,028	\$3,453,400	\$2,950,422	\$3,956,734
Operating Grants and Contributions	10,740,281	9,931,098	8,531,154	8,361,820
Capital Grants and Contributions	0	191,504	2,390,077	152,016
<b>General Revenues</b>				
Property Taxes	77,622,086	71,286,176	88,492,389	73,873,979
Intergovernmental	33,989,650	32,873,674	36,323,272	23,777,006
Interest	455,946	910,019	1,184,907	1,473,616
Gain on Sale of Capital Assets	41,658	42,563	0	11,625
Miscellaneous	712,760	941,427	163,388	902,636
<b>Total</b>	<b>\$127,822,409</b>	<b>\$119,629,861</b>	<b>\$140,035,609</b>	<b>\$112,509,432</b>
<b>Expenses</b>				
Current:				
Instruction:				
Regular	\$55,727,837	\$56,735,679	\$52,549,702	\$46,171,336
Special	14,786,344	13,502,318	11,657,885	10,151,082
Vocational	2,177,517	2,421,619	1,942,972	2,412,894
Adult/Continuing	104,805	103,058	146,408	131,614
Support Services:				
Pupils	6,898,816	6,280,658	6,028,497	5,702,894
Instructional Staff	5,420,181	4,689,359	5,620,956	4,373,868
Board of Education	1,199,052	808,105	722,338	445,182
Administration	9,484,263	9,085,121	8,561,814	6,800,226
Fiscal	3,173,100	1,878,329	1,961,584	2,122,588
Business	792,836	704,215	760,916	608,938
Operation and Maintenance of Plant	15,804,357	15,370,578	14,323,751	10,154,889
Pupil Transportation	5,861,535	5,464,548	6,381,700	4,298,362
Central	1,942,312	1,987,681	2,142,312	1,489,597
Operation of Non-Instructional Services	4,122,981	4,777,508	4,059,216	4,263,121
Extracurricular Activities	3,284,535	2,751,996	2,449,230	2,279,498
Interest	170,934	1,081,240	576,680	484,966
<b>Total</b>	<b>\$130,951,405</b>	<b>\$127,642,012</b>	<b>\$119,885,961</b>	<b>\$101,891,055</b>

Source: School District Financial Records

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

	2004 (1)	2003 (1)	2002 (1)	2001 (1)
<b>Revenues</b>				
Property Taxes	\$76,557,202	\$71,186,517	\$88,326,725	\$73,263,088
Intergovernmental	44,645,322	42,929,314	44,784,732	32,489,640
Interest	455,946	910,019	1,184,907	1,473,616
Tuition and Fees	1,978,176	1,718,752	1,377,030	1,832,502
Extracurricular Activities	756,477	732,473	1,135,757	908,940
Rentals	448,397	248,548	279,729	576,153
Charges for Services	958,193	717,250	550	639,139
Contributions and Donations	20,299	68,031	2,353,647	79,121
Miscellaneous	712,760	941,427	163,388	902,636
<b>Total</b>	<b><u>\$126,532,772</u></b>	<b><u>\$119,452,331</u></b>	<b><u>\$139,606,465</u></b>	<b><u>\$112,164,835</u></b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	\$54,594,280	\$54,359,448	\$52,921,929	\$45,678,906
Special	14,716,340	13,585,692	11,510,571	10,275,154
Vocational	2,565,455	2,305,655	1,894,917	2,421,717
Adult/Continuing	112,051	116,695	152,600	125,977
Support Services:				
Pupils	6,901,671	6,347,047	6,032,667	5,854,037
Instructional Staff	5,382,228	4,633,850	5,498,899	4,371,538
Board of Education	899,528	807,146	716,927	442,794
Administration	9,753,813	9,314,356	8,612,763	7,254,890
Fiscal	3,167,385	1,862,815	1,878,590	2,132,139
Business	832,219	866,759	754,317	619,083
Operation and Maintenance of Plant	11,127,414	10,368,030	10,836,202	9,485,597
Pupil Transportation	6,276,305	6,038,084	6,329,352	4,576,746
Central	1,929,958	1,961,222	2,142,270	1,701,377
Operation of Non-Instructional Services	4,230,319	4,640,419	4,140,970	4,585,118
Extracurricular Activities	3,175,537	2,810,305	2,526,666	2,250,836
Capital Outlay	10,201,052	28,235,753	6,638,144	2,926,295
Intergovernmental	0	0	0	0
Debt Service	2,454,245	1,715,661	1,090,559	940,271
<b>Total</b>	<b><u>\$138,319,800</u></b>	<b><u>\$149,968,937</u></b>	<b><u>\$123,678,343</u></b>	<b><u>\$105,642,475</u></b>

