

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2002



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO



**Auditor of State
Betty Montgomery**

88 East Broad Street
P. O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490
www.auditor.state.oh.us

January 21, 2003

The attached audit was conducted and prepared for release prior to the commencement of my term of office on January 13, 2003. Thus, I am releasing this audit under the signature of my predecessor.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$214,210	0	\$214,330
National School Breakfast	044636 05-PU-02	10.553	3,524	0	3,524	0
National School Lunch Program	044636 LL-P4-02	10.555	668,954	0	668,954	0
Total U.S. Department of Agriculture - Child Nutrition Cluster			672,478	214,210	672,478	214,330
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	044636 BS-F00	84.027	0	0	1,677	0
	044636 BS-F01		96,974	0	129,625	0
	044636 BS-F02		1,023,482	0	877,649	0
Total CFDA			1,120,456	0	1,008,951	0
Special Education - Preschool Grant	044636 PG-S1-01	84.173	1,489	0	27,385	0
	044636 PG-S1-02		94,509	0	79,801	0
Total CFDA			95,998	0	107,186	0
Total Special Education Cluster			1,216,454	0	1,116,137	0
Adult Education - State Grant Program	044636 AB-S1-01CY	84.002	0	0	1,610	0
	044636 AB-S1-01		0	0	13,407	0
	044636 AB-S1-02CY		0	0	18,467	0
	044636 AB-S1-02		160,711	0	157,071	0
Total CFDA			160,711	0	190,555	0
Grants to Local Educational Agencies (ESEA Title I)	044636 C1-S1-00	84.010	0	0	225	0
	044636 C1-S1-01		132,219	0	200,674	0
	044636 C1-S1-01CY		5,642	0	91,599	0
	044636 C1-S1-02		472,885	0	401,731	0
Total CFDA			610,746	0	694,229	0
Capital Expenses	044636 CX-S1-01	84.216	129,900	0	153,880	0
Total CFDA			129,900	0	153,880	0
Innovative Educational Program Strategies	044636 C2-S1-01	84.298	0	0	18,524	0
	044636 C2-S1-02		96,755	0	67,852	0
Total CFDA			96,755	0	86,376	0
Drug-Free Schools Grant	044636 DR-S1-01	84.186	3,521	0	14,927	0
	044636 DR-S1-02		54,446	0	44,064	0
Total CFDA			57,967	0	58,991	0
Vocational Education - Basic Grants to States	044636 20-C1-00	84.048	0	0	2,416	0
	044636 20-C1-01		14,347	0	21,443	0
	044636 20-C1-02		143,351	0	118,177	0
Total CFDA			157,698	0	142,036	0
Accreditation Resource Assistance	044636 20-A0-02	84.048	21,080	0	0	0
Total CFDA			21,080	0	0	0
Emergency Immigrant Education	N/A	84.162	13,700	0	13,504	0
Total CFDA			13,700	0	13,504	0
Goals 2000	044636 G2-S1-00	84.276	0	0	2,416	0
	044636 G2-S1-01		21,076	0	23,280	0
	044636 G2-S5-01		8,500	0	0	0
Total CFDA			29,576	0	25,696	0

PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
Eisenhower Professional Development	044636 MS-S1-01	84.281	0	0	23,448	0
	044636 MS-S1-02		51,536	0	37,094	0
Total CFDA			51,536	0	60,542	0
Class Size Reduction	044636 CR-S1-00	84.340	0	0	985	0
	044636 CR-S1-01		17,902	0	50,928	0
	044636 CR-S1-02		190,840	0	143,182	0
Total CFDA			208,742	0	195,095	0
Total Department of Education			<u>2,754,864</u>	<u>0</u>	<u>2,737,041</u>	<u>0</u>
<u>U.S. DEPARTMENT OF HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Education:</i>						
Refugee and Entrant Assistance:						
Discretionary Grants FY 2000	N/A	93.576	0	0	702	0
Discretionary Grants FY 2001	N/A		0	0	12,757	0
Discretionary Grants FY 2002	N/A		12,960	0	0	0
Total CFDA			12,960	0	13,459	0
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance/ Medicaid Title XIX	N/A	93.778	556,743	0	556,743	0
Total CFDA			556,743	0	556,743	0
Learn and Service America	044636-SV-S2-02	94.004	3,000	0	3,000	0
Total CFDA			3,000	0	3,000	0
Total U.S. Department of Human Services			<u>572,703</u>	<u>0</u>	<u>573,202</u>	<u>0</u>
Totals			<u><u>\$4,000,045</u></u>	<u><u>\$214,210</u></u>	<u><u>\$3,982,721</u></u>	<u><u>\$214,330</u></u>

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

PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

JUNE 30, 2002

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards 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, 2002, the District had no significant food commodities in inventory.

NOTE C - NATIONAL SCHOOL LUNCH PROGRAM

Federal monies received by the District for this program are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

N/A - Not Applicable.

CFDA – Catalog of Federal Domestic Assistance.

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building
615 Superior Avenue, NW.
Twelfth Floor
Cleveland, Ohio 44113-1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

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

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

We have audited the basic financial statements of the Parma City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 26, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 26, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 26, 2002.

This report is intended for the information and use of the audit committee, management, 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

December 26, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building
615 Superior Avenue, NW.
Twelfth Floor
Cleveland, Ohio 44113-1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR
FEDERAL PROGRAM 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 its major federal program for the year ended June 30, 2002. The District's major federal program is 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 its major federal program for the year ended June 30, 2002.

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.

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. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 26, 2002.

Schedule of Federal Awards Receipts and Expenditures

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 26, 2002. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, 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.



Jim Petro
Auditor of State

December 26, 2002

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2002**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster: Title VI-B CFDA #84.027 and Preschool CFDA #84.173
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**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, Ohio

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2002

Prepared by:

Chief Financial Officer/Budget Director

Daniel L. Wilson

Parma City School District, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2002
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Comprehensive Annual Financial Report
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Administration

Dr. Kurt Stanic
Superintendent

Daniel L. Wilson
Chief Financial Officer



Office of the Treasurer

Serving Parma, Parma Heights and Seven Hills

Board of Education

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

December 26, 2002

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

We are pleased to submit to you the sixth 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 second year of compliance with the GASB Statement 34 reporting model.

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 ASBO Certificate of Excellence and the GFOA Certificate of Achievement.

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

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

Reporting Entity

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

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

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

School District Organization

Parma City School District is the tenth largest of the 613 school districts in the State of Ohio and the second largest of 31 school districts in Cuyahoga County. The School District provides education to 13,406 students in grades kindergarten through twelve. Additionally, the School District provides preschool, after school, adult and community education services to a large number of students. The Parma City School District is located in northeastern Ohio, approximately ten miles south of Lake Erie.

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

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

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

Elementary The elementary school program provides students with exposure to reading, language arts, mathematics, science, social studies, health, music, art and physical education. Basic skill development is the key, and problem solving has been a focus in the mathematics area. Science is taught in a hands-on manner at our fifteen elementary schools, and manipulative models are used extensively in the math classes. Currently, our elementary schools service students in kindergarten through grade six. All 15 elementary schools participate in the Governor's "Ohio Reads" Literacy program and the Contract-to-READ program in cooperation with the Cuyahoga County Public Library. Five buildings receive reading remediation services through Title I staff members. Half of our elementary schools now participate in a conflict resolution program, and most of the elementary schools are now serviced by the Parma Police Department through the D.A.R.E. program.

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

two guidance counselors that offer students critical support when needed, a comprehensive group guidance program and a conflict resolution program called "Peace Makers."

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

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

Throughout the 2002-2003 school year, the School District will be celebrating its 150th year of operation.

Additional Programs and Services

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

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

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

Certificated Staff The average experience of the certificated staff is 14.8 years and 59.4 percent of the teaching staff has a master's and doctorate degrees. Textbook authors, doctorates, nationally known speakers and recognized experts in specific fields of study are among the School District's teachers and administrators. A blend of experienced staff along with many new teachers offers students of the Parma City School District one of the strongest faculties in the area.

Programs of Special Interest

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Economic Condition and Outlook

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

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

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

Major Initiatives

A committee of parents, community representatives, administrators and teachers worked to create the School District's Continuous Improvement Plan (CIP), which was adopted by the Board on June 26, 2000, in compliance with goals related to secondary instruction and three related specifically to elementary instruction. The plan has been outlined for various stakeholder groups and made available for public review. Monthly monitoring is taking place and the committee will review progress twice a year. The CIP was revised by the Board of Education to slow the implementation of all-day kindergarten district-wide. Five pilot sites began operations during the 2001-2002 school year. No final schedule has been approved for the 2002-2003 school year or beyond. The School District has begun a comprehensive process to update the Continuous Improvement Plan.

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

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

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

The School District is committed to providing students in grades kindergarten through fourth grade with a solid literacy program. This initiative is in line with those of the Ohio Department of Education. Three literacy specialists have been hired to work full time with elementary teachers on what to teach and how to teach with regard to literacy. The 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 11th terrorist attack, all security procedures and crisis plans have been reviewed and updated.

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

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

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

Financial Update

During fiscal year 2002, the Board of Education engaged in significant activities relative to the fiscal management and business management of the School District. Below is a listing of significant activities for the School District:

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

Throughout fiscal year 2002, 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 2001-2002 accomplishments:

- The Community Attitude Survey conducted by Triad Research showed an increased support for the Board of Education and the School District.
- The Board of Education developed a financing package that does not use property tax dollars for the replacement of the Byers Field turf.
- Health insurance rate increased 2.19 percent, which was \$368,919 less than previously negotiated. When combined with other savings from competitively bidding all employee insurance, the 2002-2003 actual costs will be \$955,127 less than originally budgeted.
- The May renewal of the no tax increase operating levy received a 60.4 percent approval rate, which was the highest in recent years.
- The Board of Education's \$20,000,000 capital improvements borrowing received the highest credit rating in the history of the School District. The Fitch AA - bond rating will save the taxpayers over \$150,000 over the next ten years.
- The Board of Education adopted a line item budget model, which has significantly slowed the increase in personal expenses.
- The recent Board of Education reorganization of the central office administration will save approximately \$930,000 over the next five years.
- The Board of Education hired Dr. Kurt Stanic as the next superintendent of the School District beginning August 1, 2002.
- The Board of Education is restoring in-house special education transportation, which will save approximately \$491,000 over the next five years.

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

As we look forward, several major fiscal concerns are facing the School District. The first is the impact of school funding reform in the State of Ohio. The second is the continued rapid escalation of the cost of Special Education programming. The third is the concerns over the rapidly escalating cost of health care insurance. The fourth is the impact of Community School funding reductions. The following are major open issues that were identified in the 2001-2002 budget and 2002-2003 budget:

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

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

Our financial outlook is stable and we are focused on increasing student achievement district-wide as we move into the future.

Financial Information

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

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

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

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

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

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

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

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

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented in the financial section of this report and provides an assessment of the School District finances for 2002.

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 STAROhio, Federal Home Loan Bank Notes, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes and repurchase agreements. 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 2002, 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 and a \$207,410,900 limit.

The United National Insurance Company provides general liability protection with a \$9,975,000 single occurrence limit and \$9,975,000 aggregate and a \$25,000 deductible. Vehicles are covered by United National Insurance Company with a \$25,000 deductible. Automobile liability has a \$9,975,000 liability limit per accident.

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

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

Pension Plans

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

Independent Audit

In accordance with Ohio Law, independent audits are required to be performed annually on all financial operations of the School District. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2002. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1999 fiscal year.

Awards

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

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

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

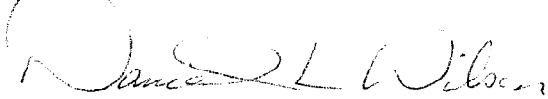
Acknowledgments

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

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Daniel L. Wilson". The signature is written in dark ink and is positioned above the printed name.

Daniel L. Wilson
Chief Financial Officer/Budget Director
Parma City School District

Parma City School District

Principal Officials

June 30, 2002

Board of Education

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

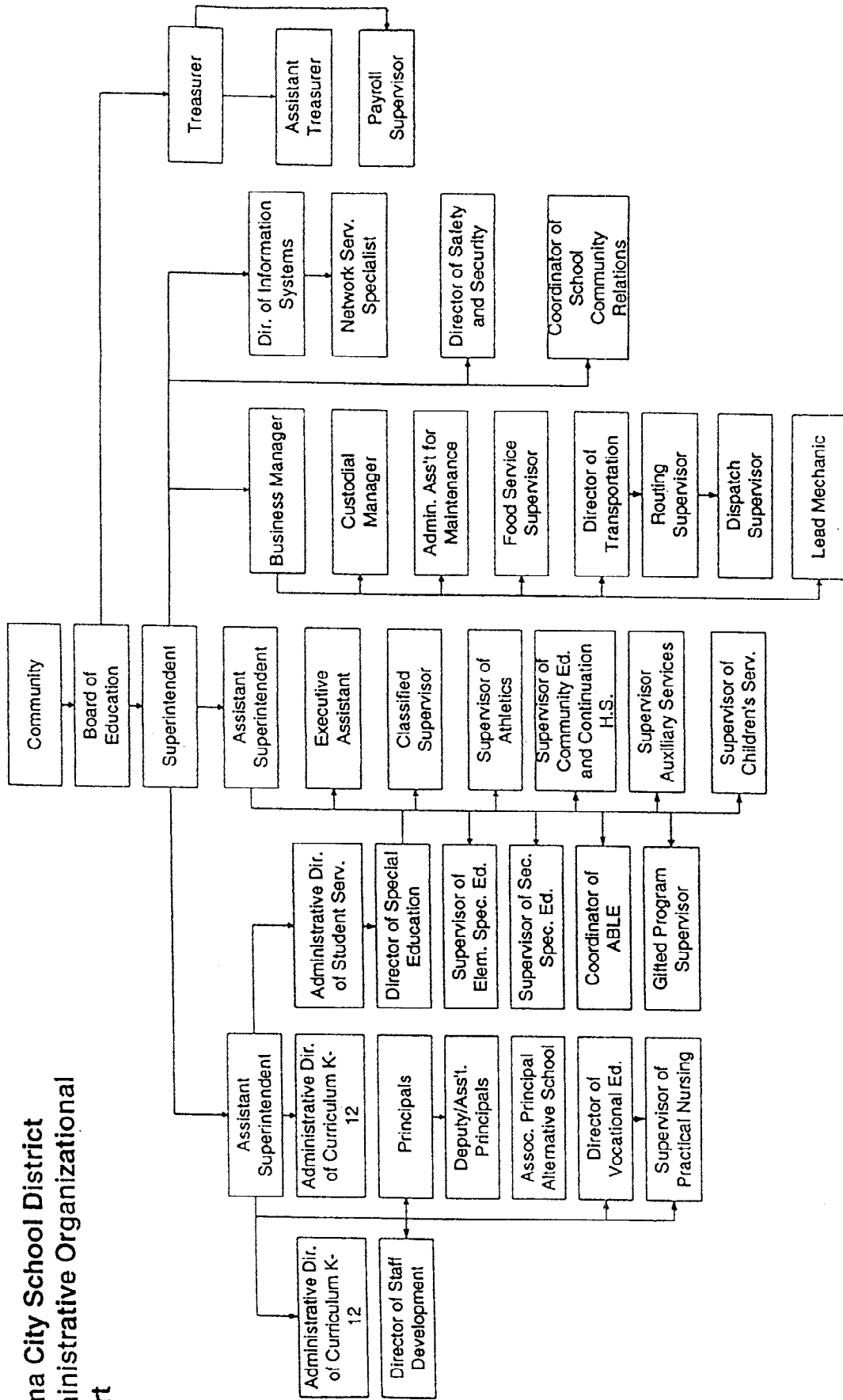
Chief Financial Officer/Budget Director

Daniel L. Wilson

Administration

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

Parma City School District Administrative Organizational Chart



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

PARMA CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2001

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

Clark J. Goldhall
President

David A. Kelly
Interim 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, 2001

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.



William Patrick Bate
President

Jeffrey L. Essler
Executive Director



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building
615 Superior Avenue, NW.
Twelfth Floor
Cleveland, Ohio 44113-1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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, 2002, 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, 2002, and the respective changes in financial position and the cash flows, where applicable, thereof 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.

As described in Note 3 to the basic financial statements, the District restated Governmental Activities net assets, as of and for the year ended June 30, 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2002 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 limited procedures, consisting principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

December 18, 2002

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The discussion and analysis of Parma City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2002. 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 2002 are as follows:

- Total net assets increased \$19.5 million, an increase of \$20.1 million in Governmental Activities and a decrease of \$.6 million in Business Type Activities.
- General revenues accounted for \$126.1 million in revenue or 90.1 percent of all revenues for governmental activities. Program specific revenues in the form of charges for services, sales, grants or contributions accounted for \$13.9 million or 9.9 percent of total revenues of \$140.0 million.
- Total program expenses were \$119.9 million in Governmental Activities and \$5.9 million in Business Type Activities.
- Outstanding debt increased by \$18.1 million to \$26.4 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 2001-2002 fiscal year?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. This is a major change from our previous annual financial reports.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

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

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for 2002 compared to 2001:

(Table I)
 Net Assets
 (In millions)

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Assets						
Current and Other Assets	\$127.2	\$105.8	\$0.9	\$1.4	\$128.1	\$107.2
Capital Assets, Net	23.7	20.9	0.1	0.1	23.8	21.0
Total Assets	150.9	126.7	1.0	1.5	151.9	128.2
Liabilities						
Current and Other Liabilities	71.2	86.2	0.3	0.4	71.5	86.6
Long-Term Liabilities:						
Due Within One Year	2.0	1.7	0.0	0.0	2.0	1.7
Due in More than One Year	29.7	11.0	0.3	0.1	30.0	11.1
Total Liabilities	102.9	98.9	0.6	0.5	103.5	99.4
Net Assets						
Invested in Capital Assets, Net of Debt	21.4	18.0	0.1	0.1	21.5	18.1
Restricted						
Capital Projects	21.1	0.8	0.0	0.0	21.1	0.8
Debt Service	1.6	1.9	0.0	0.0	1.6	1.9
Set Asides	0.6	0.0	0.0	0.0	0.6	0.0
Other Purpose	2.2	2.1	0.0	0.0	2.2	2.1
Unrestricted (Deficit)	1.0	5.0	0.3	0.9	1.3	5.9
Total Net Assets	\$47.9	\$27.8	\$0.4	\$1.0	\$48.3	\$28.8

Total assets increased \$23.7 million. Equity in pooled cash and cash equivalents increased \$25.9 million. Taxes receivable decreased \$5.0 million, due to the continued phase-in of public utility deregulation as well as board of revision and board of tax appeal decisions.

Total liabilities for governmental activities increased by \$4.0 million. This increase was primarily the result of increased notes payable of \$18.7 million. This increase was offset by a decrease in deferred revenue of \$15.6 million. The increase in notes payable is due to the \$20,000,000 special obligation notes issued for capital repairs and improvements. Future permanent improvement tax revenue will be used to repay the notes.

The net impact was an increase of net assets by \$19.5 million. As the full collection of the new tax levy occurs this is anticipated to continue a positive impact.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Table 2 shows the changes in net assets for fiscal year 2002.