(1) 1997 through 2004 reported on a GAAP Basis; All other on Cash Basis

Source: School District Financial Records

<u>2000 (1)</u>	<u>1999 (1)</u>	<u>1998 (1)</u>	<u>1997 (1)</u>	<u>1996</u>	<u>1995</u>
\$63,979,640	\$64,801,975	\$64,247,335	\$60,468,806	\$59,185,386	\$55,089,148
31,562,955	29,336,982	28,282,193	25,771,582	22,659,448	21,264,995
1,241,930	911,990	844,850	619,757	598,791	421,276
1,520,317	1,264,113	775,293	1,589,170	1,351,686	1,105,915
1,363,197	1,395,082	1,363,567	1,297,212	445,945	956,860
230,444	84,629	106,463	225,652	0	0
332,983	227,820	198,905	0	0	0
56,406	85,301	165,202	164,724	0	0
351,055	460,166	1,367,485	157,211	2,171,542	1,206,486
<u>\$100,638,927</u>	<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>
\$42,121,709	\$44,493,411	\$43,504,689	\$41,889,510	\$39,531,630	\$35,761,981
9,009,861	8,527,584	8,305,462	7,599,446	6,795,596	6,765,411
2,365,948	1,589,698	1,432,552	2,869,507	2,790,477	2,993,552
1,249,792	247,818	216,042	92,813	59,859	76,874
4,980,936	5,328,169	4,991,585	4,028,395	3,836,412	3,622,234
3,839,009	4,477,718	4,916,855	6,051,766	5,804,758	5,153,497
68,594	61,895	50,707	42,645	35,102	28,267
6,404,442	7,125,281	7,751,325	6,370,159	6,909,985	5,663,714
1,268,946	1,522,202	1,547,714	1,269,908	1,228,812	1,138,983
625,702	760,549	796,169	730,366	662,027	556,751
9,060,406	9,632,433	9,879,885	9,341,167	9,784,581	8,776,964
3,795,132	3,848,234	4,105,287	4,314,313	4,176,923	3,170,391
1,190,863	1,033,112	1,094,231	669,706	737,068	650,053
3,605,276	3,537,697	3,098,375	3,356,742	311,580	185,888
2,489,889	2,200,277	1,956,788	1,134,324	1,141,567	1,066,396
707,129	1,299,669	981,663	2,535,087	164,803	235,241
4,400	0	0	0	0	0
3,783,150	5,363,759	5,808,349	823,052	6,387,025	10,457,905
<u>\$96,571,184</u>	<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>

**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
2003	\$92,135,396	\$85,824,529	93.2%	\$1,713,934	\$87,538,463
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

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the matter 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. 2004 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>
95.0%	\$4,441,524	4.8%
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

**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
2004	\$1,803,588,770	\$417,359,700	\$45,166,030	\$112,292,038
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

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 23 percent for inventory.