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Revenues						
Program Revenues:						
Charges for Services	\$3.0	\$3.9	\$4.0	\$4.0	\$7.0	\$7.9
Capital Grants and Contributions	8.5	8.4	1.3	1.3	9.8	9.7
Operating Grants and Contributions	2.4	0.1	0.0	0.0	2.4	0.1
<i>Total Program Revenues</i>	<u>13.9</u>	<u>12.4</u>	<u>5.3</u>	<u>5.3</u>	<u>19.2</u>	<u>17.7</u>
General Revenues:						
Property Taxes	88.4	73.9	0.0	0.0	88.4	73.9
Grants and Entitlements	36.3	23.8	0.0	0.0	36.3	23.8
Investments	1.2	1.5	0.0	0.0	1.2	1.5
Miscellaneous	0.2	0.9	0.0	0.0	0.2	0.9
<i>Total General Revenues</i>	<u>126.1</u>	<u>100.1</u>	<u>0.0</u>	<u>0.0</u>	<u>126.1</u>	<u>100.1</u>
Total Revenues	<u>140.0</u>	<u>112.5</u>	<u>5.3</u>	<u>5.3</u>	<u>145.3</u>	<u>117.8</u>
Program Expenses						
Instruction	66.2	58.8	0.0	0.0	66.2	58.8
Support Services:						
Pupil and Instructional Staff	11.7	10.1	0.0	0.0	11.7	10.1
Board of Education, Administration, Fiscal and Business	12.0	10.0	0.0	0.0	12.0	10.0
Operation and Maintenance	14.3	10.1	0.0	0.0	14.3	10.1
Pupil Transportation	6.4	4.3	0.0	0.0	6.4	4.3
Central	2.1	1.5	0.0	0.0	2.1	1.5
Operating of Non-Instructional Services	4.1	4.3	0.0	0.0	4.1	4.3
Enterprise Operations	0.0	0.0	5.9	5.2	5.9	5.2
Extracurricular Activities	2.4	2.3	0.0	0.0	2.4	2.3
Interest and Fiscal Charges	0.6	0.5	0.0	0.0	0.6	0.5
Total Program Expenses	<u>119.8</u>	<u>101.9</u>	<u>5.9</u>	<u>5.2</u>	<u>125.7</u>	<u>107.1</u>
Increase in Net Assets	<u>\$20.2</u>	<u>\$10.6</u>	<u>(\$0.6)</u>	<u>\$0.1</u>	<u>\$19.6</u>	<u>\$10.7</u>

Total governmental net assets increased \$20.1 million. Property taxes increased \$14.5 million as a result of the first full fiscal year receipt of tax revenue from the March 2000 new 8.0 mill levy (6.0 mill operating and 2.0 mill permanent improvement). Grants and entitlements increased \$12.5 million as a result of increase in the State subsidy for primary and secondary education as well as an increase in the State subsidy for property tax rollback for the first full year of collections from the March 2000 8.0 mill levy.

The increase of \$7.5 million in instructional program expenses reflects both the increased cost of wages and benefits as well as the continued implementation of the School District's continuous improvement plan. The \$2.0 million increase for board of education, administration, fiscal and business expenses is primarily due to the increased county auditor and treasurer fees for the collection of the March 2000 8.0 mill levy. The operations and maintenance expenses increased \$4.2 million. This reflects the increased cost of wages and benefits, increased cost of utilities and increased spending for capital repairs and maintenance.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
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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 63.1 percent of revenues for governmental activities for Parma Schools in fiscal year 2002.

The largest Governmental Activities program expense remains instruction, comprising 52.7 percent of total expenses. When combined with pupil and instructional support these categories make up 62 percent of expenses.

Management recognizes tax revenues increased in fiscal 2002 as a result of full collection of the 6.0 mill operating levy passed in 2000. This levy, the first new operating levy since 1994, will yield its full value, an additional \$12.1 million, in fiscal 2002. Collection of the new levy in fiscal year 2001 represented about \$8.0 million. The new 2.0 mill permanent improvement levy also passed in 2000 will contribute to the increase in tax revenues as well.

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 2002	Net Cost of Services 2002	Total Cost of Services 2001	Net Cost of Services 2001
Instruction	\$66.3	\$62.8	\$58.8	\$53.4
Support Services:				
Pupil and Instructional Staff	11.7	9.7	10.1	9.3
Board of Education, Administration				
Fiscal and Business	12.0	11.7	10.0	9.9
Operation and Maintenance	14.3	11.8	10.2	9.8
Pupil Transportation	6.4	6.3	4.2	3.6
Central	2.1	2.1	1.5	1.3
Operating of Non-Instructional Services	4.1	(0.3)	4.3	0.8
Extracurricular Activities	2.4	1.3	2.3	0.8
Interest and Fiscal Charges	0.6	0.6	0.5	0.5
Total	\$119.9	\$106.0	\$101.9	\$89.4

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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

Business-Type Activities

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

Overall net assets decreased \$0.6 million in 2002. The decrease reflects higher wage and benefit costs and a constant level of revenue. 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 \$139.6 million and expenditures of \$123.6 million. The net change in fund balance for the year was most significant in the General Fund, an increase of \$15.5 million. As previously discussed, the School District received voter approval for a 6.0 mill operating levy in March of 2000. This new tax revenue, which was first received in 2001, has improved the School District financial stability. In addition, tax monies available as an advance from the County Auditor was substantially larger at June 30, 2002 compared to the prior fiscal years, due to an earlier collection date.

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 2002 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 \$103.2 million, the same as the original budget estimates. Total actual revenues were \$111.4 million, \$8.2 million above the original budget estimates.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$107.2 million.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2002 the School District had \$23.8 million invested in land, buildings, equipment and textbooks, \$23.7 million of which is in governmental activities. Table 4 shows fiscal 2002 balances compared to 2001:

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

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Land	\$5.1	\$5.1	\$0.0	\$0.0	\$5.1	\$5.1
Land Improvements	2.1	1.2	0.0	0.0	2.1	1.2
Buildings and Improvements	13.1	11.2	0.0	0.0	13.1	11.2
Furniture and Equipment	2.1	2.3	0.1	0.1	2.2	2.4
Vehicles	1.3	1.0	0.0	0.0	1.3	1.0
Textbooks	0.0	0.1	0.0	0.0	0.0	0.1
Totals	<u>\$23.7</u>	<u>\$20.9</u>	<u>\$0.1</u>	<u>\$0.1</u>	<u>\$23.8</u>	<u>\$21.0</u>

For fiscal year 2002, 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 2002, this amounted to \$2.6 million for each set aside. For fiscal year 2002 the School District had qualifying disbursements or offsets exceeding these requirements. For fiscal year 2001, the requirement for a budget reserve set-aside was eliminated. See Note 9 to the basic financial statements for additional information on capital assets.

Debt

At June 30, 2002 the School District had \$26.4 million in bonds and notes outstanding, \$1.9 million due within one year. The increase is the result of the \$20 million special obligation notes issued to fund capital repairs and improvements. The debt will be serviced with tax revenue from the March 2000 2.0 mill permanent improvement levy. Table 5 summarizes bonds and notes outstanding.

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

	Governmental Activities	
	2002	2001
General Obligation Bonds:		
1992 Energy Conservation	\$0.3	\$0.6
1999 Byers Field	2.0	2.3
2002 Tax Anticipation Note	20.0	0.0
1999 Tax Anticipation Notes Payable	4.1	5.4
Totals	<u>\$26.4</u>	<u>\$8.3</u>

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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

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

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

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

At June 30, 2002, the School District's overall legal debt margin was \$200,473,814 with an additional debt capacity within limitations of \$2,233,489. The School District currently has a Fitch AA - bond rating.

School District Outlook

The Parma City School District is financially stable. The Board of Education and administration have implemented fiscal management disciplines that utilize a variety of formal plans. We are working within the five-year budget plan, the five-year capital repairs and renovations plan, the continuous improvement plan, the five-year enrollment projections, and the Auditor of State's performance audit. The passage of the March 2000 6.0 mill operating levy and 2.0 mill permanent improvement levy have provided the necessary revenue base to support current program levels. The renewal of the 2002 expiring levy received a 60.4 percent approval, the highest in many years. Our future revenue base is dependent upon the renewal of emergency levies expiring in 2004. It is currently projected that new revenue will be necessary in 2004 to continue current level programming.

Several significant legislative and judicial actions have occurred that will have a major impact on our School District. The Ohio Supreme Court has pending an additional decision regarding school funding reform in Ohio. We believe that the ultimate resolution of funding reform is still sometime away. The downturn in the economy has put pressures on both the State budget as well as our local School District budget. We are concerned that the State may not have the ability to fully fund the previously approved subsidies for primary and secondary education in the State budget. We are also concerned that the local tax base may be weakened as a result of the current economic conditions and therefore negatively impact local tax revenues. The ongoing legislative efforts to support the existence of community (charter) schools come at the expense of our current State subsidy. This year approximately \$1,000,000 will be deducted from our State subsidy and redirected to local community (charter) schools. Our School District has been impacted by the continuing national trend of rapidly escalating employee benefit cost.

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

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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. Daniel L. Wilson, Chief Financial Officer can be contacted at the Parma City School District, 6726 Ridge Road, Parma, Ohio 44129 or by email at danielwils@parma.k12.oh.us.

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Parma City School District

Statement of Net Assets

June 30, 2002

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$49,150,494	\$1,030,018	\$50,180,512
Accounts Receivable	170,358	40,387	210,745
Intergovernmental Receivable	663,814	0	663,814
Accrued Interest Receivable	94,847	0	94,847
Internal Balances	229,205	(229,205)	0
Materials and Supplies Inventory	251,503	0	251,503
Inventory Held for Resale	0	92,293	92,293
Taxes Receivable	76,663,273	0	76,663,273
Nondepreciable Capital Assets	5,096,730	0	5,096,730
Depreciable Capital Assets, Net	18,586,640	96,218	18,682,858
<i>Total Assets</i>	<u>150,906,864</u>	<u>1,029,711</u>	<u>151,936,575</u>
Liabilities			
Accounts Payable	1,160,935	10,402	1,171,337
Accrued Wages	6,492,831	218,221	6,711,052
Intergovernmental Payable	3,378,712	102,923	3,481,635
Deferred Revenue	56,146,041	0	56,146,041
Accrued Interest Payable	32,532	0	32,532
Notes Payable	4,080,000	0	4,080,000
Long-Term Liabilities:			
Due Within One Year	1,953,455	40,386	1,993,841
Due In More Than One Year	29,724,160	265,944	29,990,104
<i>Total Liabilities</i>	<u>102,968,666</u>	<u>637,876</u>	<u>103,606,542</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	21,358,370	96,218	21,454,588
Restricted for:			
Capital Projects	21,120,494	0	21,120,494
Debt Service	1,569,261	0	1,569,261
Set-A-Sides	588,782	0	588,782
Other Purposes	2,266,099	0	2,266,099
Unrestricted	1,035,192	295,617	1,330,809
<i>Total Net Assets</i>	<u>\$47,938,198</u>	<u>\$391,835</u>	<u>\$48,330,033</u>

See accompanying notes to the basic financial statements

Parma City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2002

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction:				
Regular	\$52,549,702	\$1,493,438	\$902,920	\$0
Special	11,657,885	42,230	910,160	0
Vocational	1,942,972	0	122,697	0
Adult/Continuing	146,408	0	9,992	0
Support Services:				
Pupil	6,028,497	0	663,701	0
Instructional Staff	5,620,956	0	1,253,171	0
Board of Education	722,338	0	3,447	0
Administration	8,561,814	0	257,659	0
Fiscal	1,961,584	26	0	160
Business	760,916	0	232	0
Operation and Maintenance of Plant	14,323,751	280,253	3,445	2,323,190
Pupil Transportation	6,381,700	0	150	66,727
Central	2,142,312	0	13,892	0
Operation of Non-Instructional Services	4,059,216	0	4,357,532	0
Extracurricular Activities	2,449,230	1,134,475	32,156	0
Interest and Fiscal Charges	576,680	0	0	0
<i>Total Governmental Activities</i>	<u>119,885,961</u>	<u>2,950,422</u>	<u>8,531,154</u>	<u>2,390,077</u>
Business-Type Activities				
Food Service	3,287,831	2,173,383	928,022	0
Adult Continuing Education	999,882	609,868	234,295	0
Extended Day Care/Preschool	1,585,266	1,104,589	171,438	0
<i>Total Business-Type Activities</i>	<u>5,872,979</u>	<u>3,887,840</u>	<u>1,333,755</u>	<u>0</u>
<i>Totals</i>	<u><u>\$125,758,940</u></u>	<u><u>\$6,838,262</u></u>	<u><u>\$9,864,909</u></u>	<u><u>\$2,390,077</u></u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Capital Projects

Grants and Entitlements not Restricted to Specific Program:

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated (See Note 3)

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
(\$50,153,344)	\$0	(\$50,153,344)
(10,705,495)	0	(10,705,495)
(1,820,275)	0	(1,820,275)
(136,416)	0	(136,416)
(5,364,796)	0	(5,364,796)
(4,367,785)	0	(4,367,785)
(718,891)	0	(718,891)
(8,304,155)	0	(8,304,155)
(1,961,398)	0	(1,961,398)
(760,684)	0	(760,684)
(11,716,863)	0	(11,716,863)
(6,314,823)	0	(6,314,823)
(2,128,420)	0	(2,128,420)
298,316	0	298,316
(1,282,599)	0	(1,282,599)
(576,680)	0	(576,680)
(106,014,308)	0	(106,014,308)
0	(186,426)	(186,426)
0	(155,719)	(155,719)
0	(309,239)	(309,239)
0	(651,384)	(651,384)
(106,014,308)	(651,384)	(106,665,692)
84,363,645	0	84,363,645
57,603	0	57,603
4,071,141	0	4,071,141
36,323,272	0	36,323,272
1,184,907	0	1,184,907
163,388	51,098	214,486
126,163,956	51,098	126,215,054
20,149,648	(600,286)	19,549,362
27,788,550	992,121	28,780,671
\$47,938,198	\$391,835	\$48,330,033

Parma City School District

Balance Sheet

Governmental Funds

June 30, 2002

	<u>General</u>	<u>Bond Retirement Debt Service</u>	<u>Permanent Improvement Capital Projects</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$20,920,662	\$1,611,384	\$22,313,633
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	588,782	0	0
Taxes Receivable	72,322,915	648,980	3,691,378
Accounts Receivable	170,358	0	0
Intergovernmental Receivable	74,933	0	0
Accrued Interest Receivable	94,847	0	0
Interfund Receivable	3,357,946	0	0
Materials and Supplies Inventory	251,503	0	0
<i>Total Assets</i>	<u>\$97,781,946</u>	<u>\$2,260,364</u>	<u>\$26,005,011</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$815,539	\$0	\$41,566
Accrued Wages and Benefits	6,185,172	0	0
Interfund Payable	0	617,823	2,352,000
Intergovernmental Payable	2,158,594	0	0
Deferred Revenue	56,111,500	142,729	2,841,232
Accrued Interest Payable	15,640	0	6,006
Notes Payable	4,080,000	0	0
<i>Total Liabilities</i>	<u>69,366,445</u>	<u>760,552</u>	<u>5,240,804</u>
Fund Balances			
Reserved for Encumbrances	2,005,307	0	10,418,051
Reserved for Property Taxes	16,368,771	506,251	850,146
Reserved for Budget Stabilization	588,782	0	0
Unreserved, Undesignated (Deficit)			
Reported in:			
General Fund	9,452,641	0	0
Special Revenue Funds	0	0	0
Debt Service Fund	0	993,561	0
Capital Projects Funds	0	0	9,496,010
<i>Total Fund Balances</i>	<u>28,415,501</u>	<u>1,499,812</u>	<u>20,764,207</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$97,781,946</u>	<u>\$2,260,364</u>	<u>\$26,005,011</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, 2002*

Other Governmental Funds	Total Governmental Funds		
\$3,716,033	\$48,561,712	Total Governmental Fund Balances	\$53,715,964
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
0	588,782	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	23,683,370
0	76,663,273		
0	170,358	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
588,881	663,814	Delinquent Property Taxes	2,792,064
0	94,847	Tuition and Fees	157,356
0	3,357,946	Grants	<u>300,865</u>
0	251,503		
<u>\$4,304,914</u>	<u>\$130,352,235</u>	Total	3,250,285
		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	(1,022,920)
\$303,830	\$1,160,935		
307,659	6,492,831	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.	(10,886)
158,918	3,128,741		
197,198	2,355,792	Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:	
300,865	59,396,326	General Obligation Bonds	(2,325,000)
0	21,646	Notes Payable	(20,000,000)
0	4,080,000	Compensated Absences	(9,133,281)
<u>1,268,470</u>	<u>76,636,271</u>	Special Termination Benefits Payable	<u>(219,334)</u>
		Total	<u>(31,677,615)</u>
1,010,340	13,433,698	<i>Net Assets of Governmental Activities</i>	<u>\$47,938,198</u>
0	17,725,168		
0	588,782		
0	9,452,641		
1,835,545	1,835,545		
0	993,561		
<u>190,559</u>	<u>9,686,569</u>		
<u>3,036,444</u>	<u>53,715,964</u>		
<u>\$4,304,914</u>	<u>\$130,352,235</u>		

Parma City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2002

	General	Bond Retirement Debt Service	Permanent Improvement Capital Projects
Revenues			
Taxes	\$84,200,267	\$63,164	\$4,063,294
Intergovernmental	35,859,791	53,250	476,958
Interest	1,110,150	0	0
Tuition and Fees	1,377,030	0	0
Extracurricular Activities	140,218	0	0
Rentals	279,729	0	0
Charges for Services	0	0	550
Contributions and Donations	0	0	3,350
Miscellaneous	27,024	0	95,240
<i>Total Revenues</i>	<u>122,994,209</u>	<u>116,414</u>	<u>4,639,392</u>
Expenditures			
Current:			
Instruction:			
Regular	51,932,443	0	0
Special	10,627,215	0	0
Vocational	1,884,294	0	0
Adult/Continuing	981	0	0
Support Services:			
Pupil	5,499,378	0	0
Instructional Staff	4,531,631	0	0
Board of Education	712,931	0	0
Administration	8,401,798	0	0
Fiscal	1,878,590	0	0
Business	754,220	0	0
Operation and Maintenance of Plant	10,834,762	0	0
Pupil Transportation	6,317,140	0	0
Central	2,128,388	0	0
Operation of Non-Instructional Services	99,368	0	0
Extracurricular Activities	1,299,493	0	0
Capital Outlay	136,389	0	4,055,969
Debt Service:			
Principal Retirement	0	500,000	0
Interest and Fiscal Charges	359,720	224,833	6,006
<i>Total Expenditures</i>	<u>107,398,741</u>	<u>724,833</u>	<u>4,061,975</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>15,595,468</u>	<u>(608,419)</u>	<u>577,417</u>
Other Financing Sources (Uses)			
Note Issued	0	0	20,000,000
Transfers In	564	251,900	0
Transfers Out	(77,210)	0	(251,900)
<i>Total Other Financing Sources (Uses)</i>	<u>(76,646)</u>	<u>251,900</u>	<u>19,748,100</u>
<i>Net Change in Fund Balances</i>	15,518,822	(356,519)	20,325,517
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>12,896,679</u>	<u>1,856,331</u>	<u>438,690</u>
<i>Fund Balances End of Year</i>	<u>\$28,415,501</u>	<u>\$1,499,812</u>	<u>\$20,764,207</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, 2002*

Other Governmental Funds	Total Governmental Funds
\$0	\$88,326,725
8,394,733	44,784,732
74,757	1,184,907
0	1,377,030
995,539	1,135,757
0	279,729
0	550
2,350,297	2,353,647
41,124	163,388
<u>11,856,450</u>	<u>139,606,465</u>
989,486	52,921,929
883,356	11,510,571
10,623	1,894,917
151,619	152,600
533,442	6,032,820
967,268	5,498,899
3,996	716,927
210,812	8,612,610
0	1,878,590
97	754,317
1,440	10,836,202
12,212	6,329,352
13,882	2,142,270
4,041,602	4,140,970
1,227,173	2,526,666
2,445,786	6,638,144
0	500,000
0	590,559
<u>11,492,794</u>	<u>123,678,343</u>
<u>363,656</u>	<u>15,928,122</u>
0	20,000,000
80,710	333,174
(4,064)	(333,174)
<u>76,646</u>	<u>20,000,000</u>
440,302	35,928,122
<u>2,596,142</u>	<u>17,787,842</u>
<u>\$3,036,444</u>	<u>\$53,715,964</u>

Net Change in Fund Balances - Total Governmental Funds	\$35,928,122
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Capital Asset Additions	4,773,138
Current Year Depreciation	<u>(1,787,931)</u>
Total	2,985,207
In the statement of activities the loss on the disposal of fixed assets is reported.	(163,342)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Delinquent Property Taxes	165,664
Grants	106,124
Tuition and Fees	<u>157,356</u>
Total	429,144
Proceeds of notes in the governmental funds increased long-term liabilities in the statement of net assets.	(20,000,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	500,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due	13,879
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.	
Compensated Absences	372,728
Special Termination Benefits	219,333
Pension Obligation	<u>(135,423)</u>
Total	<u>456,638</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$20,149,648</u></u>

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, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Taxes	\$69,574,912	\$69,574,912	\$72,807,985	\$3,233,073
Intergovernmental	29,881,262	29,881,262	35,795,732	5,914,470
Interest	1,600,000	1,600,000	856,856	(743,144)
Tuition and Fees	1,635,490	1,635,490	1,581,734	(53,756)
Extracurricular Activities	93,000	93,000	157,777	64,777
Rentals	230,000	230,000	171,719	(58,281)
Miscellaneous	214,500	214,500	33,810	(180,690)
<i>Total Revenues</i>	<u>103,229,164</u>	<u>103,229,164</u>	<u>111,405,613</u>	<u>8,176,449</u>
Expenditures				
Current:				
Instruction:				
Regular	51,479,977	53,430,634	52,004,401	1,426,233
Special	10,508,860	10,455,039	10,430,467	24,572
Vocational	2,296,867	2,356,428	1,907,168	449,260
Adult/Continuing	18,781	14,981	981	14,000
Support Services:				
Pupils	5,577,664	5,613,315	5,466,676	146,639
Instructional Staff	4,553,565	4,882,178	4,590,065	292,113
Board of Education	533,491	813,578	695,682	117,896
Administration	7,850,042	8,361,579	8,299,997	61,582
Fiscal	2,327,597	2,204,639	1,873,215	331,424
Business	771,508	920,697	768,943	151,754
Operation and Maintenance of Plant	11,281,186	11,475,086	10,821,698	653,388
Pupil Transportation	5,527,273	6,463,908	6,387,501	76,407
Central	2,278,970	2,630,103	2,458,600	171,503
Operation of Non-Instructional Services:	132,371	187,473	103,647	83,826
Extracurricular Activities:	1,165,166	1,384,359	1,292,999	91,360
Capital Outlay	117,300	178,215	132,394	45,821
<i>Total Expenditures</i>	<u>106,420,618</u>	<u>111,372,212</u>	<u>107,234,434</u>	<u>4,137,778</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$3,191,454)</u>	<u>(\$8,143,048)</u>	<u>\$4,171,179</u>	<u>\$12,314,227</u>
Other Financing Sources (Uses)				
Advances In	2,035,535	2,035,535	2,035,535	0
Advances Out	(1,225,000)	(2,430,551)	(2,430,551)	0
Transfers In	564	564	564	0
Transfers Out	(1,049,705)	(77,210)	(77,210)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(238,606)</u>	<u>(471,662)</u>	<u>(471,662)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,430,060)	(8,614,710)	3,699,517	12,314,227
<i>Fund Balance Beginning of Year</i>	12,792,542	12,792,542	12,792,542	0
Prior Year Encumbrances Appropriated	2,656,785	2,656,785	2,656,785	0
<i>Fund Balance End of Year</i>	<u>\$12,019,267</u>	<u>\$6,834,617</u>	<u>\$19,148,844</u>	<u>\$12,314,227</u>

See accompanying notes to the basic financial statements

Parma City School District*Statement of Fund Net Assets**Enterprise Funds**June 30, 2002*

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$323,967	\$327,496	\$378,555	\$1,030,018
Accounts Receivable	115	0	40,272	40,387
Inventory Held for Resale	92,293	0	0	92,293
<i>Total Current Assets</i>	416,375	327,496	418,827	1,162,698
Noncurrent Assets:				
Capital Assets, Net	81,312	5,488	9,418	96,218
<i>Total Assets</i>	497,687	332,984	428,245	1,258,916
Liabilities				
Current Liabilities:				
Accounts Payable	0	7,897	2,505	10,402
Accrued Wages	94,545	49,486	74,190	218,221
Compensated Absences Payable	17,497	9,158	13,731	40,386
Intergovernmental Payable	44,832	23,158	34,933	102,923
Interfund Payable	0	58,802	170,403	229,205
<i>Total Current Liabilities</i>	156,874	148,501	295,762	601,137
Long-Term Liabilities:				
Compensated Absences Payable	115,219	60,307	90,418	265,944
<i>Total Liabilities</i>	272,093	208,808	386,180	867,081
Net Assets				
Invested in Capital Assets	81,312	5,488	9,418	96,218
Unrestricted	144,282	118,688	32,647	295,617
<i>Total Net Assets</i>	\$225,594	\$124,176	\$42,065	\$391,835

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, 2002*

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Operating Revenues				
Tuition	\$0	\$517,066	\$1,104,589	\$1,621,655
Sales	2,173,383	0	0	2,173,383
Charges for Services	0	92,802	0	92,802
Miscellaneous	0	51,098	0	51,098
<i>Total Operating Revenues</i>	<u>2,173,383</u>	<u>660,966</u>	<u>1,104,589</u>	<u>3,938,938</u>
Operating Expenses				
Salaries	723,773	508,909	775,599	2,008,281
Fringe Benefits	564,615	193,320	272,339	1,030,274
Purchased Services	167,229	174,909	397,274	739,412
Materials and Supplies	126,594	111,457	132,554	370,605
Cost of Sales	1,697,739	0	0	1,697,739
Depreciation	7,881	1,813	1,006	10,700
Other	0	9,474	6,494	15,968
<i>Total Operating Expenses</i>	<u>3,287,831</u>	<u>999,882</u>	<u>1,585,266</u>	<u>5,872,979</u>
<i>Operating Loss</i>	<u>(1,114,448)</u>	<u>(338,916)</u>	<u>(480,677)</u>	<u>(1,934,041)</u>
Non-Operating Revenues				
Donated Commodities	224,586	0	0	224,586
Operating Grants	703,436	234,295	171,438	1,109,169
<i>Total Non-Operating Revenues</i>	<u>928,022</u>	<u>234,295</u>	<u>171,438</u>	<u>1,333,755</u>
<i>Change in Net Assets</i>	(186,426)	(104,621)	(309,239)	(600,286)
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	<u>412,020</u>	<u>228,797</u>	<u>351,304</u>	<u>992,121</u>
<i>Net Assets End of Year</i>	<u>\$225,594</u>	<u>\$124,176</u>	<u>\$42,065</u>	<u>\$391,835</u>

See accompanying notes to the basic financial statements

Parma City School District
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2002

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$2,173,268	\$610,048	\$1,077,938	\$3,861,254
Other Cash Receipts	0	51,098	0	51,098
Cash Payments to Employees for Services	(814,015)	(520,916)	(781,012)	(2,115,943)
Cash Payments for Employee Benefits	(483,866)	(154,671)	(214,436)	(852,973)
Cash Payments for Goods and Services	(1,730,965)	(274,821)	(324,825)	(2,330,611)
Other Cash Payments	0	(9,474)	(6,494)	(15,968)
<i>Net Cash Used for Operating Activities</i>	<u>(855,578)</u>	<u>(298,736)</u>	<u>(248,829)</u>	<u>(1,403,143)</u>
Cash Flows from Noncapital Financing Activities				
Operating Grants Received	703,436	234,295	171,438	1,109,169
Advances In	0	18,000	0	18,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>703,436</u>	<u>252,295</u>	<u>171,438</u>	<u>1,127,169</u>
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	(17,010)	0	0	(17,010)
<i>Net Decrease in Cash and Cash Equivalents</i>	(169,152)	(46,441)	(77,391)	(292,984)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>493,119</u>	<u>373,937</u>	<u>455,946</u>	<u>1,323,002</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$323,967</u>	<u>\$327,496</u>	<u>\$378,555</u>	<u>\$1,030,018</u>

(continued)

Parma City School District
Statement of Cash Flows
Enterprise Funds (continued)
For the Fiscal Year Ended June 30, 2002

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Reconciliation of Operating Loss to Net Cash Used for Operating Activities				
Operating Loss	(\$1,114,448)	(\$338,916)	(\$480,677)	(\$1,934,041)
Adjustments:				
Depreciation	7,881	1,813	1,006	10,700
Donated Commodities Received During Year	224,586	0	0	224,586
(Increase) Decrease in Assets:				
Accounts Receivable	(115)	0	(26,651)	(26,766)
Intergovernmental Receivable	0	180	0	180
Inventory Held for Resale	(8,821)	0	0	(8,821)
Increase (Decrease) in Liabilities:				
Accounts Payable	0	(11,613)	(333)	(11,946)
Accrued Wages	15,066	1,818	10,301	27,185
Compensated Absences Payable	27,408	55,640	88,435	171,483
Interfund Payable	0	0	170,403	170,403
Intergovernmental Payable	(7,135)	(7,658)	(11,313)	(26,106)
<i>Net Cash Used for Operating Activities</i>	<u>(\$855,578)</u>	<u>(\$298,736)</u>	<u>(\$248,829)</u>	<u>(\$1,403,143)</u>

Non-Cash Non Capital Activity:

Federal donated commodities in the amount of \$224,586 were recorded as revenue in the food service enterprise fund.

See accompanying notes to the basic financial statements

Parma City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2002

Assets

Equity Pooled in Cash and Cash Equivalents	<u>\$1,893,896</u>
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Liabilities

Undistributed Monies	\$1,508,920
Due to Students	<u>384,976</u>

<i>Total Liabilities</i>	<u>\$1,893,896</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, 2002

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 784 noncertified and 966 certificated full time teaching personnel who provide services to 13,406 students and other community members.

Reporting Entity

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

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

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

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

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

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

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

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

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

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

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

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

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

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

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

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 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 2002, investments were limited to STAROhio, commercial paper, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Note and repurchase agreements. 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, 2002.

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 2002 amounted to \$1,110,150 which includes \$602,394 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.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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.

G. 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 20 for additional information regarding set-asides.

H. 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 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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

I. 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.

J. 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.

K. 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 are recognized as a liability on the governmental fund financial statements when due.

L. 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.

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

M. 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.

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.

N. 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.

O. Contributions of Capital

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

P. 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.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

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.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. 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 – Restatement of Fund Balances/Net Assets

At June 30, 2001, fund balances and net assets for governmental activities were restated due to revaluation of capital assets and adjustments to cash, accrued wages, intergovernmental payable and compensated absences. Business-type activities net assets were also restated due to a revaluation of capital assets.

The restatements had the following effect on fund balances at June 30, 2001:

	Bond Retirement <u>Debt Service</u>	Other <u>Governmental</u>
Fund Balances, June 30, 2001	\$1,651,406	\$2,564,590
Restatements:		
Cash	204,925	0
Accrued Wages	0	25,048
Intergovernmental Payable	0	6,504
Restated Fund Balances June 30, 2001	<u>\$1,856,331</u>	<u>\$2,596,142</u>

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

The restatements had the following effect on net assets at June 30, 2001:

	<u>Governmental</u>	<u>Business-Type</u>
Net Assets, June 30, 2001	\$30,298,250	\$1,001,031
Restatements:		
Accrued Wages	25,048	0
Intergovernmental Payable	6,504	0
Compensated Absences Payable	44,656	0
Capital Assets	(2,790,833)	(8,910)
Cash	<u>204,925</u>	<u>0</u>
Restated Net Assets, June 30, 2001	<u><u>\$27,788,550</u></u>	<u><u>\$992,121</u></u>

Note 4 - Accountability and Compliance

A. Accountability

Fund balances at June 30, 2002 included the following fund deficits:

	<u>Deficit Fund Balances</u>
Special Revenue Funds:	
Adult Basic Education	\$14,833
Disadvantaged Pupil Impact Aid	10,349
Capital Projects Fund:	
Power Up Grant	35,046

The 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.

B. Compliance

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

	<u>Estimated Revenue Plus Carryover Balances</u>	<u>Appropriations</u>	<u>Excess</u>
Special Revenue Fund:			
Public School Support	\$1,060,866	\$1,522,250	(\$461,384)
Capital Projects Fund:			
Turf Replacement	95,582	1,500,000	(1,404,418)
Enterprise Fund:			
Food Service	2,871,724	3,306,387	(434,663)

Contrary to Section 5705.39, Ohio Revised Code, the food service enterprise fund had final appropriations in excess of estimated revenues and carryover balances of \$6.

In order to address these budgetary violations, management is closely comparing proposed levels of appropriations to available resources to insure compliance before appropriations are legally adopted.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

The following funds had expenditures plus encumbrances in excess of appropriations contrary to Section 5705.41, Ohio Revised Code:

<i>Special Revenue Funds</i>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Adult Basic Education	\$204,776	\$207,094	(\$2,318)
Other Grants	175,738	178,396	(2,658)
Drug Free Schools	69,626	76,530	(6,904)
Scholarship	1,000	6,300	(5,300)

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 5 - Budgetary Basis of Accounting

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

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

Parma City School District
Notes to the Basic Financial Statements
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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	\$15,518,822
Net Adjustment for Revenue Accruals	(9,954,756)
Transfer of Revenue for Note Payment	(1,704,080)
Advances In	2,035,535
Unrecorded Cash	8,846
Fair Value Adjustment for Investments	61,394
Net Adjustment for Expenditure Accruals	2,470,990
Advances Out	(2,430,551)
Adjustment for Encumbrances	(2,306,683)
Budget Basis	<u><u>\$3,699,517</u></u>

Note 6 - Deposits and Investments

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

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

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

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

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 treasurer 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;

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$2,300,231 and the bank balance was \$3,769,047. Of the bank balance:

1. \$200,000 of the bank balance was covered by depository insurance; and
2. \$3,569,047 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.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$36,857,753	\$36,857,753	\$36,857,753
Federal National Mortgage Association Notes	4,901,868	4,901,868	4,901,868
Federal Home Loan Mortgage Corporation Notes	4,956,274	4,956,274	4,956,274
Federal Home Loan Bank Notes	2,003,840	2,003,840	2,003,840
STAROhio	0	1,054,242	1,054,242
Total	<u>\$48,719,735</u>	<u>\$49,773,977</u>	<u>\$49,773,977</u>

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	\$52,074,408	\$0
Cash on Hand	(200)	0
Investments:		
Repurchase Agreements	(36,857,753)	36,857,753
Federal National Mortgage Association Notes	(4,901,868)	4,901,868
Federal Home Loan Mortgage Corporation Notes	(4,956,274)	4,956,274
Federal Home Loan Bank Notes	(2,003,840)	2,003,840
STAROhio	(1,054,242)	1,054,242
GASB Statement No. 3	<u>\$2,300,231</u>	<u>\$49,773,977</u>

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in businesses) located in the school district. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) is for calendar 2002 taxes.

Parma City School District
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2002 real property taxes are levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

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

2002 tangible personal property taxes are levied after April 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which the fiscal year 2002 taxes were collected are:

	2001 Second Half Collections		2002 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$2,057,209,250	92.10 %	\$2,068,070,490	92.59 %
Public Utility Personal	60,432,510	2.71	46,260,140	2.07
Tangible Personal Property	115,972,283	5.19	119,158,280	5.34
Total	<u><u>\$2,233,614,043</u></u>	<u><u>100.00 %</u></u>	<u><u>\$2,233,488,910</u></u>	<u><u>100.00 %</u></u>
 Tax rate per \$1,000 of assessed valuation	 \$60.20		 \$60.20	

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.

Tangible personal property taxes paid 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 Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002, are available to finance fiscal year 2002 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, personal property and public utility taxes which are measurable as of June 30, 2002 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. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current fiscal year operations.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

The amount available as an advance at June 30, 2002 was \$17,725,168 and is recognized as revenue. \$16,368,771 was available as an advance to the general fund, \$506,251 to the debt service fund, and \$850,146 to the permanent improvement capital projects fund. The amount available as an advance at June 30, 2001 was \$6,714,314. \$6,200,266 was available to the general fund, \$191,761 to the debt service fund and \$322,287 to the permanent improvement capital projects fund. The increase in revenue was primarily due to the Cuyahoga County Treasurer sending the semi-annual tax bills out earlier in the month of June than in past years resulting in more payments reaching the County Treasurer before fiscal year end.

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.

Note 8 - Receivables

Receivables at June 30, 2002, consisted of taxes, accounts (rent and tuition), interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
General	\$74,933
Title I	129,046
Title IV-B	385,246
Adult Basic Education	4,045
Title VI	11,966
Vocational Education	4,416
Title VI - R	54,162
Total	<u><u>\$663,814</u></u>

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

	Balance 6/30/2001	Additions	Deletions	Balance 6/30/2002
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$5,096,730	\$0	\$0	\$5,096,730
<i>Capital Assets, being depreciated:</i>				
Land Improvements	4,451,441	1,125,711	0	5,577,152
Buildings and Improvements	53,069,956	2,823,352	0	55,893,308
Furniture and Equipment	11,184,334	275,885	(163,725)	11,296,494
Vehicles	6,079,100	548,190	(250,750)	6,376,540
Textbooks	5,678,148	0	0	5,678,148
<i>Total Capital Assets, being depreciated</i>	<u>80,462,979</u>	<u>4,773,138</u>	<u>(414,475)</u>	<u>84,821,642</u>
Less Accumulated Depreciation:				
Land Improvements	(3,316,132)	(107,628)	0	(3,423,760)
Buildings and Improvements	(41,871,030)	(781,234)	4,093	(42,648,171)
Furniture and Equipment	(8,835,618)	(598,443)	247,040	(9,187,021)
Vehicles	(5,046,020)	(289,640)	0	(5,335,660)
Textbooks	(5,629,404)	(10,986)	0	(5,640,390)
Total Accumulated Depreciation	<u>(64,698,204)</u>	<u>(1,787,931) *</u>	<u>251,133</u>	<u>(66,235,002)</u>
Total Capital Assets, being depreciated, net	<u>15,764,775</u>	<u>2,985,207</u>	<u>(163,342)</u>	<u>18,586,640</u>
Governmental Activities Capital Assets, Net	<u>\$20,861,505</u>	<u>\$2,985,207</u>	<u>(\$163,342)</u>	<u>\$23,683,370</u>
Business-Type Activities				
Buildings and Improvements	\$8,000	\$0	\$0	\$8,000
Furniture and Equipment	1,474,740	17,010	(11,159)	1,480,591
Totals at Historical Cost	<u>1,482,740</u>	<u>17,010</u>	<u>(11,159)</u>	<u>1,488,591</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(400)	(160)	0	(560)
Furniture and Equipment	(1,392,432)	(10,540)	11,159	(1,391,813)
Total Accumulated Depreciation	<u>(1,392,832)</u>	<u>(10,700)</u>	<u>11,159</u>	<u>(1,392,373)</u>
Business-Type Activities Capital Asset, Net	<u>\$89,908</u>	<u>\$6,310</u>	<u>\$0</u>	<u>\$96,218</u>

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

* Depreciation expense was charged to governmental functions as follow:

Instruction:	
Regular	\$1,340,406
Special	25,952
Vocational	90,432
Adult/Continuing	391
Support Services:	
Pupils	5,746
Instructional Staff	37,628
Board of Education	3,784
Administration	25,963
Fiscal	5,128
Business	20,370
Operation and Maintenance of Plant	58,674
Pupil Transportation	3,812
Central	5,786
Operation of Non-Instructional Services	70,456
Extracurricular Activities	93,403
Total Depreciation Expense	<u><u>\$1,787,931</u></u>

Note 10 - Risk Management

A. Workers' Compensation

For fiscal year 2002, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (see Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP.

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

B. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2002, the School District contracted with the following insurance companies:

Parma City School District
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Company	Type of Coverage	Limit	Deductible
United National Insurance Company	Auto Liability	\$9,975,000	\$25,000
	Uninsured Motorist	25,000	25,000
	Comprehensive General Liability		
	Personal Injury	9,975,000	25,000
	General Aggregate	9,975,000	25,000
Hartford Insurance Company	Property Coverage		
	Blanket Building and Contents	207,410,900	25,000
National Union Fire Insurance Company	Errors and Omissions	3,000,000	5,000

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

Note 11 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.2 percent was 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, 2002, 2001, and 2000 were \$895,508, \$1,734,747, and \$1,123,618 respectively; 45.96 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000, with the remainder being presented as and intergovernmental payable.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

For the fiscal year ended June 30, 2002, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$5,148,867, \$6,722,402, and \$2,931,366, respectively; 82.97 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000, with the remainder being presented as an intergovernmental payable.

Note 12 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$2,438,937 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 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, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent for fiscal year 2001. 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 2002, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$1,573,153.

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, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 13 - Other Employee Benefits

A. Compensated Absences

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

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

Upon retirement, certificated employees with less than fourteen years of service are paid a sum equal to one-fourth of unused sick leave to a maximum of thirty days. Upon separation, certificated employees with fourteen years of service or more, 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 certificated employee with a balance of greater than 240 days also receives an additional ten percent of accrued and unused sick leave above the 240 days. Certificated 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 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 - 150 days at 35%	16.0
151 - 200 days at 40%	20.0
201 - 250 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 Canada Life Assurance Company. Certificated employees working two and one-half hours or more per day and administrators receive \$50,000 term life and accidental death and dismemberment coverage. Classified employees who work four to six hours per day receive \$20,000 coverage, and those who work six hours or more per day receive \$30,000 coverage for term life insurance and accidental death and dismemberment.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

The School District also provides medical/surgical, dental and vision insurance to all eligible employees primarily through Medical Mutual of Ohio.