Total Assessed Value	Estimated Actual Value (1)	Ratio
\$2,378,406,538	\$6,795,438,680	35.0%
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

**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
2004	\$59.50	\$19.40	\$6.60	\$85.50	\$0.00	\$0.91	\$0.20	\$1.11
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

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>
2004	\$730,942	\$2,378,406,538	121,154	0.03%	\$6
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

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, 2004*

Assessed Valuation (2004)	<u><u>\$2,378,406,538</u></u>
Debt Limit - 9% of Assessed Value (1)	\$214,056,588
Outstanding Debt:	
Tax Anticipation Note	1,360,000
Construction Note	18,580,000
General Obligation Bonds	1,535,000
Energy Conservation Loans	14,039,606
Less: Amount Available in Debt Service Fund	<u>(804,058)</u>
Total Outstanding Debt	34,710,548
Less Exemptions:	
Tax Anticipation Note	1,360,000
Construction Note	18,580,000
Energy Conservation Loans	<u>14,039,606</u>
Total Exemptions	33,979,606
Amount of Debt Applicable Debt Limit	<u>730,942</u>
<i>Overall Debt Margin</i>	<u><u>\$213,325,646</u></u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$2,378,407
Amount of Debt Applicable	<u>0</u>
<i>Unvoted Debt Margin</i>	<u><u>\$2,378,407</u></u>
Additional Limit for Unvoted Energy Conservation Loans:	
Debt Limit - 1% of Assessed Valuation	\$23,784,065
Energy Conservation Loans	<u>(14,039,606)</u>
<i>Additional Unvoted Debt Margin</i>	<u><u>\$9,744,459</u></u>

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, 2003*

<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>\$1,535,000</u>	100.00%	<u>\$1,535,000</u>
<u>Overlapping:</u>			
City of Parma	25,892,000	100.00	25,892,000
City of Parma Heights	4,287,161	100.00	4,287,161
City of Seven Hills	13,567,994	100.00	13,567,994
Cuyahoga County	183,239,636	7.82	14,329,340
Regional Transit Authority	<u>120,262,583</u>	7.82	<u>9,404,534</u>
Total Overlapping	<u>347,249,374</u>		<u>67,481,029</u>
Total	<u><u>\$348,784,374</u></u>		<u><u>\$69,016,029</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 2003 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)
2004	\$260,000	\$92,408	\$352,408	\$138,319,800	0.25%
2003	530,000	115,124	645,124	149,968,937	0.43
2002	500,000	224,833	724,833	123,678,343	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

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>
2004	1,348,871	87,800	21,263	12,091	13,371	6.6%
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

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 (Amount in 000's) Banks (2)</u>
2003	\$5,922,086,000	629,000	\$97,238,973
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

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, 2004*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Assessed Value</u>
General Motors Corporation	\$31,918,250	28.42%
Shiloh Corporation	3,211,480	2.86
Cox Cable Cleveland	2,356,220	2.10
Liberty Ford Southwest Incorporated	2,300,930	2.05
Tops Markets LLC	2,137,800	1.90
Sptitzer Buick Incorporated	1,940,440	1.73
Bob Gillingham Ford Incorporated	1,703,980	1.52
Integrity Chevrolet Incorporated	1,509,110	1.35
Marc Glassman Incorporated	1,484,630	1.32
Dick Bigelow Chevrolet Incorporated	<u>1,418,770</u>	<u>1.26</u>
Total	<u>\$49,981,610</u>	<u>44.51%</u>
Total Assessed Value	<u><u>\$112,292,038</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2005 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>
2004	\$138,319,800	13,371	\$10,345
2003	149,968,937	13,382	11,207
2002	123,678,343	13,406	9,226
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

Source: School District Financial Records.

(1) 1997 - 2004 reported on a GAAP basis;  
all other on cash basis

**Parma City School District**  
*Teacher Education and Experience*  
 June 30, 2004

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	117	11.74%
Bachelor + 12	83	8.32
Bachelor + 24	68	6.82
Bachelor + 36	65	6.52
Master's Degree	250	25.08
Master's + 12	148	14.84
Master's + 24	77	7.72
Master's + 36	54	5.42
Master's + 48	121	12.14
Doctorate Degree	8	0.80
Doctorate + 12	3	0.30
Doctorate + 24	1	0.10
Doctorate + 36	2	0.20
Total	<u>997</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	240	24.07%
6 - 10	241	24.17
11 and Over	516	51.76
	<u>997</u>	<u>100.00%</u>

Source: School District Personnel Records

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**Auditor of State  
Betty Montgomery**

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**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  
FEBRUARY 17, 2005**