C. Special Termination Benefit Payable

The School District Board of Education approved a Special Termination Benefit program on March 8, 2000 for its certified employees. Certified employees, who retired under the requirements set forth by STRS during fiscal year 2000, were given a special termination benefit of \$500 for each year of service credit to the Parma City School District. This pay-out will be in addition to the accumulated unused sick leave (compensated absences) obligation owed by the School District to the retirees. The Board has elected to pay the special termination benefits, along with the compensated absences, in three equal installments beginning February 1, 2001, with the remaining balances being paid on February 1, 2002 and February 1, 2003. The total pay-out for fiscal year 2002 was \$219,333.

Note 14 - Note Debt

The School District's note activity for fiscal year 2002, including amounts outstanding and interest rates, is as follows:

	Balance 6/30/2001	Additions	Deletions	Balance 6/30/2002
General Fund:				
Tax Anticipation Note - 4.60%	\$5,440,000	\$0	(\$1,360,000)	\$4,080,000

The notes are backed by the full faith and credit of Parma City School District and mature in 2005 and 2013. 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 notes outstanding at June 30, 2002, are as follows:

Fiscal Year Ending June, 30	Principal	Interest	Total
2003	\$1,360,000	\$156,400	\$1,516,400
2004	1,360,000	93,840	1,453,840
2005	1,360,000	31,280	1,391,280
Total	\$4,080,000	\$281,520	\$4,361,520

Note 15 - Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:			
Energy Conservation Bonds - 1992	3.70 - 6.15%	\$2,250,000	December 1, 2001
Byers Field - 1999	5.50 - 5.55%	2,485,000	December 1, 2008
Tax Anticipation Note - 2002	3.0 - 4.50%	20,000,000	December 1, 2012

Parma City School District
Notes to the Basic Financial Statements
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The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding 6/30/2001	Additions	(Reductions)	Principal Outstanding 6/30/2002	Amount Due in One Year
Governmental Activities:					
General Obligations Bonds:					
1992 Energy Conservation Bonds	\$555,000	\$0	(\$270,000)	\$285,000	\$285,000
1999 Byers Field	2,270,000	0	(230,000)	2,040,000	245,000
<i>Total General Obligation Bonds</i>	2,825,000	0	(500,000)	2,325,000	530,000
2002 Tax Anticipation Note	0	20,000,000	0	20,000,000	0
Compensated Absences	9,506,009	695,760	(1,068,488)	9,133,281	1,204,121
Special Termination Benefits	438,667	0	(219,333)	219,334	219,334
Total Governmental Activities	<u>\$12,769,676</u>	<u>\$20,695,760</u>	<u>(\$1,787,821)</u>	<u>\$31,677,615</u>	<u>\$1,953,455</u>
Business-Type Activities:					
Compensated Absences	<u>\$134,847</u>	<u>\$265,944</u>	<u>(\$94,461)</u>	<u>\$306,330</u>	<u>\$40,386</u>

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

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

The 2002 notes will be used for the purpose of acquiring, constructing, enlarging and renovating certain property of the School District.

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

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

The School District's overall legal debt margin was \$200,473,814 with an unvoted debt margin of \$2,233,489 at June 30, 2002. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2002, are as follows:

Fiscal Year Ending June, 30	General Obligation Bonds		Tax Anticipation Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$530,000	\$115,124	\$0	\$737,322	\$530,000	\$852,446
2004	260,000	92,408	1,420,000	712,472	1,680,000	804,880
2005	275,000	77,561	1,785,000	656,385	2,060,000	733,946
2006	290,000	61,883	1,845,000	583,635	2,135,000	645,518
2007	305,000	45,371	1,930,000	513,172	2,235,000	558,543
2008-2012	665,000	37,324	10,645,000	1,526,252	11,310,000	1,563,576
2013	0	0	2,375,000	47,500	2,375,000	47,500
Total	\$2,325,000	\$429,671	\$20,000,000	\$4,776,738	\$22,325,000	\$5,206,409

Note 16 - Jointly Governed Organizations

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau that was formed for the purpose of providing data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. In fiscal year 2002, the School District paid \$374,376 to LNOCA. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valley View, OH 44125.

B. Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2002, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

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

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

Note 17 - Insurance Purchasing Pool

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

Note 18 - 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, 2002.

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.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 19 - Interfund Transactions

Transfers made during the year ended June 30, 2002 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>			<u>Total</u>
	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental</u>	
Major Funds:				
General Fund	\$0	\$0	\$77,210	\$77,210
Permanent Improvement	0	251,900	0	251,900
Nonmajor Governmental	564	0	3,500	4,064
	<u>\$564</u>	<u>\$251,900</u>	<u>\$80,710</u>	<u>\$333,174</u>

Transfers made are to move unrestricted balances to support programs and projects accounted for in other funds.

Interfund balances at June 30, 2002, consist of the following individual fund receivables and payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	<u>\$3,357,946</u>	<u>\$0</u>
Debt Service Fund:		
Bond Retirement	<u>0</u>	<u>617,823</u>
Special Revenue Funds:		
Public Schools Support	0	6,400
Adult Basic Education	0	4,054
Vocational Education	0	50,097
Career Programs	<u>0</u>	<u>7,619</u>
<i>Total Special Revenue Funds</i>	<u>0</u>	<u>68,170</u>
Capital Projects Funds:		
Power Up Grant	0	90,748
Permanent Improvements	<u>0</u>	<u>2,352,000</u>
<i>Total Capital Projects Funds</i>	<u>0</u>	<u>2,442,748</u>
Enterprise Fund:		
Adult Continuing Education	0	58,802
Extended Daycare Preschool	<u>0</u>	<u>170,403</u>
<i>Total Enterprise Funds</i>	<u>0</u>	<u>229,205</u>
Total All Funds	<u>\$3,357,946</u>	<u>\$3,357,946</u>

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 20 - Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2002, 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, 2001	(\$482,851)	\$0	\$939,583
Current Year Set-aside Requirement	2,555,709	2,555,709	0
Offsets During the Fiscal Year	0	(3,550,481)	0
Qualifying Disbursements	<u>(2,843,298)</u>	<u>(1,980,277)</u>	<u>(350,801)</u>
Totals	<u>(\$770,440)</u>	<u>(\$2,975,049)</u>	<u>\$588,782</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$770,440)</u>	<u>\$0</u>	<u>\$588,782</u>
Set-aside Reserve Balance as of June 30, 2002	<u>\$0</u>	<u>\$0</u>	<u>\$588,782</u>

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

Note 21 – State School Funding Decision

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

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

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.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 22 – Contractual Commitments

At June 30, 2002, the following contractual commitments have been entered into for various improvements to the School District:

<u>Contractor</u>	<u>Amount of Contract</u>
G & B Electric	\$319,280
Concrete Preservation	233,275
Omega Glass	7,932,955
Capital Aluminum and Glass	<u>1,754,265</u>
Total	<u><u>\$10,239,775</u></u>

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Combining Statements and Individual Fund Schedules

Combining Statements - Nonmajor Funds

Nonmajor Special Revenue Funds

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

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

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

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-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.

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

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.

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.

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.

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

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.

Combining Statements - Nonmajor Funds (continued)

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

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

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

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

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

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

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

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

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

Combining Statements - Nonmajor Funds (continued)

Nonmajor Capital Projects Funds

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

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

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

Power Up Grant Fund - This fund accounts for grant money expended to make wiring in the classrooms technology ready. This fund did not have any budgetary activity in fiscal year 2002, therefore, budgetary information is not provided.

Security Equipment Fund - This fund accounts for State grant monies used to purchase security equipment for various school buildings.

Parma City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2002

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,421,869	\$294,164	\$3,716,033
Intergovernmental Receivable	588,881	0	588,881
<i>Total Assets</i>	<u>\$4,010,750</u>	<u>\$294,164</u>	<u>\$4,304,914</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$299,192	\$4,638	\$303,830
Accrued Wages and Benefits	303,608	4,051	307,659
Interfund Payable	68,170	90,748	158,918
Intergovernmental Payable	196,120	1,078	197,198
Deferred Revenue	300,865	0	300,865
<i>Total Liabilities</i>	<u>1,167,955</u>	<u>100,515</u>	<u>1,268,470</u>
Fund Balances			
Reserved for Encumbrances	1,007,250	3,090	1,010,340
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	1,835,545	0	1,835,545
Capital Projects Funds	0	190,559	190,559
<i>Total Fund Balances</i>	<u>2,842,795</u>	<u>193,649</u>	<u>3,036,444</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,010,750</u>	<u>\$294,164</u>	<u>\$4,304,914</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, 2002

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$8,394,733	\$0	\$8,394,733
Interest	74,757	0	74,757
Extracurricular Activities	995,539	0	995,539
Contributions and Donations	30,297	2,320,000	2,350,297
Miscellaneous	10,126	30,998	41,124
<i>Total Revenues</i>	<u>9,505,452</u>	<u>2,350,998</u>	<u>11,856,450</u>
Expenditures			
Current:			
Instruction:			
Regular	989,486	0	989,486
Special	883,356	0	883,356
Vocational	10,623	0	10,623
Adult/Continuing	151,619	0	151,619
Support Services:			
Pupil	533,442	0	533,442
Instructional Staff	967,268	0	967,268
Board of Education	3,996	0	3,996
Administration	210,812	0	210,812
Business	97	0	97
Operation and Maintenance of Plant	1,440	0	1,440
Pupil Transportation	12,212	0	12,212
Central	13,882	0	13,882
Operation of Non-Instructional Services	4,041,602	0	4,041,602
Extracurricular Activities	1,227,173	0	1,227,173
Capital Outlay	156,508	2,289,278	2,445,786
<i>Total Expenditures</i>	<u>9,203,516</u>	<u>2,289,278</u>	<u>11,492,794</u>
<i>Excess of Revenues Over Expenditures</i>	<u>301,936</u>	<u>61,720</u>	<u>363,656</u>
Other Financing Sources (Uses)			
Transfers In	80,710	0	80,710
Transfers Out	(4,064)	0	(4,064)
<i>Total Other Financing Sources (Uses)</i>	<u>76,646</u>	<u>0</u>	<u>76,646</u>
<i>Net Change in Fund Balances</i>	378,582	61,720	440,302
<i>Fund Balances Beginning of Year</i>	<u>2,464,213</u>	<u>131,929</u>	<u>2,596,142</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,842,795</u></u>	<u><u>\$193,649</u></u>	<u><u>\$3,036,444</u></u>

Parma City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002

	Auxiliary Services	Public School Support	Title I	Title VI-B
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,043,377	\$635,490	\$81,242	\$201,935
Intergovernmental Receivable	0	0	129,046	385,246
<i>Total Assets</i>	<u>\$1,043,377</u>	<u>\$635,490</u>	<u>\$210,288</u>	<u>\$587,181</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$240,918	\$0	\$0	\$7,100
Accrued Wages and Benefits	109,675	0	45,622	60,026
Interfund Payable	0	6,400	0	0
Intergovernmental Payable	33,548	0	14,071	19,477
Deferred Revenue	0	0	129,046	129,376
<i>Total Liabilities</i>	<u>384,141</u>	<u>6,400</u>	<u>188,739</u>	<u>215,979</u>
Fund Balances				
Reserved for Encumbrances	526,998	76,584	8,644	95,501
Unreserved, Undesignated (Deficit)	132,238	552,506	12,905	275,701
<i>Total Fund Balances (Deficit)</i>	<u>659,236</u>	<u>629,090</u>	<u>21,549</u>	<u>371,202</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,043,377</u>	<u>\$635,490</u>	<u>\$210,288</u>	<u>\$587,181</u>

Alternative Schools	District Managed Student Activity	Adult Basic Education	Title VI	Preschool Grant	Vocational Education	Disadvantaged Pupil Impact Aid
\$128,123	\$170,958	\$3,783	\$34,111	\$18,257	\$98,017	\$1,173
0	0	4,045	11,966	0	4,416	0
<u>\$128,123</u>	<u>\$170,958</u>	<u>\$7,828</u>	<u>\$46,077</u>	<u>\$18,257</u>	<u>\$102,433</u>	<u>\$1,173</u>
\$952	\$0	\$0	\$0	\$1,500	\$0	\$0
25,653	1,643	14,131	0	5,249	3,568	8,812
0	0	4,054	0	0	50,097	0
7,909	491	4,476	0	1,688	15,246	2,710
0	0	0	11,966	0	4,416	0
<u>34,514</u>	<u>2,134</u>	<u>22,661</u>	<u>11,966</u>	<u>8,437</u>	<u>73,327</u>	<u>11,522</u>
16,878	17,774	2,050	1,936	4,155	74,810	0
76,731	151,050	(16,883)	32,175	5,665	(45,704)	(10,349)
<u>93,609</u>	<u>168,824</u>	<u>(14,833)</u>	<u>34,111</u>	<u>9,820</u>	<u>29,106</u>	<u>(10,349)</u>
<u>\$128,123</u>	<u>\$170,958</u>	<u>\$7,828</u>	<u>\$46,077</u>	<u>\$18,257</u>	<u>\$102,433</u>	<u>\$1,173</u>

(continued)

Parma City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2002

	<u>Ohio Reads</u>	<u>Eisenhower Grant</u>	<u>Professional Development</u>	<u>Network Connectivity</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$29,247	\$19,189	\$19,721	\$193,452
Intergovernmental Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$29,247</u></u>	<u><u>\$19,189</u></u>	<u><u>\$19,721</u></u>	<u><u>\$193,452</u></u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$2,222	\$0	\$0
Accrued Wages and Benefits	4,156	3,076	2,408	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	1,469	855	653	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>5,625</u>	<u>6,153</u>	<u>3,061</u>	<u>0</u>
 Fund Balances				
Reserved for Encumbrances	15,529	3,955	1,895	0
Unreserved, Undesignated (Deficit)	<u>8,093</u>	<u>9,081</u>	<u>14,765</u>	<u>193,452</u>
<i>Total Fund Balances (Deficit)</i>	<u>23,622</u>	<u>13,036</u>	<u>16,660</u>	<u>193,452</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$29,247</u></u>	<u><u>\$19,189</u></u>	<u><u>\$19,721</u></u>	<u><u>\$193,452</u></u>

State Grants	Other Grants	Drug Free Schools	Title VI-R	Other	Total Nonmajor Special Revenue Funds
\$264,914	\$69,927	\$10,650	\$128,474	\$269,829	\$3,421,869
<u>0</u>	<u>0</u>	<u>0</u>	<u>54,162</u>	<u>0</u>	<u>588,881</u>
<u>\$264,914</u>	<u>\$69,927</u>	<u>\$10,650</u>	<u>\$182,636</u>	<u>\$269,829</u>	<u>\$4,010,750</u>
\$12,738	\$13,958	\$0	\$13,592	\$6,212	\$299,192
3,137	1,566	3,577	0	11,309	303,608
0	0	0	0	7,619	68,170
973	463	1,134	87,537	3,420	196,120
<u>0</u>	<u>0</u>	<u>0</u>	<u>26,061</u>	<u>0</u>	<u>300,865</u>
<u>16,848</u>	<u>15,987</u>	<u>4,711</u>	<u>127,190</u>	<u>28,560</u>	<u>1,167,955</u>
94,949	42,691	539	0	22,362	1,007,250
<u>153,117</u>	<u>11,249</u>	<u>5,400</u>	<u>55,446</u>	<u>218,907</u>	<u>1,835,545</u>
<u>248,066</u>	<u>53,940</u>	<u>5,939</u>	<u>55,446</u>	<u>241,269</u>	<u>2,842,795</u>
<u>\$264,914</u>	<u>\$69,927</u>	<u>\$10,650</u>	<u>\$182,636</u>	<u>\$269,829</u>	<u>\$4,010,750</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, 2002

	Auxiliary Services	Public School Support	Title I	Title VI-B
Revenues				
Intergovernmental	\$3,908,371	\$0	\$826,608	\$1,473,260
Interest	28,970	45,510	0	0
Extracurricular Activities	0	727,819	0	0
Contributions and Donations	0	7,321	0	0
Miscellaneous	0	3,101	0	0
<i>Total Revenues</i>	<u>3,937,341</u>	<u>783,751</u>	<u>826,608</u>	<u>1,473,260</u>
Expenditures				
Current:				
Instruction:				
Regular	0	416	0	0
Special	0	1,040	750,546	60,538
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	0	21,918
Instructional Staff	0	0	17,223	783,652
Board of Education	0	0	0	0
Administration	0	53	2,101	100,251
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	310	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	3,742,173	0	48,854	144,095
Extracurricular Activities	0	824,662	0	0
Capital Outlay	0	2,628	153,880	0
<i>Total Expenditures</i>	<u>3,742,173</u>	<u>829,109</u>	<u>972,604</u>	<u>1,110,454</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>195,168</u>	<u>(45,358)</u>	<u>(145,996)</u>	<u>362,806</u>
Other Financing Sources (Uses)				
Transfers In	0	3,500	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>3,500</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	195,168	(41,858)	(145,996)	362,806
<i>Fund Balances (Deficit) Beginning of Year</i>	464,068	670,948	167,545	8,396
<i>Fund Balances (Deficit) End of Year</i>	<u>\$659,236</u>	<u>\$629,090</u>	<u>\$21,549</u>	<u>\$371,202</u>

Alternative Schools	District Managed Student Activity	Adult Basic Education	Title VI	Preschool Grant	Vocational Education	Disadvantaged Pupil Impact Aid
\$332,478	\$0	\$179,248	\$96,755	\$95,998	\$178,781	\$106,667
0	277	0	0	0	0	0
0	267,720	0	0	0	0	0
0	0	0	0	0	0	0
0	7,025	0	0	0	0	0
332,478	275,022	179,248	96,755	95,998	178,781	106,667
247,646	0	0	55,150	0	0	120,177
0	0	0	0	17,093	0	0
0	0	0	0	0	6,638	0
0	0	145,319	0	0	0	0
73,704	0	63,461	0	28,910	114,455	0
0	0	1,115	0	51,754	15,350	0
0	0	0	0	3,561	0	0
103,586	0	0	0	0	1,213	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	11,731	0	0	171	0	0
0	0	0	0	0	6,471	0
0	0	0	31,266	10,073	0	0
0	376,025	0	0	0	4,213	0
0	0	0	0	0	0	0
424,936	387,756	209,895	86,416	111,562	148,340	120,177
(92,458)	(112,734)	(30,647)	10,339	(15,564)	30,441	(13,510)
0	77,210	0	0	0	0	0
0	(3,500)	0	0	0	0	0
0	73,710	0	0	0	0	0
(92,458)	(39,024)	(30,647)	10,339	(15,564)	30,441	(13,510)
186,067	207,848	15,814	23,772	25,384	(1,335)	3,161
\$93,609	\$168,824	(\$14,833)	\$34,111	\$9,820	\$29,106	(\$10,349)

(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, 2002

	Ohio Reads	Eisenhower Grant	Professional Development	Network Connectivity
Revenues				
Intergovernmental	\$88,883	\$51,536	\$0	\$73,500
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>88,883</u>	<u>51,536</u>	<u>0</u>	<u>73,500</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	2,412	0
Special	15,789	0	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	62,703	0	0
Instructional Staff	45,121	0	37,105	0
Board of Education	0	0	0	0
Administration	165	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	1,713	21	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>61,075</u>	<u>64,416</u>	<u>39,538</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>27,808</u>	<u>(12,880)</u>	<u>(39,538)</u>	<u>73,500</u>
Other Financing Sources (Uses)				
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>	27,808	(12,880)	(39,538)	73,500
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(4,186)</u>	<u>25,916</u>	<u>56,198</u>	<u>119,952</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$23,622</u></u>	<u><u>\$13,036</u></u>	<u><u>\$16,660</u></u>	<u><u>\$193,452</u></u>

State Grants	Other Grants	Drug Free Schools	Title VI-R	Other	Total Nonmajor Special Revenue Funds
\$346,432	\$114,116	\$74,967	\$239,846	\$207,287	\$8,394,733
0	0	0	0	0	74,757
0	0	0	0	0	995,539
0	11,461	0	0	11,515	30,297
0	0	0	0	0	10,126
<u>346,432</u>	<u>125,577</u>	<u>74,967</u>	<u>239,846</u>	<u>218,802</u>	<u>9,505,452</u>
0	99,152	0	284,273	180,260	989,486
22,831	1,780	0	0	13,739	883,356
0	3,985	0	0	0	10,623
0	0	0	0	6,300	151,619
62,102	0	68,137	0	38,052	533,442
2,629	5,528	0	2,828	4,963	967,268
0	435	0	0	0	3,996
3,443	0	0	0	0	210,812
97	0	0	0	0	97
1,440	0	0	0	0	1,440
0	0	0	0	0	12,212
0	7,411	0	0	0	13,882
56,640	0	4,936	0	1,831	4,041,602
0	22,273	0	0	0	1,227,173
0	0	0	0	0	156,508
<u>149,182</u>	<u>140,564</u>	<u>73,073</u>	<u>287,101</u>	<u>245,145</u>	<u>9,203,516</u>
<u>197,250</u>	<u>(14,987)</u>	<u>1,894</u>	<u>(47,255)</u>	<u>(26,343)</u>	<u>301,936</u>
0	0	0	0	0	80,710
0	(564)	0	0	0	(4,064)
<u>0</u>	<u>(564)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>76,646</u>
197,250	(15,551)	1,894	(47,255)	(26,343)	378,582
50,816	69,491	4,045	102,701	267,612	2,464,213
<u>\$248,066</u>	<u>\$53,940</u>	<u>\$5,939</u>	<u>\$55,446</u>	<u>\$241,269</u>	<u>\$2,842,795</u>

Parma City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2002

	Turf Replacement	Power Up Grant	School Net	Security Equipment	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$196,031	\$55,702	\$38,503	\$3,928	\$294,164
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$4,638	\$0	\$0	\$0	\$4,638
Accrued Wages and Benefits	4,051	0	0	0	4,051
Interfund Payable	0	90,748	0	0	90,748
Intergovernmental Payable	1,078	0	0	0	1,078
<i>Total Liabilities</i>	9,767	90,748	0	0	100,515
Fund Balances					
Reserved for Encumbrances	0	0	0	3,090	3,090
Unreserved, Undesignated (Deficit)	186,264	(35,046)	38,503	838	190,559
<i>Total Fund Balances (Deficit)</i>	186,264	(35,046)	38,503	3,928	193,649
<i>Total Liabilities and Fund Balances</i>	\$196,031	\$55,702	\$38,503	\$3,928	\$294,164

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, 2002

	Turf Replacement	Power Up Grant	School Net	Security Equipment	Total Nonmajor Capital Projects Funds
Revenues					
Contributions and Donations	\$2,320,000	\$0	\$0	\$0	\$2,320,000
Miscellaneous	30,998	0	0		30,998
<i>Total Revenues</i>	2,350,998	0	0	0	2,350,998
Expenditures					
Capital Outlay	2,246,615	0	32,447	10,216	2,289,278
<i>Net Change in Fund Balances</i>	104,383	0	(32,447)	(10,216)	61,720
<i>Fund Balances (Deficit) Beginning of Year</i>	81,881	(35,046)	70,950	14,144	131,929
<i>Fund Balances (Deficit) End of Year</i>	<u>\$186,264</u>	<u>(\$35,046)</u>	<u>\$38,503</u>	<u>\$3,928</u>	<u>\$193,649</u>

Combining Statements – Agency Funds

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

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

Parma City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2002

	Balance 06/30/01	Additions	Deductions	Balance 06/30/02
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$352,224	\$825,945	\$793,193	\$384,976
Liabilities				
Due to Students	\$352,224	\$825,945	\$793,193	\$384,976
 <i>Voluntary Benefits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,475,993	\$2,299,700	\$2,266,773	\$1,508,920
Liabilities				
Accounts Payable	\$70,459	\$0	\$70,459	\$0
Undistributed Monies	1,405,534	2,370,159	2,266,773	1,508,920
<i>Total Liabilities</i>	\$1,475,993	\$2,370,159	\$2,337,232	\$1,508,920
 <i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,828,217	\$3,125,645	\$3,059,966	\$1,893,896
Liabilities				
Accounts Payable	\$70,459	\$0	\$70,459	\$0
Undistributed Monies	1,405,534	2,370,159	2,266,773	1,508,920
Due to Students	352,224	825,945	793,193	384,976
<i>Total Liabilities</i>	\$1,828,217	\$3,196,104	\$3,130,425	\$1,893,896

**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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Taxes	\$69,574,912	\$69,574,912	\$72,807,985	\$3,233,073
Intergovernmental	29,881,262	29,881,262	35,795,732	5,914,470
Interest	1,600,000	1,600,000	856,856	(743,144)
Tuition and Fees	1,635,490	1,635,490	1,581,734	(53,756)
Extracurricular Activities	93,000	93,000	157,777	64,777
Rentals	230,000	230,000	171,719	(58,281)
Miscellaneous	214,500	214,500	33,810	(180,690)
<i>Total Revenues</i>	<u>103,229,164</u>	<u>103,229,164</u>	<u>111,405,613</u>	<u>8,176,449</u>
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	35,259,143	35,284,040	35,272,072	11,968
Fringe Benefits	11,627,457	11,814,574	10,464,530	1,350,044
Purchased Services	1,216,015	1,782,878	1,757,190	25,688
Materials and Supplies	2,815,057	3,825,666	3,825,111	555
Capital Outlay - New	234,554	349,914	349,913	1
Capital Outlay - Replacement	95,000	129,310	127,942	1,368
Other	232,751	244,252	207,643	36,609
Total Regular	<u>51,479,977</u>	<u>53,430,634</u>	<u>52,004,401</u>	<u>1,426,233</u>
Special				
Salaries	7,795,867	7,841,392	7,840,602	790
Fringe Benefits	2,627,157	2,489,266	2,477,944	11,322
Purchased Services	53,136	65,560	54,548	11,012
Materials and Supplies	32,700	58,296	56,857	1,439
Other	0	525	516	9
Total Special	<u>10,508,860</u>	<u>10,455,039</u>	<u>10,430,467</u>	<u>24,572</u>
Vocational				
Salaries and Wages	1,663,178	1,637,256	1,333,594	303,662
Fringe Benefits	490,404	495,298	354,054	141,244
Purchased Services	30,190	37,764	37,721	43
Materials and Supplies	89,895	106,166	101,908	4,258
Capital Outlay - Replacement	13,000	73,959	73,926	33
Other	10,200	5,985	5,965	20
Total Vocational	<u>\$2,296,867</u>	<u>\$2,356,428</u>	<u>\$1,907,168</u>	<u>\$449,260</u>

(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, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Adult/Continuing				
Salaries	\$11,883	\$11,883	\$0	\$11,883
Fringe Benefits	6,898	3,098	981	2,117
Total Adult/Continuing	18,781	14,981	981	14,000
Total Instruction	64,304,485	66,257,082	64,343,017	1,914,065
Support Services:				
Pupils				
Salaries	3,874,091	3,881,091	3,880,549	542
Fringe Benefits	1,211,328	1,206,278	1,188,974	17,304
Purchased Services	341,847	345,783	274,528	71,255
Materials and Supplies	150,398	180,163	122,625	57,538
Total Pupils	5,577,664	5,613,315	5,466,676	146,639
Instructional Staff				
Salaries	2,671,009	2,749,271	2,715,084	34,187
Fringe Benefits	912,884	952,103	744,203	207,900
Purchased Services	691,560	660,278	620,745	39,533
Materials and Supplies	166,017	225,814	215,865	9,949
Capital Outlay - New	105,550	288,017	287,814	203
Other	6,545	6,695	6,354	341
Total Instructional Staff	4,553,565	4,882,178	4,590,065	292,113
Board of Education				
Salaries	61,824	68,824	68,179	645
Fringe Benefits	12,434	14,434	14,145	289
Purchased Services	423,338	694,135	595,388	98,747
Materials and Supplies	1,100	1,785	1,153	632
Capital Outlay - New	21,900	21,900	10,067	11,833
Other	12,895	12,500	6,750	5,750
Total Board of Education	533,491	813,578	695,682	117,896
Administration				
Salaries	5,492,262	5,793,473	5,793,473	0
Fringe Benefits	1,996,141	2,162,603	2,162,603	0
Purchased Services	172,040	182,379	160,728	21,651
Materials and Supplies	131,599	162,266	136,009	26,257
Capital Outlay - Replacement	50,000	52,843	42,843	10,000
Other	8,000	8,015	4,341	3,674
Total Administration	\$7,850,042	\$8,361,579	\$8,299,997	\$61,582

(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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Fiscal				
Salaries	\$508,995	\$508,995	\$462,094	\$46,901
Fringe Benefits	444,715	444,715	178,957	265,758
Purchased Services	110,328	80,798	71,392	9,406
Materials and Supplies	21,000	25,663	19,865	5,798
Capital Outlay - New	1,500	9,917	6,989	2,928
Capital Outlay - Replacement	2,750	15,950	15,813	137
Other	1,238,309	1,118,601	1,118,105	496
Total Fiscal	2,327,597	2,204,639	1,873,215	331,424
Business				
Salaries	278,278	278,278	275,746	2,532
Fringe Benefits	96,117	96,117	88,396	7,721
Purchased Services	238,500	285,840	222,852	62,988
Materials and Supplies	135,013	233,315	176,694	56,621
Other	23,600	27,147	5,255	21,892
Total Business	771,508	920,697	768,943	151,754
Operation and Maintenance of Plant				
Salaries	4,236,593	4,265,622	4,060,210	205,412
Fringe Benefits	1,637,116	1,563,449	1,460,191	103,258
Purchased Services	4,251,780	4,343,628	4,103,152	240,476
Materials and Supplies	723,322	865,670	781,152	84,518
Capital Outlay - New	5,195	6,806	6,778	28
Capital Outlay - Replacement	110,000	115,831	114,570	1,261
Other	317,180	314,080	295,645	18,435
Total Operation and Maintenance of Plant	11,281,186	11,475,086	10,821,698	653,388
Pupil Transportation				
Salaries	2,642,641	3,177,022	3,177,022	0
Fringe Benefits	1,129,828	1,186,299	1,186,299	0
Purchased Services	687,050	816,028	790,442	25,586
Materials and Supplies	440,000	528,919	479,880	49,039
Capital Outlay - Replacement	558,434	552,534	552,469	65
Other	69,320	203,106	201,389	1,717
Total Pupil Transportation	5,527,273	6,463,908	6,387,501	76,407
Central				
Salaries	534,303	534,303	521,488	12,815
Fringe Benefits	214,135	218,002	185,130	32,872
Purchased Services	620,932	845,083	729,541	115,542
Materials and Supplies	161,400	201,312	191,399	9,913
Capital Outlay - New	740,200	819,134	818,934	200
Other	8,000	12,269	12,108	161
Total Central	2,278,970	2,630,103	2,458,600	171,503
Total Support Services	\$40,701,296	\$43,365,083	\$41,362,377	\$2,002,706

(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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$28,521	\$48,336	\$32,983	\$15,353
Fringe Benefits	5,850	9,044	4,917	4,127
Purchased Services	98,000	129,193	65,495	63,698
Materials and Supplies	0	900	252	648
Total Non-Instructional Services	132,371	187,473	103,647	83,826
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	143,776	165,285	165,285	0
Fringe Benefits	22,299	24,551	24,551	0
Purchased Services	70,000	79,279	72,143	7,136
Materials and Supplies	50,000	60,665	57,270	3,395
Other	0	83,825	63,534	20,291
Total Academic and Subject Oriented Activities	286,075	413,605	382,783	30,822
Sport Oriented Activities:				
Salaries and Wages	555,858	627,243	627,243	0
Fringe Benefits	114,542	112,324	103,133	9,191
Purchased Services	27,300	27,300	0	27,300
Other	24,000	24,000	0	24,000
Total Sport Oriented Activities	721,700	790,867	730,376	60,491
School and Public Service Activities:				
Salaries and Wages	136,602	155,537	155,537	0
Fringe Benefits	20,789	23,350	23,350	0
Other	0	1,000	953	47
Total Academic and Subject Oriented Activities	157,391	179,887	179,840	47
Total Extracurricular Activities	1,165,166	1,384,359	1,292,999	91,360
Capital Outlay:				
Building Improvement Services:				
Purchased Services	80,000	96,418	95,687	731
Capital Outlay - New	0	40,897	0	40,897
Total Building Improvement Services	80,000	137,315	95,687	41,628
Building Acquisition and Construction Services:				
Purchased Services	37,300	40,900	36,707	4,193
Total Capital Outlay	117,300	178,215	132,394	45,821
<i>Total Expenditures</i>	106,420,618	111,372,212	107,234,434	4,137,778
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$3,191,454)	(\$8,143,048)	\$4,171,179	\$12,314,227

(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, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Other Financing Sources (Uses)				
Advances In	2,035,535	2,035,535	2,035,535	0
Advances Out	(1,225,000)	(2,430,551)	(2,430,551)	0
Transfers In	564	564	564	0
Transfers Out	(1,049,705)	(77,210)	(77,210)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(238,606)</u>	<u>(471,662)</u>	<u>(471,662)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,430,060)	(8,614,710)	3,699,517	12,314,227
<i>Fund Balance Beginning of Year</i>	12,792,542	12,792,542	12,792,542	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,656,785</u>	<u>2,656,785</u>	<u>2,656,785</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$12,019,267</u>	<u>\$6,834,617</u>	<u>\$19,148,844</u>	<u>\$12,314,227</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Taxes	\$1,821,935	\$1,821,935	\$1,467,224	(\$354,711)
Intergovernmental	147,665	147,665	53,250	(94,415)
<i>Total Revenues</i>	<u>1,969,600</u>	<u>1,969,600</u>	<u>1,520,474</u>	<u>(449,126)</u>
Expenditures				
Current:				
Debt Service				
Principal Retirement	1,860,000	1,860,000	1,860,000	0
Interest and Fiscal Charges	573,725	573,725	568,913	4,812
<i>Total Expenditures</i>	<u>2,433,725</u>	<u>2,433,725</u>	<u>2,428,913</u>	<u>4,812</u>
<i>Excess of Revenues Under Expenditures</i>	(464,125)	(464,125)	(908,439)	(444,314)
Other Financing Sources				
Transfers In	251,900	251,900	251,900	0
<i>Net Change in Fund Balance</i>	(212,225)	(212,225)	(656,539)	(444,314)
<i>Fund Balance Beginning of Year</i>	<u>2,267,923</u>	<u>2,267,923</u>	<u>2,267,923</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,055,698</u>	<u>\$2,055,698</u>	<u>\$1,611,384</u>	<u>(\$444,314)</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original Budget	Revised Budget		Final Budget Positive (Negative)
Revenues				
Taxes	\$3,612,302	\$3,475,149	\$3,553,154	\$78,005
Intergovernmental	465,296	447,630	476,958	29,328
Charges for Services	0	0	550	550
Contributions and Donations	0	0	3,350	3,350
Miscellaneous	67,565	100,000	95,240	(4,760)
<i>Total Revenues</i>	<u>4,145,163</u>	<u>4,022,779</u>	<u>4,129,252</u>	<u>106,473</u>
Expenditures				
Current:				
Support Services:				
Fiscal				
Other	51,000	51,000	47,148	3,852
Operation and Maintenance of Plant				
Purchased Services	3,800,424	6,038,663	4,280,725	1,757,938
Capital Outlay - New	300,000	20,326,497	10,483,562	9,842,935
Total Operation and Maintenance of Plant	<u>4,100,424</u>	<u>26,365,160</u>	<u>14,764,287</u>	<u>11,600,873</u>
<i>Total Expenditures</i>	<u>4,151,424</u>	<u>26,416,160</u>	<u>14,811,435</u>	<u>11,604,725</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,261)</u>	<u>(22,393,381)</u>	<u>(10,682,183)</u>	<u>11,711,198</u>
Other Financing Sources (Uses)				
Notes Issued	0	20,000,000	20,000,000	0
Advances In	0	2,352,000	2,352,000	0
Advances Out	(2,000,000)	(2,000,000)	(2,000,000)	0
Transfers Out	(51,989)	(251,900)	(251,900)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,051,989)</u>	<u>20,100,100</u>	<u>20,100,100</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(2,058,250)</u>	<u>(2,293,281)</u>	<u>9,417,917</u>	<u>11,711,198</u>
<i>Fund Balance Beginning of Year</i>	380,545	380,545	380,545	0
Prior Year Encumbrances Appropriated	<u>1,912,736</u>	<u>1,912,736</u>	<u>1,912,736</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$235,031</u>	<u>\$0</u>	<u>\$11,711,198</u>	<u>\$11,711,198</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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$3,917,630	\$3,890,784	\$3,905,892	\$15,108
Interest	29,170	28,970	28,970	0
<i>Total Revenues</i>	<u>3,946,800</u>	<u>3,919,754</u>	<u>3,934,862</u>	<u>15,108</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	138,412	1,550,595	1,359,000	191,595
Fringe Benefits	38,685	375,448	320,357	55,091
Purchased Services	0	1,048,427	942,731	105,696
Materials and Supplies	227,130	1,349,361	1,220,978	128,383
Capital Outlay - New	0	328,901	308,395	20,506
<i>Total Expenditures</i>	<u>404,227</u>	<u>4,652,732</u>	<u>4,151,461</u>	<u>501,271</u>
<i>Net Change in Fund Balance</i>	3,542,573	(732,978)	(216,599)	516,379
<i>Fund Balance Beginning of Year</i>	179,945	179,945	179,945	0
Prior Year Encumbrances Appropriated	<u>553,034</u>	<u>553,034</u>	<u>553,034</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,275,552</u></u>	<u><u>\$1</u></u>	<u><u>\$516,380</u></u>	<u><u>\$516,379</u></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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Interest	\$17,934	\$51,225	\$45,510	(\$5,715)
Extracurricular Activities	358,470	1,023,872	742,022	(281,850)
Contributions and Donations	2,679	7,651	7,321	(330)
Miscellaneous	1,017	2,904	3,101	197
<i>Total Revenues</i>	<u>380,100</u>	<u>1,085,652</u>	<u>797,954</u>	<u>(287,698)</u>
Expenditures				
Current:				
Instruction:				
Regular				
Purchased Services	1,000	1,000	416	584
Materials and Supplies	450	450	0	450
Total Regular	<u>1,450</u>	<u>1,450</u>	<u>416</u>	<u>1,034</u>
Special				
Other	3,500	3,500	3,153	347
Total Instruction	<u>4,950</u>	<u>4,950</u>	<u>3,569</u>	<u>1,381</u>
Support Services:				
Administration				
Materials and Supplies	750	750	53	697
Fiscal				
Other	1,000	1,000	310	690
Total Support Services	<u>1,750</u>	<u>1,750</u>	<u>363</u>	<u>1,387</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	68,140	66,845	39,389	27,456
Other	537,525	514,957	145,272	369,685
Total Academic and Subject Oriented Activities	<u>605,665</u>	<u>581,802</u>	<u>184,661</u>	<u>397,141</u>
Sports Oriented Activities:				
Other	\$15,000	\$14,971	\$1,601	\$13,370

(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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Revised Budget</u>		Final Budget Positive (Negative)
School and Public Service				
Co-Curricular Activities:				
Purchased Services	\$111,100	\$111,424	\$37,367	\$74,057
Materials and Supplies	646,706	918,580	625,138	293,442
Other	118,804	114,530	54,212	60,318
Total School and Public Service				
Co-Curricular Activities	<u>876,610</u>	<u>1,144,534</u>	<u>716,717</u>	<u>427,817</u>
Total Extracurricular Activities	<u>1,497,275</u>	<u>1,741,307</u>	<u>902,979</u>	<u>838,328</u>
Capital Outlay:				
Purchased Services	<u>8,000</u>	<u>8,000</u>	<u>2,628</u>	<u>5,372</u>
Total Expenditures	<u>1,511,975</u>	<u>1,756,007</u>	<u>909,539</u>	<u>846,468</u>
Excess of Revenues Under Expenditures	<u>(1,131,875)</u>	<u>(670,355)</u>	<u>(111,585)</u>	<u>558,770</u>
Other Financing Sources (Uses)				
Advances In	6,400	6,400	6,400	0
Advances Out	(10,275)	(10,275)	(10,275)	0
Transfers In	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(375)</u>	<u>(375)</u>	<u>(375)</u>	<u>0</u>
Net Change in Fund Balance	(1,132,250)	(670,730)	(111,960)	558,770
Fund Balance Beginning of Year	609,626	609,626	609,626	0
Prior Year Encumbrances Appropriated	<u>61,240</u>	<u>61,240</u>	<u>61,240</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>(\$461,384)</u>	<u>\$136</u>	<u>\$558,906</u>	<u>\$558,770</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$796,737	\$975,162	\$826,603	(\$148,559)
Expenditures				
Current:				
Instruction:				
Special				
Salaries	193,964	684,156	565,212	118,944
Fringe Benefits	55,073	157,736	117,335	40,401
Purchased Services	2,895	12,148	9,682	2,466
Materials and Supplies	2,533	68,746	50,393	18,353
Total Instruction	<u>254,465</u>	<u>922,786</u>	<u>742,622</u>	<u>180,164</u>
Support Services:				
Instructional Staff				
Salaries	4,120	13,388	12,149	1,239
Fringe Benefits	1,319	2,552	2,012	540
Purchased Services	779	405	405	0
Materials and Supplies	1,007	6,825	4,338	2,487
Total Instructional Staff	<u>7,225</u>	<u>23,170</u>	<u>18,904</u>	<u>4,266</u>
Administration				
Purchased Services	904	3,018	1,573	1,445
Materials and Supplies	1,500	1,528	860	668
Total Administration	<u>2,404</u>	<u>4,546</u>	<u>2,433</u>	<u>2,113</u>
Total Support Services	<u>9,629</u>	<u>27,716</u>	<u>21,337</u>	<u>6,379</u>
Operation of Non-Instructional Services:				
Community Services:				
Salaries	4,500	26,048	18,840	7,208
Fringe Benefits	800	6,667	6,345	322
Purchased Services	2,705	34,150	24,484	9,666
Materials and Supplies	2,024	4,000	1,896	2,104
Total Operation of Non-Instructional Services	<u>\$10,029</u>	<u>\$70,865</u>	<u>\$51,565</u>	<u>\$19,300</u>

(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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>		
Capital Outlay:				
Capital Outlay - New	\$6,500	\$6,500	\$3,306	\$3,194
Capital Outlay - Replacement	127,000	136,000	123,880	12,120
Other	30,500	30,000	30,000	0
Total Capital Outlay	<u>164,000</u>	<u>172,500</u>	<u>157,186</u>	<u>15,314</u>
<i>Total Expenditures</i>	<u>438,123</u>	<u>1,193,867</u>	<u>972,710</u>	<u>221,157</u>
<i>Net Change in Fund Balance</i>	358,614	(218,705)	(146,107)	72,598
<i>Fund Balance Beginning of Year</i>	166,501	166,501	166,501	0
Prior Year Encumbrances Appropriated	<u>52,204</u>	<u>52,204</u>	<u>52,204</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$577,319</u></u>	<u><u>\$0</u></u>	<u><u>\$72,598</u></u>	<u><u>\$72,598</u></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, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$1,008,924	\$1,375,362	\$1,217,390	(\$157,972)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	267	86	0	86
Fringe Benefits	263	263	0	263
Total Regular	530	349	0	349
Special				
Salaries	2	26,836	1,207	25,629
Fringe Benefits	0	6,892	186	6,706
Materials and Supplies	386	132,920	127,634	5,286
Capital Outlay - New	90	13,122	13,032	90
Total Special	478	179,770	142,059	37,711
Total Instruction	1,008	180,119	142,059	38,060
Support Services:				
Pupils				
Salaries	0	44,815	4,011	40,804
Fringe Benefits	0	23,310	1,563	21,747
Purchased Services	0	7,245	6,115	1,130
Materials and Supplies	46	6,152	5,377	775
Capital Outlay - New	0	9,500	9,415	85
Total Pupils	46	91,022	26,481	64,541
Instructional Staff				
Salaries	0	565,913	555,064	10,849
Fringe Benefits	0	255,265	208,888	46,377
Purchased Services	457	1,115	0	1,115
Materials and Supplies	250	250	0	250
Capital Outlay - New	580	697	117	580
Total Instructional Staff	\$1,287	\$823,240	\$764,069	\$59,171

(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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
Administration				
Salaries	\$0	\$91,568	\$60,008	\$31,560
Fringe Benefits	0	40,160	23,286	16,874
Materials and Supplies	0	20,082	15,736	4,346
Total Administration	0	151,810	99,030	52,780
Total Support Services	1,333	1,066,072	889,580	176,492
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	0	111,617	108,510	3,107
Fringe Benefits	0	37,501	25,506	11,995
Purchased Services	0	44,548	12,780	31,768
Materials and Supplies	0	25,935	23,146	2,789
Total Operation of Non-Instructional Services	0	219,601	169,942	49,659
<i>Total Expenditures</i>	<i>2,341</i>	<i>1,465,792</i>	<i>1,201,581</i>	<i>264,211</i>
<i>Net Change in Fund Balance</i>	<i>1,006,583</i>	<i>(90,430)</i>	<i>15,809</i>	<i>106,239</i>
<i>Fund Balance Beginning of Year</i>	<i>70,349</i>	<i>70,349</i>	<i>70,349</i>	<i>0</i>
Prior Year Encumbrances Appropriated	20,081	20,081	20,081	0
<i>Fund Balance End of Year</i>	<i>\$1,097,013</i>	<i>\$0</i>	<i>\$106,239</i>	<i>\$106,239</i>

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$792,367	\$807,933	\$332,478	(\$475,455)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	14,252	215,419	170,148	45,271
Fringe Benefits	12,120	82,796	52,981	29,815
Purchased Services	1,600	4,844	3,025	1,819
Materials and Supplies	8,095	31,625	26,971	4,654
Total Instruction	36,067	334,684	253,125	81,559
Support Services:				
Pupils				
Salaries	23,800	19,521	19,129	392
Fringe Benefits	30,494	12,018	6,373	5,645
Purchased Services	30,000	60,362	52,862	7,500
Materials and Supplies	1,114	8,797	8,797	0
Capital Outlay - New	0	4,978	4,978	0
Total Pupils	85,408	105,676	92,139	13,537
Administration				
Salaries	53,816	91,958	80,764	11,194
Fringe Benefits	13,168	13,550	12,412	1,138
Purchased Services	1,523	5,240	2,965	2,275
Materials and Supplies	0	7,696	6,153	1,543
Capital Outlay - New	0	2,889	2,889	0
Total Administration	68,507	121,333	105,183	16,150
Total Support Services	153,915	227,009	197,322	29,687
<i>Total Expenditures</i>	189,982	561,693	450,447	111,246
<i>Net Change in Fund Balance</i>	602,385	246,240	(117,969)	(364,209)
<i>Fund Balance Beginning of Year</i>	189,981	189,981	189,981	0
Prior Year Encumbrances Appropriated	39,233	39,233	39,233	0
<i>Fund Balance End of Year</i>	\$831,599	\$475,454	\$111,245	(\$364,209)

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, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Interest	\$345	\$282	\$277	(\$5)
Extracurricular Activities	333,410	274,647	267,720	(6,927)
Miscellaneous	8,745	7,022	7,022	0
<i>Total Revenues</i>	<u>342,500</u>	<u>281,951</u>	<u>275,019</u>	<u>(6,932)</u>
Expenditures				
Current:				
Support Services:				
Pupil Transportation				
Purchased Services	12,500	15,500	11,731	3,769
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	20,875	23,990	17,293	6,697
Fringe Benefits	4,213	4,213	3,925	288
Purchased Services	301,865	253,551	170,457	83,094
Materials and Supplies	136,950	198,780	164,400	34,380
Capital Outlay - New	20,000	20,000	6,047	13,953
Other	46,100	48,637	30,702	17,935
Total Extracurricular Activities	<u>530,003</u>	<u>549,171</u>	<u>392,824</u>	<u>156,347</u>
<i>Total Expenditures</i>	<u>542,503</u>	<u>564,671</u>	<u>404,555</u>	<u>160,116</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(200,003)</u>	<u>(282,720)</u>	<u>(129,536)</u>	<u>153,184</u>
Other Financing Sources (Uses)				
Transfers In	0	77,210	77,210	0
Transfers Out	(3,500)	(3,500)	(3,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,500)</u>	<u>73,710</u>	<u>73,710</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(203,503)	(209,010)	(55,826)	153,184
<i>Fund Balance Beginning of Year</i>	188,642	188,642	188,642	0
Prior Year Encumbrances Appropriated	20,368	20,368	20,368	0
<i>Fund Balance End of Year</i>	<u>\$5,507</u>	<u>\$0</u>	<u>\$153,184</u>	<u>\$153,184</u>

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, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$141,491	\$171,149	\$175,200	\$4,051
Expenditures				
Current:				
Instruction:				
Adult/Continuing				
Salaries	93,039	109,276	116,766	(7,490)
Fringe Benefits	16,747	18,128	18,128	0
Purchased Services	1,000	1,966	1,964	2
Materials and Supplies	5,300	7,525	7,525	0
Capital Outlay - New	1,500	1,333	598	735
Total Instruction	117,586	138,228	144,981	(6,753)
Support Services:				
Pupils				
Salaries	30,243	46,476	46,476	0
Fringe Benefits	10,002	15,651	11,796	3,855
Purchased Services	930	930	930	0
Materials and Supplies	850	736	696	40
Other	150	150	150	0
Capital Outlay - New	950	950	950	0
Total Pupils	43,125	64,893	60,998	3,895
Instructional Staff				
Purchased Services	0	1,426	977	449
Materials and Supplies	0	229	138	91
Total Instructional Staff	0	1,655	1,115	540
Total Support Services	43,125	66,548	62,113	4,435
<i>Total Expenditures</i>	160,711	204,776	207,094	(2,318)
<i>Excess of Revenues Under Expenditures</i>	(19,220)	(33,627)	(31,894)	1,733
Other Financing Sources				
Advances In	0	4,054	4,054	0
<i>Net Change in Fund Balance</i>	(19,220)	(29,573)	(27,840)	1,733
<i>Fund Balance Beginning of Year</i>	27,543	27,543	27,543	0
Prior Year Encumbrances Appropriated	2,030	2,030	2,030	0
<i>Fund Balance End of Year</i>	\$10,353	\$0	\$1,733	\$1,733

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$89,155	\$107,535	\$96,755	(\$10,780)
Expenditures				
Current:				
Instruction:				
Regular				
Purchased Services	3,902	22,059	2,039	20,020
Materials and Supplies	13,444	65,991	53,111	12,880
Total Instruction	17,346	88,050	55,150	32,900
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	1,160	20,815	16,903	3,912
Capital Outlay - New	475	22,441	16,299	6,142
Total Operation of Non-Instructional Services	1,635	43,256	33,202	10,054
<i>Total Expenditures</i>	18,981	131,306	88,352	42,954
<i>Net Change in Fund Balance</i>	70,174	(23,771)	8,403	32,174
<i>Fund Balance Beginning of Year</i>	20,217	20,217	20,217	0
Prior Year Encumbrances Appropriated	3,554	3,554	3,554	0
<i>Fund Balance End of Year</i>	<u>\$93,945</u>	<u>\$0</u>	<u>\$32,174</u>	<u>\$32,174</u>

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$90,106	\$110,123	\$95,998	(\$14,125)
Expenditures				
Current:				
Instruction:				
Special				
Materials and Supplies	3,103	23,182	17,850	5,332
Capital Outlay - New	37	2,037	0	2,037
Total Instruction	3,140	25,219	17,850	7,369
Support Services:				
Pupils				
Salaries	2,707	19,707	19,033	674
Fringe Benefits	3,297	10,297	7,558	2,739
Purchased Services	209	1,006	0	1,006
Total Pupils	6,213	31,010	26,591	4,419
Instructional Staff				
Salaries	11,861	46,861	36,219	10,642
Fringe Benefits	4,455	17,956	14,426	3,530
Total Instructional Staff	16,316	64,817	50,645	14,172
Administration				
Purchased Services	0	7,130	7,130	0
Pupil Transportation				
Purchased Services	0	2,000	171	1,829
Total Support Services	22,529	104,957	84,537	20,420
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	10,340	10,073	267
<i>Total Expenditures</i>	25,669	140,516	112,460	28,056
<i>Net Change in Fund Balance</i>	64,437	(30,393)	(16,462)	13,931
<i>Fund Balance Beginning of Year</i>	18,992	18,992	18,992	0
Prior Year Encumbrances Appropriated	11,401	11,401	11,401	0
<i>Fund Balance End of Year</i>	\$94,830	\$0	\$13,931	\$13,931

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$142,749	\$143,355	\$178,778	\$35,423
Expenditures				
Current:				
Instruction:				
Vocational				
Salaries and Wages	0	3,196	3,196	0
Fringe Benefits	0	578	578	0
Materials and Supplies	0	2,300	0	2,300
Capital Outlay - New	0	31,032	30,836	196
Capital Outlay - Replacement	0	2,032	2,032	0
Other	0	20	20	0
Total Instruction	0	39,158	36,662	2,496
Support Services:				
Pupils				
Salaries	0	23,490	23,490	0
Fringe Benefits	0	11,889	11,889	0
Purchased Services	96	1,801	724	1,077
Materials and Supplies	0	4,135	3,811	324
Capital Outlay - New	0	104,541	104,541	0
Total Pupils	96	145,856	144,455	1,401
Instructional Staff				
Salaries	0	7,250	7,250	0
Fringe Benefits	0	4,994	4,991	3
Purchased Services	5,186	3,170	3,170	0
Materials and Supplies	0	567	567	0
Total Instructional Staff	5,186	15,981	15,978	3
Administration				
Materials and Supplies	0	1,436	1,436	0
Central				
Salaries	0	3,625	3,625	0
Fringe Benefits	0	2,672	2,672	0
Purchased Services	480	1,291	647	644
Materials and Supplies	1	4,152	4,152	0
Total Central	\$481	\$11,740	\$11,096	\$644

(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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Total Support Services	\$5,763	\$175,013	\$172,965	\$2,048
Extracurricular Activities:				
Occupation Oriented Activities:				
Purchased Services	5,337	599	599	0
Materials and Supplies	0	3,684	3,682	2
Other	0	2,939	2,939	0
Total Extracurricular Activities	5,337	7,222	7,220	2
<i>Total Expenditures</i>	11,100	221,393	216,847	4,546
<i>Excess of Revenues Over (Under) Expenditures</i>	131,649	(78,038)	(38,069)	39,969
Other Financing Sources (Uses)				
Advances In	0	50,097	50,097	0
Advances Out	0	(6,097)	(22,860)	(16,763)
<i>Total Other Financing Sources (Uses)</i>	0	44,000	27,237	(16,763)
<i>Net Change in Fund Balance</i>	131,649	(34,038)	(10,832)	23,206
<i>Fund Balance Beginning of Year</i>	11,098	11,098	11,098	0
Prior Year Encumbrances Appropriated	22,941	22,941	22,941	0
<i>Fund Balance End of Year</i>	<u>\$165,688</u>	<u>\$1</u>	<u>\$23,207</u>	<u>\$23,206</u>

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$175,325	\$178,769	\$106,667	(\$72,102)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	9,897	92,763	92,763	0
Fringe Benefits	0	22,840	22,840	0
Total Regular	9,897	115,603	115,603	0
Special				
Materials and Supplies	0	787	0	787
Total Instruction	9,897	116,390	115,603	787
<i>Total Expenditures</i>	9,897	116,390	115,603	787
<i>Net Change in Fund Balance</i>	165,428	62,379	(8,936)	(71,315)
<i>Fund Balance Beginning of Year</i>	9,322	9,322	9,322	0
Prior Year Encumbrances Appropriated	787	787	787	0
<i>Fund Balance End of Year</i>	<u>\$175,537</u>	<u>\$72,488</u>	<u>\$1,173</u>	<u>(\$71,315)</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, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$134,801	\$137,449	\$88,883	(\$48,566)
Expenditures				
Current:				
Instruction:				
Special				
Salaries	7,768	7,768	7,768	0
Fringe Benefits	1,253	1,253	1,234	19
Purchased Services	14,946	14,946	14,945	1
Total Instruction	23,967	23,967	23,947	20
Support Services:				
Pupils				
Salaries	1,000	1,000	0	1,000
Fringe Benefits	240	240	0	240
Total Pupils	1,240	1,240	0	1,240
Instructional Staff				
Salaries	40,750	40,750	35,979	4,771
Fringe Benefits	1,754	1,754	1,255	499
Purchased Services	6,600	6,600	6,600	0
Materials and Supplies	6,602	6,602	6,571	31
Total Instructional Staff	55,706	55,706	50,405	5,301
Administration				
Salaries	6,000	6,000	0	6,000
Fringe Benefits	970	970	0	970
Purchased Services	500	500	330	170
Total Administration	7,470	7,470	330	7,140
Central				
Other	500	500	483	17
Total Support Services	64,916	64,916	51,218	13,698
<i>Total Expenditures</i>	88,883	88,883	75,165	13,718
<i>Net Change in Fund Balance</i>	45,918	48,566	13,718	(34,848)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$45,918	\$48,566	\$13,718	(\$34,848)

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$54,882	\$52,466	\$51,536	(\$930)
Expenditures				
Current:				
Instruction:				
Regular				
Purchased Services	0	674	213	461
Capital Outlay - New	44	44	0	44
Total Instruction	44	718	213	505
Support Services:				
Pupils				
Salaries	17,376	32,376	32,376	0
Fringe Benefits	2,982	7,182	5,148	2,034
Purchased Services	77	12,499	11,874	625
Materials and Supplies	40	18,301	11,631	6,670
Capital Outlay - New	2	4,662	1,300	3,362
Total Support Services	20,477	75,020	62,329	12,691
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,248	5,281	2,313	2,968
Total Expenditures	22,769	81,019	64,855	16,164
Net Change in Fund Balance	32,113	(28,553)	(13,319)	15,234
Fund Balance Beginning of Year	26,175	26,175	26,175	0
Prior Year Encumbrances Appropriated	2,378	2,378	2,378	0
Fund Balance End of Year	\$60,666	\$0	\$15,234	\$15,234

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$78,516	\$80,059	\$0	(\$80,059)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	6,952	7,259	2,165	5,094
Fringe Benefits	3,640	3,640	404	3,236
Total Instruction	10,592	10,899	2,569	8,330
Support Services:				
Instructional Staff				
Salaries	24,053	23,174	23,174	0
Fringe Benefits	3,375	3,375	3,341	34
Purchased Services	7,406	10,224	4,440	5,784
Materials and Supplies	5,330	15,221	13,575	1,646
Total Support Services	40,164	51,994	44,530	7,464
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,043	2,605	21	2,584
<i>Total Expenditures</i>	52,799	65,498	47,120	18,378
<i>Net Change in Fund Balance</i>	25,717	14,561	(47,120)	(61,681)
<i>Fund Balance Beginning of Year</i>	51,217	51,217	51,217	0
Prior Year Encumbrances Appropriated	13,727	13,727	13,727	0
<i>Fund Balance End of Year</i>	\$90,661	\$79,505	\$17,824	(\$61,681)

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$86,374	\$88,071	\$73,500	(\$14,571)
Expenditures				
Current:				
Support Services:				
Central				
Purchased Services	56,952	56,952	0	56,952
<i>Net Change in Fund Balance</i>	29,422	31,119	73,500	42,381
<i>Fund Balance Beginning of Year</i>	119,952	119,952	119,952	0
<i>Fund Balance End of Year</i>	<u>\$149,374</u>	<u>\$151,071</u>	<u>\$193,452</u>	<u>\$42,381</u>

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, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$457,101	\$466,071	\$346,432	(\$119,639)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	0	10,000	0	10,000
Fringe Benefits	0	2,000	0	2,000
Total Regular	0	12,000	0	12,000
Special				
Salaries	0	26,887	22,831	4,056
Fringe Benefits	0	4,570	0	4,570
Purchased Services	0	18,750	18,128	622
Materials and Supplies	0	29,585	27,164	2,421
Total Special	0	79,792	68,123	11,669
Total Instruction	0	91,792	68,123	23,669
Support Services:				
Pupils				
Salaries	0	29,428	26,943	2,485
Fringe Benefits	0	7,192	4,807	2,385
Purchased Services	0	15,795	9,586	6,209
Materials and Supplies	0	35,782	35,357	425
Total Pupils	0	88,197	76,693	11,504
Instructional Staff				
Purchased Services	0	13,000	5,266	7,734
Materials and Supplies	0	16,187	11,396	4,791
Total Instructional Staff	0	29,187	16,662	12,525
Administration				
Salaries	8,109	12,633	3,591	9,042
Fringe Benefits	2,700	3,436	1,266	2,170
Total Administration	\$10,809	\$16,069	\$4,857	\$11,212

(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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Fiscal				
Salaries	\$0	\$3,550	\$0	\$3,550
Fringe Benefits	0	690	0	690
Total Fiscal	0	4,240	0	4,240
Business				
Purchased Services	0	128	97	31
Materials and Supplies	0	2,070	0	2,070
Total Business	0	2,198	97	2,101
Operation and Maintenance of Plant				
Purchased Services	5,808	8,500	8,500	0
Materials and Supplies	960	1,000	0	1,000
Capital Outlay - New	0	3,416	0	3,416
Total Operation and Maintenance of Plant	6,768	12,916	8,500	4,416
Pupil Transportation				
Salaries	0	3,000	0	3,000
Fringe Benefits	0	510	0	510
Total Pupil Transportation	0	3,510	0	3,510
Total Support Services	17,577	156,317	106,809	49,508
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	28,698	9,783	2,488	7,295
Fringe Benefits	26,255	26,254	26,254	0
Purchased Services	11,871	30,500	30,500	0
Materials and Supplies	6,258	9,278	2,368	6,910
Capital Outlay - New	505	505	0	505
Total Operation of Non-Instructional Services	73,587	76,320	61,610	14,710
Total Expenditures	91,164	324,429	236,542	87,887
Net Change in Fund Balance	365,937	141,642	109,890	(31,752)
Fund Balance Beginning of Year	37,043	37,043	37,043	0
Prior Year Encumbrances Appropriated	23,032	23,032	23,032	0
Fund Balance End of Year	\$426,012	\$201,717	\$169,965	(\$31,752)

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$37,299	\$85,353	\$117,116	\$31,763
Contributions and Donations	6,701	15,333	11,461	(3,872)
<i>Total Revenues</i>	<u>44,000</u>	<u>100,686</u>	<u>128,577</u>	<u>27,891</u>
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	1,292	7,900	11,705	(3,805)
Fringe Benefits	138	844	844	0
Purchased Services	2,177	13,310	13,310	0
Materials and Supplies	4,263	26,066	26,066	0
Capital Outlay - New	8,334	50,954	50,954	0
Total Regular	<u>16,204</u>	<u>99,074</u>	<u>102,879</u>	<u>(3,805)</u>
Special				
Materials and Supplies	603	3,686	3,651	35
Capital Outlay - New	4,022	24,589	24,589	0
Total Special	<u>4,625</u>	<u>28,275</u>	<u>28,240</u>	<u>35</u>
Vocational				
Fringe Benefits	24	147	0	147
Purchased Services	62	381	381	0
Materials and Supplies	640	3,914	3,352	562
Capital Outlay - New	1,147	7,012	6,870	142
Total Vocational	<u>1,873</u>	<u>11,454</u>	<u>10,603</u>	<u>851</u>
Total Instruction	<u>22,702</u>	<u>138,803</u>	<u>141,722</u>	<u>(2,919)</u>
Support Services:				
Pupils				
Purchased Services	\$348	\$2,127	\$0	\$2,127

(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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Instructional Staff				
Salaries	\$419	\$2,564	\$4,780	(\$2,216)
Fringe Benefits	122	748	748	0
Materials and Supplies	4	23	0	23
Total Instructional Staff	<u>545</u>	<u>3,335</u>	<u>5,528</u>	<u>(2,193)</u>
Board of Education				
Other	122	745	435	310
Central				
Purchased Services	260	1,592	1,592	0
Other	1,001	6,119	6,119	0
Total Central	<u>1,261</u>	<u>7,711</u>	<u>7,711</u>	<u>0</u>
Total Support Services	<u>2,276</u>	<u>13,918</u>	<u>13,674</u>	<u>244</u>
Extracurricular Activities:				
School and Public Service				
Co-Curricular Activities:				
Purchased Services	3,763	23,000	23,000	0
Materials and Supplies	3	17	0	17
Total Extracurricular Activities	<u>3,766</u>	<u>23,017</u>	<u>23,000</u>	<u>17</u>
Total Expenditures	<u>28,744</u>	<u>175,738</u>	<u>178,396</u>	<u>(2,658)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	15,256	(75,052)	(49,819)	25,233
Other Financing Uses				
Transfers Out	(564)	(564)	(564)	0
Net Change in Fund Balance	14,692	(75,616)	(50,383)	25,233
<i>Fund Balance Beginning of Year</i>	42,326	42,326	42,326	0
Prior Year Encumbrances Appropriated	35,293	35,293	35,293	0
Fund Balance End of Year	<u>\$92,311</u>	<u>\$2,003</u>	<u>\$27,236</u>	<u>\$25,233</u>

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Revised Budget</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$46,035	\$57,952	\$74,967	\$17,015
Expenditures				
Current:				
Support Services:				
Pupils				
Salaries	0	46,331	54,656	(8,325)
Fringe Benefits	0	11,529	11,529	0
Purchased Services	0	1,271	1,143	128
Materials and Supplies	0	3,870	3,867	3
Total Pupils	0	63,001	71,195	(8,194)
Instructional Staff				
Purchased Services	0	152	152	0
Total Support Services	0	63,153	71,347	(8,194)
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	6,473	5,183	1,290
Total Expenditures	0	69,626	76,530	(6,904)
Net Change in Fund Balance	46,035	(11,674)	(1,563)	10,111
Fund Balance Beginning of Year	8,012	8,012	8,012	0
Prior Year Encumbrances Appropriated	3,662	3,662	3,662	0
Fund Balance End of Year	<u>\$57,709</u>	<u>\$0</u>	<u>\$10,111</u>	<u>\$10,111</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-R
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$188,136	\$156,671	\$211,742	\$55,071
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	0	180,695	141,813	38,882
Fringe Benefits	0	53,577	51,740	1,837
Purchased Services	0	33,976	1,292	32,684
Materials and Supplies	0	2,667	2,667	0
Total Instruction	0	270,915	197,512	73,403
Support Services:				
Instructional Staff				
Salaries	0	1,261	1,261	0
Fringe Benefits	0	154	154	0
Purchased Services	0	834	834	0
Materials and Supplies	0	750	750	0
Total Support Services	0	2,999	2,999	0
<i>Total Expenditures</i>	0	273,914	200,511	73,403
<i>Net Change in Fund Balance</i>	188,136	(117,243)	11,231	128,474
<i>Fund Balance Beginning of Year</i>	112,914	112,914	112,914	0
Prior Year Encumbrances Appropriated	4,329	4,329	4,329	0
<i>Fund Balance End of Year</i>	\$305,379	\$0	\$128,474	\$128,474

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Revised Budget</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$46,467	\$47,380	\$29,115	(\$18,265)
Expenditures				
Current:				
Support Services:				
Pupils				
Salaries	9,000	9,053	9,053	0
Fringe Benefits	1,530	1,517	1,517	0
Purchased Services	4,709	3,812	3,803	9
Materials and Supplies	13,894	35,185	35,177	8
Total Pupils	29,133	49,567	49,550	17
Instructional Staff				
Purchased Services	700	700	0	700
Materials and Supplies	807	1,004	197	807
Total Instructional Staff	1,507	1,704	197	1,507
<i>Total Expenditures</i>	30,640	51,271	49,747	1,524
<i>Net Change in Fund Balance</i>	15,827	(3,891)	(20,632)	(16,741)
<i>Fund Balance Beginning of Year</i>	1,908	1,908	1,908	0
Prior Year Encumbrances Appropriated	20,632	20,632	20,632	0
<i>Fund Balance End of Year</i>	\$38,367	\$18,649	\$1,908	(\$16,741)

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Miscellaneous	\$50,000	\$50,000	\$0	(\$50,000)
Expenditures				
Current:				
Support Services:				
Pupils				
Materials and Supplies	<u>0</u>	<u>160</u>	<u>0</u>	<u>160</u>
<i>Net Change in Fund Balance</i>	50,000	49,840	0	(49,840)
<i>Fund Balance Beginning of Year</i>	1,764	1,764	1,764	0
Prior Year Encumbrances Appropriated	<u>160</u>	<u>160</u>	<u>160</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$51,924</u></u>	<u><u>\$51,764</u></u>	<u><u>\$1,924</u></u>	<u><u>(\$49,840)</u></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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$106,023	\$108,106	\$49,036	(\$59,070)
Expenditures				
Current:				
Support Services:				
Pupils				
Instructional Staff				
Salaries	48,908	48,909	0	48,909
Central				
Salaries	12,675	12,675	0	12,675
Fringe Benefits	2,020	2,020	0	2,020
Purchased Services	500	500	0	500
Materials and Supplies	5,804	5,804	0	5,804
Total Central	20,999	20,999	0	20,999
<i>Total Expenditures</i>	69,907	69,908	0	69,908
<i>Net Change in Fund Balance</i>	36,116	38,198	49,036	10,838
<i>Fund Balance Beginning of Year</i>	69,297	69,297	69,297	0
<i>Fund Balance End of Year</i>	\$105,413	\$107,495	\$118,333	\$10,838

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Revised Budget</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$40,264	\$41,055	\$0	(\$41,055)
Expenditures				
Current:				
Instruction:				
Regular				
Materials and Supplies	0	10,000	7,688	2,312
Capital Outlay - New	0	15,000	13,511	1,489
Total Instruction	0	25,000	21,199	3,801
Support Services:				
Pupils				
Materials and Supplies	849	849	0	849
Capital Outlay - New	700	4,361	3,661	700
Total Support Services	1,549	5,210	3,661	1,549
<i>Total Expenditures</i>	1,549	30,210	24,860	5,350
<i>Net Change in Fund Balance</i>	38,715	10,845	(24,860)	(35,705)
<i>Fund Balance Beginning of Year</i>	26,549	26,549	26,549	0
Prior Year Encumbrances Appropriated	3,661	3,661	3,661	0
<i>Fund Balance End of Year</i>	<u>\$68,925</u>	<u>\$41,055</u>	<u>\$5,350</u>	<u>(\$35,705)</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Refugee Children Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$65	\$0	\$12,960	\$12,960
Expenditures				
Current:				
Instruction:				
Special				
Materials and Supplies	10	2,997	2,997	0
Capital Outlay - New	83	10,665	10,665	0
<i>Total Expenditures</i>	93	13,662	13,662	0
<i>Net Change in Fund Balance</i>	(28)	(13,662)	(702)	12,960
<i>Fund Balance Beginning of Year</i>	94	94	94	0
Prior Year Encumbrances Appropriated	13,568	13,568	13,568	0
<i>Fund Balance End of Year</i>	<u>\$13,634</u>	<u>\$0</u>	<u>\$12,960</u>	<u>\$12,960</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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$9,561	\$13,644	\$13,700	\$56
Expenditures				
Current:				
Instruction:				
Special				
Salaries	0	9,956	9,956	0
Fringe Benefits	0	1,700	1,700	0
Total Instruction	0	11,656	11,656	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	2,044	2,044	0
<i>Total Expenditures</i>	0	13,700	13,700	0
<i>Net Change in Fund Balance</i>	9,561	(56)	0	56
<i>Fund Balance Beginning of Year</i>	56	56	56	0
<i>Fund Balance End of Year</i>	\$9,617	\$0	\$56	\$56

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$4,401	\$4,488	\$2,308	(\$2,180)
Expenditures				
Current:				
Support Services:				
Pupils				
Purchased Services	69	0	0	0
Materials and Supplies	526	4,444	4,003	441
<i>Total Expenditures</i>	<u>595</u>	<u>4,444</u>	<u>4,003</u>	<u>441</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,806	44	(1,695)	(1,739)
Other Financing Uses				
Advances Out	0	(2,400)	(2,400)	0
<i>Net Change in Fund Balance</i>	3,806	(2,356)	(4,095)	(1,739)
<i>Fund Balance Beginning of Year</i>	595	595	595	0
Prior Year Encumbrances Appropriated	<u>3,942</u>	<u>3,942</u>	<u>3,942</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,343</u></u>	<u><u>\$2,181</u></u>	<u><u>\$442</u></u>	<u><u>(\$1,739)</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Subsidy Grant Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$22,569	\$23,012	\$10,592	(\$12,420)
Expenditures				
Current:				
Support Services:				
Instructional Staff				
Salaries	5,980	12,805	4,754	8,051
Fringe Benefits	1,169	2,203	719	1,484
Purchased Services	590	820	820	0
<i>Total Expenditures</i>	<u>7,739</u>	<u>15,828</u>	<u>6,293</u>	<u>9,535</u>
<i>Net Change in Fund Balance</i>	14,830	7,184	4,299	(2,885)
<i>Fund Balance Beginning of Year</i>	8,797	8,797	8,797	0
Prior Year Encumbrances Appropriated	<u>947</u>	<u>947</u>	<u>947</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$24,574</u></u>	<u><u>\$16,928</u></u>	<u><u>\$14,043</u></u>	<u><u>(\$2,885)</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Contributions and Donations	\$900	\$900	\$11,515	\$10,615
Expenditures				
Current:				
Instruction:				
Adult/Continuing				
Other	1,000	1,000	6,300	(5,300)
<i>Net Change in Fund Balance</i>	(100)	(100)	5,215	5,315
<i>Fund Balance Beginning of Year</i>	18,831	18,831	18,831	0
<i>Fund Balance End of Year</i>	<u>\$18,731</u>	<u>\$18,731</u>	<u>\$24,046</u>	<u>\$5,315</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$58	\$59	\$0	(\$59)
Expenditures				
Current:				
Instruction:				
Regular				
Materials and Supplies	<u>38</u>	<u>38</u>	<u>0</u>	<u>38</u>
<i>Net Change in Fund Balance</i>	20	21	0	(21)
<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>\$59</u></u>	<u><u>\$60</u></u>	<u><u>\$39</u></u>	<u><u>(\$21)</u></u>

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$118,030	\$120,349	\$60,000	(\$60,349)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	11,816	61,327	59,807	1,520
Fringe Benefits	961	11,450	10,503	947
Purchased Services	4,836	4,836	4,307	529
Materials and Supplies	213	1,117	1,117	0
<i>Total Expenditures</i>	<u>17,826</u>	<u>78,730</u>	<u>75,734</u>	<u>2,996</u>
<i>Net Change in Fund Balance</i>	100,204	41,619	(15,734)	(57,353)
<i>Fund Balance Beginning of Year</i>	17,824	17,824	17,824	0
Prior Year Encumbrances Appropriated	<u>905</u>	<u>905</u>	<u>905</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$118,933</u>	<u>\$60,348</u>	<u>\$2,995</u>	<u>(\$57,353)</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$58,220	\$59,363	\$0	(\$59,363)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	0	20,000	0	20,000
Fringe Benefits	0	5,000	0	5,000
Purchased Services	0	13,388	0	13,388
<i>Total Expenditures</i>	<u>0</u>	<u>38,388</u>	<u>0</u>	<u>38,388</u>
<i>Net Change in Fund Balance</i>	58,220	20,975	0	(20,975)
<i>Fund Balance Beginning of Year</i>	<u>38,388</u>	<u>38,388</u>	<u>38,388</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$96,608</u></u>	<u><u>\$59,363</u></u>	<u><u>\$38,388</u></u>	<u><u>(\$20,975)</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Performance Incentive Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$54,960	\$57,677	\$29,576	(\$28,101)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	36,000	36,000	5,226	30,774
Fringe Benefits	6,120	6,120	801	5,319
Purchased Services	2,000	2,000	0	2,000
Materials and Supplies	26,133	26,133	18,114	8,019
Total Instruction	70,253	70,253	24,141	46,112
Support Services:				
Instructional Staff				
Salaries	0	2,000	0	2,000
Fringe Benefits	0	340	0	340
Purchased Services	0	5,160	0	5,160
Materials and Supplies	0	1,000	0	1,000
Total Support Services	0	8,500	0	8,500
<i>Total Expenditures</i>	70,253	78,753	24,141	54,612
<i>Net Change in Fund Balance</i>	(15,293)	(21,076)	5,435	26,511
<i>Fund Balance Beginning of Year</i>	21,076	21,076	21,076	0
<i>Fund Balance End of Year</i>	\$5,783	\$0	\$26,511	\$26,511

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Extended Learning Opportunity Grant Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$95,331	\$97,204	\$0	(\$97,204)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	26,946	30,715	30,247	468
Fringe Benefits	7,580	4,792	4,792	0
Purchased Services	3,290	3,039	3,039	0
Materials and Supplies	25,041	29,271	29,271	0
<i>Total Expenditures</i>	<u>62,857</u>	<u>67,817</u>	<u>67,349</u>	<u>468</u>
<i>Net Change in Fund Balance</i>	32,474	29,387	(67,349)	(96,736)
<i>Fund Balance Beginning of Year</i>	62,858	62,858	62,858	0
Prior Year Encumbrances Appropriated	<u>4,959</u>	<u>4,959</u>	<u>4,959</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$100,291</u></u>	<u><u>\$97,204</u></u>	<u><u>\$468</u></u>	<u><u>(\$96,736)</u></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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Contributions and Donations	\$13,437	\$2,200,000	\$2,320,000	\$120,000
Miscellaneous	263	43,115	30,998	(12,117)
<i>Total Revenues</i>	<u>13,700</u>	<u>2,243,115</u>	<u>2,350,998</u>	<u>107,883</u>
Expenditures				
Current:				
Instruction:				
Regular				
Materials and Supplies	386,454	599,002	598,856	146
Capital Outlay - Replacement	14,404	22,326	22,326	0
Total Instruction	<u>400,858</u>	<u>621,328</u>	<u>621,182</u>	<u>146</u>
Support Services:				
Instructional Staff				
Materials and Supplies	98,161	152,150	139,376	12,774
Administration				
Salaries	9,421	14,603	14,603	0
Fringe Benefits	2,021	3,132	3,072	60
Total Administration	<u>11,442</u>	<u>17,735</u>	<u>17,675</u>	<u>60</u>
Business				
Purchased Services	1,103	1,710	1,710	0
Operation and Maintenance of Plant				
Salaries	18,089	28,038	28,038	0
Fringe Benefits	3,912	6,063	5,985	78
Purchased Services	966,435	1,497,972	1,497,838	134
Total Operation and Maintenance of Plant	<u>988,436</u>	<u>1,532,073</u>	<u>1,531,861</u>	<u>212</u>
Total Support Services	<u>1,099,142</u>	<u>1,703,668</u>	<u>1,690,622</u>	<u>13,046</u>
<i>Total Expenditures</i>	<u>1,500,000</u>	<u>2,324,996</u>	<u>2,311,804</u>	<u>13,192</u>
<i>Net Change in Fund Balance</i>	(1,486,300)	(81,881)	39,194	121,075
<i>Fund Balance Beginning of Year</i>	81,882	81,882	81,882	0
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$1,404,418)</u></u>	<u><u>\$1</u></u>	<u><u>\$121,076</u></u>	<u><u>\$121,075</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Revised Budget</u>		Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff				
Materials and Supplies	14,586	17,312	17,300	12
Capital Outlay - New	13,150	15,607	15,607	0
<i>Total Expenditures</i>	<u>27,736</u>	<u>32,919</u>	<u>32,907</u>	<u>12</u>
<i>Net Change in Fund Balance</i>	(27,736)	(32,919)	(32,907)	12
<i>Fund Balance Beginning of Year</i>	66,227	66,227	66,227	0
Prior Year Encumbrances Appropriated	<u>5,183</u>	<u>5,183</u>	<u>5,183</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$43,674</u></u>	<u><u>\$38,491</u></u>	<u><u>\$38,503</u></u>	<u><u>\$12</u></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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>55,702</u>	<u>55,702</u>	<u>55,702</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$55,702</u></u>	<u><u>\$55,702</u></u>	<u><u>\$55,702</u></u>	<u><u>\$0</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Security Equipment Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$29,853	\$30,439	\$0	(\$30,439)
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant				
Purchased Services	0	23,756	10,700	13,056
Materials and Supplies	0	1,176	1,174	2
Capital Outlay - New	0	1,432	1,432	0
<i>Total Expenditures</i>	<u>0</u>	<u>26,364</u>	<u>13,306</u>	<u>13,058</u>
<i>Net Change in Fund Balance</i>	29,853	4,075	(13,306)	(17,381)
<i>Fund Balance Beginning of Year</i>	7,464	7,464	7,464	0
Prior Year Encumbrances Appropriated	<u>6,680</u>	<u>6,680</u>	<u>6,680</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$43,997</u></u>	<u><u>\$18,219</u></u>	<u><u>\$838</u></u>	<u><u>(\$17,381)</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, 2002

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Sales	\$2,378,600	\$2,155,000	\$2,173,263	\$18,263
Operating Grants	0	658,649	703,436	44,787
<i>Total Revenues</i>	<u>2,378,600</u>	<u>2,813,649</u>	<u>2,876,699</u>	<u>63,050</u>
Expenses				
Salaries	815,905	815,905	814,015	1,890
Fringe Benefits	483,866	483,866	483,866	0
Purchased Services	161,900	162,292	123,587	38,705
Materials and Supplies	1,461,850	1,583,850	1,553,627	30,223
Capital Outlay	376,000	254,000	71,205	182,795
Other	6,866	6,866	0	6,866
<i>Total Expenses</i>	<u>3,306,387</u>	<u>3,306,779</u>	<u>3,046,300</u>	<u>260,479</u>
<i>Net Change in Fund Equity</i>	(927,787)	(493,130)	(169,601)	323,529
<i>Fund Equity Beginning of Year</i>	492,732	492,732	492,732	0
Prior Year Encumbrances Appropriated	392	392	392	0
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$434,663)</u>	<u>(\$6)</u>	<u>\$323,523</u>	<u>\$323,529</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, 2002

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Budget		
Revenues				
Tuition and Fees	\$550,050	\$413,481	\$517,246	\$103,765
Charges for Services	119,712	29,535	112,572	83,037
Operating Grants	0	215,515	234,295	18,780
Miscellaneous	54,339	136,461	51,098	(85,363)
<i>Total Revenues</i>	<u>724,101</u>	<u>794,992</u>	<u>915,211</u>	<u>120,219</u>
Expenses				
Salaries	614,080	606,867	520,916	85,951
Fringe Benefits	184,159	184,262	155,039	29,223
Purchased Services	103,475	208,855	175,704	33,151
Materials and Supplies	67,055	120,883	99,922	20,961
Capital Outlay	8,000	34,043	12,413	21,630
Other	10,050	12,250	9,486	2,764
<i>Total Expenses</i>	<u>986,819</u>	<u>1,167,160</u>	<u>973,480</u>	<u>193,680</u>
<i>Excess of Revenues Under Expenses</i>	(262,718)	(372,168)	(58,269)	313,899
Advances In	0	18,000	18,000	0
<i>Net Change in Fund Equity</i>	(262,718)	(354,168)	(40,269)	313,899
<i>Fund Equity Beginning of Year</i>	329,798	329,798	329,798	0
Prior Year Encumbrances Appropriated	24,370	24,370	24,370	0
<i>Fund Equity End of Year</i>	<u>\$91,450</u>	<u>\$0</u>	<u>\$313,899</u>	<u>\$313,899</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, 2002

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Tuition and Fees	\$1,160,800	\$1,345,126	\$1,077,938	(\$267,188)
Operating Grants	0	0	171,438	171,438
Miscellaneous	0	1,000	0	(1,000)
<i>Total Revenues</i>	<u>1,160,800</u>	<u>1,346,126</u>	<u>1,249,376</u>	<u>(96,750)</u>
Expenses				
Salaries	255,812	990,867	781,012	209,855
Fringe Benefits	128,663	263,084	214,436	48,648
Purchased Services	267,040	324,132	227,932	96,200
Materials and Supplies	166,228	187,416	117,056	70,360
Capital Outlay	4,000	20,796	5,145	15,651
Other	60,560	15,766	6,489	9,277
<i>Total Expenses</i>	<u>882,303</u>	<u>1,802,061</u>	<u>1,352,070</u>	<u>449,991</u>
<i>Net Change in Fund Equity</i>	278,497	(455,935)	(102,694)	353,241
<i>Fund Equity Beginning of Year</i>	405,658	405,658	405,658	0
Prior Year Encumbrances Appropriated	<u>50,283</u>	<u>50,283</u>	<u>50,283</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$734,438</u>	<u>\$6</u>	<u>\$353,247</u>	<u>\$353,241</u>

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

	2002	2001
Program Revenues		
Charges for Services and Sales	\$2,950,422	\$3,956,734
Operating Grants and Contributions	8,531,154	8,361,820
Capital Grants and Contributions	2,390,077	152,016
General Revenues		
Taxes	88,492,389	73,873,979
Intergovernmental	36,323,272	23,777,006
Interest	1,184,907	1,473,616
Gain on Sale of Fixed Assets	0	11,625
Miscellaneous	163,388	902,636
	\$140,035,609	\$112,509,432
Expenses		
Current:		
Instruction:		
Regular	\$52,549,702	\$46,171,336
Special	11,657,885	10,151,082
Vocational	1,942,972	2,412,894
Adult/Continuing	146,408	131,614
Support Services:		
Pupil	6,028,497	5,702,894
Instructional Staff	5,620,956	4,373,868
Board of Education	722,338	445,182
Administration	8,561,814	6,800,226
Fiscal	1,961,584	2,122,588
Business	760,916	608,938
Operation and Maintenance of Plant	14,323,751	10,154,889
Pupil Transportation	6,381,700	4,298,362
Central	2,142,312	1,489,597
Operation of Non-Instructional Services	4,059,216	4,263,121
Extracurricular Activities	2,449,230	2,279,498
Interest	576,680	484,966
	\$119,885,961	\$101,891,055

Source: School District Financial Records

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

	2002 (1)	2001 (1)	2000 (1)	1999 (1)
Revenues				
Taxes	\$88,326,725	\$73,263,088	\$63,979,640	\$64,801,975
Intergovernmental	44,784,732	32,489,640	31,562,955	29,336,982
Interest	1,184,907	1,473,616	1,241,930	911,990
Tuition and Fees	1,377,030	1,832,502	1,520,317	1,264,113
Extracurricular Activities	1,135,757	908,940	1,363,197	1,395,082
Rentals	279,729	576,153	230,444	84,629
Charges for Services	550	639,139	332,983	227,820
Contributions and Donations	2,353,647	79,121	56,406	85,301
Miscellaneous	163,388	902,636	351,055	460,166
Total	<u>\$139,606,465</u>	<u>\$112,164,835</u>	<u>\$100,638,927</u>	<u>\$98,568,058</u>
Expenditures				
Current:				
Instruction:				
Regular	\$52,921,929	\$45,678,906	\$42,121,709	\$44,493,411
Special	11,510,571	10,275,154	9,009,861	8,527,584
Vocational	1,894,917	2,421,717	2,365,948	1,589,698
Adult/Continuing	152,600	125,977	1,249,792	247,818
Support Services:				
Pupil	6,032,667	5,854,037	4,980,936	5,328,169
Instructional Staff	5,498,899	4,371,538	3,839,009	4,477,718
Board of Education	716,927	442,794	68,594	61,895
Administration	8,612,763	7,254,890	6,404,442	7,125,281
Fiscal	1,878,590	2,132,139	1,268,946	1,522,202
Business	754,317	619,083	625,702	760,549
Operation and Maintenance of Plant	10,836,202	9,485,597	9,060,406	9,632,433
Pupil Transportation	6,329,352	4,576,746	3,795,132	3,848,234
Central	2,142,270	1,701,377	1,190,863	1,033,112
Operation of Non-Instructional Services	4,140,970	4,585,118	3,605,276	3,537,697
Extracurricular Activities	2,526,666	2,250,836	2,489,889	2,200,277
Capital Outlay	6,638,144	2,926,295	707,129	1,299,669
Intergovernmental	0	0	4,400	0
Debt Service	1,090,559	940,271	3,783,150	5,363,759
Total	<u>\$123,678,343</u>	<u>\$105,642,475</u>	<u>\$96,571,184</u>	<u>\$101,049,506</u>

(1) 1997 through 2002 reported on a GAAP Basis; All other on Cash Basis

Source: School District Financial Records

<u>1998 (1)</u>	<u>1997 (1)</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
\$64,247,335	\$60,468,806	\$59,185,386	\$55,089,148	\$50,114,932	\$50,731,599
28,282,193	25,771,582	22,659,448	21,264,995	20,130,816	21,672,022
844,850	619,757	598,791	421,276	310,553	329,825
775,293	1,589,170	1,351,686	1,105,915	2,065,409	2,088,849
1,363,567	1,297,212	445,945	956,860	449,098	303,504
106,463	225,652	0	0	0	0
198,905	0	0	0	0	0
165,202	164,724	0	0	0	0
1,367,485	157,211	2,171,542	1,206,486	1,139,629	992,763
<u>\$97,351,293</u>	<u>\$90,294,114</u>	<u>\$86,412,798</u>	<u>\$80,044,680</u>	<u>\$74,210,437</u>	<u>\$76,118,562</u>
\$43,504,689	\$41,889,510	\$39,531,630	\$35,761,981	\$35,829,261	\$33,230,316
8,305,462	7,599,446	6,795,596	6,765,411	6,881,955	6,363,054
1,432,552	2,869,507	2,790,477	2,993,552	3,000,646	2,984,943
216,042	92,813	59,859	76,874	75,062	79,310
4,991,585	4,028,395	3,836,412	3,622,234	3,521,235	3,250,990
4,916,855	6,051,766	5,804,758	5,153,497	5,678,561	5,811,298
50,707	42,645	35,102	28,267	16,839	13,811
7,751,325	6,370,159	6,909,985	5,663,714	7,451,106	5,663,830
1,547,714	1,269,908	1,228,812	1,138,983	1,178,899	1,012,142
796,169	730,366	662,027	556,751	545,632	534,106
9,879,885	9,341,167	9,784,581	8,776,964	11,892,095	9,873,577
4,105,287	4,314,313	4,176,923	3,170,391	3,482,098	3,610,817
1,094,231	669,706	737,068	650,053	662,428	651,039
3,098,375	3,356,742	311,580	185,888	1,703	0
1,956,788	1,134,324	1,141,567	1,066,396	943,998	954,201
981,663	2,535,087	164,803	235,241	355,966	534,268
0	0	0	0	0	0
5,808,349	823,052	6,387,025	10,457,905	5,299,148	2,715,051
<u>\$100,437,678</u>	<u>\$93,118,906</u>	<u>\$90,358,205</u>	<u>\$86,304,102</u>	<u>\$86,816,632</u>	<u>\$77,282,753</u>

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

<u>Year (2)</u>	<u>Current Levy</u>	<u>Delinquent Levy (3)</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>
2001	\$82,012,720	\$1,953,963	\$83,966,683	\$79,517,206	97.0%
2000	65,229,805	1,866,264	67,096,069	64,104,921	98.3
1999	65,429,845	1,861,452	67,291,297	64,156,335	98.1
1998	65,486,432	1,800,863	67,287,295	64,014,755	97.8
1997	62,814,822	2,743,578	65,558,400	61,276,304	97.6
1996	62,114,518	2,695,718	64,810,236	61,136,494	98.4
1995	61,983,601	2,290,421	64,274,022	60,919,043	98.3
1994	50,847,617	2,194,639	53,042,256	49,837,373	98.0
1993	50,953,611	2,062,454	53,016,065	49,944,343	98.0
1992	50,260,556	1,576,319	51,836,875	49,254,411	98.0

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2002 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection As a Percent of Current Levy</u>
\$1,185,154	\$80,702,360	98.4%
1,321,288	65,426,209	100.0
1,124,762	65,281,097	99.8
520,400	64,535,155	98.5
449,874	61,726,178	98.3
624,822	61,761,316	99.4
432,011	61,351,054	99.0
655,263	50,492,636	99.3
491,597	50,435,940	99.0
476,199	49,730,610	98.9

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

Collection Year	Agricultural and Residential Real Estate	Other Real Estate	Public Utility Personal	Tangible Personal
2002	\$1,666,465,250	\$401,605,240	\$46,260,140	\$119,158,280
2001	1,660,692,760	396,516,490	60,432,510	115,972,283
2000	1,501,273,010	349,437,930	62,799,720	119,090,817
1999	1,492,634,760	343,431,990	71,855,030	120,840,696
1998	1,486,223,910	353,088,600	73,452,990	120,861,764
1997	1,367,851,700	329,054,660	75,265,490	113,614,115
1996	1,362,121,220	319,723,780	77,879,960	111,345,314
1995	1,359,834,070	334,374,050	83,560,620	111,012,183
1994	1,167,991,340	289,088,250	78,473,210	109,869,397
1993	1,160,882,600	290,057,740	78,557,450	112,763,487

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 2002.

<u>Total Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Ratio</u>
\$2,233,488,910	\$6,437,974,288	34.7%
2,233,614,043	6,410,303,152	34.8
2,032,601,477	5,835,472,128	34.8
2,028,762,476	5,810,921,220	34.9
2,033,627,264	5,810,363,611	35.0
1,885,785,965	5,388,289,311	35.0
1,871,070,274	5,339,152,640	35.0
1,888,780,923	5,345,507,702	35.3
1,645,422,197	4,691,736,233	35.1
1,642,261,277	4,685,867,607	35.0

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
2002	\$60.20	\$17.60	\$6.90	\$84.70	\$0.00	\$0.86	\$0.00	\$0.86
2001	60.20	17.60	7.00	84.80	0.00	0.79	0.10	0.89
2000	53.30	16.70	7.10	77.10	0.50	0.85	0.20	1.55
1999	53.40	16.70	7.10	77.20	0.70	0.72	0.20	1.62
1998	53.60	16.60	7.10	77.30	0.70	0.72	0.20	1.62
1997	54.20	18.00	7.10	79.30	0.70	0.90	0.20	1.80
1996	54.00	18.00	7.10	79.10	0.60	0.87	0.20	1.67
1995	54.10	18.20	7.10	79.40	0.78	0.76	0.20	1.74
1994	51.70	17.80	4.10	73.60	0.99	0.68	0.44	2.11
1993	51.80	17.80	4.10	73.70	0.87	0.71	0.44	2.02

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>
2002	\$825,188	\$2,233,488,910	119,394	0.04%	\$7
2001	1,173,594	2,233,614,043	124,340	0.05	9
2000	1,875,901	2,032,601,477	124,340	0.09	15
1999	0	2,028,762,476	124,340	0.00	0
1998	0	2,033,627,264	124,340	0.00	0
1997	660,596	1,885,785,965	121,240	0.04	5
1996	1,597,328	1,871,070,274	118,919	0.09	13
1995	1,352,037	1,888,780,923	118,919	0.07	11
1994	1,586,461	1,645,422,197	119,918	0.10	13
1993	2,843,314	1,642,261,277	119,581	0.17	24

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, 2002

Assessed Valuation (2002)	<u><u>\$2,233,488,910</u></u>
Debt Limit - 9% of Assessed Value (1)	\$201,014,002
Outstanding Debt:	
Tax Anticipation Notes	24,080,000
General Obligation Bonds	2,040,000
Energy Conservation Bonds	285,000
Less: Amount Available in Debt Service Fund	<u>(1,499,812)</u>
Total Outstanding Debt	24,905,188
Less Exemptions:	
Tax Anticipation Notes	24,080,000
Energy Conservation Bonds	<u>285,000</u>
Total Exemptions	24,365,000
Amount of Debt Applicable Debt Limit	<u>540,188</u>
<i>Overall Debt Margin</i>	<u><u>\$200,473,814</u></u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$2,233,489
Amount of Debt Applicable	<u>0</u>
<i>Unvoted Debt Margin</i>	<u><u>\$2,233,489</u></u>
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit - 1% of Assessed Valuation	\$22,334,889
Energy Conservation Bonds	<u>(285,000)</u>
<i>Additional Unvoted Debt Margin</i>	<u><u>\$22,049,889</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, 2001

<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>\$2,325,000</u>	100.00%	<u>\$2,325,000</u>
<u>Overlapping:</u>			
City of Parma	17,232,358	100.00	17,232,358
City of Parma Heights	3,815,000	100.00	3,815,000
City of Seven Hills	8,329,000	100.00	8,329,000
Cuyahoga County	216,544,636	7.81	16,912,136
Regional Transit Authority	<u>123,915,000</u>	7.81	<u>9,677,762</u>
Total Overlapping	<u>369,835,994</u>		<u>55,966,256</u>
Total	<u><u>\$372,160,994</u></u>		<u><u>\$58,291,256</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 2001 collection year.

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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2002	\$500,000	\$224,833	\$724,833	\$123,577,214	0.59%
2001	465,000	172,898	637,898	105,642,475	0.60
2000	465,000	194,485	659,485	96,571,184	0.68
1999	450,000	102,406	552,406	101,049,506	0.55
1998	440,000	114,401	554,401	100,437,678	0.55
1997	430,000	138,740	568,740	93,118,906	0.61
1996	420,000	162,336	582,336	90,358,205	0.64
1995	410,000	184,682	594,682	86,304,102	0.69
1994	405,000	205,628	610,628	86,816,632	0.70
1993	225,000	242,659	467,659	77,282,753	0.61

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>
2002	1,393,978	85,655	21,659	12,080	13,406	4.6%
2001	1,380,421	85,655	21,659	12,080	13,245	4.5
2000	1,386,096	85,655	N/A	N/A	13,497	4.5
1999	1,386,096	81,207	20,610	12,058	13,203	4.6
1998	1,397,694	83,347	20,624	12,276	12,737	4.4
1997	1,398,169	87,900	21,000	12,340	12,631	5.8
1996	1,403,217	85,006	20,865	12,256	12,531	5.2
1995	1,403,239	85,721	20,897	12,301	12,658	4.8
1994	1,414,141	86,471	21,107	12,340	12,760	5.8
1993	1,411,209	86,239	21,090	12,252	12,680	6.8

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 (000's) Banks (2)</u>
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 (3)
1996	4,805,271,429	644,200	27,068,211
1995	4,840,594,629	636,300	22,458,573
1994	4,163,084,543	625,700	20,885,453
1993	4,145,543,829	628,100	21,009,421
1992	4,140,744,171	636,000	19,379,203

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
- (3) Large increase in deposits due to Key Bank becoming a single charter

Parma City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2001

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Assessed Value</u>
General Motors Corporation	\$30,574,220	25.67%
MTD Products Incorporated	4,825,050	4.05
Ameritech Credit	2,708,880	2.27
Home Depot Incorporated	2,030,850	1.70
Kmart Corporation	1,909,010	1.60
Triad Metal Products	1,808,070	1.52
First National Supermarkets	1,663,830	1.40
May Department Stores Company	1,551,640	1.30
Marc Glassman Incorporated	1,540,800	1.29
Cleveland Twist Drill Company	<u>1,411,240</u>	<u>1.18</u>
Total	<u><u>\$50,023,590</u></u>	<u><u>41.98%</u></u>
Total Assessed Value	<u><u>\$119,158,280</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2002 collection year.

Parma City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
2002	\$107,398,741	13,406	\$8,011
2001	92,782,519	13,245	7,005
2000	84,471,924	13,497	6,259
1999	87,057,680	13,203	6,594
1998	86,587,392	12,737	6,798
1997	83,270,435	12,631	6,593
1996	81,329,638	12,531	6,490
1995	76,102,848	12,658	6,012
1994	77,849,771	12,760	6,101
1993	71,539,424	12,680	5,642

Source: School District Financial Records.

(1) 1997 - 2002 reported on a GAAP basis;
all other on cash basis

Parma City School District
Teacher Education and Experience
 June 30, 2002

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	158	16.36%
Bachelor + 12	72	7.45
Bachelor + 24	87	9.01
Bachelor + 36	75	7.76
Master's Degree	229	23.71
Master's + 12	117	12.10
Master's + 24	61	6.32
Master's + 36	57	5.90
Master's + 48	96	9.94
Doctorate's Degree	9	0.93
Doctorate + 12	<u>5</u>	<u>0.52</u>
Total	<u><u>966</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	252	26.09%
6 - 10	190	19.67
11 and Over	<u>524</u>	<u>54.24</u>
	<u><u>966</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

PARMA CITY SCHOOL DISTRICT

CUYHOGA 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
JANUARY 28, 2003**